SYMPHONY

SYMPHONY HOLDINGS LIMITED
新 灃 集 團 有 限 公 司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 01223)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2019

CHAIRMAN'S STATEMENT

In recent years, the Group has been committed to promoting the sports industry in response to the nationwide advocacy of the "Sports for All"(全民運動), and has established its future direction for the development of leisure sports brands. Over the past five years, China's per capita GDP has maintained a steady upward trend, leading to strong growth in per capita disposable income. With increasing income and improving living standards, people have become more conscious of the importance to improve their consumption preference and gradually move to a healthier lifestyle.

In view of growing demand for fashion sportswear in the global market, the Group negotiated with global trading partners on the expansion of its own brand "PONY" in the first half of the year to continuously develop and strengthen its retail business. The Group also further explored its future business arrangements to increase the market share of the Group's brand business in the global market. In addition, the Group and Descente Limited ("Descente") jointly operated "ARENA" swimming brand in 2017. Driven by the swimming craze in China in recent years, the business has grown steadily and is strategically poised for the "Tokyo 2020 Olympic Games". Apart from this, the Group is proactively exploring opportunities for cooperation with ITOCHU Corporation, the parent company of Descente.

* *For identification only*

In view of the continuous growth of the business scale of China outlet industry, the Group's flagship project in Xiamen, being Park Outlets, will officially commence business in the second half of the year with a gross floor area of 104,400 square meters. The Group believes that Outlets (the "Outlets") incorporated with brand discount elements will continue to be well received by Chinese consumers in the mainstream retail industry in future.

The current unclear global political and economic situation, including the Sino-US trade war, the trade war between Japan and South Korea, the Brexit and the social atmosphere in Hong Kong, may lead to a slowdown in the global economic growth or foreign exchange rate fluctuations, which may have an impact on the future operating results of the Group.

Looking ahead, the Group will adhere to its business philosophy of "sports + big spending". In the coming year, the Group will continue to further improve its brand management and regard big scale retailing as its top priority while actively exploring new profit growth drivers, aiming to maximise value for the shareholders and investors of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

MACRO ANALYSIS

The Chinese economy has experienced rapid growth over the past five years, leading to an increase in consumer spending. According to the National Bureau of Statistics, China's total consumption expenditures increased from USD5.3 trillion in 2014 to USD7.0 trillion in 2018, representing a compound annual growth rate of 6.9%, and are expected to reach USD9.9 trillion in 2023. Such increase was mainly attributable to the rise of the middle class and the sustainable increase in their spending power, thereby leading to a booming retail industry.

BUSINESS REVIEW

Emerging Fashionable Sportswear

As an increasing number of people are incorporating sportswear into part of their daily outfit and developing lifestyle habits that focus on health and personal appearance, they are prompted to move from general sports to focus sports, such as fitness, yoga, diving and hiking. The emerging fashion sportswear also provides new opportunities for niche sports brands to meet the growing global market demand.

Rising Health Awareness

With the gradual improvement of consumers' health awareness, the industries focusing on healthcare have developed rapidly over the recent years. Last year, the Group completed the acquisition of Supremium Bio-Technology Ltd ("SBT"), a Hong Kong-based healthcare product manufacturer which provides more than 1,000 independently developed and licensed products that have successfully entered the retail network of local core shopping districts to meet consumer demand for healthcare.

Development of Financial Business

The Special Purpose Acquisition Company ("SPAC") which was established by the Group in partnership with an international fund last year, was listed on NASDAQ in the United States and has successfully raised USD250 million for future mergers and acquisitions. The Group is planning to increase investment in the operation of sports brands and development of retail sales network, so as to achieve cost-effectiveness brought about by economies of scale.

Operation of Retail Projects

Xiamen Park Outlets, as the flagship project of the Group in Fujian Province, will officially open in the upcoming fourth quarter, which will target a total of 20 million people in Xiamen, Zhangzhou and Quanzhou, Fujian Province. As regards another Park Outlets which is located in Shenyang City, Liaoning Province, in light of its satisfactory business performance, coupled with the successive delivery of its surrounding residential communities, the Group has planned to expand the commercial area in the north zone of its shopping mall at the end of the year to attract more brand tenants. In addition, two community shopping malls invested and managed by the Group in Chongqing and Tianjin are currently operated in a steadier manner, and the Group has taken measures to further optimize tenant, brand and trade mix. The Group will revamp its retail stores on a regular basis through well-established operational planning, and gradually improve operational efficiency by integrating online and offline distribution channels, striving to preserve and enhance its assets value.

OUTLOOK

Keeping abreast of the ever-changing retail development and changes in consumer demand and continuously enhancing our core competitiveness are keys to our success. The Group will accelerate the building of “integrated retail channels”, comprehensively increase smart elements in its business operations and continuously optimize the membership system to add more value to brand tenants and consumers. Looking into 2020, in the context of the transformation of the consumer retail industry, the Group will further develop its brand business, provide consumers with better products to promote and attract, retain and improve the conversion rate of traffic flow, and achieve stable and sustainable operation, thereby creating maximum value for our customers and shareholders.

APPRECIATION

I thank the board sincerely for their contribution and thank all of our colleagues, shareholders and partners for their continued commitment and support. I look forward to welcoming and seizing every coming opportunity with you all.

Cheng Tun Nei
Chairman

Financial Review

Revenue increased from HKD188.1 million to HKD193.8 million attributable to increase in turnover of retail and sourcing segment.

Other income and gains increased from HKD5.2 million to HKD25.0 million mainly due to a gain on write back of other payables.

Administrative expenses fell from HKD104.2 million to HKD83.7 million due to better cost control.

Finance costs moved up from HKD15.7 million to HKD24.5 million as a result of increase in bank interest rate and interests on lease payment under the adoption of HKFRS 16.

Fair value gain of investment properties decreased from HKD105.9 million to HKD46.3 million in response to market conditions.

Share of results of joint ventures recorded a profit of HKD7.8 million compared to a loss of HKD1.9 million due to improved business performance.

As a result, profit for the period attributable to the owners of the Company increased from HKD34.2 million to HKD39.1 million.

Property plant and equipment rose from HKD857.4 million to HKD1,039.3 million mainly reflecting the construction progress of Xiamen outlet mall.

Investment properties rose from HKD1,319.5 million to HKD1,528.4 million mainly due to the fair value gain of investment properties during the period and the adoption of HKFRS16 “Leases” (“HKFRS 16”) recognizing the lease arrangement for the commercial property in Tianjin as investment properties.

Right-of-use assets of HKD512.9 million was recorded due to the adoption of HKFRS 16 and inclusion of the finance-leased assets and prepaid lease payments.

Trade and other receivables fell from HKD513.6 million to HKD143.7 million mainly due to the receipt of the remaining 50% consideration arising from the disposals of 3 parcels of land in Shenyang.

Loans receivables increased from HKD166.1 million to HKD225.4 million as a result of increase in money lending business.

As a result of the adoption of HKFRS 16 during the reporting period, lease liabilities in the amount of HKD186.6 million was recorded with inclusion of finance lease payables.

Total bank borrowing increased from HKD1,281.1 million to HKD1,363.8 million as a result of the construction progress of Xiamen outlet mall.

Market Information

During the first six months of 2019, sales to the People’s Republic of China, Hong Kong, Taiwan and other Asian countries comprise 97.6 % (30 June 2018: 97.2%) of the total sales and the remaining 2.4% (30 June 2018: 2.8%) was mainly shared between the United States of America and others.

Liquidity and Capital Resources

As at 30 June 2019, the Group had bank balances and cash of HKD325.0 million (31 December 2018: HKD131.6 million) and restricted bank deposits of HKD34.8 million (31 December 2018: HKD34.8 million). The Group was offered banking facilities amounting to HKD1,383.9 million (31 December 2018: HKD1,419.4 million). As at 30 June 2019, the Group's total bank borrowings and bank overdrafts were HKD1,368.3 million (31 December 2018: HKD1,287.5 million). The Group has variable interest-rate bank loans which carry interest ranging from 4.0% to 5.9% per annum for the six months ended 30 June 2019 (six months ended 30 June 2018: 3.1% to 5.9%). The weighted-average effective interest rate of the Group's bank loans is 4.8% (30 June 2018: 4.0%). Debt to total assets ratio stood at 29.6% (31 December 2018: 29.6%), based on total bank borrowings and bank overdrafts over total assets. The banking facilities were secured by corporate guarantees from the Company and certain of its subsidiaries, charges over certain deposits, certain right-of-use assets, certain leasehold land and buildings as well as certain investment properties of the Group.

Human Resources

As at 30 June 2019, the total number of employees of the Group is 416 (30 June 2018: 487). Employee costs (excluding directors' emoluments) amounted to approximately HKD37.6 million (30 June 2018: HKD43.3 million).

In addition to competitive remuneration packages, double pay and employee options are offered to eligible staff of the Group based on its performance and individual merits. The Group also provides other benefits including insurance, medical scheme and retirement plans to its employees.

Share option scheme

There has been no change in the Group's share option scheme (the "Scheme"), details of which are disclosed in the Company's annual report for the year ended 31 December 2018. During the six months ended 30 June 2018 and 2019, no share option was granted under the Scheme and therefore no unrecognised share option expenses was recognised during the six months ended 30 June 2019 (six months ended 30 June 2018: HKD328,000).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2019

	Notes	**2019** **HKD'000** **(Unaudited)**	2018 *HKD'000* (Unaudited)
Revenue	*4*	**193,847**	188,130
Cost of sales		**(54,254)**	(57,531)
Gross profit		**139,593**	130,599
Other income and gains		**24,988**	5,232
Distribution and selling expenses		**(53,254)**	(52,516)
Administrative expenses		**(83,695)**	(104,202)
Finance costs	*5*	**(24,508)**	(15,661)
Other expenses		**(1,490)**	(1,685)
Impairment loss on finance assets		**(4,008)**	(4,885)
Increase in fair value of investment properties		**46,288**	105,857
Share of results of joint ventures		**7,779**	(1,945)
Share of result of an associate		**(858)**	(1,032)
Profit before income tax expense	*6*	**50,835**	59,762
Income tax expense	*7*	**(9,049)**	(26,249)
Profit for the period		**41,786**	33,513
Profit for the period attributable to:			
Owners of the Company		**39,068**	34,186
Non-controlling interests		**2,718**	(673)
		41,786	33,513
Earnings per share:	*9*		
Basic earnings per share		**HK1.31 cents**	HK1.16 cents
Diluted earnings per share		**HK1.31 cents**	HK1.14 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2019

	2019	2018
	HKD'000	*HKD'000*
	(Unaudited)	(Unaudited)
Profit for the period	**41,786**	33,513
Other comprehensive income for the period, net of tax		
Items that will not be reclassified to profit or loss:		
Surplus arising on revaluation of properties	**22,076**	19,330
Deferred tax liability arising on revaluation of properties	**(4,106)**	(3,430)
	17,970	15,900
Items that may be reclassified subsequently to profit or loss:		
Share of other comprehensive income of joint ventures	**75**	(1,626)
Exchange differences arising on translation of foreign operations	**6,172**	(48,942)
	6,247	(50,568)
Other comprehensive income for the period, net of tax	**24,217**	(34,668)
Total comprehensive income for the period	**66,003**	(1,155)
Total comprehensive income for the period attributable to:		
Owners of the Company	**62,966**	1,499
Non-controlling interests	**3,037**	(2,654)
	66,003	(1,155)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Notes	30.06.2019 HKD'000 (Unaudited)	31.12.2018 HKD'000 (Audited)
Non-current assets			
Property, plant and equipment		**1,039,302**	857,382
Investment properties		**1,528,362**	1,319,475
Right-of-use assets		**512,919**	–
Prepaid lease payments		**–**	499,834
Intangible assets		**197,651**	199,450
Interests in joint ventures		**69,629**	95,962
Interest in an associate		**–**	–
Goodwill		**147,501**	147,501
Deferred tax assets		**8,631**	9,623
Club debenture		**1,876**	1,876
Restricted bank deposit		**34,823**	34,814
Statutory deposits for financial services business		**200**	200
Total non-current assets		**3,540,894**	3,166,117
Current assets			
Inventories		**87,513**	85,380
Trade and other receivables	*10*	**143,711**	513,594
Amounts due from joint ventures		**20,665**	8,170
Amount due from an associate		**33,970**	35,343
Advances to customers in margin financing	*11*	**157,756**	144,145
Loans receivable	*12*	**225,387**	166,088
Prepaid lease payments		**–**	14,833
Financial assets at fair value through profit or loss		**73,561**	72,453
Bank balances and cash – held on behalf of customers		**13,280**	15,761
Bank balances and cash		**325,030**	131,590
Total current assets		**1,080,873**	1,187,357

	Notes	30.06.2019 *HKD'000* (Unaudited)	31.12.2018 *HKD'000* (Audited)
Current liabilities			
Trade and other payables	*13*	**167,780**	231,908
Amount due to a related party		**171**	10,541
Lease liabilities		**9,385**	–
Finance lease payables		**–**	120
Bank borrowings		**327,607**	307,026
Bank overdrafts		**4,501**	6,461
Dividend payable	*8*	**35,696**	–
Tax payable		**30,543**	30,248
Total current liabilities		**575,683**	586,304
Net current assets		**505,190**	601,053
Total assets less current liabilities		**4,046,084**	3,767,170
Non-current liabilities			
Loan from non-controlling interests		**9,254**	9,249
Lease liabilities		**177,178**	–
Finance lease payables		**–**	531
Bank borrowings		**1,036,182**	974,028
Deferred tax liabilities		**179,159**	169,495
Total non-current liabilities		**1,401,773**	1,153,303
Net Assets		**2,644,311**	2,613,867
Equity			
Share capital		**297,416**	297,403
Reserves		**2,300,819**	2,273,425
Equity attributable to the owners of the Company		**2,598,235**	2,570,828
Non-controlling interests		**46,076**	43,039
Total Equity		**2,644,311**	2,613,867

NOTES:

1. GENERAL INFORMATION

Symphony Holdings Limited (the "Company") was incorporated in Bermuda on 24 November 1993 as an exempted company with limited liability under the Companies Act 1981 of Bermuda and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 1 March 1995. The address of the Company's registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business is 10th Floor, Island Place Tower, 510 King's Road, North Point, Hong Kong.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (collectively referred to as the "Group") are mainly consist of: (i) retailing and provision of sourcing services for branded apparel, swimwear and accessories, and sourcing, manufacturing and trading of health supplement products; (ii) development and management of "PONY" trademarks; (iii) property investment and holding; (iv) management and operation of outlet malls; (v) provision of financial services (including securities brokerage, margin financing, money lending, underwriting and placing of listed securities and financial consultancy services); and (vi) operation of duty-free shops.

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements of the Main Board Listing Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

These condensed consolidated interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2018 annual financial statements (the "2018 Annual Financial Statements"), except for the accounting policy changes that are expected to be reflected in the 2019 annual financial statements. Details of any changes in accounting policies are set out in Note 3 to the condensed consolidated interim financial statements.

The preparation of these condensed consolidated interim financial statements in compliance with HKAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

3. CHANGES IN ACCOUNTING POLICIES

Adoption of New/Revised HKFRSs – Effective 1 January 2019

The Group has adopted the following new and revised HKFRSs (which included all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the HKICPA that are first effective for the current accounting period of the Group to prepare these condensed consolidated interim financial statements:

HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKFRS 3, Business Combinations
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKFRS 11, Joint Arrangements
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKAS 12, Income Taxes
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKAS 23, Borrowing Costs

Other than as explained below regarding to the impact of HKFRS 16 "Leases" ("HKFRS 16"), the adoption of those new and revised HKFRSs that are effective from 1 January 2019 have had no material impact on the Group's accounting policies and how the Group's results and financial position for the current or prior periods have been prepared or presented in the condensed consolidated interim financial statements. The nature and impact of the HKFRS 16 is described as below:

HKFRS 16 Leases

HKFRS 16 replaces HKAS 17 "Leases", HK(IFRIC)-Int 4 "Determining whether an Arrangement contains a Lease", HK(SIC)-Int 15 "Operating Leases – Incentives" and HK(SIC)-Int 27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease". The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single lessee accounting model. Lessor accounting model under HKFRS 16 is substantially unchanged from HKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. Therefore, HKFRS 16 did not have any significant impact on leases where the Group is the lessor.

Under HKFRS 16, when the Group acts as an intermediate lessor in a sublease arrangement, the Group is required to classify the sublease as a finance lease or an operating lease by reference to the right-of-use asset arising from the head lease, instead of by reference to the underlying asset.

The Group has adopted HKFRS 16 using the modified retrospective method of adoption with the initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initial adoption as an adjustment to the opening balance of retained profits at 1 January 2019, and the comparative information for 2018 was not restated and continues to be reported under HKAS 17.

New definition of a lease

Under HKFRS 16, a lease is defined as a contract, or part of a contract, if the contract conveys a right to control the use an identified asset for a period of time in exchange for consideration. Control is conveyed when the customer, throughout the period of use, has both: (i) the right to obtain substantially all of the economic benefits from use of the identified assets; and (ii) the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 at the date of initial application. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-Int 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

For a contract that contains a lease component and one or more additional lease or non-lease components, a lessee shall allocate the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate stand-alone price of the non-lease components, unless the lessee apply the practical expedient which allows the lessee to elect, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group has elected not to separate non-lease components and account for all each lease component and any associated non-lease components as a single lease component for all leases in which the Group is a lessee.

Accounting as a lessee

Under HKAS 17, a lessee has to classify a lease as an operating lease or a finance lease based on the extent to which risks and rewards incidental to ownership of a lease asset lie with the lessor or the lessee. If a lease is determined as an operating lease, the lessee would recognise the lease payments under the operating lease as an expense over the lease term. The asset under the lease would not be recognised in the condensed consolidated statement of financial position of the lessee. Under HKFRS 16, all leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the condensed consolidated statement of financial position as right-of-use assets and lease liabilities, but HKFRS 16 provides accounting policy choices for an entity to elect not to recognise right-of-use assets and lease liabilities for: (i) leases, that at the commencement date, have a lease term of 12 months or less (elected by class of identified asset); and (ii) leases of low value (elected on a lease-by-lease basis). Instead, the Group recognises the lease payments associated with those leases have been expensed on straight-line basis over the lease term. The Group recognised a right-of-use asset and a lease liability at the date of adoption of HKFRS 16, i.e. 1 January 2019.

Right-of-use asset

Right-of-use asset is recognised at cost on the commencement date of lease, which comprise of: (i) the amount of initial measurement of lease liability (see below for the accounting policy of lease liability); (ii) any lease payments made on or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) any estimation of costs to be incurred by the lessee in dismantling and removal of the identified asset into the conditions required by the lease agreement, unless those costs are incurred for production of inventories. The Group measures right-of-use assets at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets shall be depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term.

Lease liability

Lease liability is recognised at present value of lease payments to be made over the lease term on the commencement date of lease by discounting at the interest rate implicit in the lease as if that rate can be readily determined, or otherwise, the incremental borrowing rate is used by the Group to calculate the present value of lease payments for its lease liability.

The lease payments include the following: (i) fixed payments (including in-substance fixed payments) less any lease incentives receivable; (ii) any variable lease payments that depend on an index or a rate initially measured on the commencement date of lease; (iii) any amounts expected to be paid by the lessee under residual value guarantees; (iv) any exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and (v) any penalties for terminating the lease as if the lease term reflects the lessee to exercise such option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

After the commencement date, a lessee shall account for the lease liability in the following manner: (i) increase the carrying amount to reflect interest on the lease liability; (ii) reduce the carrying amount to reflect lease payments made on the lease liability; and (iii) remeasure the carrying amount to reflect any reassessment or lease modifications, such as change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the identified asset, if applicable.

Impacts on transition

As mentioned previously, the Group has applied HKFRS 16 by using the modified retrospective method and recognised the right-of-use asset at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the condensed consolidated statement of financial position immediately before 1 January 2019. There were no onerous lease contracts that would have required a significant adjustment to the right-of-use assets at the date of initial application on 1 January 2019. The comparative information is not restated and continued to be reported under HKAS 17 and the related interpretations as allowed by the transition provisions of HKFRS 16.

The Group has recognised the lease liabilities at 1 January 2019 for leases previously classified as operating leases under HKAS 17 and HK(IFRIC)-Int 4, and measured those lease liabilities, at the present value of the remaining lease payments, discounted by using the incremental borrowing rate at 1 January 2019 and presented separately in the condensed consolidated statement of financial position as at 30 June 2019.

The Group has recognised the right-of-use assets at 1 January 2019 for leases previously classified as operating leases under HKAS 17 and HK(IFRIC)-Int 4 as if HKFRS 16 applied at the date of initial application on 1 January 2019 by excluding those applied the fair value model in HKAS 40 "Investment Property" ("HKAS 40") as if the right-of-use assets that meet the definition of investment property in HKAS 40. The carrying amount of right-of-use assets were measured at the amount of the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the condensed consolidated statement of financial position immediately before 1 January 2019. All these right-of-use assets were assessed for any impairment based on HKAS 36 "Impairment of Assets" at 1 January 2019. The Group elected to present the right-of-use assets separately in the condensed consolidated statement of financial position. This includes lease assets that recognised previously and included in property, plant and equipment and prepaid lease payments of approximately HKD747,000 and HKD514,667,000 respectively, being derecognised at 1 January 2019. In addition, newly recognised lease assets that meet the definition of investment properties under HKAS 40 "Investment Property" measured at fair value of approximately HKD160,740,000 were recognised as part of the investment properties in the condensed consolidated statement of financial position as at 1 January 2019.

The Group has used the following elective practical expedients when applying HKFRS 16 at 1 January 2019: (i) applied the low-value assets and short-term leases exemptions to leases with lease term that ends within 12 months from the date of initial application on 1 January 2019; and (ii) used a single discount rate to a portfolio of leases with reasonably similar characteristics.

The impacts arising from the adoption of HKFRS 16 as at 1 January 2019 are as follows:

	HKD'000 (unaudited)
Assets	
Increase in right-of-use assets	521,306
Increase in investment properties	160,740
Decrease in property, plant and equipment	(747)
Decrease in prepaid lease payments	(514,667)
Decrease in trade and other receivables	(46)
Increase in total assets	166,586
Liabilities	
Increase in lease liabilities	185,468
Decrease in finance lease payables	(651)
Decrease in trade and other payables	(18,231)
Increase in total liabilities	166,586

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 are as follows:

	HKD'000 (unaudited)
Operating lease commitments as at 31 December 2018 (audited)	382,834
Weighted average incremental borrowing rate as at 1 January 2019	6.85%
Discounted operating lease commitments as at 1 January 2019	185,859
Less:	
Commitments relating to short-term leases with a remaining lease term ending on or before 31 December 2019 and leases of low-value assets	(1,042)
Add:	
Commitments relating to leases previously classified as finance leases	651
Lease liabilities as at 1 January 2019	185,468

Amounts recognised in the condensed consolidated statement of financial position and condensed consolidated statement of profit or loss

The carrying amount of the Group's right-of-use assets and lease liabilities, and the movements during the period are as follows:

	Right-of-use assets				
	Prepaid lease payments *HKD'000*	**Buildings** *HKD'000*	**Property, plant and equipment** *HKD'000*	**Total** *HKD'000*	**Lease liabilities** *HKD'000*
As at 1 January 2019	514,667	5,892	747	521,306	185,468
Additions	–	193	–	193	193
Depreciation	(7,186)	(1,720)	(77)	(8,983)	–
Interest expense	–	–	–	–	6,444
Payments	–	–	–	–	(5,556)
Exchange realignment	412	(9)	–	403	14
As at 30 June 2019	507,893	4,356	670	512,919	186,563

The Group recognised rental expenses from short-term leases and leases of low-value assets of approximately HKD13,222,000 for the six months ended 30 June 2019.

New/revised HKFRSs that have been issued but are not yet effective

The Group has not early applied the following revised new HKFRS and amendments to existing HKFRSs ("new and amended HKFRSs"), that are expected to be potentially relevant to the Group, and have been issued but are not yet effective, in these condensed consolidated interim financial statements:

HKFRS 17	Insurance Contracts[2]
Amendments to HKAS 1 and HKAS 8	Definition of Material[1]
Amendments to HKFRS 3	Definition of a Business[1]
Amendments to HKFRS 10 and HKAS 28 (2011)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

1 Effective for annual periods beginning on or after 1 January 2020

2 Effective for annual periods beginning on or after 1 January 2021

3 Effective for annual periods beginning on or after a date to be determined

The Group is in the process of making an assessment of what the potential impact of these new and amended HKFRSs is expected to be in the period of initial application in the future and the Directors of the Company (the "Directors") are not yet in a position to whether the new and amended HKFRSs will have a significant impact on how the Group's results of operations and financial position are prepared and presented. The new and amended HKFRSs may result in changes in the future as to how the results and financial position are prepared and presented.

4. OPERATING SEGMENT INFORMATION

In accordance with the Group's internal financial reporting, the Group has identified six different operating segments based on products and services provided in distinct markets, with reference to the guidance of HKFRS 8. The operating segments are identified by the Directors and senior management (collectively known as the "Chief Operating Decision Maker") to monitor the results separately for the purpose of making decisions about resources allocation and performance assessment to the operating segments. A summary of the Group's reportable segments is as follows:

– Retailing and sourcing: (i) retailing and provisions of sourcing services for branded apparel, swimwear and accessories in the People's Republic of China (the "PRC") region; and (ii) sourcing, manufacturing and trading of health supplement products in Hong Kong;

– Branding: development and management of "PONY" trademarks to derive revenue from sale of goods and royalty income;

– Property investment and holding: rental income;

– Outlet malls: commission income from concessionaire sales;

– Financial services: securities brokerage income, interest income from margin financing and money lending, underwriting and placing income and financial consultancy income; and

– Duty free: sale of goods.

(A) SEGMENT REVENUE AND RESULTS (BUSINESS SEGMENTS)

The following is an analysis of the Group's reportable segment revenue and profit/(loss) of different operating segments as follows:

Six months ended 30 June 2019 (Unaudited)

	Retailing and sourcing *HKD'000*	Branding *HKD'000*	Property investment and holding *HKD'000*	Outlet malls *HKD'000*	Financial services *HKD'000*	Duty free *HKD'000*	Consolidated *HKD'000*
Revenue from external customers	**108,381**	**8,867**	**32,561**	**23,834**	**20,204**	**–**	**193,847**
Inter-segment revenue*	**662**	**–**	**2,171**	**81**	**–**	**–**	**2,914**
Reportable segment revenue	**109,043**	**8,867**	**34,732**	**23,915**	**20,204**	**–**	**196,761**
Reportable segment profit/(loss)	**2,835**	**1,979**	**53,039**	**(16,883)**	**11,193**	**(31)**	**52,132**
Reconciliations:							
Interest income							**3,119**
Gain on write back of other payables							**14,315**
Central administrative expenses							**(25,652)**
Share of results of joint ventures							**7,779**
Share of result of an associate							**(858)**
Profit before income tax expense							**50,835**

Six months ended 30 June 2018 (Unaudited)

	Retailing and sourcing *HKD'000*	Branding *HKD'000*	Property investment and holding *HKD'000*	Outlet malls *HKD'000*	Financial services *HKD'000*	Duty free *HKD'000*	Consolidated *HKD'000*
Revenue from external customers	91,591	13,915	32,251	22,505	17,534	10,334	188,130
Inter-segment revenue*	877	–	2,325	198	–	–	3,400
Reportable segment revenue	92,468	13,915	34,576	22,703	17,534	10,334	191,530
Reportable segment profit/(loss)	(2,471)	4,739	106,200	(16,943)	881	(4,685)	87,721
Reconciliations:							
Interest income							830
Central administrative expenses							(25,812)
Share of results of joint ventures							(1,945)
Share of result of an associate							(1,032)
Profit before income tax expense							59,762

* *Inter-segment revenue transactions are priced with reference to prices charged to external parties for similar orders.*

Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of profit earned or loss incurred of each operating segment, with the adjustment of profit/(loss) before income tax expense. The adjusted profit/(loss) before income tax expense is measured consistently with the Group's profit before income tax expense except for the allocation of corporate income and expenses, including interest income, gain on write back of other payables, central administrative expenses and share of results of joint ventures and an associate are excluded from such measurement. Such segment performance is used to report to the Chief Operating Decision Maker for resource allocation and performance assessment.

(B) SEGMENT REVENUE AND RESULTS (DISAGGREGATION OF REVENUE)

In the following table, reportable segment revenue is disaggregated by primary geographical markets and major products and services lines. The table also includes a reconciliation of disaggregated revenue within the Group's operating segments.

Six months ended 30 June 2019 (Unaudited)

Revenue from contracts with customers within the scope of HKFRS 15:

	Retailing and sourcing *HKD'000*	Branding *HKD'000*	Property investment and holding *HKD'000*	Outlet malls *HKD'000*	Financial services *HKD'000*	Duty free *HKD'000*	Consolidated *HKD'000*
Primary geographical markets							
The People's Republic of China (the "PRC")	95,671	–	–	23,834	–	–	119,505
Hong Kong (Place of domicile)	12,710	–	–	–	1,737	–	14,447
United States of America	–	2,369	–	–	–	–	2,369
Other Asia countries *(Note)*	–	4,292	–	–	–	–	4,292
Others *(Note)*	–	2,206	–	–	–	–	2,206
Total	108,381	8,867	–	23,834	1,737	–	142,819
Major products and services							
Sales of goods	107,469	2,851	–	–	–	–	110,320
Commission income from concessionaire sales	–	–	–	23,834	–	–	23,834
Royalty income	–	6,016	–	–	–	–	6,016
Brokerage commission	–	–	–	–	1,468	–	1,468
Underwriting and placing income	–	–	–	–	259	–	259
Financial consultancy income	–	–	–	–	10	–	10
Other services income	912	–	–	–	–	–	912
Total	108,381	8,867	–	23,834	1,737	–	142,819
Timing of revenue recognition							
At a point in time	107,469	2,851	–	–	1,727	–	112,047
Transferred over time	912	6,016	–	23,834	10	–	30,772
Total	108,381	8,867	–	23,834	1,737	–	142,819

Revenue from other sources not within the scope of HKFRS 15:

	Retailing and sourcing HKD'000	Branding HKD'000	Property investment and holding HKD'000	Outlet malls HKD'000	Financial services HKD'000	Duty free HKD'000	Consolidated HKD'000
Primary geographical markets							
The PRC	–	–	28,704	–	–	–	28,704
Hong Kong (Place of domicile)	–	–	3,857	–	18,467	–	22,324
Total	–	–	32,561	–	18,467	–	51,028
Major products and services							
Rental income	–	–	32,561	–	–	–	32,561
Interest income	–	–	–	–	18,467	–	18,467
Total	–	–	32,561	–	18,467	–	51,028

Six months ended 30 June 2018 (Unaudited)

Revenue from contracts with customers within the scope of HKFRS 15:

	Retailing and sourcing *HKD'000*	Branding *HKD'000*	Property investment and holding *HKD'000*	Outlet malls *HKD'000*	Financial services *HKD'000*	Duty free *HKD'000*	Consolidated *HKD'000*
Primary geographical markets							
The People's Republic of China (the "PRC")	91,591	–	–	22,505	–	–	114,096
Taiwan	–	–	–	–	–	10,080	10,080
Hong Kong (Place of domicile)	–	–	–	–	5,278	254	5,532
United States of America	–	2,610	–	–	–	–	2,610
Other Asia countries *(Note)*	–	8,571	–	–	–	–	8,571
Others *(Note)*	–	2,734	–	–	–	–	2,734
Total	91,591	13,915	–	22,505	5,278	10,334	143,623
Major products and services							
Sales of goods	91,039	5,781	–	–	–	10,334	107,154
Commission income from concessionaire sales	–	–	–	22,505	–	–	22,505
Royalty income	–	8,134	–	–	–	–	8,134
Brokerage commission	–	–	–	–	2,699	–	2,699
Underwriting and placing income	–	–	–	–	2,189	–	2,189
Financial consultancy income	–	–	–	–	390	–	390
Other services income	552	–	–	–	–	–	552
Total	91,591	13,915	–	22,505	5,278	10,334	143,623
Timing of revenue recognition							
At a point in time	91,039	5,781	–	–	4,888	10,334	112,042
Transferred over time	552	8,134	–	22,505	390	–	31,581
Total	91,591	13,915	–	22,505	5,278	10,334	143,623

Revenue from other sources not within the scope of HKFRS 15:

	Retailing and sourcing *HKD'000*	Branding *HKD'000*	Property investment and holding *HKD'000*	Outlet malls *HKD'000*	Financial services *HKD'000*	Duty free *HKD'000*	Consolidated *HKD'000*
Primary geographical markets							
The PRC	–	–	28,331	–	–	–	28,331
Hong Kong (Place of domicile)	–	–	3,920	–	12,256	–	16,176
Total	–	–	32,251	–	12,256	–	44,507
Major products and services							
Rental income	–	–	32,251	–	–	–	32,251
Interest income	–	–	–	–	12,256	–	12,256
Total	–	–	32,251	–	12,256	–	44,507

Note: The geographical information for the revenue attributable to each country is not available as the cost to capture such information would be excessive.

(C) SEGMENT ASSETS

The following is an analysis of the Group's reportable segment assets of different operating segments as follows:

	30.06.2019 ***HKD'000*** **(Unaudited)**	31.12.2018 *HKD'000* (Audited)
Retailing and sourcing	**135,266**	132,565
Branding	**162,131**	150,062
Property investment and holding	**2,036,833**	2,133,548
Outlet malls	**1,276,636**	1,176,308
Financial services	**516,276**	443,603
Duty free	**1**	10
Total segment assets	**4,127,143**	4,036,096
Unallocated	**494,624**	317,378
Consolidated total assets	**4,621,767**	4,353,474

Similar to the purpose of reporting segment performance to the Chief Operating Decision Maker as disclosed in Note 4(A) to the condensed consolidated interim financial statements, all assets are allocated to different operating segments excluding interests in joint ventures, deferred tax assets, club debenture, amounts due from joint ventures and an associate, restricted bank deposits, bank balances and cash, which are classified as corporate assets as these assets are managed on a group basis.

(D) SEGMENT LIABILITIES

The following is an analysis of the Group's reportable segment liabilities of different operating segments as follows:

	30.06.2019	31.12.2018
	HKD'000	*HKD'000*
	(Unaudited)	(Audited)
Retailing and sourcing	**41,456**	45,635
Branding	**10,055**	11,048
Property investment and holding	**212,290**	90,080
Outlet malls	**70,398**	63,970
Financial services	**20,121**	20,906
Duty free	**23**	263
Total segment liabilities	**354,343**	231,902
Unallocated	**1,623,113**	1,507,705
Consolidated total liabilities	**1,977,456**	1,739,607

Similar to the purpose of reporting segment performance to the Chief Operating Decision Maker as disclosed in Note 4(A) to the condensed consolidated interim financial statements, all liabilities are allocated to different operating segments excluding amount due to a related party, financial lease payables, bank borrowings, bank overdrafts, dividend payable, tax payable, loan from non-controlling interests and deferred tax liabilities, which are classified as corporate liabilities as these liabilities are managed on a group basis.

5. FINANCE COSTS

An analysis of the finance costs is as follows:

	Six months ended 30 June	
	2019	2018
	HKD'000	*HKD'000*
	(Unaudited)	(Unaudited)
Interest expenses on bank borrowings	**22,006**	15,605
Interest expenses on bank overdrafts	**89**	56
Interest expenses on loan from non-controlling interests	**132**	–
Interest expenses on lease liabilities	**6,444**	–
	28,671	15,661
Less: Interest expenses being capitalised *(Note)*	**(4,163)**	–
	24,508	15,661

Note: Interest expenses on bank borrowings of approximately HKD22,006,000 of which a total amount of approximately HKD4,163,000 was being capitalised into construction in progress classified as property, plant and equipment during the period (2018: HK$Nil).

6. PROFIT BEFORE INCOME TAX EXPENSE

Profit before income tax expense has been at after charging/(crediting) as follows:

	Six months ended 30 June	
	2019	2018
	HKD'000	*HKD'000*
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	**15,754**	17,513
Gain on disposal of property, plant and equipment, net	**(42)**	(126)
Write off of property, plant and equipment	**150**	7
Depreciation of right-of-use assets	**8,983**	–
Amortisation of prepaid lease payments	**–**	7,653
Amortisation of intangible assets	**1,798**	–
Write off of obsolete inventories	**32**	–
Provision/(reversal) of allowance for inventories	**1,738**	(150)
Cost of inventories recognised as expenses	**54,254**	57,531
Bad debts written off	**4**	–
Impairment loss on financial assets:		
– Trade and other receivables	**2,007**	885
– Loans receivable	**–**	4,000
– Amount due from an associate	**2,001**	–
Exchange losses, net	**–**	3,217
Minimum and contingent lease payments under non-cancellable operating leases	**13,222**	13,442
Other employee costs, excluding Directors' emoluments	**37,567**	43,280
Gain on write back of other payables	**(14,315)**	–
Interest income from bank deposits, joint ventures and an associate	**(3,119)**	(830)
Dividend income from financial assets at fair value through profit or loss	**(23)**	(23)
Fair value (gain)/loss of financial assets at fair value through profit or loss	**(1,274)**	849

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2019	2018
	HKD'000	*HKD'000*
	(Unaudited)	(Unaudited)
Current tax		
Hong Kong		
– Profits Tax		
– current period	**843**	328
The PRC and other jurisdictions		
– PRC Enterprise Income Tax		
– current period	**1,372**	1,778
– over-provision in prior periods	**–**	(80)
– Foreign tax		
– current period	**302**	217
	2,517	2,243
Deferred tax		
Hong Kong and the PRC		
– Profits Tax and PRC Enterprise Income Tax		
– current period	**6,532**	24,006
Income tax expense	**9,049**	26,249

8. DIVIDEND

For the six months ended 30 June 2018 and 2019, the Board of Directors (the "Board") does not recommend the payment of an interim dividend to the shareholders of the Company (the "Shareholders").

The final dividend of HKD0.012 (2018: HKD0.005) per ordinary share for the year ended 31 December 2018, totaling of approximately HKD35,696,000 (six months ended 30 June 2018: HKD14,814,000), was approved by the Shareholders at the annual general meeting of the Company held on 14 June 2019 and was paid in July 2019. The remaining balance of approximately HKD6,000 (2018: HKD4,000) dividend was unclaimed after a period of six years from the payment date of dividend shall be forfeited and reverted to the Company.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2019	2018
	HKD'000	*HKD'000*
	(Unaudited)	(Unaudited)
Earnings		
Profit for the period attributable to the owners of the Company	**39,068**	34,186

	Six months ended 30 June	
	2019	2018
	Number of shares	Number of shares
	'000	*'000*
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**2,974,061**	2,958,129
Effect of dilutive potential ordinary shares *(Note)*:		
– share options	**–**	1,605
– warrants	**–**	28,196
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**2,974,061**	2,987,930
Earnings per share		
Basic earnings per share	**HK1.31 cents**	HK1.16 cents
Diluted earnings per share	**HK1.31 cents**	HK1.14 cents

Note: The Company's warrants as at 30 June 2019 did not give rise to any dilutive potential effect on the basic earnings per share presented for the period then ended as: (a) the exercise price of the Company's warrants outstanding during the period then ended were higher than the average market price of the Company's shares; (b) there was no outstanding share option throughout the period then ended as the share options expired as at 31 December 2018.

10. TRADE AND OTHER RECEIVABLES

	30.6.2019	31.12.2018
	HKD'000	*HKD'000*
	(Unaudited)	(Audited)
Trade receivables		
– Other than financial services segments	**66,622**	75,818
– Financial services segment	**8,794**	8,048
Total trade receivables	**75,416**	83,866
Less: loss allowances	**(31,128)**	(29,450)
Total trade receivables, net of loss allowances	**44,288**	54,416
Other receivables, deposits and prepayments	**107,726**	467,152
Less: loss allowances		
– Other receivables	**(8,303)**	(7,974)
Total other receivables, net of loss allowances	**99,423**	459,178
Total trade and other receivables, net of loss allowances	**143,711**	513,594

The following is an ageing analysis of the Group's trade receivables, net of loss allowances, presented based on the invoice date or transaction date, where applicable, at the end of the reporting period:

	30.06.2019	31.12.2018
	HKD'000	*HKD'000*
	(Unaudited)	(Audited)
0 to 30 days	**19,106**	27,780
31 to 60 days	**7,511**	7,216
61 to 90 days	**1,376**	2,407
Over 90 days	**16,295**	17,013
	44,288	54,416

11. ADVANCES TO CUSTOMERS IN MARGIN FINANCING

	30.06.2019	31.12.2018
	HKD'000	*HKD'000*
	(Unaudited)	(Audited)
Director and his associates	**9,365**	8,915
Other margin clients	**148,391**	135,230
	157,756	144,145

Advances to customers in margin financing are repayable on demand and carry interests ranging from Prime Rate to Prime Rate plus 3% (31 December 2018: Prime Rate to Prime Rate plus 3%) per annum in average.

No ageing analysis is disclosed for advances to customers in margin financing as, in the opinion of the Group's management, an ageing analysis is not meaningful in view of the business nature of margin financing.

12. LOANS RECEIVABLE

	30.06.2019	31.12.2018
	HKD'000	*HKD'000*
	(Unaudited)	(Audited)
Secured	**232,187**	172,888
Less: loss allowances	**(6,800)**	(6,800)
	225,387	166,088

The carrying amount of loans receivable was secured by charges over the borrowers' properties and/or financial assets, mainly secured by Hong Kong listed securities, interest-bearing at 8%-36% per annum (31 December 2018: 5%-18%), and repayable within one year (31 December 2018: one year) from the dates of advances to the borrowers.

13. TRADE AND OTHER PAYABLES

	30.06.2019	31.12.2018
	HKD'000	*HKD'000*
	(Unaudited)	(Audited)
Trade payables		
– Other than financial services segment	**56,796**	63,747
– Financial services segment	**13,428**	15,937
Total trade payables	**70,224**	79,684
Other payables, temporary receipts, accruals and receipts in advance	**97,556**	152,224
Total trade and other payables	**167,780**	231,908

The carrying amounts of trade and other payables are considered to be the same as their fair values due to their short-term nature. The following is an ageing analysis of trade payables, other than financial services segment, presented based on the invoice date or transaction date, where applicable, at the end of the reporting period:

	30.06.2019	31.12.2018
	HKD'000	*HKD'000*
	(Unaudited)	(Audited)
0 to 30 days	**48,643**	31,329
31 to 60 days	**3,522**	20,517
61 to 90 days	**1,223**	4,120
Over 90 days	**3,408**	7,781
	56,796	63,747

PROPOSED INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend (2018: Nil) for the six months ended 30 June 2019.

CORPORATE GOVERNANCE REPORT

The Company has complied with the code provisions of Corporate Governance Code as set out in Appendix 14 to the Listing Rules ("CG Code") throughout the six months ended 30 June 2019, only with deviation from code provisions A.2.1 and A.4.1 of the CG Code.

Code provision A.2.1 provides that the roles of the Chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Cheng Tun Nei ("Mr. Cheng") currently serves as both the Chairman and Chief Executive Officer of the Company.

In view of the challenging business environment in which our Group operates, the Board is of the view that currently vesting the roles of both the chairman and chief executive on Mr. Cheng will provide the Group with strong and consistent leadership and at the same time enable business decisions to be timely made.

Under code provision A.4.1, non-executive directors should be appointed for a specific term and are subject to re-election. Directors (including non-executive Directors) were not appointed for specific term but are subject to retirement by rotation and re-election at annual general meeting in accordance with Bye-law 87 of the Bye-laws of the Company.

Compliance with the Model Code

The Company has adopted a code of conduct regarding securities transactions by directors as set out in Appendix 10 of the Listing Rules. All directors have complied with the required standard of dealings set out therein throughout the review period.

Audit Committee

The audit committee of the Company ("Audit Committee") consists of three independent non-executive Directors of the Company ("INEDs"). The Audit Committee has reviewed with the management and the external auditor BDO Limited, the accounting principles and practices adopted by the Group and also the unaudited consolidated financial statements of the Group for the six months ended 30 June 2019.

An independent service provider which had been appointed since March 2016 completed its half-year review of the effectiveness of the risk management and control system of the Group adopting the "Internal Control Integrated Framework" issued by The Committee of Sponsoring Organizations of the Treadway Commission (COSO). A half-yearly Risk Management and Internal Control Review Report was submitted to the Audit Committee. The report findings were also communicated to the board of Directors and the management to enable appropriate follow-up actions to be taken.

Remuneration Committee

The Remuneration Committee of the Company consists of 3 INEDs. It advises the Board on the emolument policies towards Directors and senior management so as to motivate, retain and attract the best talents for the Group.

Nomination Committee

The Nomination Committee, composed of 3 members, out of which 2 are INEDs. The key role of the Nomination Committee is recruitment of board members.

The terms of reference of the Audit Committee, the Remuneration Committee and the Nomination Committee, explaining their roles and the authorities delegated to them by the Board, are available on request and included on the website of the Company.

Board of Directors

At the annual general meeting of the Company held on Friday, 14 June 2019, Mr. Chan Kar Lee Gary and Mr. Wah Wang Kei Jackie retired. Both of them being eligible, offered themselves for re-election and were re-elected as Directors.

As from 14 June 2019 and up to the date of this announcement, the Board comprises:

Executive Directors:
Mr. Cheng Tun Nei
(Chairman and Chief Executive Officer)
Mr. Chan Kar Lee Gary
Mr. Lee Cheung Ming

Independent non-executive Directors:
Mr. Shum Pui Kay
Mr. Wah Wang Kei Jackie
Mr. Chow Yu Chun Alexander

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

For the six months ended 30 June 2019, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PUBLICATIONS OF DETAILED RESULTS

The interim report containing the unaudited condensed consolidated financial statements and notes to the financial statements for the six months ended 30 June 2019 ("2019 Interim Report") will be published on both websites of the Company (www.symphonyholdings.com) and the Exchange (www.hkex.com.hk). Shareholders shall receive copies of the 2019 Interim Report on or before 30 September 2019.

By order of the Board
Cheng Tun Nei
Chairman

Hong Kong, 16 August 2019

As at the date of this announcement, the Directors are:

Executive Directors:	Mr. Cheng Tun Nei *(Chairman and Chief Executive Officer)* Mr. Chan Kar Lee Gary Mr. Lee Cheung Ming
Independent non-executive Directors:	Mr. Shum Pui Kay Mr. Wah Wang Kei Jackie Mr. Chow Yu Chun Alexander