



Huge China Holdings Limited
匯嘉中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 428)

Interim Report
2015

This interim report 2015, in both English and Chinese versions, is available on the Company's website at www.harmonyasset.com.hk (the "Company Website").

Shareholders who have chosen or have been deemed consented to receive the corporate communications of the Company (the "Corporate Communications") via the Company Website and who for any reason have difficulty in receiving or gaining access to the interim report 2015 posted on the Company Website will promptly upon request be sent the interim report 2015 in printed form free of charge.

Shareholders may at any time change their choice of the means of receipt (either in printed form or via the Company Website) and/or language(s) (either English only or Chinese only or both languages) of Corporate Communications.

Shareholders may send their request to receive the interim report 2015 in printed form, and/or to change their choice of the means of receipt and/or language(s) of Corporate Communications by notice in writing to the Hong Kong Branch Share Registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or by sending an email to the Hong Kong Branch Share Registrar of the Company at harmony.ecom@computershare.com.hk.

Shareholders who have chosen to receive printed copy of the Corporate Communications in either English or Chinese version will receive both English and Chinese versions of this interim report 2015 since both languages are bound together into one booklet.

INTERIM RESULTS FOR 2015**FINANCIAL HIGHLIGHTS**

The financial highlights of Huge China Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30th June, 2015 are summarised as follows:

- Turnover of the Group for the six months ended 30th June, 2015 was HK\$1,770,846 as compared to HK\$2,128,429 in the same period last year.
- Profit attributable to owners of the Company for the six months ended 30th June, 2015 was HK\$156,356,801 as compared to the loss of HK\$26,824,646 in the same period last year.
- Basic earnings per share of the Group was HK\$4.00 for the six months ended 30th June, 2015 as compared to the loss of HK\$0.69 in the same period last year.

INTERIM RESULTS

The Board of Directors (the “Board”) of the Company presents the interim report and the unaudited condensed consolidated interim financial statements (“Interim Financial Statements”) of the Group for the six months ended 30th June, 2015. The consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the six months ended 30th June, 2015, and the consolidated statement of financial position of the Group as at 30th June, 2015, all of which are unaudited and condensed, along with selected explanatory notes, are set out on pages 11 to 29 of this interim report.

INTERIM DIVIDEND

The Board resolved not to declare an interim dividend for the six months ended 30th June, 2015 (six months ended 30th June, 2014: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

For the six months ended 30th June, 2015, the Group recorded a turnover of HK\$1,770,846 as compared to HK\$2,128,429 in the same period last year representing a 17% decrease.

For the six months ended 30th June, 2015, the Group recorded other gains and losses in a net gain of HK\$160,997,696 as compared to a net loss of HK\$21,512,620 in the same period last year.

For the six months ended 30th June, 2015, the profit before income tax expense was HK\$156,356,801 as compared to the loss of HK\$26,824,646 in the same period last year. The profit attributable to owners of the Company was HK\$156,356,801 as compared to the loss of HK\$26,824,646 in the same period last year. The profit for the six months ended 30th June, 2015 was mainly due to fair value gain on trading securities.

Prospects and future plan

The last six months were full of challenges and opportunities for local and global economy: the great economic uncertainty and fear about the Greece's debt default, the benchmark Shanghai Composite Index jumped and fell drastically while the Hong Kong Hang Seng Index was in the same trend during the first half of 2015. During the first quarter of 2015, the European Central Bank ("ECB") announced the Eurozone version Quantitative Easing to be launched starting from 1st March, 2015 and the ECB purchases €60 billion debt in Euro-zone's each month until the end of September 2016. These actions will be expected to help the Euro-zone member countries relieving the financial pressure and lower the deflation risk, also it is expected more liquidity to boom up the Euro equity markets. Notwithstanding a slowdown of China's economic growth in the first half of this year, the China's GDP barely met the target 7% growth in second quarter of 2015, these factors made an impact to the stock market of Hong Kong as well as stock market of China.

Moving forward, the Company will focus to invest in listed securities, private equity funds, real property projects and private enterprises with potential prospect. Our approach will keep timely and appropriate investment strategies in response to the volatile market, in order to enhance our investment portfolio and achieve net asset appreciation. The Board will pay close attention to the macro trends and seek opportunities to invest in China, Hong Kong and overseas. The Company will continue to implement its risk management policy with an aim to achieve stable returns on investments for our shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Financial review

Liquidity and financial resources

The Group had available bank balances and cash of HK\$24,449,831 (31st December, 2014: HK\$54,143,413) which were mainly placed with banks as time deposits. Bank balances and cash held by the Group are mainly denominated in Hong Kong dollars.

The Group had shareholders' funds of HK\$327,011,010 as at 30th June, 2015 compared to HK\$172,848,694 at 31st December, 2014, representing a 89% increase.

At present, the Group does not has any banking facilities (six months ended 30th June, 2014: the Group had unutilised banking facilities of HK\$10,000,000).

As at 30th June, 2015, the Group had no borrowing.

The Group did not have any capital expenditure commitment as at 30th June, 2015.

Capital Structure

There was no significant change in the Group's capital structure for the six months ended 30th June, 2015.

During the period, no share options were granted, exercised, lapsed or cancelled under the share option scheme adopted by the Company at the annual general meeting held on 28th June, 2005 which expired after 10 years on 27th June, 2015.

Significant investments held and their performance

For the six months ended 30th June, 2015, the Group received interest income in the aggregate amount of HK\$1,733,975 as compared to HK\$2,051,115 in the same period last year, representing a 15% decrease. The interest income comprises HK\$19,208 earned from bank deposits and HK\$1,714,767 earned from convertible bonds. Dividend income generated from listed securities was only HK\$36,871 (six months ended 30th June, 2014: HK\$77,314). Turnover was HK\$1,770,846 as compared to HK\$2,128,429 in the same period last year, representing a 17% decrease.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Significant investments held and their performance (Continued)

For the six months ended 30th June, 2015, the Group disposed of certain of its publicly traded securities and realised net gain of HK\$6,913,387 as compared to HK\$1,884,592 in the same period last year, representing a 267% increase. With the outstanding performance of certain listed trading securities in the second quarter of 2015, the Group recorded a significant unrealised gain of HK\$146,589,467 (six months ended 30th June, 2014: unrealised loss of HK\$19,311,555) on its publicly trading securities and the derivative financial instruments.

Gain on disposals of available-for-sale financial assets ("AFS") was HK\$3,912,840 (six months ended 30th June, 2014: HK\$2,248,073). Recovery of impairment loss on loans and receivables was HK\$500,000 (six months ended 30th June, 2014: nil). Net exchange loss was HK\$191,344 (six months ended 30th June, 2014: net gain of HK\$80,468). No provision of impairment losses were made on loans and receivables (six months ended 30th June, 2014: HK\$6,414,198). Gain on disposal of subsidiary of HK\$3,273,346 was received from sale proceeds of that subsidiary (six months ended 30th June, 2014: nil).

As at 30th June, 2015, the Group's unlisted investments (comprised of AFS and loans and receivables) were HK\$95,000,000 as compared to HK\$5,418,966 as at 31st December, 2014, representing a 1653% increase. Such increase was mainly due to: (1) decrease in value of AFS and loans receivables by disposal including two club membership in an aggregate amount of HK\$5,418,966 and (2) increase in loans and receivables by subscriptions for four convertible bonds in an aggregate amount of HK\$95,000,000.

As at 30th June, 2015, accounts receivable and prepayments was HK\$5,239,213 as compared to HK\$86,378,191 as at 31st December, 2014, representing a 93.9% decrease. Such decrease was primarily the result of (1) collection of accounts receivable of HK\$82,785,005 and (2) net increase of interest receivable of HK\$1,646,027.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Significant investments held and their performance (Continued)

As at 30th June, 2015, the Group held trading securities and convertible bonds designated as at fair value through profit or loss in an aggregate amount of HK\$207,389,290, as compared to HK\$33,975,705 as at 31st December, 2014, representing a 510.4% increase. The increase was primarily due to: (1) purchases of securities during the six months ended 30th June, 2015 for an aggregate amount of HK\$97,688,555; (2) the disposals of certain securities which had a cost of HK\$70,864,437; and (3) net increase in market value in the amount of HK\$146,589,467 of the listed securities.

Employees and remuneration policies

As at 30th June, 2015, the Group employed a total of 8 full-time employees, including the directors of the Group. Employees' remuneration are fixed and determined with reference to the market remuneration.

Segment information

The directors consider that the Group has only one operating segment, i.e. investment holding. Accordingly, the Group's turnover, other revenue, other gains and losses, profit for the period, and total assets are attributable to the segment of investment holding.

Seasonality/cyclicality of interim operation

The directors are not aware of any significant seasonal and cyclical factors which affect the Group's operations and interim results.

Exposures to fluctuations in exchange rates and related hedges

The Group has no significant exposures to fluctuations in foreign exchange rates and, therefore, did not use any financial instruments to hedge such exposures.

Contingent liabilities

As at 30th June, 2015, the Group had no significant contingent liabilities.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company did not redeem any of its shares during the six months ended 30th June, 2015. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

SHARE OPTIONS

The Company had adopted a share option scheme (the "Share Option Scheme") at its annual general meeting held on 28th June, 2005. The Board might, at its discretion, offer any employee (including any director) of the Company or its subsidiaries options to subscribe for ordinary shares in the Company subject to the terms and conditions stipulated therein.

The Share Option Scheme remained in force for a period of ten years from 28th June, 2005. It expired on 27th June, 2015. No share option is outstanding, granted, lapsed, exercised or cancelled under the Share Option Scheme during the six months ended 30th June, 2015.

Save as disclosed above, at no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the directors or chief executives of the Company (including their spouse and children under 18 years of age) to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or its associated corporations.

CHANGE OF COMPANY'S NAME

The name of the Company was changed from Harmony Asset Limited to Huge China Holdings Limited 匯嘉中國控股有限公司 and registered in Hong Kong with effect from 22nd July, 2015. The Board believes that the Company's new name can provide the Company with a fresh corporate image and may better reflect the business focus of the Group in the People's Republic of China and is in the best interest of the Company and its shareholders as a whole.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30th June, 2015, none of the directors or chief executives of the Company had, nor were they taken to or deemed to have under Part XV of the Securities and Futures Ordinance ("SFO"), any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) or any interests which are required to be entered into the register kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers (the "Model Code") in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

At 30th June, 2015, the Company had been notified of the following substantial shareholders' interests and short position, being 5% or more of the Company's shares and underlying shares which are required to be recorded in the register of interests in shares and short positions maintained under Section 336 of the SFO:

Name of shareholders	Capacity/Nature of Interests	Number of ordinary shares held	Percentage of the total issued shares of the Company as at 30th June, 2015
Seize Minute Limited	Beneficial owner/ Beneficial interest	8,517,465 (L) (Note)	21.81%
MK Investments Limited	Interest in controlled corporation/ Corporate interest	8,517,465 (L) (Note)	21.81%
Kor Sing Mung Michael	Interest in controlled corporation/ Corporate interest	8,517,465 (L) (Note)	21.81%

(L) – Long Position

(S) – Short Position

Note: These 8,517,465 shares relate to the same batch of shares of the Company. Seize Minute Limited ("Seize Minute") is a wholly owned subsidiary of MK Investments Limited ("MK Investments"). MK Investments is wholly-owned by Mr. Kor Sing Mung Michael ("Mr. Kor"). Accordingly, Mr. Kor and MK Investments are deemed to have the interest of 8,517,465 shares of the Company held by Seize Minute.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY (CONTINUED)

Save as disclosed above, at 30th June, 2015, the Company had not been notified of any other substantial shareholders' interests and short position, being 5% or more of the Company's shares and underlying shares which are required to be recorded in the register of interests in shares and short positions maintained under Section 336 of the SFO.

CORPORATE GOVERNANCE

The Company adopted all code provisions set out in the Corporate Governance Code (the "Code") contained in Appendix 14 to the Listing Rules as its own corporate governance practices.

The Company has complied with the code provisions as set out in the Code during the six months ended 30th June, 2015, except the following deviation:

Code provision A.2.1 of the Code provides that the roles and responsibilities of chairman and chief executive officer should be divided.

Following the retirement of Mr. Lee Fong Lit, the ex-Chairman of the Board at the annual general meeting held on 26th June, 2015, the chairman of the Board had not been filled until the position has been filled by Mr. Chau Wai Hing ("Mr. Chau") on 1st July, 2015. Mr. Chau takes the responsibilities of the chairman as specified in the Code on overall strategic planning and development of the Group and effective functioning of the Board.

The chief executive officer of the Company has been vacant following the resignation of Dr. Chow Pok Yu Augustine on 26th May, 2015. Until the appointment of new chief executive officer, the executive directors of the Company continue to oversee the day-to-day management of the business and operations of the Group.

The Board will continue to monitor and review the Company's corporate governance practices to ensure compliance with the Code.

CHANGES IN DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Pursuant to the disclosure requirement under Rule 13.51B(1) of the Listing Rules, the changes in information of the Directors for the six months ended 30th June, 2015 and up to the date of this report are set out as below:

Name of Director	Details of changes
Mr. Cheng Ming Shun	Resigned as Chief Financial Officer of the Company with effect from 26th May, 2015
Mr. Mak Hing Keung Thomas	The director's fee was changed from HK\$120,000 to HK\$240,000 per annum with effect from 1st July, 2015.
Mr. Chu, To Jonathan	Appointed as Executive Director of Millennium Pacific Group Holdings Limited (stock code: 8147) with effect from 26th May, 2015 and appointed as Independent Non-Executive Director of China Greenfresh Group Company Limited (stock code: 6183) with effect from 27th May, 2015
Mr. Chu, To Jonathan	Resigned as member of nomination committee of the Company on 1st July, 2015
Mr. William Keith Jacobsen	Resigned as Independent Non-Executive Director of Cheung Wo International Holdings Limited (formerly known as China Mandarin Holdings Limited) (stock code: 9) with effect from 23rd June, 2015
Mr. William Keith Jacobsen	Appointed as chairman of investment committee of the Company on 26th May, 2015
Mr. Sio Chan In Devin	Resigned as Independent Non-Executive Director of China Financial Leasing Group Limited (stock code: 2312) with effect from 30th April, 2015
Mr. Sio Chan In Devin	Appointed as Non-Executive Director of Madex International (Holdings) Limited (stock code: 231) with effect from 12th August, 2015
Mr. Sio Chan In Devin	Appointed as member of remuneration committee of the Company on 26th May, 2015

CHANGES IN DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES (CONTINUED)

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that in respect of the six months ended 30th June, 2015, all Directors have complied with the required standard set out in the Model Code.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed financial reporting matters including a review of the Interim Financial Statements for the six months ended 30th June, 2015 and this interim report with the directors.

MEMBERS OF THE BOARD

As at the date hereof, the Board comprises 2 executive directors, namely, Mr. Cheng Ming Shun and Mr. Chu, To Jonathan; 4 non-executive directors, namely, Mr. Chau Wai Hing, Mr. William Keith Jacobsen, Mr. Mak Hing Keung Thomas, and Mr. Wu Ming Gai; and 3 independent non-executive directors, namely, Mr. Sio Chan In Devin, Mr. Law Siu Hung Paul and Mr. Wong Ching Wan.

By Order of the Board

Huge China Holdings Limited

Chau Wai Hing

Chairman

Hong Kong, 26th August, 2015

The management of Huge China Holdings Limited (Formerly known as “Harmony Asset Limited”) (the “Company”) is responsible for the preparation of the accompanying condensed consolidated interim financial statements. The interim financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” and are considered by management to present fairly the financial position, operating results and cash flows of the Company and its subsidiaries (collectively referred to as the “Group”). These interim financial statements have not been audited, reviewed or otherwise verified for accuracy and completeness of information by the auditor of the Company.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30TH JUNE, 2015

		Six months ended 30th June,	
		2015	2014
		(Unaudited)	(Unaudited)
	<i>Notes</i>	HK \$	HK \$
Turnover	2	1,770,846	2,128,429
Other revenue	2	17	5,242
Other gains and (losses)	2	160,997,696	(21,512,620)
		162,768,559	(19,378,949)
Employee benefits expenses		(1,879,124)	(1,603,013)
Depreciation of property, plant and equipment		(78,949)	(222,592)
Other operating expenses		(4,453,685)	(5,620,092)
Profit (loss) before income tax expense	3	156,356,801	(26,824,646)
Income tax expense	4	–	–
Profit (loss) for the period attributable to owners of the Company		156,356,801	(26,824,646)
Other comprehensive income: Items that may be reclassified subsequently to profit or loss:			
Gains on fair value changes on available-for-sale financial assets		(2,500)	4,316,861
Transfer of fair value gains to profit or loss upon disposal of available-for-sale financial assets		(2,191,985)	(2,248,073)
Other comprehensive income for the period		(2,194,485)	2,068,788
Total comprehensive income for the period attributable to owners of the Company		154,162,316	(24,755,858)
		HK \$	HK \$
Earnings (loss) per share	6		
Basic		4.00	(0.69)
Diluted		4.00	(0.69)

The notes on pages 17 to 29 form part of these interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30TH JUNE, 2015

	Notes	As at 30th June, 2015 (Unaudited) HK\$	As at 31st December 2014 (Audited) HK\$
Non-current assets			
Property, plant and equipment	7	233,518	308,470
Available-for-sale financial assets	8	–	3,560,022
Loans and receivables		95,000,000	1,858,944
		95,233,518	5,727,436
Current assets			
Accounts receivable and prepayments	9	5,239,213	86,378,191
Financial assets at fair value through profit or loss	10	207,389,290	33,975,705
Bank balances and cash		24,449,831	54,143,413
		237,078,334	174,497,309
Current liabilities			
Accounts payable and accruals	11	5,300,842	7,376,051
Net current assets			
		231,777,492	167,121,258
Total assets less current liabilities/Net assets			
		327,011,010	172,848,694
Capital and reserves			
Share capital	12	39,058,615	39,058,615
Reserves		287,952,395	133,790,079
Total equity		327,011,010	172,848,694
Net asset value per share		HK\$8.37	HK\$4.43

The notes on pages 17 to 29 form part of these interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30TH JUNE, 2015

For the six months ended 30th June, 2015 (unaudited)	Share capital HK\$	Share premium HK\$	Fair value reserve HK\$	Retained profits HK\$	Total HK\$
At 1st January, 2015	39,058,615	162,768,326	2,194,485	(31,172,732)	172,848,694
Profit for the period	-	-	-	156,356,801	156,356,801
Gains on fair value changes on available-for-sale financial assets	-	-	(2,500)	-	(2,500)
Transfer of fair value gains to profit or loss upon disposal of available-for-sale financial assets	-	-	(2,191,985)	-	(2,191,985)
Other comprehensive income for the period	-	-	(2,194,485)	-	(2,194,485)
Total comprehensive income for the period	-	-	(2,194,485)	156,356,801	154,162,316
At 30th June, 2015	39,058,615	162,768,326	-	125,184,069	327,011,010

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE SIX MONTHS ENDED 30TH JUNE, 2015

For the six months ended 30th June, 2014 (unaudited)	Share capital HK\$	Share premium HK\$	Fair value reserve HK\$	Retained profits HK\$	Total HK\$
At 1st January, 2014	39,058,615	162,768,326	34,458,047	5,396,699	241,681,687
Loss for the period	-	-	-	(26,824,646)	(26,824,646)
Gains on fair value changes on available-for-sale financial assets	-	-	4,316,861	-	4,316,861
Transfer of fair value gains to profit or loss upon disposal of available-for-sale financial assets	-	-	(2,248,073)	-	(2,248,073)
Other comprehensive income for the period	-	-	2,068,788	-	2,068,788
Total comprehensive income for the period	-	-	2,068,788	(26,824,646)	(24,755,858)
At 30th June, 2014	<u>39,058,615</u>	<u>162,768,326</u>	<u>36,526,835</u>	<u>(21,427,947)</u>	<u>216,925,829</u>

The notes on pages 17 to 29 form part of these interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30TH JUNE, 2015

	Six months ended 30th June,	
	2015	2014
	(Unaudited)	(Unaudited)
	HK\$	HK\$
Cash flows from operating activities		
Profit (loss) before income tax expense	156,356,801	(26,824,646)
Interest income	(1,773,975)	(2,051,115)
Depreciation of property, plant and equipment	78,949	222,592
Fair value (gain) losses on trading securities	(146,589,467)	12,773,400
Fair value losses on derivative financial instruments	–	6,538,155
Gain on disposal of available-for-sale financial assets	(3,912,840)	(2,248,073)
Gain on disposal of subsidiaries	(3,273,346)	–
Impairment losses on loans and receivables	–	6,414,198
Recovery of impairment loss on loans and receivables previously recognised	(500,000)	–
	<hr/>	<hr/>
Loss before working capital changes	386,122	(5,175,489)
Increase in trading securities	(26,824,118)	(4,846,984)
Decrease in accounts receivable and prepayments	78,819,583	21,256,791
Decrease in accounts payable and accruals	(1,314,844)	(1,235,904)
	<hr/>	<hr/>
Cash generated from operations	51,066,743	9,998,414
Hong Kong Profits Tax refunded	–	–
	<hr/>	<hr/>
Net cash from operating activities	51,066,743	9,998,414

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE SIX MONTHS ENDED 30TH JUNE, 2015

	Six months ended 30th June,	
	2015	2014
	(Unaudited)	(Unaudited)
	HK\$	HK\$
Cash flows from investing activities		
Interest received	124,386	729,323
Repayments from investees	500,000	2,500,000
Purchase of property, plant and equipment	(3,997)	(16,679)
Purchase of convertible bonds	(95,000,000)	(22,600,000)
Redemption of convertible bond	–	3,900,000
Net cash flow from disposal of subsidiaries	8,477,585	–
Purchase of available-for-sale financial assets	–	(7,772,464)
Proceeds from disposal of available-for-sale financial assets	5,141,701	4,000,000
Net cash used in investing activities	(80,760,325)	(19,259,820)
Net decrease in cash and cash equivalents	(29,693,582)	(9,261,406)
Cash and cash equivalents at 1st January	54,143,413	30,878,872
Cash and cash equivalents at 30th June	24,449,831	21,617,466
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	24,449,831	21,617,466

The notes on pages 17 to 29 form part of these interim financial statements.

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

The unaudited condensed consolidated interim financial statements of the Group (“interim financial statements”) are prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board. In addition, the interim financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The interim financial statements do not include all the information and disclosures required in the annual financial statements of the Group and should be read in conjunction with the annual financial statements of the Group for the year ended 31st December, 2014. Except as described below, the accounting policies and methods of computation used in the preparation of these interim financial statements are consistent with those used in the annual financial statements of the Group for the year ended 31st December, 2014.

Adoption of new or revised International Financial Reporting Standards (“IFRSs”) – effective 1st January, 2015:

IFRSs (Amendments)	Annual Improvements 2010-2012 Cycle
IFRSs (Amendments)	Annual Improvements 2011-2013 Cycle

The adoption of these new or revised IFRSs has no significant impact on the Group’s interim financial statements.

The Group has not early adopted any new or revised IFRSs that have been issued but are not yet effective.

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

2. Turnover, other revenue and other gains and (losses)

The Group principally invests in securities listed on recognised stock exchanges and unlisted securities, including equity securities and convertible bonds issued by corporate entities. Turnover, other revenue and other gains and losses recognised during the period are as follows:

	Six months ended 30th June,	
	2015	2014
	(Unaudited)	(Unaudited)
	HK\$	HK\$
Turnover:		
Interest income from		
– bank deposits	19,208	26,826
– loans receivable & convertible bond	1,714,767	2,024,289
Dividend income from		
– listed investments	36,871	77,314
– unlisted investments	–	–
	1,770,846	2,128,429
Other revenue:		
Sundry income	17	5,242
Other gains and (losses):		
Exchange gain (loss), net	(191,344)	80,468
Fair value gains (losses) on financial assets		
at fair value through profit or loss		
– trading securities	146,589,467	(12,773,400)
– derivative financial instruments	–	(6,538,155)
Net realised gain on disposals of financial assets		
at fair value through profit or loss		
– trading securities	6,913,387	1,884,592
Gain on disposal of available-for-sale financial assets	3,912,840	2,248,073
Impairment losses on loans and receivables	–	(6,414,198)
Recovery of impairment loss on loans and receivables previously recognised	500,000	–
Gain on disposal of subsidiaries	3,273,346	–
	160,997,696	(21,512,620)
	162,768,559	(19,378,949)

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

2. Turnover, other revenue and other gains and (losses) (continued)

Management considered the Group has only one operating segment i.e. investment holding. Accordingly, the Group's turnover, other revenue, other gains and losses, profit for the period, and total assets are attributable to the segment of investment holding.

3. Profit (loss) before income tax expense

Profit (loss) before income tax expense has been arrived at after charging the following:

	Six months ended 30th June,	
	2015	2014
	(Unaudited)	(Unaudited)
	HK\$	HK\$
Management fees	1,657,495	1,745,329
Pension costs – contributions to defined contribution plan	57,600	55,692
Operating lease in respect of land and buildings	977,400	977,400
	<u><u> </u></u>	<u><u> </u></u>

4. Income tax expense

No provision for Hong Kong Profits Tax has been made as the Group did not generate any assessable profit during the period.

5. Dividend

The board does not declare any interim dividend for the six months ended 30th June, 2015 (six months ended 30th June, 2014: nil).

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

6. Earnings (loss) per share

The calculation of earnings (loss) per share is as follows:

	Six months ended 30th June,	
	2015	2014
	(Unaudited)	(Unaudited)
	HK\$	HK\$
Profit (loss) attributable to owners of the Company	156,356,801	(26,824,646)
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share and diluted earnings (loss) per share	39,058,614	39,058,614
	HK\$	HK\$
Basic earnings (loss) per share	4.00	(0.69)
Diluted earnings (loss) per share	4.00	(0.69)

The calculation of basic earnings (loss) per share is based on the Group's profit (loss) attributable to owners of the Company by the weighted average number of the ordinary shares in issue during the period.

Diluted earnings (loss) per share is the same as the basic earnings (loss) per share as there is no potential dilutive share in issue during the period.

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

7. Property, plant and equipment

	As at 30th June, 2015 (Unaudited) HK\$	As at 31st December, 2014 (Audited) HK\$
Cost:		
Furniture and fixtures	566,777	562,780
Motor vehicle	1,444,000	1,444,000
Office equipment	541,117	541,117
Leasehold improvements	346,778	346,778
	2,898,672	2,894,675
Accumulated depreciation	2,665,154	2,586,205
Carrying amount	233,518	308,470

During the six months ended 30th June, 2015, the Group acquired items of property, plant and equipment with total cost of HK\$3,997 (six months ended 30th June, 2014: HK\$16,679).

8. Available-for-sale financial assets

	As at 30th June, 2015 (Unaudited) HK\$	As at 31st December, 2014 (Audited) HK\$
Unlisted equity securities	–	410,022
Club debentures	–	3,150,000
Total available-for-sale financial assets, at fair value	–	3,560,022

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

9. Accounts receivable and prepayments

	As at 30th June, 2015 (Unaudited) HK\$	As at 31st December, 2014 (Audited) HK\$
Accounts receivable	2,862,916	85,649,223
Interest receivable	1,649,589	3,562
Other receivables	21,480	206,856
	<hr/>	<hr/>
Receivables after allowance for impairment losses	4,533,985	85,859,641
Deposits	365,044	365,044
Prepayments	340,184	153,506
	<hr/>	<hr/>
	5,239,213	86,378,191
	<hr/> <hr/>	<hr/> <hr/>

The ageing analysis of the receivables (after allowance for impairment losses) based on due date is as follows:

	As at 30th June, 2015 (Unaudited) HK\$	As at 31st December, 2014 (Audited) HK\$
Balances neither past due nor impaired	4,553,985	85,859,641
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

10. Financial assets at fair value through profit or loss

	As at 30th June, 2015 (Unaudited) HK\$	As at 31st December, 2014 (Audited) HK\$
Trading securities		
– Equity securities held for trading at market value listed in Hong Kong	206,650,000	33,332,840
– Equity securities held for trading at market value listed outside Hong Kong	739,290	642,865
	<u>207,389,290</u>	<u>33,975,705</u>

11. Accounts payable and accruals

	As at 30th June, 2015 (Unaudited) HK\$	As at 31st December, 2014 (Audited) HK\$
Accruals and other payables	5,141,886	7,217,095
Unclaimed dividend payable	158,956	158,956
	<u>5,300,842</u>	<u>7,376,051</u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

11. Accounts payable and accruals (continued)

The ageing analysis of the accounts payable and accruals is as follows:

	As at 30th June, 2015 (Unaudited) HK\$	As at 31st December, 2014 (Audited) HK\$
Current	5,141,886	7,217,095
Over 1 year	158,956	158,956
	<u>5,300,842</u>	<u>7,376,051</u>

12. Share capital

	Number of shares	Amount HK\$
Authorised:		
Ordinary shares of HK\$1 each at 31st December, 2014 (audited) and 30th June, 2015 (unaudited)	<u>100,000,000</u>	<u>100,000,000</u>
Issued and fully paid:		
Ordinary shares of HK\$1 each at 31st December, 2014 (audited) and 30th June, 2015 (unaudited)	<u>39,058,614</u>	<u>39,058,615</u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

13. Related party transactions

	Six months ended 30th June,	
	2015	2014
	(Unaudited)	(Unaudited)
	HK\$	HK\$
Harmony Asset Management Limited ("HAML")		
– Management fees	<u>1,657,495</u>	<u>1,745,329</u>

On 11th April, 2013, the Company entered into a new investment management agreement with HAML, a company which is wholly-owned by a former director of the Company, Dr. Chow Pok Yu Augustine resigned as executive director of the Company with effect from 26th May, 2015. Under the new investment management agreement, HAML has agreed to provide investment management services to the Group for three additional years until 31st May, 2016. In accordance with the new investment management agreement, HAML is entitled to a monthly management fee calculated at 1.5% per annum on the net asset value of the Group of the preceding month and an incentive fee calculated at 10% of the audited net profit of the Group in a financial year (before accrual of the incentive fee) subject to annual caps of HK\$6,414,232 and HK\$4,827,726 for management fees and incentive fee respectively for the year ending 31st December, 2015.

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

13. Related party transactions (continued)

On 24th April, 2013, the Company and HAML entered into the supplemental agreement to amend the calculation method of the incentive fee under the new investment management Agreement. After entering of the supplemental agreement, the incentive fee payable by the Company to HAML under the new investment management agreement (as amended by the supplemental agreement) in respect of each financial year shall be 10% of the audited net profit of the Group in the financial year and for the purpose of the calculating the audited net profit of the Group in the financial year (i) any audited net loss of the Group in any financial year commencing 1st January, 2013 shall be carried forward and set off against the audited net profit of the Group in subsequent financial years, and (ii) the audited net profit of the Group in the financial year shall be calculated before accrual of any incentive fee that will be payable. The new investment management agreement and the supplemental agreement were approved by the independent shareholders of the Company on the extraordinary general meeting of the Company which was held on 31st May, 2013.

14. Operating leases commitment

The Group leases an office under operating leases. The leases typically run from an initial period of three years, with an option to renew the lease after that date at which time all terms are renegotiated.

As at 30th June, 2015, the Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings as follows:

	As at 30th June, 2015 (Unaudited) HK\$	As at 31st December, 2014 (Audited) HK\$
Within one year	1,954,800	1,954,800
In the second to fifth years inclusive	631,238	1,710,450

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

15. Fair value estimation

For financial instruments that are measured in the condensed consolidated statement of financial position at fair value, IFRS 7 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

For financial instruments that are recognised in the interim financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The following tables present the Group's financial assets that are measured at fair value at 30th June, 2015 and 31st December, 2014.

	As at 30th June, 2015 (unaudited)			
	Level 1	Level 2	Level 3	Total
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Available-for-sale financial assets				
Unlisted equity securities at fair value	–	–	–	–
Club debentures	–	–	–	–
	–	–	–	–
Financial assets at fair value through profit or loss				
Equity securities held for trading at market value listed in Hong Kong	206,650,000	–	–	206,650,000
Equity securities held for trading at market value listed outside Hong Kong	739,290	–	–	739,290
Convertible bonds designated at fair value through profit or loss	–	–	–	–
Derivative financial instruments	–	–	–	–
	207,389,290	–	–	207,389,290
Total financial assets at fair value	207,389,290	–	–	207,389,290

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

15. Fair value estimation (continued)

	As at 30th June, 2014 (unaudited)			
	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
Available-for-sale financial assets				
Unlisted equity securities at fair value	–	57,277,211	18,812,417	76,089,628
Club debentures	–	3,150,000	–	3,150,000
	–	60,427,211	18,812,417	79,239,628
Financial assets at fair value through profit or loss				
Equity securities held for trading at market value listed in Hong Kong	18,941,970	–	–	18,941,970
Equity securities held for trading at market value listed outside Hong Kong	19,840,112	2,990,375	–	22,830,487
Convertible bonds designated at fair value through profit or loss	–	–	4,536,749	4,536,749
Derivative financial instruments	–	–	7,845,677	7,845,677
	38,782,082	2,990,375	12,382,426	54,154,883
Total financial assets at fair value	38,782,082	63,417,586	31,194,843	133,394,511

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS (CONTINUED)

15. Fair value estimation (continued)

	As at 31st December, 2014 (audited)			
	Level 1	Level 2	Level 3	Total
	HK\$	HK\$	HK\$	HK\$
Available-for-sale financial assets				
Unlisted equity securities at fair value	-	-	410,022	410,022
Club debentures	-	3,150,000	-	3,150,000
	-	3,150,000	410,022	3,560,022
Financial assets at fair value through profit or loss				
Equity securities held for trading at market value listed in Hong Kong	33,332,840	-	-	33,332,840
Equity securities held for trading at market value listed outside Hong Kong	642,865	-	-	642,865
	33,975,705	-	-	33,975,705
Total financial assets at fair value	33,975,705	3,150,000	410,022	37,535,727

16. Subsequent event

Subsequent to the reporting period and up to the date of approval of the interim financial statements, the Company entered into the placing agreement with FP Sino-Rich Securities & Futures Limited to place 6.5% convertible bonds (the "CB") with an aggregate principle amount of HK\$97,646,525 on 17th July, 2015 and 30th July, 2015. The maturity date is the second anniversary of the date of the issue of CB. The rights to convert into a maximum number of 7,811,722 conversion shares at initial conversion price of HK\$12.5 per conversion share. The proceeds from the CB will be utilised as financing future investment opportunities and/or as general working capital of the Group.

On 19th August, 2015, completion of the CB in the aggregate principal amount of HK\$17,500,000 was took place. Based on the initial conversion price HK\$12.5 per conversion share, a maximum of 1,400,000 conversion shares will be allotted and issued upon exercise of conversion right attaching to the placed convertible bonds in full.

17. Approval of the unaudited interim financial statements

The unaudited interim financial statements were approved and authorised for issue by the Board on 26th August, 2015.