



INCUTECH INVESTMENTS LIMITED

(Incorporated in the Cayman Islands with limited liability)
Stock code: 356

2014 INTERIM REPORT



CORPORATE INFORMATION

Board of Directors

Executive Directors

- Mr. Leung King Yue, Alex
(Appointed on 7 July 2014)
- Mr. Leong Chi Wai
(Appointed on 7 July 2014)
- Mr. Lewis Chan
(Appointed on 7 July 2014)
- Mr. Tung Tat Wah (*Chairman*)
(Resigned on 29 July 2014)
- Mr. Michael Wu Chun Wah
(Resigned on 29 July 2014)

Non-executive Directors

- Ms. Chan Pui Kwan
(Appointed on 7 July 2014)
- Mr. Ma Chun Fai
(Appointed on 7 July 2014)

Independent non-executive Directors

- Mr. Kwok Ming Fai, Allan
- Mr. Lo Chi Ming, Erik
(Appointed on 7 July 2014)
- Mr. Jochum Siebren Haakma
(Appointed on 7 July 2014)

Audit Committee

- Mr. Kwok Ming Fai, Allan
(*Chairman of the Committee*)
- Mr. Lo Chi Ming, Erik
(Appointed as member on 29 July 2014)
- Mr. Jochum Siebren Haakma
(Appointed as member on 29 July 2014)

Remuneration Committee

- Mr. Leung King Yue, Alex
(Appointed as chairman and member on 29 July 2014)
- Mr. Kwok Ming Fai, Allan
(Appointed as member on 29 July 2014)
- Mr. Lo Chi Ming, Erik
(Appointed as member on 29 July 2014)
- Mr. Jochum Siebren Haakma
(Appointed as member on 29 July 2014)

Nomination Committee

- Mr. Lo Chi Ming, Erik
(Appointed as chairman and member on 29 July 2014)
- Mr. Leung King Yue, Alex
(Appointed as member on 29 July 2014)
- Mr. Kwok Ming Fai, Allan
(Appointed as member on 29 July 2014)
- Mr. Jochum Siebren Haakma
(Appointed as member on 29 July 2014)

Auditor

W. H. Tang & Partners CPA Limited

Banker

Wing Hang Bank, Limited
161 Queen's Road Central
Hong Kong

CORPORATE INFORMATION

Company Secretary

Ms. Chiu Fung Chi, Does
(Appointed on 29 July 2014)
Ms. Yuen Shuk Yee
(Resigned on 29 July 2014)

Authorized Representatives

Mr. Ma Chun Fai
(Appointed on 29 July 2014)
Ms. Chiu Fung Chi, Does
(Appointed on 29 July 2014)
Mr. Michael Wu Chun Wah
(Resigned on 29 July 2014)
Ms. Yuen Shuk Yee
(Resigned on 29 July 2014)

Registered Office

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

Head Office and Principal Place of Business

Room 2608, 26/F., CC Wu Building
302-308, Hennessy Road
Wanchai
Hong Kong

Principal Registrar

Royal Bank of Canada Trust Company
(Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road
George Town
Grand Cayman KY1-1110
Cayman Islands

Hong Kong Branch Share Registrar

Tricor Secretaries Limited
Level 22
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Stock Code

356

Interim Report

The Board of Directors (the "Board") of Incutech Investments Limited (the "Company") is pleased to present the interim report contains unaudited condensed consolidated financial statements ("Interim Report") of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2014. The Interim Report had been reviewed by the audit committee of the Company and approved by the Board.

Review of Results

For the six months ended 30 June 2014, the Group recorded a net loss attributable to shareholders of the Company amounted to HK\$3,358,629 (2013: HK\$2,468,916) and loss per share of HK0.23 cents (2013: HK3.43 cents).

Interim Dividend

The Board of Directors has resolved not to pay any interim dividend for the period ended 30 June 2014 (2013: Nil).

Business Review and Outlook

During the period under review, the Group was still preparing and applying for the resumption of trading of share (the "Resumption") on The Stock Exchange of Hong Kong Limited ("HKEX") and under the process of preparing for the completion of the transactions contemplated under the sale and purchase agreement dated 30 April 2013 (as supplemented) (the "Sale and Purchase Agreement") and entered into between Biggish Management Limited as vendor, and Sharp Years Limited and Hugo Lucky Limited as purchasers (collectively, the "Offerors") for 15,000,000 issued shares in the capital of the Company, representing approximately 20.83% of the then issued share capital during the period under review, and the completion of the transactions contemplated under the subscription agreement dated 30 April 2013 (as supplemented) (the "Subscription Agreement") and entered into between the Company as issuer and the Offerors as subscribers for an aggregate of 1,400,000,000 new shares in the capital of the Company. The completion of the above transaction took place on 30 June 2014 and the Offerors acquired an aggregate of approximately 96.13% of the enlarged issued share capital of the Company as at 30 June 2014.

Business Review

The Group reported a net loss from operation of HK\$3,358,629 as at 30 June 2014 as compared with a loss from operation of HK\$2,468,916 in 2013, and an increase in loss from operation of approximately 36% when compared to the corresponding period in 2013. It was mainly due to an increase in corporate, administrative and printing expenses since the Company was processing a series of transactions under the revised resumption proposal. During the period under review, the Company had not made any new investment. The Group investment portfolio comprised mainly securities listed in Hong Kong. As at 30 June 2014, the Group held listed securities investments at market value of HK\$5,315,364 (2013: HK\$5,259,436).

On 25 March 2014, the Stock Exchange informed the Company that it has decided to allow the Company to resume trading in the Shares, subject to completion of the Subscription, the Offer, the Open Offer, and all other transactions contemplated in the Revised Resumption Proposal.

For the events subsequent to the period under review, reference is also made to (i) the joint announcement made by the Company and the Offerors dated 6 May 2013 in relation to the entering into of the conditional Sales and Purchase Agreement and the Subscription Agreement and transactions contemplated thereunder, which would result in the possible Offer to be made by the Offerors; (ii) the announcement of the Company dated 11 July 2013, 31 July 2013, and 27 March 2014 in relation to the status of Resumption; and (iii) the joint announcement made by the Company and the Offerors dated 28 May 2014 in relation to, among others, the Supplemental Subscription Agreement, the proposed Open Offer, ratification of previous continuing connected transaction, approval of new continuing connected transaction and change in board lot size.

On 30 June 2014, Completion of the Sale and Purchase Agreement and Subscription Agreement took place and the number of issued shares of the Company increased to 1,472,000,000 shares.

Following the completion of Sales and Purchase Agreement and Subscription Agreement, the Offerors and parties acting in concert with them hold 1,415,000,000 shares, representing approximately 96.13% of the entire issued share capital of the Company as enlarged by the Subscription. In accordance with Rule 26.1 of the Hong Kong Code on Takeover and Mergers, the Offerors made the mandatory unconditional cash offer, which was completed on 28 July 2014.

Following the completion of mandatory unconditional cash offer, the Company carried out the open offer. Based on the 57,000,000 Shares held by public Shareholders after the close of the mandatory unconditional cash offer and the sale of existing Shares by the Offerors, 427,500,000 open offer shares will be offered to the qualifying shareholders on the basis of fifteen (15) open offer shares for every two (2) shares held on the record date in relation to the open offer.

The open offer is expected to be completed on 29 August 2014.

Outlook – Restoration of public float

Immediately upon completion of the open offer, assuming all qualifying shareholders take up their respective entitlement under the open offer, there will be 484,500,000 shares held by the public shareholders, representing approximately 25.51% of the issued share capital of the Company.

The expected date of the resumption and first day of dealing in the Open Offer Shares will be on 10 September 2014 subject to approved by the HKEX.

Upon Resumption, the Company will follow its investment objectives, policies and restrictions to seek new investments apart from maintaining the existing investment portfolio and will continue to focus on our existing investment portfolio management and continue to cautiously take defensive measures to manage the portfolio of the investments of the Group in order to maximize the return to shareholders.

Financial Review

Financial Resources, Liquidity and Capital Structure

As at 30 June 2014, shareholders' funds of the Company amounted to HK\$108.2 million, representing an increase of HK\$136.64 million from 31 December 2013. During the period, the Company allotted and issued 1,400,000,000 shares at the subscription price of HK\$0.1 per share to the Offerors pursuant to the terms and conditions of the Subscription Agreement.

The Group being maintained a strong cash position and holds short-term bank deposits, bank balances and cash amounting to HK\$108.59 million as at 30 June 2014 (31 December 2013: HK\$6,300).

The Group's total borrowings comprising other payables and accruals, amounted to HK\$6.38 million as at 30 June 2014 (31 December 2013:HK33.92 million comprise short term loans, other payables and accruals and due to a director). Pursuant to the circular of the Company dated 9 June 2014, the Company will use approximately of HK\$39.9 million and had used portion for settlement of the liabilities of the Group. Hence, the total borrowings of the Group decreased approximately of 27.54 million during the period ended 30 June 2014.

The Group's gearing ratio had not been presented as there was no net debt as at 30 June 2014. As at 31 December 2013, the Group's gearing ratio was also not applicable due to the Group was in a negative equity position.

The Group's net financial asset investments of approximately HK\$5.32 million as at 30 June 2014 (31 December 2013: HK\$5.34 million).

Capital Structure

As at 31 December 2013, the authorised share capital of the Company is HK\$5,000,000 divided into 500,000,000 Shares at par value of HK\$0.01 each, of which 72,000,000 Shares have been issued and allotted as fully paid or credited as fully paid.

Increase in Authorised Capital

The authorised capital be increased from HK\$5,000,000 divided into 500,000,000 Shares to HK\$20,000,000 divided into 2,000,000,000 Shares by the creation of an additional 1,500,000,000 Shares is being passed of an ordinary resolution by the Independent Shareholders at the EGM held on 24 June 2014.

Increase in Issued and Fully Paid Share Capital

Pursuant to the Subscription Agreement, the Company has allotted and issued the Subscription Shares, being 1,400,000,000 Shares at the Subscription price of HK\$0.1 per Subscription Share to Sharp Years Limited and Hugo Lucky Limited ("the Offerors"). The subscription of shares by offerors was completed on 30 June 2014.

Material Acquisitions and Disposals of Subsidiaries

The Group has not made any material acquisition or disposal of subsidiaries during the period ended 30 June 2014.

Capital Commitment and Contingent Liabilities

As at 30 June 2014, no material capital commitment and contingent liabilities were noted by the directors of the Company.

Share Options

The Company does not have any share option scheme.

Employment and Remuneration Policies

As at 30 June 2014, the Group employed a total of 4 employees (2013: 4) including the executive directors of the Company. The remuneration packages consist of basic salary, mandatory provident fund, medical insurance, and other benefits considered as appropriate. Remuneration packages are generally structured by reference to market terms, individual qualification and performance. They are under periodic review based on individual merit and other market factors. The Company has not adopted any share option scheme during the period under review.

Staff Cost

The Group's total staff costs for the period under review amounted to HK\$1,044,750 (2013: HK\$1,040,700).

Exposure to Fluctuations in Exchange Rates and Related Hedges

The Group's assets and liabilities are denominated in Hong Kong Dollars and, therefore, the Group has no significant exposure to foreign exchange fluctuation.

Purchase, Sale or Redemption of Securities

During the period under review, the Company has not redeemed any of its securities and neither the Company nor any of its subsidiaries has purchased or sold any of the Company's securities.

Directors' Interest in Securities

As at 30 June 2014, the interests and short positions of the Directors and the chief executives of the Company in the shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) (i) which were required 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 were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

Long position in shares of the Company

Name of Director	Type of interests	Interest in Shares	Approximate percentage of total issued ordinary shares	Interest in underlying shares	Approximate percentage of total issued ordinary shares
Tung Tat Wah (Note 1)	Corporate	15,000,000 (Note 1)	1.02%	15,000,000 (Note 1)	1.02%
Wu Chun Wah (Note 1)	Corporate	15,000,000 (Note 1)	1.02%	15,000,000 (Note 1)	1.02%
Leung King Yue, Alex (Note 2)	Corporate	987,500,000 (Note 2)	67.09%	987,500,000 (Note 2)	67.09%
Chan Pui Kwan (Note 3)	Interest in controlled corporation	427,500,000 (Note 3)	29.04%	427,500,000 (Note 3)	29.04%
Ma Chun Fai (Note 4)	Interest of spouse	427,500,000 (Note 4)	29.04%	427,500,000 (Note 4)	29.04%

Notes:

1. As at 30 June 2014, Mr. Wu Chun Wah, through his 40% equity interest in Biggish Management Limited, held 15,000,000 shares of the Company, representing approximately 1.02% of the entire issued share capital of the Company. The remaining 60% equity interest in Biggish Management Limited is held by Mr. Tung Tat Wah. Mr. Wu Chun Wah and Mr. Tung Tat Wah disposed of their interest in all the 15,000,000 shares through Biggish Management Limited and such disposal was completed on 30 June 2014.
2. As at 30 June 2014, Mr. Leung King Yue, Alex, through his 100% equity interest in Hugo Lucky Limited held 987,500,000 shares of the Company, representing approximately 67.09% of the entire issued share capital of the Company. Mr. Leung King Yue, Alex was subsequently appointed as Director with effect from 7 July 2014.
3. Fame Image Limited is beneficially and ultimately owned as to 70% by Ms. Chan Pui Kwan and 30% by Wu Weihong, Tony.

As at 30 June 2014, Ms. Chan Pui Kwan, is interested in 70% of the share capital of Fame Image Limited, which then owned 50% of the share capital of Sharp Years Limited. Accordingly, she is deemed to be interest in 427,500,000 shares of the Company, representing approximately 29.04% of the entire issued share capital of the Company. Ms. Chan Pui Kwan was subsequently appointed as Director with effect from 7 July 2014.

4. Long Surplus International Limited is beneficially and ultimately owned as 66.66% by Ms. Ho Hoi Yee, Wisery and 33.33% by Ms. Lai Tsui Har.

As at 30 June 2014, Ms. Ho Hoi Yee, Wisery, the spouse Mr. Ma Chun Fai, is interested in 427,500,000 shares through her interest in 66.66% of the share capital of Long Surplus International Limited and which then owned 50% of the share capital of Sharp Years Limited. Accordingly, Mr. Ma Chun Fai is also deemed to be interested in 427,500,000 Shares of the Company, representing approximately 29.04% of the entire issued share capital of the Company.

Save as disclosed above as at 30 June 2014, none of the Directors, chief executives of their associates had any interests and short positions in any shares, underlying shares of equity derivatives or debentures of the Company or any of its associated corporations as defined in Part XV of SFO as recorded in the register maintained by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders' Interests in Securities

As at 30 June 2014, so far as is known to the Directors, the following persons (other than the Directors of the Company) had interests in the underlying Shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

Long positions in Shares

Name of shareholder	Note	Capacity	Number of issued ordinary shares held	Approximate percentage of total issued ordinary shares
Hugo Lucky Limited	1	Beneficial Owner	987,500,000	67.09%
Sharp Years Limited	2	Beneficial Owner	427,500,000	29.04%

Name of shareholder	Note	Capacity and nature of interest	Number of Shares held	Approximate percentage
Long Surplus International Limited	2	Interest of controlled corporation	427,500,000	29.04%
Fame Image Limited	2	Interest of controlled corporation	427,500,000	29.04%
Ho Hoi Yee, Wisery	2	Interest of controlled corporation	427,500,000	29.04%
Lai Tsui Har	2	Interest of controlled corporation	427,500,000	29.04%
Wu Weihong, Tony	2	Interest of controlled corporation	427,500,000	29.04%
Yu Ming Investment Management Limited ("Yu Ming")	3	Security interest	1,400,000,000	95.11%

Notes:

1. Hugo Lucky Limited is wholly – owned by Mr. Leung King Yue, Alex, an executive Director.
2. Sharp Years Limited is owned as to 50% by Long Surplus International Limited and 50% by Fame Image Limited respectively. Long Surplus International Limited is beneficially and ultimately owned as to 66.66% by Ho Hoi Yee, Wisery and 33.33% by Ms. Lai Tsui Har. Fame Image Limited is beneficially and ultimately owned as to 70% by Ms. Chan Pui Kwan, a non – executive Director and 30% by Mr. Wu Weihong, Tony.
3. Pledged of shares by Hugo Lucky Limited and Sharp Years Limited pursuant to a share mortgage dated 21 May 2014 in total of 1,400,000,000 Ordinary Shares of HK\$0.01 each to Yu Ming Investment Management Limited as security to secure the payment obligations of Hugo Lucky Limited and Sharp Years Limited under a loan agreement entered into with Yu Ming on 21 May 2014.

Save as disclosed above, the Company had not been notified of any other person (other than a Director or chief executive of the Company) who had an interest (whether direct or indirect) in 5% or more of the shares comprised in the relevant share capital or a short position which were required to be recorded in the register kept by the Company pursuant to Section 336 of the SFO as at 30 June 2014.

Public Float

On 30 June 2014, the completion of Sales and Purchase Agreement and Subscription Agreement, the Offerors and parties acting in concert with them hold 1,415,000 shares, representing approximately 96.13% of the entire issue share capital of the Company. In accordance with Rule 26.1 of the Hong Kong Code on Takeover and Mergers, the Offerors made the mandatory unconditional cash offer, which was completed on 28 July 2014.

As at the date of this report, there is insufficient of public float of more than 25% of the issued share capital of the Company as required under the Listing Rules. The company is carrying out the open offer of 427,500,000 open offer shares offered to the qualifying shareholders in order to restore the public float of the issued share capital of the Company. The details of the Open Offer of the Company are set out in the Prospectus of 7 August 2014.

Directors' Interests in Contracts

No contract of significance in relation to the Company's business to which the Company, its holding company, or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the period end or at any time during the period.

Corporate Governance

The Board has established procedures on corporate governance that comply with the requirements of the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules. The Board has reviewed and taken measures to adopt the CG Code as the Company's code of corporate governance practices. During the six months ended 30 June 2014, the Company has complied with the code provisions under the CG Code, save and except for the following:

Code A.4.1 which provides that non-executive directors should be appointed for a specific term and subject to re-election.

The Company's independent non-executive Directors do not have a specific term of appointment. However, they are subject to retirement by rotation once every three years pursuant to the Company's Articles of Association.

Audit Committee

The Company established an audit committee in accordance with Rule 3.21 of the Listing Rules, for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee of the Company has reviewed the Interim Report for the six months ended 30 June 2014.

Model Code for Securities Transactions by Directors

The Company had complied with the code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in the Model Code. Having made specific enquiry of all Directors, they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transaction by the Directors adopted by the Company.

Publication of Interim Report

This interim report is published on HKExnews at www.hkexnews.hk and on the website of the Company at www.hklistedco.com/356.asp.

By order of the Board
Leung King Yue, Alex
Chairman

Hong Kong, 28 August 2014

As at the date of this report, the Board comprises Mr. Leung King Yue, Alex, Mr. Leong Chi Wai and Mr. Lewis Chan as executive Directors; Ms. Chan Pui Kwan and Mr. Ma Chun Fai as non-executive Directors; Mr. Kwok Ming Fai, Allan, Mr. Lo Chi Ming, Erik and Mr. Jochum Siebren Haakma as independent non-executive Directors.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2014

	<i>Note</i>	Six months ended 30 June 2014 (Unaudited) HK\$	Six months ended 30 June 2013 (Unaudited) HK\$
Turnover	3	–	–
Unrealised (loss)/gain on listed securities		(22,844)	55,228
Investment management fee		(300,000)	(300,000)
Operating expenses		(2,661,704)	(1,881,786)
Finance costs	5	(374,081)	(342,358)
Loss before taxation	6	(3,358,629)	(2,468,916)
Taxation	7	–	–
Loss for the period attributable to equity holder of the Company		(3,358,629)	(2,468,916)
Other comprehensive income for the period		–	–
Total comprehensive loss for the period attributable to equity holders of the Company		(3,358,629)	(2,468,916)
Loss per share	8	(0.23 cents)	(3.43 cents)
Interim dividend	9	Nil	Nil

The notes on pages 17 to 24 form part of this interim report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	Note	30 June 2014 (Unaudited) HK\$	31 December 2013 (Audited) HK\$
NON-CURRENT ASSETS			
Property, plant and equipment		–	1
CURRENT ASSETS			
Financial assets at fair value through profit or loss	10	5,315,364	5,338,208
Prepayments and other receivables		665,026	119,435
Bank balances and cash		108,592,930	6,282
		114,573,320	5,463,925
CURRENT LIABILITIES			
Short term loans	11	–	9,380,184
Other payables and accruals	12	6,384,032	15,219,433
Due to a director	13	–	9,316,392
		6,384,032	33,916,009
NET CURRENT ASSETS/(LIABILITIES)		108,189,288	(28,452,084)
NET ASSETS/(LIABILITIES)		108,189,288	(28,452,083)
CAPITAL AND RESERVES			
Share capital	14	14,720,000	720,000
Reserves		93,469,288	(29,172,083)
SHAREHOLDERS' FUNDS		108,189,288	(28,452,083)

The notes on pages 17 to 24 form part of this interim report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2014

	For the six months ended 30 June 2013 (Unaudited)			
	Share	Share	Accumulated	Total
	capital	premium	losses	
	HK\$	HK\$	HK\$	
Balance at 1 January 2013	720,000	67,320,071	(89,827,279)	(21,787,208)
Total comprehensive loss attributable to equity holders of the Company	–	–	(2,468,916)	(2,468,916)
At 30 June 2013	720,000	67,320,071	(92,296,195)	(24,256,124)

	For the six months ended 30 June 2014 (Unaudited)			
	Share	Share	Accumulated	Total
	capital	premium	losses	
	HK\$	HK\$	HK\$	
Balance at 1 January 2014	720,000	67,320,071	(96,492,154)	(28,452,083)
Issue of 1,400,000,000 ordinary shares of HK\$0.01 each	14,000,000	126,000,000	–	140,000,000
Total comprehensive loss attributable to equity holders of the Company	–	–	(3,358,629)	(3,358,629)
At 30 June 2014	14,720,000	193,320,071	(99,850,783)	108,189,288

The notes on pages 17 to 24 form part of this interim report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2014

	Six months ended 30 June 2014 (Unaudited) HK\$	Six months ended 30 June 2013 (Unaudited) HK\$
Net cash (used in)/generated from operating activities	(12,342,696)	99,050
Cash flows from financing activities		
Issue of ordinary shares	140,000,000	–
Repayment of shareholders' loans	(9,316,392)	–
Repayment of unsecured loans	(9,380,183)	–
Interest paid	(374,081)	(342,358)
Net cash generated from/(used in) financing activities	120,929,344	(342,358)
Net increase/(decrease) in cash and cash equivalents	108,586,648	(243,308)
Cash and cash equivalents at the beginning of the period	6,282	249,955
Cash and cash equivalents at the end of the period	108,592,930	6,647
Analysis of the balances of cash and cash equivalents		
Cash at bank and in hand	6,592,552	6,647
Deposits with bank	102,000,378	–
Cash and Cash equivalents in the Statement of financial position and the statement of cash flows	108,592,930	6,647

The notes on pages 17 to 24 form part of this interim report.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2014

1. Basis of Preparation

The unaudited condensed consolidated 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 (“HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

2. Principal Accounting Policies

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis, except for financial assets at fair value through profit or loss, which are measured at fair values, as appropriate.

The accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 June 2014 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2013.

In the current interim period, the Group has applied, for the first time, a new Interpretation and certain amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by HKICPA that are mandatorily effective for the current interim period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2014

Amendments to HKFRS 9,	Hedge Accounting and amendments to HKFRS 9, HKFRS 7 and HKAS 39
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment entities
HKFRS 9	Financial Instruments
Amendments to HKAS 32,	Offsetting financial assets and financial liabilities
Amendments to HKAS 36,	Recoverable amount disclosures for non-financial assets
Amendments to HKAS 39,	Novation of derivatives and continuation of hedge accounting
HK(IFRIC *) – INT 21	Levies

* IFRIC represents the International Financial Reporting Interpretations Committee

The application of the above new Interpretation and amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these unaudited condensed consolidated financial statements and/or disclosures set out in these unaudited condensed consolidated financial statements.

3. Turnover and Revenue

The principal activities of the Group are investments in securities listed on the Stock Exchange and unlisted securities with a potential growth and capital appreciation.

4. Segment Information

The Group determines its operating segments based on the internal reports about components of the Group that are regularly reviewed by the executive Directors for the purpose of allocating resources to segments and assessing their performance. The Group's operating and reportable segments are as follows:

Listed securities	–	Investments in securities listed on the Stock Exchange
Unlisted securities	–	Investments in unlisted securities

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2014

Segment revenues and results

The following is an analysis of the Group's results by reportable segment:

Six months ended 30 June 2014 (Unaudited)

	Listed securities HK\$	Unlisted securities HK\$	Total HK\$
Segment result	(22,844)	–	(22,844)
Unallocated expenses			(3,335,785)
Loss for the period			(3,358,629)

Six months ended 30 June 2013 (Unaudited)

	Listed securities HK\$	Unlisted securities HK\$	Total HK\$
Segment result	55,228	–	55,228
Unallocated expenses			(2,524,144)
Loss for the period			(2,468,916)

Segment result of listed securities represents dividend income from listed securities, realised gain/(loss) on disposal of listed securities and unrealised gain/(loss) on listed securities. With the nature of investments business, no segment revenue is presented.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2014

Segment assets

The following is an analysis of the Group's assets by reportable segment:

	30 June 2014 (Unaudited) HK\$	31 December 2013 (Audited) HK\$
Listed securities	5,315,364	5,338,208
Unlisted securities	–	–
Total segment assets	5,315,364	5,338,208
Unallocated assets	109,373,956	125,718
	114,689,320	5,463,926

For the purposes of monitoring segment performances and allocating resources between segments, all assets are allocated to reportable segments other than property, plant and equipment, prepayments, other receivables and bank balances.

Geographical information

No geographical information is presented as the Group operates in Hong Kong only.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2014

5. Finance Costs

	Six months ended 30 June 2014 (Unaudited) HK\$	Six months ended 30 June 2013 (Unaudited) HK\$
Interest on unsecured short term loans	374,081	342,358

6. Loss Before Taxation

	Six months ended 30 June 2014 (Unaudited) HK\$	Six months ended 30 June 2013 (Unaudited) HK\$
Loss before taxation is stated after charging the following:		
Depreciation	1	36,292
Rental charges under operating leases in respect of rented premises	211,722	205,155
Staff costs, including directors' emoluments	1,044,750	1,040,700

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2014

7. Taxation

No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial statements as the Group has no assessable profits for the six months ended 30 June 2014 and 2013.

8. Loss Per Share

The calculation of the loss per share for the six months ended 30 June 2014 is based on the Group's loss attributable to the equity holders of HK\$3,358,629 and the weighted average number of 1,472,000,000 ordinary shares in issue during the period. Loss per share for the six months ended 30 June 2013 is based on the Group's loss attributable to equity holders of HK\$2,468,916 and the weighted average number of 72,000,000 ordinary shares in issue during the prior period.

No diluted loss per share is presented since the Group did not issue any dilutive potential ordinary shares during both periods presented.

9. Dividend

The Directors do not recommend the payment of any interim dividend for both periods.

10. Financial Assets at Fair Value through Profit or Loss

	30 June 2014 (Unaudited) HK\$	31 December 2013 (Audited) HK\$
Equity securities listed in Hong Kong, at fair values	5,315,364	5,338,208

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2014

11. Short Term Loans

The short term loans are unsecured and repayable on demand. Interest is charged at a range from 2% to 9.25% (2013: 2% to 9.25%) per annum.

12. Other Payables and Accruals

Included in the other payables and accruals are the amount due to directors arising from unsettled directors' fees amounting to HK\$877,892 (2013: HK\$8,038,575), and the amount due to investment manager for unsettled investment management fee amounting to HK\$3,100,000 (2013: HK\$2,800,000).

13. Due to a Director

The amount due to a director is unsecured, interest free and has no fixed term of repayment.

14. Share Capital

	30 June 2014 (Unaudited) HK\$	31 December 2013 (Audited) HK\$
Authorised:		
500,000,000 ordinary shares of HK\$0.01 each	–	5,000,000
2,000,000,000 ordinary shares of HK\$0.01 each	20,000,000	–
Issued and fully paid:		
72,000,000 ordinary shares of HK\$0.01 each	–	720,000
1,472,000,000 ordinary shares of HK\$0.01 each	14,720,000	–

Details of the changes in share capital are set out in capital structure under the section of Financial Review.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2014

15. Commitments under Operating Leases

At 30 June 2014, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of office premises which fall due as follows:

	30 June 2014 (Unaudited) HK\$	31 December 2013 (Audited) HK\$
Within one year	357,696	357,696
In the second to fifth year inclusive	149,040	327,888
	506,736	685,584

The above lease agreement was made between the Group and the landlord for a term of two years and rentals are fixed for two years. The lease payments were guaranteed by the Company.

16. Related Party Transactions

Compensation of key management personnel of the Group

	Six months ended 30 June 2014 (Unaudited) HK\$	Six months ended 30 June 2013 (Unaudited) HK\$
Short term benefits	600,00	600,000
Post employment benefits	–	–
	600,000	600,000

17. Comparative Figures

Certain comparative figures have been adjusted in order to conform to the current period's presentation.