



Century Legend (Holdings) Limited
世紀建業(集團)有限公司*

Stock Code: 00079



INTERIM REPORT 2013

SECTION A: CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. TSANG Chiu Mo Samuel
(*Executive Chairman*)

Mr. TSANG Chiu Ching
(*Deputy Chairman*)

Ms. TSANG Chiu Yuen Sylvia
Ms. CHU Ming Tak Evans Tania

Independent Non-executive Directors

Mr. HUI Yan Kit
Mr. WONG Tak Ming Gary
Mr. AU Chi Wai Edward

AUDIT COMMITTEE

Mr. WONG Tak Ming Gary (*Chairman*)
Mr. HUI Yan Kit
Mr. AU Chi Wai Edward

REMUNERATION COMMITTEE

Mr. HUI Yan Kit (*Chairman*)
Mr. WONG Tak Ming Gary
Mr. AU Chi Wai Edward

NOMINATION COMMITTEE

Mr. AU Chi Wai Edward (*Chairman*)
Mr. WONG Tak Ming Gary
Mr. HUI Yan Kit

COMPANY SECRETARY

Ms. SZE Tak On

LEGAL ADVISERS

Tso Au Yim & Yeung Solicitors

AUDITORS

BDO Limited

BANKERS

The Bank of East Asia, Limited
Hang Seng Bank Limited
Wing Hang Bank Limited

SHARE REGISTRARS

Principal Share Registrars
Butterfield Fulcrum Group
(Bermuda) Limited
26 Burnaby Street
Hamilton, HM 11
Bermuda

Hong Kong Branch Share Registrars and Transfer Office

Boardroom Share Registrars (HK) Limited
31st Floor, 148 Electric Road
North Point
Hong Kong

REGISTERED OFFICE

Clarendon House, 2 Church Street
Hamilton, HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 906, 9th Floor, AXA Centre
151 Gloucester Road
Wanchai
Hong Kong

COMPANY WEBSITE

<http://www.clh.com.hk>

STOCK CODE

00079

SECTION B: INTERIM RESULTS

The board of directors (the “Board”) of Century Legend (Holdings) Limited (the “Company”) is hereby to present the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2013. The unaudited consolidated results have been reviewed by the Audit Committee of the Company.

I. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2013

	<i>Notes</i>	Six months ended 30 June	
		2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Revenue		15,429	14,039
Cost of sales		<u>(4,263)</u>	<u>(4,335)</u>
Gross profit		11,166	9,704
Other income		824	914
Fair value (loss)/gain on financial assets at fair value through profit or loss		(634)	40
Administrative expenses		(12,858)	(12,641)
Finance costs		(562)	(648)
Fair value gain on investment properties		<u>13,600</u>	<u>15,830</u>
Profit before income tax	3	11,536	13,199
Income tax expense	4	<u>(564)</u>	<u>(156)</u>
Profit for the period		10,972	13,043
Other comprehensive income			
Item that may be subsequently reclassified to profit or loss			
Revaluation of available-for-sale financial assets		<u>(2,199)</u>	<u>210</u>
Other comprehensive income for the period		(2,199)	210
Total comprehensive income for the period		8,773	13,253

I. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)

For the six months ended 30 June 2013

	<i>Notes</i>	Six months ended 30 June	
		2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Profit for the period attributable to:			
Owners of the Company		10,607	12,736
Non-controlling interests		365	307
		<u>10,972</u>	<u>13,043</u>
Total comprehensive income for the period attributable to:			
Owners of the Company		8,408	12,946
Non-controlling interests		365	307
		<u>8,773</u>	<u>13,253</u>
Earnings per share attributable to the owners of the Company	<i>6</i>		
– Basic		<u>HK3.56 cents</u>	<u>HK4.28 cents</u>
– Diluted		<u>HK3.10 cents</u>	<u>HK3.73 cents</u>

The notes on pages 8 to 18 form part of this interim financial report.

II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

	<i>Notes</i>	As at 30 June 2013 (Unaudited) HK\$'000	As at 31 December 2012 (Audited) HK\$'000
ASSETS AND LIABILITIES			
NON-CURRENT ASSETS			
Property, plant and equipment	7	4,604	3,780
Investment properties	8	269,800	256,200
Prepayment for acquisition of property, plant and equipment		–	408
Prepaid land lease payments	9	4,008	4,067
Available-for-sale financial assets	10	17,630	19,625
Loans receivables	11	11,678	589
		<u>307,720</u>	<u>284,669</u>
CURRENT ASSETS			
Inventories		81	136
Prepaid land lease payments	9	123	123
Financial assets at fair value through profit or loss		3,977	4,657
Trade and other receivables and prepayments	12	20,619	19,219
Loans receivables	11	31,686	41,157
Trust bank balances held on behalf of customers		2,603	2,953
Cash and bank balances	13	76,783	86,730
		<u>135,872</u>	<u>154,975</u>
CURRENT LIABILITIES			
Trade payables	14	9,191	6,425
Other payables and accruals		5,490	11,181
Obligations under finance leases		121	121
Bank borrowings (secured)		49,164	51,275
		<u>63,966</u>	<u>69,002</u>
NET CURRENT ASSETS		<u><u>71,906</u></u>	<u><u>85,973</u></u>

II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 30 June 2013

		As at 30 June 2013 (Unaudited) HK\$'000	As at 31 December 2012 (Audited) HK\$'000
	<i>Notes</i>		
TOTAL ASSETS LESS CURRENT LIABILITIES		379,626	370,642
NON-CURRENT LIABILITIES			
Bank borrowings (secured)		4,997	5,290
Obligation under finance leases		272	332
Deferred tax liabilities		2,641	2,077
		<u>7,910</u>	<u>7,699</u>
NET ASSETS		371,716	362,943
EQUITY			
Share capital	15	59,534	59,534
Reserves		309,853	301,445
Equity attributable to the owners of the Company		369,387	360,979
Non-controlling interests		2,329	1,964
TOTAL EQUITY		371,716	362,943

The notes on pages 8 to 18 form part of this interim financial report.

III. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2013 (Unaudited)

	Equity attributable to the Owners of the Company								
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Available-for-sale financial assets revaluation reserve HK\$'000	Share option reserve HK\$'000	(Accumulated losses)/ Retained profits HK\$'000	Total HK\$'000	Non-Controlling interests HK\$'000	Total HK\$'000
At 1 January 2013	59,534	147,930	146,189	6,410	3,921	(3,005)	360,979	1,964	362,943
Profit for the period	-	-	-	-	-	10,607	10,607	365	10,972
Other comprehensive income									
Revaluation of available-for-sale financial assets	-	-	-	(2,199)	-	-	(2,199)	-	(2,199)
Total comprehensive income for the period	-	-	-	(2,199)	-	10,607	8,408	365	8,773
At 30 June 2013	59,534	147,930	146,189	4,211	3,921	7,602	369,387	2,329	371,716

For the six months ended 30 June 2012 (Unaudited)

	Equity attributable to the Owners of the Company								
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Available-for-sale financial assets revaluation reserve HK\$'000	Share option reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-Controlling interests HK\$'000	Total HK\$'000
At 1 January 2012	59,534	147,930	146,189	2,203	3,578	(23,012)	336,422	1,384	337,806
Change in accounting policy – Adoption of HKAS 12 amendment	-	-	-	-	-	8,798	8,798	-	8,798
At 1 January 2012, restated	59,534	147,930	146,189	2,203	3,578	(14,214)	345,220	1,384	346,604
Profit for the period	-	-	-	-	-	12,736	12,736	307	13,043
Other comprehensive income									
Revaluation of available-for-sale financial assets	-	-	-	210	-	-	210	-	210
Total comprehensive income for the period	-	-	-	210	-	12,736	12,946	307	13,253
At 30 June 2012	59,534	147,930	146,189	2,413	3,578	(1,478)	358,166	1,691	359,857

The notes on pages 8 to 18 form part of this interim financial report.

IV. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2013

	Six months ended 30 June	
	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Net cash used in operating activities	(6,572)	(8,022)
Net cash (used in)/generated from investing activities	(56,010)	202
Net cash used in financing activities	(3,026)	(2,515)
Net decrease in cash and cash equivalents	(65,608)	(10,335)
Cash and cash equivalents at 1 January	86,730	106,612
Cash and cash equivalents at 30 June	<u>21,122</u>	<u>96,277</u>
Analysis of the balances of cash and cash equivalents		
Cash and bank balances as stated in condensed consolidated statement of financial position	76,783	96,277
Less: short term deposits with maturity beyond three months but within one year	(55,661)	-
Cash and cash equivalents at 30 June	<u>21,122</u>	<u>96,277</u>

The notes on pages 8 to 18 form part of this interim financial report.

V. NOTES TO THE INTERIM FINANCIAL REPORT

For the six months ended 30 June 2013

1. Basis of preparation principal accounting policies

(a) *Basis of preparation*

This unaudited condensed consolidated interim financial statements has been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with Hong Kong Accounting Standard ("HKAS") 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The unaudited condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2012.

(b) *Principal accounting policies*

The unaudited condensed consolidated financial statements for the six months ended 30 June 2013 have been prepared on the historical cost basis except for investment properties and certain financial instruments that are measured at fair values.

The unaudited condensed consolidated interim financial statements has been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 December 2012, except as described below.

(c) *Adoption of new or revised standards*

In the current interim period, the Group has applied, for the first time, all of the new or revised Hong Kong Financial Reporting Standards ("HKFRS") issued by the HKICPA that are relevant for the preparation of the Group's unaudited condensed consolidated interim financial statements:

Amendments to HKAS 1 (Revised) Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 (Revised) require entities to present the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met separately from those that would never be reclassified to profit or loss. The Group's presentation of other comprehensive income in these financial statements has been modified accordingly.

1. Basis of preparation principal accounting policies (Continued)

(c) Adoption of new or revised standards (Continued)

HKFRS 13 Fair Value Measurement

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance. HKFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. The Group has included the relevant disclosures in note 18. The adoption of HKFRS 13 does not have any material impact on the fair value measurements of the Group's assets and liabilities.

(d) *New or revised standards that are not yet effective and have not been early adopted by the Group*

The new standards and amendments to standards, potentially relevant to the Group's financial statements, have been issued, but not yet effective for the financial year beginning on 1 January 2013 and have not been early adopted by the Group. The Group is in the process of making an assessment of the potential impact of these new or revised standards.

2. Segment information

The Group has identified its operating segments and prepared segment information based on the regular internal financial information reported to the Group's executive directors for their decisions about resources allocation to the Group's business components and review of these components' performance. The business components in the internal reporting to the executive directors, the chief operating decision-makers, are determined following the Group's major product and service lines. The Group is currently organised into the following four operating segments.

Health and beauty services	–	Provision of health and beauty services in Hong Kong
Money lending	–	Provision of commercial and personal loans in Hong Kong
Stock broking	–	Provision of stock broking services in Hong Kong
Property investments	–	Investing in commercial and residential properties for its rental income potential and for capital appreciation in both Macau and Hong Kong

2. Segment information (Continued)

Segment revenues and results

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

	Segment revenue		Segment profit	
	Six months ended 30 June			
	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Health and beauty services	7,311	7,344	925	826
Money lending	884	905	655	738
Stock broking	1,880	1,917	437	473
Property investments	5,354	3,873	12,874	14,086
	15,429	14,039	14,891	16,123
Unallocated other income			664	840
Fair value (loss)/gain on financial assets at fair value through profit or loss			(634)	40
Corporate staff costs			(1,774)	(1,806)
Other corporate and unallocated expenses			(1,611)	(1,998)
Profit before income tax			11,536	13,199

Revenue reported above represented revenue generated from external customers.

Segment profit represents the profit earned by each segment without allocation of central administration costs, other income, fair value (loss)/gain on financial assets at fair value through profit or loss and corporate staff costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

2. Segment information (Continued)

Segment assets and liabilities

	As at 30 June 2013 (Unaudited) HK\$'000	As at 31 December 2012 (Audited) HK\$'000
Segment assets		
Health and beauty services	2,531	2,106
Money lending	43,845	41,981
Stock broking	28,872	25,716
Property investments	294,651	281,394
Total segment assets	369,899	351,197
Available-for-sale financial assets	17,630	19,625
Financial assets at fair value through profit or loss	3,977	4,657
Other corporate and unallocated assets	52,086	64,165
Consolidated total assets	443,592	439,644
Segment liabilities		
Health and beauty services	1,193	1,346
Money lending	50	82
Stock broking	9,251	6,565
Property investments	58,215	65,510
Total segment liabilities	68,709	73,503
Deferred tax liabilities	2,641	2,077
Other corporate and unallocated liabilities	526	1,121
Consolidated total liabilities	71,876	76,701

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

- all assets are allocated to reportable segments other than available-for-sale financial assets, financial assets at fair value through profit or loss and corporate assets; and
- all liabilities are allocated to reportable segments other than deferred tax liabilities and corporate liabilities.

2. Segment information (Continued)

Other segment information

	Interest income		Fair value gain on investment properties		Finance costs		Addition to specified non-current assets		Depreciation and amortisation	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	(Unaudited) HK\$'000	(unaudited) HK\$'000	(Unaudited) HK\$'000	(unaudited) HK\$'000	(Unaudited) HK\$'000	(unaudited) HK\$'000	(Unaudited) HK\$'000	(unaudited) HK\$'000	(Unaudited) HK\$'000	(unaudited) HK\$'000
Health and beauty services	-	-	-	-	-	-	205	1	74	63
Money lending	884	905	-	-	-	-	-	-	-	-
Stock broking	422	268	-	-	-	-	49	-	25	29
Property investments	148	-	13,600	15,830	562	647	6	686	333	355
	1,454	1,173	13,600	15,830	562	647	260	687	432	447
Unallocated	469	665	-	-	-	1	1,105	2	153	8
Total	1,923	1,838	13,600	15,830	562	648	1,365	689	585	455

Geographical information

The geographical location of the specified non-current assets (i.e. non-current assets excluding financial assets) is based on the physical location of the asset. The geographical location of customers is based on the location at which the services were provided or the goods delivered.

The following is an analysis of the carrying amount of specified non-current assets and revenue from external customers, analysed by the geographical location.

	Specified non-current assets		Revenue from external customers	
	As at 30 June 2013 (Unaudited) HK\$'000	As at 31 December 2012 (Audited) HK\$'000	Six months ended 30 June 2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Hong Kong (domicile)	219,430	209,970	14,187	12,946
Macau	58,982	54,485	1,242	1,093
	278,412	264,455	15,429	14,039

3. Profit before income tax

Profit before income tax is arrived at after charging/(crediting) the following:

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
(a) Finance costs		
Interest on borrowings	555	636
Other finance costs	7	12
	<u>562</u>	<u>648</u>
Total finance costs recognized in profit or loss		
(b) Other items		
Fair value loss/(gain) on financial assets at fair value through profit or loss	634	(40)
Depreciation and amortisation	585	455
	<u>585</u>	<u>455</u>

4. Income tax expense

No provision for Hong Kong profits tax has been made as the Group did not derive any assessable profit for the six months ended 30 June 2013 and 2012.

The Group has available tax losses as at 31 December 2012 for offsetting against future profits. No deferred tax assets have been recognised as the directors consider that it is uncertain that they will crystallize in the foreseeable future.

5. Dividends

The Board has resolved not to declare the payment of an interim dividend for the six months ended 30 June 2013 (six months ended 30 June 2012: Nil).

6. Earnings per share attributable to the owners of the Company

The calculation of basic earnings per share attributable to the owners of the Company for the period is based on the profit attributable to the Company's owner of HK\$10,607,000 (six months ended 30 June 2012: HK\$12,736,000) and the weighted average of 297,669,597 (six months ended 30 June 2012: 297,669,597) shares in issue during the six-month period.

The calculation of diluted earnings per share is based on the profit attributable to the equity shareholders of HK\$10,607,000 (six months ended 30 June 2012: HK\$12,736,000) and the weighted average number of 342,212,354 (six months ended 30 June 2012: 341,467,063) ordinary shares after adjusting for the effects of all dilutive potential ordinary shares under the Company's share option scheme.

7. Property, plant and equipment

(a) Acquisitions of property, plant and equipment

During the six months ended 30 June 2013, the Group acquired items of plant and machinery with a cost of HK\$1,365,000 (six months ended 30 June 2012: HK\$689,000).

(b) Write-off of property, plant and equipment

Property, plant and equipment with a net book value of HK\$15,000 were written off during the six months ended 30 June 2013 (six months ended 30 June 2012: Nil).

8. Investment properties

There is no acquisition of investment property for the six months ended 30 June 2013. (six months ended 30 June 2012: Nil).

9. Prepaid land lease payments

There is no acquisition of prepaid land lease payment for the six months ended 30 June 2013. (six months ended 30 June 2012: Nil).

10. Available-for-sale financial assets

	30 June 2013 (Unaudited) HK\$'000	31 December 2012 (Audited) HK\$'000
Listed equity investments in Hong Kong, at fair value	<u>17,630</u>	<u>19,625</u>

11. Loan receivables

	30 June 2013 (Unaudited) HK\$'000	31 December 2012 (Audited) HK\$'000
Gross loan receivables – unsecured (<i>Note</i>)	45,064	43,446
Less: Provision for impairment	<u>(1,700)</u>	<u>(1,700)</u>
Net carrying amounts	43,364	41,746
Less: Amounts due within one year	<u>(31,686)</u>	<u>(41,157)</u>
Amounts due after one year	<u>11,678</u>	<u>589</u>

11. Loan receivables (Continued)*Note:*

The repayment terms of loans receivable are negotiated on an individual basis. The maturity profile of loans receivables, which is analysed by the remaining periods to their contractual maturity dates, is as follows:

	30 June 2013 (Unaudited) HK\$'000	31 December 2012 (Audited) HK\$'000
On demand	5	5
Three months or less	43	30,055
Over three months but below one year	31,638	11,097
In one to two years	11,193	131
Over two years	485	458
	43,364	41,746

12. Trade and other receivables and prepayments

	30 June 2013 (Unaudited) HK\$'000	31 December 2012 (Audited) HK\$'000
Trade receivables (<i>Note</i>)	18,623	16,265
Less: provision for impairment	(281)	(281)
Trade receivables, net	18,342	15,984
Other receivables and deposits	2,277	3,235
	20,619	19,219

Note:

The Group's trade receivables as at 30 June 2013 mainly represented the receivable balances in respect of the Group's stock broking business. The Group allows a credit period up to the settlement dates of their respective transactions (normally two business days after the respective trade dates) except for margin client receivables which are repayable on demand.

12. Trade and other receivables and prepayments (Continued)

The majority of the Group's revenue is on cash basis. The remaining balances of revenue are on credit terms of thirty-sixty days. At 30 June 2013, the ageing analysis of the trade receivables, net of provision for impairment, is as follows:

	30 June 2013 (Unaudited) HK\$'000	31 December 2012 (Audited) HK\$'000
Repayable on demand – margin receivables	6,769	10,101
0-30 days	10,860	5,418
31-60 days	452	245
61-90 days	82	–
Over 90 days	179	220
	18,342	15,984

13. Cash and bank balances

	30 June 2013 (Unaudited) HK\$'000	31 December 2012 (Audited) HK\$'000
Cash at banks and in hand	17,100	27,517
Short-term bank deposits	59,683	59,213
Cash and cash equivalents	76,783	86,730

14. Trade Payables

As at 30 June 2013, the ageing analysis (based on invoice date) of the Group's trade payables is as follows:

	30 June 2013 (Unaudited) HK\$'000	31 December 2012 (Audited) HK\$'000
Repayable on demand – Trust bank balances for funds placed by customers	2,595	2,896
0-30 days	6,553	3,485
31-60 days	43	44
	9,191	6,425

15. Share capital

	Number of shares 30 June 2013 (Unaudited) And 31 December 2012 (Audited) '000	Share Capital 30 June 2013 (Unaudited) And 31 December 2012 (Audited) HK\$'000
Authorised:		
Ordinary shares of HK\$0.2 each	2,000,000	400,000
Issued and fully paid:		
Ordinary shares of HK\$0.2 each	297,670	59,534

16. Operating lease commitments

At 30 June 2013, the total future aggregate minimum lease payments under non-cancellable operating leases falling due as follows:

	Buildings		Motor vehicles	
	30 June 2013 (Unaudited) HK\$'000	31 December 2012 (Audited) HK\$'000	30 June 2013 (Unaudited) HK\$'000	31 December 2012 (Audited) HK\$'000
Within one year	3,414	3,391	303	–
In the second to fifth years (inclusive)	5,721	7,428	–	–
	9,135	10,819	303	–

The Group leases certain of its office premises and motor vehicles under operating leases. The leases run for an initial period of one to three years, with options to renew the lease terms at the expiry dates or at dates as mutually agreed between the Group and the respective landlords/lessors. None of the leases include contingent rentals.

17. Related party transactions

In addition to the transactions and balances disclosed elsewhere in the interim financial report, the Group had the following significant transactions with related parties:

Compensation of key management personnel

Included in staff costs are key management personnel compensation and comprises the following categories:

	30 June 2013 (Unaudited) HK\$'000	30 June 2012 (Unaudited) HK\$'000
Short term employee benefits	5,201	4,469
Post-employment benefits	113	111
	5,314	4,580

18. Fair value measurements

The following table presents financial assets measured at fair value in the statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial asset is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

The financial assets measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

	Group			Total HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	
As 30 June 2013				
Financial assets				
at fair value through profit or loss	3,977	-	-	3,977
Available-for-sale financial assets	<u>17,630</u>	<u>-</u>	<u>-</u>	<u>17,630</u>
Net fair values	<u>21,607</u>	<u>-</u>	<u>-</u>	<u>21,607</u>

	Group			Total HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	
As 31 December 2012				
Financial assets				
at fair value through profit or loss	4,657	-	-	4,657
Available-for-sale financial assets	<u>19,625</u>	<u>-</u>	<u>-</u>	<u>19,625</u>
Net fair values	<u>24,282</u>	<u>-</u>	<u>-</u>	<u>24,282</u>

There have been no transfers between level 1 and level 2 in the reporting period.

SECTION C: BUSINESS REVIEW AND PROSPECTS

I. Overall Performance

With the uptick in economic growth in the fourth quarter of 2012 carried over into 2013, Hong Kong GDP growth in the first quarter this year was 2.8% and the economy is expected to expand by 3.3% this year. However the recent slowing growth in Mainland China and the weaker than expected growth of the US economy indicate that recovery is still underway. Should the productivity and growth in these major economies further deteriorate, both the Macau and Hong Kong economies where the Group's core businesses are located would come under pressure and growth might falter.

For the six months ended 30 June 2013, the Group recorded a turnover of HK\$15,429,000, representing a 9.9% increase from the corresponding period of last year (1H2012: HK\$14,039,000). Gross profit for the period under review was HK\$11,166,000, representing a 15.1% increase from the corresponding period of last year (1H2012: HK\$9,704,000).

The Group delivered a net profit of HK\$10,972,000 compared to a net profit of HK\$13,043,000 from the corresponding period of last year. The decrease in net profit was mainly attributed to decrease in gain from revaluation of investment properties of HK\$2,230,000. Before the gain from revaluation and its related income tax expenses the Group incurred loss of HK\$2,064,000 verses HK\$2,631,000 the same period last year.

II. Property Investment Business

The recent round of tightening government measures to regulate the property market, introduced in the first quarter of the year have successfully curbed demand, especially from speculators and short term investors seeking only capital appreciation. These various measures, in particular, the Double Stamp Duty (DSD) have impacted the Group as an investor with cash and is willing to deploy our capital on the right opportunity. The Group's existing properties portfolio comprises of office, retail and residential properties in both Macau and Hong Kong. On the commercial property front, with factors like increased transaction costs as well as few prospects of price appreciation and low yields combined with a slightly softening leasing market, is discouraging the commercial property market. On the residential property front, the Hong Kong market experienced its worst three months sales activity in more than a decade during the second quarter of 2013. Transactions dropped 30% quarter on quarter from implementation of the DSD and also with the Residential Properties (First-hand Sales) Ordinance coming in effect in April, it delayed the launch of new projects as developers worked to meet new stated requirements on sales brochures and price lists. During the reviewing period, the Group made no purchase or sale of investment properties as the overall property market was sluggish while property prices remained high.

II. Property Investment Business (Continued)

During the first half of 2013, our properties portfolio in Macau and Hong Kong contributed desirable rental income of HK\$5,354,000 (1H2012: HK\$3,873,000) to the Group while fair value of our investment properties increased HK\$13,600,000, 93.4% of which was derived from the commercial properties as of 30 June 2013. These properties are anticipated to provide steady but slower capital appreciation in the latter half year and remain to serve as a stable income base to the Group.

III. Health and Beauty Business

Health and beauty business continues to be a stable contributor to the revenue of the Group. For the first half of 2013, the Health and Beauty business segment reported a turnover of HK\$7,311,000 representing a 0.4% decrease when compared to the corresponding period last year. Segment net profit for the period is HK\$925,000 representing 12% increase when compared to that of the same period in 2012.

Savings on the rental expenses from rent free period upon tenancy renewal is major cause for the increase in segment net profit. To keep our competitive edge, management team will further step up its effort in enhancing operational efficiency and cost structure as exploring new service and marketing strategies.

During the period under review, the Group is pleased to announce that in addition to caring company award, our premium hair salon, Headquarters, has obtained “ERB Manpower Developer – SME Award” from the Employees Retraining Board in recognition of our strenuous effort and commitment in conducting our staff training program.

IV. Other Business Segments

During the first half of 2013, the stock broking business segment recorded a turnover and segment profit of HK\$1,880,000 and HK\$437,000, which had decreased 1.9% and 7.6% respectively over the same period last year. Overall market transaction volume had shrunk substantially with great volatility in the equity market as the Hang Sang Index dropped by more than 13% its highest level during the second quarter from mid May to June. As a small sized stock brokerage company, we faced a great challenge in the midst of income dropping from reduced transaction volume and keen competition from banks which have greater financial resources while operation costs also rising due to inflation. In the remaining year, the management will dedicate to tighten the credit control with clients to avoid bad debts and adopt stringent cost control measures to improve the business performance.

IV. Other Business Segments (Continued)

Money lending business contributed a turnover of HK\$884,000 during the first six months of 2013, decreased 2.3% compared to the same period last year. The segment recorded a profit of HK\$655,000, compared to a profit of HK\$738,000 the same period last year. This increased our return on surplus cash in the low interest environment.

V. Prospects

In the first half of 2013, both the Hong Kong and Macau governments continued to implement measures in curbing the property market, and the various transaction duties that imposed had led to the increase in property transaction costs. At the same time, both governments also required banks to further tighten the credit facilities in the property market and investors were required to invest more capital to meet the bank facilities crunch. Under the conditions of increasing transaction costs and higher capital spending, the sentiment of property investors and buyers to enter into the market was relatively low, and the transaction volume of the overall property market was shrunk substantially. However, on the other hand, given the sound overall fundamentals in the property market, property owners were basically cautious and took a wait-and-see attitude, i.e. they are not in a rush to sell and also not willing to adjust their selling prices. Hence, the property prices did not go down noticeably as a result of the implementation of such measures, and remained at a relatively high level. In view of such factors, the Group was unable to identify suitable investment opportunities in the property market. Looking forward into the second half year, the property market trading situation is still not optimistic. We believe both the Hong Kong and Macau governments will not withdraw their curbing measures on property market in the short run, therefore the situation of a shrinking property transaction volume with prices not going down will persist. Although identifying investment opportunities in property market has certain difficulties, the Group will retain its healthy and prudence attitude, actively paying attention to different investment opportunities in the property market, identifying quality properties, and thereby optimizing the property investment portfolios of the Group.

In 2013, another major mission of the Group is to review its financial position and financing arrangements. After the reiterate studies and negotiations with various financial institutes for several months, the Group had reached an agreement with a bank recently to effect a new financing arrangement for a major property of the Group. Under the new financing arrangement, the Group will be equipped with more sufficient funds to prepare for its future business development.

V. Prospects (Continued)

For the business of Headquarters, the tenancy of its existing location expired earlier, and a renewal arrangement had been concluded with the owner. To cope with the impact of the increase in rent under the new tenancy, as well as the increase in minimum wage to HK\$30 per hour from 1 May onwards, Headquarters made corresponding price adjustments in June for the various services and products it provides, and not too much negative feedback was received from clients regarding such adjustments. In the coming months, we will further review various routine operational expenses and strictly control our costs, hopefully we can minimize the impact of cost increases on the business profitability.

The Group will operate our other businesses in line with the planning and budget set by the management at the beginning of the year. Based on the business performance in the first half year, we are fully confident that all targets set at the beginning of the year can be achieved as scheduled by the end of this year. Nevertheless, the management will cautiously review our businesses performance at regular intervals and make necessary strategic adjustments as and when it is appropriate.

SECTION D: FINANCIAL REVIEW

I. Liquidity and Financial Resources

As at 30 June 2013, the Group had a cash and bank balances of HK\$76,783,000 and net current assets of HK\$71,906,000. The current ratio (calculated as the current assets to the current liabilities) of the Group as at 30 June 2013 was approximately 2.12 (31 December 2012: 2.25). The Group maintained a strong working capital position during the reviewing period.

The sales and purchase of the Group are mainly denominated in Hong Kong dollars. The Directors consider that the Group's exposure to fluctuations in exchange rates was minimal.

During the period under review, the Group's certain investment properties were pledged to banks to secure the bank borrowing of approximately HK\$54,161,000, which is denominated in Hong Kong dollars and bearing interest at floating rate. Neither the Company nor the Group had any significant contingent liabilities as at 30 June 2013 (31 December 2012: Nil). The Group had no significant capital commitments as at 30 June 2013 (31 December 2012: HK\$591,000).

II. Capital Structure of the Group

During the period under review, the Group had total equity HK\$371,716,000, HK\$393,000 fixed rate liability, HK\$54,161,000 floating rate liability and HK\$17,322,000 interest-free liabilities, representing 0.1%, 14.6% and 4.7% of the Group's total equity respectively. The gearing ratio (calculated as the total long term loan to the total shareholders' equity) of the Group as at 30 June 2013 was approximately 1.42% (31 December 2012: 1.55%).

III. Interim Dividend

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2013.

SECTION E: EMPLOYEE AND REMUNERATION POLICY

For the period ended, the Group employed approximately a total of 40 employees (30 June 2012: 44) with staff costs excluding directors' emoluments amounted to HK\$4,222,000 (30 June 2012: HK\$4,062,000).

The Group's emoluments policies are formulated on the performance of individuals and are competitive to the market. Employee remuneration is reviewed and determined by management annually based on both employees' individual and Group's overall performance.

SECTION F: CORPORATE GOVERNANCE

I. Directors' and Chief Executives' Interests and Short Positions in the Shares, underlying Shares and Debentures of the Company or any of its Associated Corporation

As at 30 June 2013, the interests and short positions of each of the Directors and Chief Executives in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which (i) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited ("the Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) were recorded in the register required to be kept under Section 352 of the SFO, or (iii) have to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange ("the Listing Rules") were as follows:

(i) Interests in shares and underlying shares of the Company

Long position in shares

Name of Director	Nature of interest	Name of company in which ordinary shares/ securities are held	Number of ordinary shares/ securities held	Approximate percentage of total shareholding
Mr. TSANG Chiu Ching	Beneficial interest	The Company	749,250	0.25%
	Interest of controlled corporate	The Company	40,794,195 <i>(Note 1 and 3)</i>	13.70%
	Interest of controlled corporate	The Company	88,275,577 <i>(Note 2 & 3)</i>	29.66%
Mr. TSANG Chiu Mo Samuel	Interest of controlled corporate	The Company	40,794,195 <i>(Note 1 & 3)</i>	13.70%
	Interest of controlled corporate	The Company	88,275,577 <i>(Note 2 & 3)</i>	29.66%
Ms. TSANG Chiu Yuen Sylvia	Interest of controlled corporate	The Company	40,794,195 <i>(Note 1 & 3)</i>	13.70%
	Interest of controlled corporate	The Company	88,275,577 <i>(Note 2 & 3)</i>	29.66%

Notes

1. These shares were beneficially owned by Barsmark Investments Limited.
2. These shares were beneficially owned by ST (79) Investment Limited.
3. The issued share capital of Barsmark Investments Limited and ST (79) Investment Limited are both wholly and beneficially owned by ST Investments Holding Limited ("ST Investments"), the issued share capital of which is beneficially owned to one-third by each of Fortune Ocean Limited (a company wholly and beneficially owned by Mr. TSANG Chiu Ching), Conba Investments Limited (a company wholly and beneficially owned by Mr. TSANG Chiu Mo Samuel) and Ssky Investments Limited (a company wholly and beneficially owned by Ms. TSANG Chiu Yuen Sylvia). Mr. TSANG Chiu Ching, Mr. TSANG Chiu Mo Samuel and Ms. TSANG Chiu Yuen Sylvia are directors of Barsmark Investments Limited, ST (79) Investment Limited and ST Investments. Mr. TSANG Chiu Ching is a director of Fortune Ocean Limited. Mr. TSANG Chiu Mo Samuel is a director of Conba Investments Limited. Ms. TSANG Chiu Yuen Sylvia is a director of Ssky Investments Limited.

Save as disclosed above, none of the Directors and Chief Executives (including their spouse and children under 18 years of age) of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

(ii) Interests in the Share options of the Company

Name of Director/ chief executive	Date of grant of share options	Exercisable period	Exercise price per Share HK\$	Number of options outstanding	Approximate percentage of shareholding in the Company
Ms. Chu Ming Tak Evans Tania	22 May 2009	22 May 2009 to 21 May 2019	0.31	8,930,087	3.00%
Ms. Sze Tak On	22 May 2009	22 May 2009 to 21 May 2019	0.31	7,441,739	2.50%
Ms. Tsang Chiu Yuen Sylvia	21 April 2011	21 April 2011 to 20 April 2021	0.395	2,970,000	1.00%
	13 September 2012	13 September 2012 to 12 September 2022	0.245	2,970,000	1.00%

II. Substantial Shareholders' Interests and Short Positions in the Shares, underlying Shares and Debentures of the Company or any of its Associated Corporation

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 30 June 2013, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors and Chief Executives.

Long position in shares

<u>Name of shareholder</u>	<u>Nature of interest</u>	<u>Number of shares held</u>	<u>Approximate Percentage of total shareholding</u>
Barsmark Investments Limited <i>(Note 1)</i>	Beneficial interest	40,794,195	13.70%
ST (79) Investment Limited <i>(Note 1)</i>	Beneficial interest	88,275,577	29.66%
ST Investments Holding Limited <i>(Note 1)</i>	Interest of controlled corporation	129,069,772 <i>(Note 2)</i>	43.36%
Conba Investments Ltd. <i>(Note 1)</i>	Interest of controlled corporation	129,069,772 <i>(Note 2)</i>	43.36%
Ssky Investments Limited <i>(Note 1)</i>	Interest of controlled corporation	129,069,772 <i>(Note 2)</i>	43.36%
Fortune Ocean Limited <i>(Note 1)</i>	Interest of controlled corporation	129,069,772 <i>(Note 2)</i>	43.36%
Szeto Investments Holdings (Amusement) Limited <i>(Note 3)</i>	Beneficial interest	29,531,250	9.92%
Szeto Investments Holdings Ltd. <i>(Note 3)</i>	Interest of controlled corporation	29,531,250	9.92%
Szeto International Holdings Ltd. <i>(Note 3)</i>	Interest of controlled corporation	29,531,250	9.92%
Ms. SZETO Yuk Lin <i>(Note 3)</i>	Interest of controlled corporation	29,531,250	9.92%

Note:

1. Barsmark Investments Limited and ST (79) Investment Limited are both wholly and beneficially owned by ST Investments Holding Limited, the issued share capital of which is beneficially owned as to one-third by each of (i) Conba Investments Ltd. (a company wholly and beneficially owned by Mr. TSANG Chiu Mo Samuel); (ii) Fortune Ocean Limited (a company wholly and beneficially owned by Mr. TSANG Chiu Ching); and (iii) Ssky Investments Limited (a company wholly and beneficially owned by Ms. TSANG Chiu Yuen Sylvia).
2. These shares represent the aggregate number of shares beneficially owned by Barsmark Investments Limited and ST (79) Investment Limited.
3. Szeto Investments Holdings (Amusement) Limited is wholly-owned by Szeto Investments Holdings Ltd., the issued share capital of which is wholly-owned by Szeto International Holdings Ltd. Ms. SZETO Yuk Lin is wholly and beneficially interested in the entire issued share capital of Szeto International Holdings Ltd.

Save as disclosed above, no other person other than the Directors or Chief Executives of the Company had interests or short positions in the Shares or underlying shares as recorded in the register required to be kept by the Company under Section 336 of the SFO.

III. Update on Directors' Information under Rule 13.51B(1) of the Listing Rules

On 8 August 2013, Mr. Wong Tak Ming Gary was also appointed as independent non-executive director of Emperor International Holdings Limited (stock code: 163), a company listed on the main board of the Stock Exchange of Hong Kong.

Apart from the above, there has been no change to the information of the Directors since the date of the issuance of the annual report of the Company for the year ended 31 December 2012, which is required to be disclosed in this interim report pursuant to Rule 13.51B(1) of the Listing Rules.

IV. Purchase, Sales or Redemption of Listed Securities

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

V. Compliance with the Code of Best Practice of the Listing rules

The Company has complied with the Code on Corporate Governance Practices in Appendix 14 to the Listing Rules (the "Code") during the period under review, save for the deviations set out below.

Code A.2.1

As at 30 June 2013, Mr. TSANG Chiu Mo Samuel is the Executive Chairman of the Company and no Chief Executive Officer has been appointed. The responsibilities of Chief Executive Officer have been carried out by Mr. TSANG Chiu Mo Samuel. The Board believes that it is in the best interest of the Company and the shareholders as a whole for Mr. TSANG Chiu Mo Samuel, who is knowledgeable in the business of the Group and possesses the essential leadership skills to guide discussions of the Board in an effective manner, to continue to carry out the responsibilities of Chief Executive Officer, which ensures on the effectiveness and efficiency of the decision making process of the Board.

VI. Audit Committee

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited condensed financial statements for the six months ended 30 June 2013 with the directors.

VII. Model Code for Securities Transactions by Directors

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all Directors have confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2013.

By Order of the Board
CHU MING TAK EVANS TANIA
Executive Director

Hong Kong, 21 August 2013