

# GENERIC (HOLDINGS) LIMITED 新嶺域 (集團) 有限公司

(Incorporated in the Cayman Islands with limited liability)  
(Stock Code : 542)



INTERIM **2015**  
REPORT

# CONTENTS

CORPORATE INFORMATION	2
UNAUDITED INTERIM RESULTS:	
Condensed Consolidated Statement of Profit or Loss	3
Condensed Consolidated Statement of Comprehensive Income	4
Condensed Consolidated Statement of Financial Position	5
Condensed Consolidated Statement of Changes In Equity	6
Condensed Consolidated Statement of Cash Flows	7
Notes to Condensed Consolidated Financial Statements	8
MANAGEMENT DISCUSSION AND ANALYSIS	22
SHARE OPTION SCHEME	25
DIRECTORS' INTERESTS	26
SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS	26
CORPORATE GOVERNANCE AND OTHER INFORMATION	27
PURCHASE, SALE OR REDEMPTION OF SHARES	28
REVIEW OF INTERIM RESULTS	28

## **CORPORATE INFORMATION**

### **EXECUTIVE DIRECTORS**

CHENG Wai Lam, James  
*(Chief Executive Officer)*  
CHI Chi Hung, Kenneth  
MA Erqiang  
WONG Kui Shing, Danny  
*(appointed on 21 August 2015)*

### **NON-EXECUTIVE DIRECTORS**

HUANG Zhenda  
YEUNG Kwok Leung  
*(re-designated on 4 June 2015)*

### **INDEPENDENT NON-EXECUTIVE DIRECTORS**

CHAN Hoi Ling  
SO Wai Lam  
SUNG Yat Chun

### **COMPANY SECRETARY**

LEUNG Lai Seung, Candy *F.C.I.S.*

### **PRINCIPAL BANKERS**

Bank of Communications Co., Ltd.  
Hang Seng Bank Limited  
The Hongkong and Shanghai Banking  
Corporation Limited

### **AUDITOR**

McMillan Woods SG CPA Limited  
Suite 1507, 15/F, South Tower  
Concordia Plaza, 1 Science Museum Road  
TST, Kowloon, Hong Kong

### **HONG KONG SHARE REGISTRAR**

Tricor Tengis Limited  
Level 22, Hopewell Centre  
183 Queen's Road East  
Hong Kong

### **REGISTERED OFFICE**

The Offices of Sterling Trust (Cayman) Limited  
Caledonian House, 69 Dr. Roy's Drive  
P.O. Box 1043, George Town  
Grand Cayman KY1-1102  
Cayman Islands

### **HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS**

7/F., Guangdong Finance Building  
88 Connaught Road West  
Sheung Wan, Hong Kong

## UNAUDITED INTERIM RESULTS

The Board of Directors (the “Board”) of Ceneric (Holdings) Limited (the “Company”) is pleased to present the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2015 together with the comparative figures for the corresponding period in 2014 as follows:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		<b>For the six months ended</b>	
		<b>30 June</b>	
	<i>Note</i>	<b>2015</b>	2014
		<b>HK\$'000</b>	HK\$'000
		<b>(Unaudited)</b>	(Unaudited)
REVENUE	5	<b>46,728</b>	29,039
Cost of sales	7	<b>(4,168)</b>	(8,164)
		<hr/>	
Gross profit		<b>42,560</b>	20,875
Other income	6	<b>18,337</b>	17,700
Selling expenses		<b>(221)</b>	(236)
Administrative expenses		<b>(53,692)</b>	(37,130)
Finance costs	7	<b>(20,896)</b>	(5,486)
		<hr/>	
LOSS BEFORE TAX	7	<b>(13,912)</b>	(4,277)
Income tax (expenses)/credit	8	<b>(4,437)</b>	436
		<hr/>	
LOSS FOR THE PERIOD		<b>(18,349)</b>	(3,841)
		<hr/>	
Attributable to:			
Owners of the Company		<b>(16,992)</b>	(4,163)
Non-controlling interests		<b>(1,357)</b>	322
		<hr/>	
		<b>(18,349)</b>	(3,841)
		<hr/>	
LOSS PER SHARE			
— Basic	9	<b>HK\$(0.88 cents)</b>	HK\$(0.22 cents)
		<hr/>	
— Diluted		<b>HK\$(0.88 cents)</b>	HK\$(0.22 cents)
		<hr/>	

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended	
	30 June	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss for the period	<u>(18,349)</u>	(3,841)
OTHER COMPREHENSIVE INCOME:		
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Changes in fair value of available-for-sale financial assets	(11,532)	(6,394)
Exchange differences arising on translation of foreign operations	<u>(64)</u>	(6,787)
Other comprehensive loss for the period, net of tax	<u>(11,596)</u>	(13,181)
Total comprehensive loss for the period	<u>(29,945)</u>	(17,022)
Attributable to:		
Owners of the Company	(28,588)	(17,344)
Non-controlling interests	<u>(1,357)</u>	322
	<u>(29,945)</u>	(17,022)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 30 June 2015 HK\$'000 (Unaudited)	At 31 December 2014 HK\$'000 (Audited)
<b>NON-CURRENT ASSETS</b>			
		<b>815,749</b>	853,755
Property, plant and equipment		<b>62,883</b>	63,910
Prepaid land lease payments		<b>83,831</b>	87,691
Licensing rights		–	17,183
Available-for-sale financial assets	10	<b>1,440</b>	1,845
Pledged bank balances		<b>6,026</b>	14,972
Deferred tax assets	11	<hr/>	<hr/>
<b>TOTAL NON-CURRENT ASSETS</b>		<b>969,929</b>	1,039,356
<b>CURRENT ASSETS</b>			
Properties held for sale under development		<b>70,954</b>	70,201
Properties held for sale		<b>8,527</b>	9,083
Inventories		<b>354</b>	364
Trade receivables	12	<b>1,474</b>	6,813
Prepayments, deposits and other receivables		<b>26,764</b>	5,163
Cash and cash equivalents		<b>76,770</b>	67,454
<b>TOTAL CURRENT ASSETS</b>		<b>184,843</b>	159,078
<b>TOTAL ASSETS</b>		<b>1,154,772</b>	1,198,434
<b>CURRENT LIABILITIES</b>			
Trade payables, other payables and accruals	13	<b>26,131</b>	21,403
Finance lease payables		<b>54</b>	65
Loan and borrowings — due within one year	14	<b>43,066</b>	39,078
Other borrowing	15	<b>4,000</b>	4,000
<b>TOTAL CURRENT LIABILITIES</b>		<b>73,251</b>	64,546
<b>NET CURRENT ASSETS</b>		<b>111,592</b>	94,532
<b>NON-CURRENT LIABILITIES</b>			
Loan and borrowings — due after one year	14	<b>99,864</b>	127,551
Bonds	16	<b>260,961</b>	251,505
Deferred tax liabilities	11	<b>109,227</b>	113,709
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>470,052</b>	492,765
<b>NET ASSETS</b>		<b>611,469</b>	641,123
Share capital	17	<b>19,316</b>	19,316
Reserves		<b>523,604</b>	552,101
Equity attributable to owners of the Company		<b>542,920</b>	571,417
Non-controlling interests		<b>68,549</b>	69,706
<b>TOTAL EQUITY</b>		<b>611,469</b>	641,123

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

	Attributable to owners of the Company									
	Share capital	Share premium	Foreign currency translation reserve	Capital reduction reserve	Other reserve	Available-for-sales financial assets valuation reserve	Retained Profits	Total	Non-controlling interests	Total Equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
At 1 January 2015	19,316	223,215	(208)	191,925	19,053	11,532	106,584	571,417	69,706	641,123
Loss for the period	-	-	-	-	-	-	(16,992)	(16,992)	(1,357)	(18,349)
Other comprehensive income/ (expense) for the period	-	-	(64)	-	-	(11,532)	-	(11,596)	-	(11,596)
Total comprehensive income/ (expense) for the period	-	-	(64)	-	-	(11,532)	(16,992)	(28,588)	(1,357)	(29,945)
Disposal of subsidiaries	-	-	-	-	-	-	-	-	200	200
Addition	-	-	-	-	91	-	-	91	-	91
At 30 June 2015	19,316	223,215	(272)	191,925	19,144	-	89,592	542,920	68,549	611,469
At 1 January 2014	19,316	223,215	11,062	191,925	7,320	28,715	61,606	543,159	43,964	587,123
Loss for the period	-	-	-	-	-	-	(4,163)	(4,163)	322	(3,841)
Other comprehensive income/ (expense) for the period	-	-	(6,787)	-	-	(6,394)	-	(13,181)	-	(13,181)
Total comprehensive income/ (expense) for the period	-	-	(6,787)	-	-	(6,394)	(4,163)	(17,344)	322	(17,022)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	39	39
At 30 June 2014	19,316	223,215	4,275	191,925	7,320	22,321	57,443	525,815	44,325	570,140

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended	
	30 June	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
NET CASH GENERATED FROM OPERATING ACTIVITIES	14,903	298,366
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES	22,806	(729,407)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	(29,161)	311,658
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	8,548	(119,383)
Cash and cash equivalents at the beginning of period	67,454	186,470
Effect of foreign exchange rate changes, net	768	(4,944)
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	76,770	62,143
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	76,770	62,143



## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION

*Ceneric (Holdings) Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The registered office and principal place of business of the Company are Caledonian House, 69 Dr. Roy’s Drive, P.O. Box 1043, George Town, Grand Cayman KY1-1102, Cayman Islands and 7/F., Guangdong Finance Building, 88 Connaught Road West, Sheung Wan, Hong Kong respectively. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).*

*During the period, the Group’s activities mainly comprised properties development and hotel business in the People’s Republic of China.*

### 2. BASIS OF PREPARATION

*The condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange and with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (HKICPA). These condensed consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.*

### 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

*The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2014, except for the adoption of new standards and interpretations effective as of 1 January 2015. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.*

*The nature and the impact of each new standard or amendment are described below.*

<i>Amendments to HKAS 19</i>	<i>Defined benefit plans: Employee contributions</i>
<i>Amendments to HKFRSs</i>	<i>Annual improvements to HKFRSs 2010–2012 cycle</i>
<i>Amendments to HKFRSs</i>	<i>Annual improvements to HKFRSs 2011–2013 cycle</i>

*In addition, the requirements of Part 9 “Accounts and Audit” of the new Hong Kong Companies Ordinance (Cap. 622) come into operation in the current interim period in accordance with section 358 of that Ordinance.*

*The application of the above new or revised HKFRSs and the new Hong Kong Companies Ordinance has had no material effect on the Group’s results and financial position.*

The Group has not early adopted the following new and revised standards, amendments or interpretation that have been issued but are not yet effective.

Amendments to HKAS 1	Disclosure Initiative <sup>1</sup>
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation <sup>1</sup>
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants <sup>1</sup>
Amendments to HKAS 27	Equity Method in Separate Financial Statements <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	Investment Entities: Applying the Consolidation Exception <sup>1</sup>
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations <sup>1</sup>
HKFRS 9 (2014)	Financial Instruments <sup>2</sup>
HKFRS 14	Regulatory Deferral Accounts <sup>1</sup>
HKFRS 15	Revenue from Contracts with Customers <sup>2</sup>
Annual Improvements Project	Annual Improvements 2012–2014 Cycle <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2016

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2018

#### 4. OPERATING SEGMENT INFORMATION

For management purposes, the Group identifies reportable segments, on the basis of the products and services, for internal reports about components of the Group that are regularly reviewed by the chief operation decision makers for the purpose of allocating resources to segments and assessing their performances. There are three reportable operating segments identified as follows:

- (a) The property development segment comprises the development and sales of properties;
- (b) The hotel business segment comprises the sub-licensing rights to hotel operators and certain hotel management activities; and
- (c) The corporate and other businesses segment includes general corporate expense items.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment results represent the profit or loss earned before tax before taking into account interest income from bank deposits, unallocated other income, unallocated corporate expenses (including central administration costs and directors' remuneration) and finance costs. This is the measure reported to the chief operation decision makers and the board of directors for the purposes of resource allocation and performance assessment.

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

For the six months ended 30 June										
	Property development		Hotel Business		Corporate and other business		Elimination		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment revenue:										
Sales to external customers	567	10,378	46,161	18,661	-	-	-	-	46,728	29,039
Other income	452	833	642	269	2	-	-	-	1,096	1,102
Total segment revenue	1,019	11,211	46,803	18,930	2	-	-	-	47,824	30,141
Amortisation of licensing rights	-	-	(3,839)	(1,620)	-	-	-	-	(3,839)	(1,620)
Depreciation of property, plant and equipment	(253)	(314)	(37,221)	(14,815)	(233)	(106)	-	-	(37,707)	(15,235)
Amortisation of prepaid land lease payments	(38)	(38)	(965)	(407)	-	-	-	-	(1,003)	(445)
Segment results	(3,042)	455	4,382	289	14,984	(1,714)	-	-	16,324	(970)
Reconciliation:										
Unallocated expenses									(9,911)	(7,044)
Interest income									571	577
Gain on bargain purchase									-	16,021
Acquisition related costs (see Note 7)									-	(7,375)
Finance costs (see Note 7)									(20,896)	(5,486)
Loss before tax									(13,912)	(4,277)

### Geographical information

The Group operates in two main geographical areas — Hong Kong and the People's Republic of China (excluding Hong Kong) (the "PRC").

	For the six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>REVENUE</b>		
— Hong Kong	-	-
— PRC	47,824	30,141
	<b>47,824</b>	<b>30,141</b>

	<i>At 30 June</i>	<i>At 31 December</i>
	<i>2015</i>	<i>2014</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
<b>NON-CURRENT ASSETS</b>		
— Hong Kong	<b>108</b>	<b>134</b>
— PRC	<b>962,004</b>	<b>1,005,157</b>
— Other countries	<b>351</b>	<b>65</b>
	<hr/>	<hr/>
	<b>962,463</b>	<b>1,005,356</b>
	<hr/>	<hr/>

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

**Information about a major customer**

Sales to external customers approximately HK\$34,216,000 was derived from hotel business segment from a single customer.

5. **REVENUE**

Revenue represents income from sub-licensing of operating rights, and proceeds from the sales of properties held for sale and services rendered to external customers during the period.

	<i>For the six months ended 30 June</i>	
	<i>2015</i>	<i>2014</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Licensing income	<b>46,161</b>	<b>18,661</b>
Sales of properties held for sale and rendering of services	<b>567</b>	<b>10,378</b>
	<hr/>	<hr/>
	<b>46,728</b>	<b>29,039</b>
	<hr/>	<hr/>

6. *OTHER INCOME*

	<i>For the six months ended 30 June</i>	
	<i>2015</i>	<i>2014</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<i>Bank interest income</i>	<i>571</i>	<i>577</i>
<i>Gain on bargain purchase</i>	<i>–</i>	<i>16,021</i>
<i>Gain on disposal of available for sale financial assets</i>	<i>16,327</i>	<i>–</i>
<i>Gain on disposal of a subsidiary</i>	<i>343</i>	<i>–</i>
<i>Rental Income</i>	<i>642</i>	<i>269</i>
<i>Others</i>	<i>454</i>	<i>833</i>
	<hr/>	<hr/>
	<i>18,337</i>	<i>17,700</i>
	<hr/>	<hr/>

7. *LOSS BEFORE TAX*

The Group's loss before tax is arrived at after charging/(crediting):

	<i>For the six months ended 30 June</i>	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<i>Cost of sales</i>		
<i>Cost of inventories sold</i>	289	308
<i>Cost of properties sold</i>	40	6,236
<i>Amortisation of licensing rights</i>	3,839	1,620
	<b>4,168</b>	<b>8,164</b>
<i>Depreciation</i>	37,707	15,235
<i>Amortisation of prepaid land lease payments</i>	1,003	445
<i>Minimum lease payments under operating lease in respect of land and building</i>	1,617	834
<i>Employee benefit expenses (including directors' remuneration)</i>		
— <i>Wages and salaries</i>	6,836	4,940
— <i>Retirement benefits scheme contributions</i>	470	166
<i>Acquisition related costs</i>	—	7,375
<i>Interest Income</i>		
<i>Bank interest income</i>	(571)	(577)
<i>Other interest income</i>	—	—
	<b>(571)</b>	<b>(577)</b>
<i>Finance costs</i>		
<i>Interest on loan and borrowings</i>	5,707	3,662
<i>Interest on other borrowings</i>	92	14
<i>Interest on bonds</i>	5,641	1,810
<i>Amortisation of bonds, at amortised cost</i>	9,456	—
	<b>20,896</b>	<b>5,486</b>
<i>Gain on disposal of available for sale financial assets</i>	<b>16,327</b>	—

8. *INCOME TAX*

*Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits arising in Hong Kong during the period under review. Subsidiaries in the People's Republic of China ("PRC") are subject to PRC Enterprise Income Tax at 25% (2014: 25%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries (or jurisdictions) in which the Group operates.*

	<i>For the six months ended 30 June</i>	
	<i>2015</i>	<i>2014</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<i>Current tax:</i>		
<i>Hong Kong</i>	<i>–</i>	<i>–</i>
<i>PRC</i>	<i>–</i>	<i>1,442</i>
	<hr/>	<hr/>
	<i>–</i>	<i>1,442</i>
<i>Deferred tax</i>	<i>4,437</i>	<i>(1,878)</i>
	<hr/>	<hr/>
<i>Income tax expenses/(credit)</i>	<i>4,437</i>	<i>(436)</i>
	<hr/>	<hr/>

9. *LOSS PER SHARE*

*The calculation of basic and diluted loss per share is based on the loss for the period attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 1,931,638,040 (30 June 2014: 1,931,638,040) in issue during the period.*

10. *AVAILABLE-FOR-SALE FINANCIAL ASSETS*

	<i>At 30 June</i>	<i>At 31 December</i>
	<i>2015</i>	<i>2014</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
<i>Listed equity investment, at fair value Hong Kong</i>	<i>–</i>	<i>17,183</i>
	<hr/>	<hr/>

11. DEFERRED TAX ASSETS AND LIABILITIES

As at 30 June 2015 and 31 December 2014, the Group's deferred tax assets and liabilities shown in the consolidated statement of financial position are as follows:

	At 30 June 2015 HK\$'000 (Unaudited)	At 31 December 2014 HK\$'000 (Audited)
Deferred tax assets	<u>6,026</u>	14,972
Deferred tax (liabilities)	<u>(109,227)</u>	(113,709)

The movements in deferred tax assets/(liabilities) for the six months ended 30 June 2015 were as follows:

**Deferred tax assets and liabilities**

	Deferred tax assets had debt provision HK\$'000 (Unaudited)	Deferred tax assets Tax losses HK\$'000 (Unaudited)	Deferred tax liabilities Accelerated tax depreciation HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
At 1 January 2015	5,657	9,315	(113,709)	(98,737)
(Charged)/credited to profit or loss	(5,657)	(3,262)	4,482	(4,437)
Exchange realignment	0	(27)	0	(27)
At 30 June 2015	<u>0</u>	<u>6,026</u>	<u>(109,227)</u>	<u>(103,201)</u>

Deferred tax assets are recognized for tax losses carry-forwards to the extent that the realization of the related benefit through the future taxable profits is probable.



12. *TRADE RECEIVABLES*

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	<i>At 30 June</i> <b>2015</b> <i>HK\$'000</i> <i>(Unaudited)</i>	<i>At 31 December</i> <b>2014</b> <i>HK\$'000</i> <i>(Audited)</i>
<i>Within 1 month</i>	<b>1,474</b>	6,813
<i>1–3 months</i>	–	–
<i>4–12 months</i>	–	–
<i>Over 1 year</i>	–	–
	<hr/> <b>1,474</b>	<hr/> 6,813

13. *TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS*

	<i>At 30 June</i> <b>2015</b> <i>HK\$'000</i> <i>(Unaudited)</i>	<i>At 31 December</i> <b>2014</b> <i>HK\$'000</i> <i>(Audited)</i>
<i>Trade payables</i>	–	–
<i>Amount received in advance for the sales of properties held for sale</i>	–	48
<i>Other payables and accruals</i>	<b>26,131</b>	21,355
	<hr/> <b>26,131</b>	<hr/> 21,403

14. LOAN AND BORROWINGS

	<i>At 30 June</i> <b>2015</b> <i>HK\$'000</i> <i>(Unaudited)</i>	<i>At 31 December</i> <b>2014</b> <i>HK\$'000</i> <i>(Audited)</i>
<i>Within 1 year</i>	<b>43,066</b>	39,078
<i>After 1 year but within 2 years</i>	<b>99,864</b>	31,262
<i>After 2 years but within 5 years</i>	–	96,289
	<hr/> <b>142,930</b> <hr/>	<hr/> 166,629 <hr/>

*At 30 June 2015, loan and borrowings lent by a financial institution to a subsidiary of the Group were secured by the leasehold land and buildings located in Maoming City, the PRC.*

15. OTHER BORROWING

*The borrowing is an unsecured loan, at interest rate 5% per annum from an independent third party.*

	<i>At 30 June</i> <b>2015</b> <i>HK\$'000</i> <i>(Unaudited)</i>	<i>At 31 December</i> <b>2014</b> <i>HK\$'000</i> <i>(Audited)</i>
<i>Within 1 year</i>	<b>4,000</b>	4,000
<i>After 1 year but within 2 years</i>	–	–
<i>After 2 years but within 5 years</i>	–	–
<i>After 5 years</i>	–	–
	<hr/> <b>4,000</b> <hr/>	<hr/> 4,000 <hr/>

16. BONDS

	<i>At 30 June</i> <b>2015</b> <i>HK\$'000</i> <i>(Unaudited)</i>	<i>At 31 December</i> <b>2014</b> <i>HK\$'000</i> <i>(Audited)</i>
<i>Unsecured bonds, at amortised cost</i>		
<i>First tranche, issued on 14 April 2014</i>	<i>121,739</i>	<i>117,451</i>
<i>Second tranche, issued on 21 May 2014</i>	<i>139,222</i>	<i>134,054</i>
	<hr/> <b>260,961</b> <hr/>	<hr/> <b>251,505</b> <hr/>

17. SHARE CAPITAL

	<i>At 30 June</i> <b>2015</b> <i>HK\$'000</i> <i>(Unaudited)</i>	<i>At 31 December</i> <b>2014</b> <i>HK\$'000</i> <i>(Audited)</i>
<i>Authorised</i>		
<i>100,000,000,000 (31 December 2014: 100,000,000,000)</i>		
<i>ordinary shares of HK\$0.01 (31 December 2014:</i>		
<i>HK\$0.01) each</i>	<hr/> <b>1,000,000</b> <hr/>	<hr/> <b>1,000,000</b> <hr/>
<i>Issued and fully paid:</i>		
<i>1,931,638,040 (31 December 2014: 1,931,638,040)</i>		
<i>ordinary shares of HK\$0.01 (31 December 2014:</i>		
<i>HK\$0.01) each (see Note)</i>	<hr/> <b>19,316</b> <hr/>	<hr/> <b>19,316</b> <hr/>

18. CAPITAL COMMITMENTS

The Group's capital commitments were as follows:

	<i>At 30 June</i> 2015 HK\$'000 (Unaudited)	<i>At 31 December</i> 2014 HK\$'000 (Audited)
<i>Contracted, but not provided for</i>	—	—
	<hr/>	<hr/>
	<hr/>	<hr/>

19. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases part of its property in Maoming City, the PRC under a non-cancellable operating lease agreement, with lease terms for five years. The lease agreement requires the tenant to pay security deposit and provide for rent adjustments starting from the third to fifth years of the lease.

At 30 June 2015, the Group had total future minimum lease receivables falling due as follows:

	<i>At 30 June</i> 2015 HK\$'000 (Unaudited)	<i>At 31 December</i> 2014 HK\$'000 (Audited)
<i>Within one year</i>	1,192	1,143
<i>In the second to fifth years, inclusive</i>	1,025	1,624
	<hr/>	<hr/>
	<hr/>	<hr/>

(b) *As lessee*

The Group leases certain of its office properties under operating lease commitments. Leases for properties are negotiated for terms ranging from one to four years. None of the leases includes contingent rentals.

Minimum lease payments under operating leases during the period:

	<i>For the six months ended 30 June</i>	
	<i>2015</i>	<i>2014</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Office premises	<u>1,617</u>	<u>834</u>

At 30 June 2015, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	<i>At 30 June</i>	<i>At 31 December</i>
	<i>2015</i>	<i>2014</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Within one year	3,674	837
In the second to fifth years, inclusive	<u>4,268</u>	<u>365</u>
	<u>7,942</u>	<u>1,202</u>

20. *CONTINGENT LIABILITIES*

As at 30 June 2015, the Group had contingent liabilities amounting to HK\$1,668,000 (31 December 2014: HK\$1,710,000) in respect of the buy-back guarantee in favor of banks to secure mortgage loans facilities granted to the purchasers of the Group's properties held for sales.

The directors consider that in case of default in payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty and therefore no provision has been made in the accounts for the guarantees.

21. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in these financial statements, the Group had no material transactions with related parties during the six months ended 30 June 2015 and 2014, respectively.

(b) Remuneration of key managerial personnel of the Group:

	<i>For the six months ended 30 June</i>	
	<i>2015</i>	<i>2014</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Short term employee benefits	<i>1,767</i>	<i>2,041</i>
Post-employment benefits	<i>37</i>	<i>30</i>
	<hr/>	<hr/>
	<i><b>1,804</b></i>	<i><b>2,071</b></i>
	<hr/>	<hr/>

22. DIVIDEND

No dividend was paid or proposed for the six months ended 30 June 2015, nor has any dividend been proposed since the end of the reporting period (30 June 2014: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### REVIEW OF FINANCIAL RESULTS

#### *Business Review*

For the six months ended 30 June 2015, the Group's revenue amounted to HK\$46.7 million, compared to HK\$29.0 million for the corresponding period of 2014. The Group recorded a loss before tax of HK\$13.9 million, compared to the loss of HK\$4.3 million for the corresponding period of 2014. The Group's consolidated loss attributable to the owners of the Company for the six months ended 30 June 2015 amounted to HK\$17.0 million, compared to the loss of HK\$4.2 million for the corresponding period of 2014. The loss is, among other things, mainly attributable to (1) the increase in finance costs arising from the amortisation of bonds measured at amortised cost, and (2) the increase in the depreciation of the Group's property, plant and equipment as compared to those for the six months ended 30 June 2014.

#### *Property Development Segment*

For the six months ended 30 June 2015, sales of the property development segment amounted to HK\$0.6 million, compared to HK\$10.4 million for the corresponding period of 2014. Loss of the segment for the period was HK\$3.0 million, compared to the profit of HK\$0.5 million for the corresponding period of 2014.

As at 30 June 2015, approximately 99.9% of residential units of Morning Star Villa ("MSV") and approximately 98.1% of all residential and commercial units of Morning Star Plaza ("MSP") were sold.

The Board is optimistic in the property market in Hong Kong and the PRC. The Group continues focusing on the sale of completed unsold properties.

#### *Hotel Business Segment*

For the six months ended 30 June 2015, the hotel business segment recorded revenue from the sub-licensing of operating right amounting to HK\$46.2 million, compared to HK\$18.7 million for the corresponding period of 2014. Loss of the segment amounted to HK\$4.4 million, compared to a profit of HK\$0.3 million for the corresponding period of 2014.

#### *Geographical Segment*

During the period, the Group did not have revenue generated from Hong Kong, and the revenue generated from elsewhere in the PRC mainly related to hotel business and property development.

## REVIEW OF FINANCIAL POSITION

### *Overview*

Non-current assets as at 30 June 2015, consisting mainly of property, plant and equipment, prepaid land lease payment, and licensing rights amounted to HK\$969.9 million, compared to HK\$1,039.4 million as at 31 December 2014. Current assets as at 30 June 2015 amounted to HK\$184.8 million, compared to HK\$159.1 million as at 31 December 2014. Current liabilities as at 30 June 2015 amounted to HK\$73.3 million, compared to HK\$64.5 million as at 31 December 2014. Non-current liabilities as at 30 June 2015 amounted to HK\$470.1 million, compared to HK\$492.8 million as at 31 December 2014.

### *Capital Structure, Liquidity and Financial Resources*

As at 30 June 2015, the Group's total borrowings amounted to HK\$407.9 million (31 December 2014: HK\$422.1 million). The borrowings mainly comprised borrowings from a financial institution of HK\$142.9 million, bonds measured at amortised costs of HK\$261.0 million. As at 30 June 2015, the Group's available banking facilities not utilised is nil (31 December 2014: nil).

The Group's total equity as at 30 June 2015 was HK\$611.5 million (31 December 2014: HK\$641.1 million).

The Group's gearing ratio as at 30 June 2015 was 53.9% (31 December 2014: 55.0%). The gearing ratio was calculated on the basis of net borrowings (the total borrowings minus total cash and cash equivalents and restricted cash) over the total equity of the Group.

As part of treasury management, the Group centralises funding for all of its operations at the Group level. The Group's foreign currency exposure relates mainly to Renminbi, which is derived from its hotel business in Maoming City and the sales of property units in Zhongshan City, the PRC.

### *Capital Commitments*

The Group did not have any capital commitments as at 30 June 2015 (31 December 2014: nil).

### *Contingent Liabilities*

As at 30 June 2015, the Group had contingent liabilities amounting to HK\$1.7 million (31 December 2014: HK\$1.7 million). The contingent liabilities were mainly in respect of buy-back guarantees in favour of banks to secure mortgage loans granted to the purchasers of the properties developed by MSV and MSP. The Board considered that the fair value of such guarantees were insignificant.



### *Charges on Group Assets*

As at 30 June 2015, part of the Group's leasehold land and buildings with a carrying value of HK\$803.8 million (31 December 2014: HK\$827.3 million) had been pledged to a financial institution to secure mortgage loans. In addition, non-current bank balances of HK\$1.4 million (31 December 2014: HK\$1.8 million) were pledged to banks to secure mortgage loan facilities granted to purchasers of the Group's properties held for sale. They also serve to secure the issuance of a bank guarantee in favour of a landlord under an operating lease.

### *Fund Raising Activities*

On 18 June 2015, the Company and two placing agents entered into a placing agreement (the "Placing Agreement") pursuant to which the Company has conditionally agreed to place through the placing agent, on a best effort basis, up to 2,500,000,000 placing shares at a price of HK\$0.15 per placing share under a specific mandate which had been approved by the shareholders at an extraordinary general meeting of the Company held on 30 July 2015.

In view of the recent market conditions, on 31 August 2015 the Company and the placing agents entered into a termination agreement (the "Termination Agreement") to terminate the proposed placing of shares with immediate effect. Pursuant to the Termination Agreement, the Placing Agreement shall be terminated absolutely in all respects, none of the parties thereto shall have any further rights or obligations to, or in respect of, each other in connection with the Placing Agreement and each of the parties shall be released from all obligations and liabilities under the Placing Agreement. The Directors believe that the termination of the proposed placing of shares would have no material adverse impact on the financial and operational position of the Group.

Details relating to the proposed placing of shares and the termination have been disclosed in the announcements of the Company dated 18 June 2015 and 31 August 2015 respectively, and a circular dated 15 July 2015.

### *Staff Analysis*

The total number of staff employed by the Group as at 30 June 2015 was 83, compared to 58 as at 30 June 2014. As part of the Group's human resources policy, employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus scale. Currently, the Group continues to implement its overall human resource training and development programme and to equip its employees with the necessary knowledge, skills and experience to deal with the existing and future requirements and challenges.

## OUTLOOK

Slowdown in global economic growth for the rest of 2015 especially the situation in China would pose uncertainties in the hospitality and property development businesses of the Group.

Even if domestic consumption in China has been weakening recently, the board foresees the income generated from licensing of hotel operating right for the Group in the second half of 2015 to be stable.

In view of loosening monetary policy in the Mainland, the Group expects that the property market in China will improve moderately. Such a trend would present more opportunities to sell the completed unsold property of the Group in the second half of 2015.

Being one of the strategies to broaden revenue base, the Group has been planning to expand the spectrum of its principal activities to render a wide range of financial services regulated by the Securities and Futures Ordinance. Designated subsidiaries of the Group are in process of applying for licences/registration from the Securities and Futures Commission. The application process is expected to be completed in the second half of 2015 and the Group's new income streams from the financial services business are predictable.

The Group will continuously look for new and profitable investment projects so as to maximise returns on the Company and to its shareholders.

## SHARE OPTION SCHEME

A new share option scheme (the "Scheme") was adopted pursuant to an ordinary resolution passed by the shareholders of the Company at an extraordinary general meeting held on 8 June 2011. The purpose of the Scheme is to provide the Company with a flexible and effective means of incentivising, rewarding, remunerating, compensating and/or providing benefits to eligible participants.

The total number of shares which may be issued upon exercise of all options to be granted under the Scheme and any options to be granted under any other scheme must not in aggregate exceed 10% of the aggregate of the Shares in issue as at 10 June 2011 (the "Adoption Date").

With the approval of the Shareholders in general meeting, the total number of shares available for issue upon the exercise of all options to be granted under the Scheme and any other scheme under the limit as "refreshed" shall not exceed 10% of the shares in issue of the Company as at the date on which the shareholders approve the "refreshed" limit.

The total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and all outstanding options granted and yet to be exercised under any other scheme shall not exceed 30% of the shares in issue from time to time. No options may be granted under the Scheme and no options may be granted under any other schemes if this will result in the limit being exceeded.

The Scheme became effective on the Adoption Date, subject to earlier termination at any time decided by the Board of Directors and approved in advance by shareholders of the Company by ordinary resolution in a general meeting. The Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further options under the Scheme will be granted. As of the date of the report, the remaining life of the Scheme is about 69 months.

During the six months ended 30 June 2015, no options were granted nor were there any option outstanding under the Scheme. As of the date of this report, the total number of shares available for issue under the Scheme may not exceed 193,163,804 shares which represent 10% of the shares in issue of the Company.

## DIRECTORS' INTERESTS

As at 30 June 2015, none of the Directors and the chief executive of the Company had interest 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 ("SFO"), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which the Directors or the chief executive were deemed or taken to have under such provisions of the SFO, which are required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO, or which were notified to the Company and the Stock Exchange, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in the Listing Rules

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS

As at 30 June 2015, the following Shareholders had interest in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name of Shareholders	<i>Notes</i>	Number of shares and underlying shares held (Long Position)	Percentage of issued share capital
Star Advance International Limited ("Star Advance")	<i>1</i>	560,000,000	28.99%
Fong Shing Kwong ("Mr. Fong")	<i>2</i>	560,000,000	28.99%

*Notes:*

- (1) *This represents 560,000,000 shares held by Star Advance.*
- (2) *Mr. Fong is deemed to have interests in the shares through his 100% interest in Star Advance.*

## **CORPORATE GOVERNANCE AND OTHER INFORMATION**

### **COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company is committed to maintaining the high corporate governance standards and upholding accountability and transparency.

During the six months ended 30 June 2015, the Company has applied the principles of and complied with the applicable code provisions of the Corporate Governance Code and Corporate Governance Report (the “CG Code”) as set out in Appendix 14 of the Listing Rules, except for certain deviations which are summarized below:

#### *Code Provisions A.2.1 to A.2.9*

Code Provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

Code Provisions A.2.2 to A.2.9 further stipulate the roles and responsibilities of the chairman.

The Company does not have a Chairman of the Board at present. It is the Board’s intention to appoint the Chairman of the Board as soon as the suitable and appropriate candidate is identified.

#### *Code Provisions A.6.7*

Code Provision A.6.7 stipulates that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders.

Due to other business engagements, some Non-Executive Directors (including Independent Non-Executive Directors) could not attend the annual general meeting of the Company held on 29 May 2015 and the extraordinary general meeting of the Company held on 30 July 2015. However, at the respective general meeting of the Company, there were Executive Directors and some Non-Executive Directors and Independent Non-Executive Directors present to enable the Board to develop a balanced understand of the views of the Shareholders.

#### *Code Provision E.1.2*

Code provision E.1.2 stipulates that the chairman of the board should attend the annual general meeting. He should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. In their absence, he should invite another member of the committee or failing this his duly appointed delegate to attend. These persons should be available to answer questions at the annual general meeting.

The Company does not have a Chairman of the Board at present. It is the Board's intention to appoint the Chairman of the Board as soon as the suitable and appropriate candidate is identified. As such, no Chairman of the Board was able to attend the annual general meeting of the Company held on 29 May 2015. However, Mr. Chi Chi Hung, Kenneth, an Executive Director of the Company, took the chair of that meeting and Chairman of the Audit Committee, Remuneration Committee and Nomination Committee was present thereat to be available to answer any question to ensure effective communication with the Shareholders.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the Directors of the Company. Having made specific enquiry to the Directors, all the Directors confirmed that they had complied with the required standards as set out in the Model Code during the period.

## CHANGE IN DIRECTORS' INFORMATION

The change in Directors' information, required to be disclosed pursuant to Rule 13.51B (1) of the Listing Rules, is set out below:

- Mr. Cheng Wai Lam, James has resigned as an independent non-executive director, a member of the audit committee, a member of the nomination committee and a member of the remuneration committee of Harmonic Strait Financial Holdings Limited with effect from 10 July 2015.
- Mr. Chi Chi Hung, Kenneth has resigned as an executive director and the chairman of the share option committee of e-Kong Group Limited on 31 July 2015. He also retired as an independent non-executive director and ceased to be the chairman of each of the audit committee, remuneration committee and nomination committee of Hong Kong Life Science and Technologies Group Limited on 7 August 2015.

## PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the six months ended 30 June 2015.

## REVIEW OF INTERIM RESULTS

The Group's unaudited interim results for the six months ended 30 June 2015 have been reviewed by the Audit Committee, and by the auditor of the Company in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. The Audit Committee constitutes three Independent Non-Executive Directors of the Company.

By order of the Board  
**Ceneric (Holdings) Limited**  
**CHI Chi Hung, Kenneth**  
*Executive Director*

Hong Kong, 28 August 2015