Tech Pro Technology Development Limited

德 普 科 技 發 展 有 限 公 司

(incorporated in the Cayman Islands with limited liability)

Stock code : 03823

2015
INTERIM REPORT

LEDUS

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商界展關懷
caringcompany 2014/15
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香港社會服務聯會頒發

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CORPORATE INFORMATION

Directors

Executive directors
Mr. Li Wing Sang *(Chairman of the board)*
Mr. Liu Xinsheng
Mr. Chiu Chi Hong

Independent non-executive directors
Mr. Tam Tak Wah
Mr. Ng Wai Hung
Mr. Lau Wan Cheung

Audit committee

Mr. Tam Tak Wah *(Chairman of the committee)*
Mr. Ng Wai Hung
Mr. Lau Wan Cheung

Remuneration committee

Mr. Tam Tak Wah *(Chairman of the committee)*
Mr. Ng Wai Hung
Mr. Lau Wan Cheung

Nomination committee

Mr. Li Wing Sang *(Chairman of the committee)*
Mr. Ng Wai Hung
Mr. Lau Wan Cheung

Authorised representatives

Mr. Liu Xinsheng
Ms. Lee On Wing

Company secretary

Ms. Lee On Wing

Auditor

BDO Limited

Principal bankers

The Hong Kong and Shanghai Banking Corporation Limited

Hong Kong branch share registrar and transfer office

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Principal share registrar and transfer office

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
KY1-1111
Cayman Islands

Registered office

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

Principal place of business

Unit 1402, 14/F, Low Block
Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

Company website

http://www.techprotd.com

Stock code

03823

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2015

	Notes	Six months ended 30 June 2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
Turnover	5	**111,100**	79,350
Cost of sales		**(97,908)**	(58,973)
Gross profit		**13,192**	20,377
Other revenue and income	6	**2,658**	2,743
Selling and distribution costs		**(14,448)**	(6,168)
Administrative expenses		**(36,559)**	(17,128)
Impairment loss on goodwill		**–**	(41,193)
Amortisation of other intangible assets		**(34,371)**	(35,661)
Fair value gain on embedded derivatives of bonds		**–**	2,178
Fair value loss on embedded derivatives of convertible bonds		**–**	(9,685)
Net realised and unrealised loss on financial assets at fair value through profit or loss		**(864)**	–
Finance costs	7(a)	**(1,315)**	(8,577)
Share of results of a joint venture		**8,527**	2,547
Loss before income tax	7	**(63,180)**	(90,567)
Income tax	8	**8,081**	7,232
Loss for the period		**(55,099)**	(83,335)
Loss attributable to:			
Owners of the Company		**(40,907)**	(76,964)
Non-controlling interests		**(14,192)**	(6,371)
		(55,099)	(83,335)
			(Represented)
Loss per share (RMB cents)	9		
– Basic and diluted		**(0.65 cents)**	(1.37 cents)

The notes on pages 9 to 25 form an integral part of these interim financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Loss for the period	**(55,099)**	(83,335)
Other comprehensive income for the period		
Items that may be subsequently reclassified to profit or loss		
Exchange differences:		
– on translation of financial statements of foreign operations	**484**	3,410
Total comprehensive income for the period (net of tax)	**(54,615)**	(79,925)
Attributable to:		
Owners of the Company	**(40,398)**	(73,525)
Non-controlling interests	**(14,217)**	(6,400)
	(54,615)	(79,925)

The notes on pages 9 to 25 form an integral part of these interim financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Notes	As at 30 June 2015 RMB'000 (unaudited)	As at 31 December 2014 RMB'000 (audited)
Non-current assets			
Property, plant and equipment	11	**66,898**	67,212
Goodwill	12	**79,539**	79,539
Other intangible assets		**453,286**	487,657
Interest in a joint venture		**358,015**	349,488
		957,738	983,896
Current assets			
Inventories		**30,057**	18,723
Trade and bills receivables	13	**114,387**	104,354
Other receivables and prepayments		**99,469**	105,712
Financial assets at fair value through profit or loss		**7,356**	–
Pledged bank deposits		**23,712**	23,935
Cash at banks and in hand		**93,703**	33,351
		368,684	286,075
Current liabilities			
Trade and bills payables	14	**29,058**	22,307
Other payables and accruals		**27,080**	25,440
Bank loans		**5,186**	11,293
Bonds payable		**–**	66,368
Obligations under finance leases		**289**	376
Income tax payable		**12,657**	12,913
		74,270	138,697
Net current assets		**294,414**	147,378
Total assets less current liabilities		**1,252,152**	1,131,274
Non-current liabilities			
Obligations under finance leases		**281**	380
Deferred tax liabilities		**112,793**	121,277
		113,074	121,657
Net assets		**1,139,078**	1,009,617

As at 30 June 2015

	Note	**As at 30 June 2015 RMB'000 (unaudited)**	As at 31 December 2014 RMB'000 (audited)
EQUITY			
Equity attributable to owners of the Company			
Share capital	15	**14,163**	13,541
Reserves		**993,545**	850,489
		1,007,708	864,030
Non-controlling interests		**131,370**	145,587
Total equity		**1,139,078**	1,009,617

The notes on pages 9 to 25 form an integral part of these interim financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

	Attributable to owners of the Company								
	Share capital RMB'000	Share premium RMB'000	Warrant reserve RMB'000	Other reserve RMB'000	Convertible bonds-equity component RMB'000	Exchange reserve RMB'000	Accumulated losses RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2014 (audited)	10,407	927,204	41,691	12,344	–	(1,409)	(351,128)	170,977	810,086
Issue of unlisted warrants	–	–	12,042	–	–	–	–	–	12,042
Issue of convertible bonds	–	–	–	–	118,459	–	–	–	118,459
Issue of new shares:									
– upon exercise of unlisted warrants	224	62,993	(7,191)	–	–	–	–	–	56,026
– upon conversion of convertible bonds	158	65,348	–	–	(36,292)	–	–	–	29,214
– upon acquisition of equity interests in a joint venture	268	104,004	–	–	–	–	–	–	104,272
Lapse of unlisted warrants	–	–	(2,213)	–	–	–	2,213	–	–
Loss for the period	–	–	–	–	–	–	(76,964)	(6,371)	(83,335)
Exchange differences:									
– on translation of financial statements of foreign operations	–	–	–	–	–	3,439	–	(29)	3,410
Total comprehensive income for the period	–	–	–	–	–	3,439	(76,964)	(6,400)	(79,925)
At 30 June 2014 (unaudited)	11,057	1,159,549	44,329	12,344	82,167	2,030	(425,879)	164,577	1,050,174
At 1 January 2015 (audited)	13,541	1,361,005	43,367	12,344	–	(460)	(565,767)	145,587	1,009,617
Issue of new shares:									
– upon exercise of unlisted warrants	622	218,386	(37,339)	–	–	–	–	–	181,669
Share-based payment for a share transaction	–	2,407	–	–	–	–	–	–	2,407
Loss for the period	–	–	–	–	–	–	(40,907)	(14,192)	(55,099)
Exchange differences:									
– on translation of financial statements of foreign operations	–	–	–	–	–	509	–	(25)	484
Total comprehensive income for the period	–	–	–	–	–	509	(40,907)	(14,217)	(54,615)
At 30 June 2015 (unaudited)	14,163	1,581,798	6,028	12,344	–	49	(606,674)	131,370	1,139,078

The notes on pages 9 to 25 form an integral part of these interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015

	Six months ended 30 June 2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
Net cash used in operating activities	**(30,662)**	(10,245)
Net cash used in investing activities	**(17,181)**	(12,134)
Net cash generated from financing activities	**103,876**	39,852
Net increase in cash and cash equivalents	**56,033**	17,473
Cash and cash equivalents at beginning of the period	**33,351**	42,520
Effect of foreign exchange rate changes	**4,319**	4,025
Cash and cash equivalents at end of the period	**93,703**	64,018

The notes on pages 9 to 25 form an integral part of these interim financial statements.

1. General Information

Tech Pro Technology Development Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its principal place of business is located at Unit 1402, 14/F, Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in the manufacturing and sale of LED lighting products and accessories, provision of services for energy efficiency projects and provision of property sub-leasing and management services.

These unaudited interim financial statements are presented in Renminbi ("RMB") rounded to the nearest thousand. Renminbi is the functional and presentation currency of the Group.

2. Basis of Preparation

The unaudited interim financial statements for the six months ended 30 June 2015 have been prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), and in compliance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The accounting policies and basis of preparation adopted in these interim financial statements are consistent with those adopted by the Group in its annual financial statements for the year ended 31 December 2014 and these interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

This interim financial report contains condensed consolidated interim financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performances of the Group since the annual financial statements for the year ended 31 December 2014. The condensed consolidated interim financial statements and notes thereto do not include all the information required for a full set of financial statements prepared in accordance with HKFRSs.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumption that affect the application of accounting 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.

In preparing this interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimated uncertainty were the same as those that applied to the annual financial statements for the year ended 31 December 2014, with the exception of changes in estimates that are required in determining the provision for income taxes.

The financial information relating to the financial year ended 31 December 2014 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2014 are available from the Company's principal place of business. The auditor has expressed an unqualified opinion on those financial statements in their report dated 25 March 2015.

3. Application of New and Revised Hong Kong Financial Reporting Standards

In the current period, the Group has applied the following revised HKFRSs which are effective for the current period.

– Annual Improvement to HKFRSs 2010–2012 Cycle

– Annual Improvement to HKFRSs 2011–2013 Cycle

None of these revised HKFRSs have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4. Financial Risk Management

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk, interest rate risk and currency risk.

The interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2014.

There have been no changes in the risk management policies since last year end.

(b) Fair values

(i) Financial instruments measured at fair value

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, catergorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair Value Measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 valuations: Fair value measured Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

Level 3 valuations: Fair value measured using significant unobservable inputs.

4. Financial Risk Management (Continued)

(b) Fair values (Continued)

(i) Financial instruments measured at fair value (Continued)

The following table presents the Group's liabilities that are measured at fair value as at 30 June 2015 and 31 December 2014:

	Level 1 RMB'000	**Level 2** RMB'000	**Level 3** RMB'000
As at 30 June 2015 (unaudited)			
Assets			
– Financial assets at fair value through profit or loss	7,356	–	–
As at 31 December 2014 (audited)			
Assets			
– Financial assets at fair value through profit or loss	–	–	–

During the six months ended 30 June 2015 and year ended 31 December 2014, there were no transfers between instruments in Level 1 and Level 2, or transfers into or out of instruments in Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

(ii) Financial instruments carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair value as at 30 June 2015 and 31 December 2014.

5. Turnover and Segment Reporting

(a) Turnover

Turnover represents the net invoiced value of goods supplied to customers less returns and allowance and service income from energy efficiency projects. The amount of each significant category of turnover recognised during the period is as follow:

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Manufacturing and sale of LED lighting products and accessories	**106,870**	77,153
Service income from energy efficiency projects	**4,230**	2,197
	111,100	79,350

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the senior management for the purposes of resources allocation and performance assessment, the Group has engaged in two reporting segments.

– LED lighting

– Provision of property sub-leasing services

The manufacturing and sale of LED lighting products and accessories segment and energy efficiency projects segment have been aggregated into one segment named as "LED lighting". As the reported revenue, the absolute amount of the reported profit or loss and the total assets of the energy efficiency projects segment have not exceeded the quantitative thresholds, no separate operating segments have been presented.

5. Turnover and Segment Reporting (Continued)

(b) Segment reporting (Continued)

Information regarding the Group's reportable segments as provided to the senior management for the purposes of resources allocation and assessment of segment performance for the six months ended 30 June 2015 and 2014 is set out below:

	Six months ended 30 June 2015		
	LED lighting RMB'000 (unaudited)	Property sub-leasing services RMB'000 (unaudited)	Total RMB'000 (unaudited)
Turnover	111,100	–	111,100
Inter-segment revenue	–	–	–
Reportable segment revenue from external customers	111,100	–	111,100
Reportable segment results	(68,438)	8,527	(59,911)
Other information:			
Interest expenses	(1,162)	–	(1,162)
Depreciation of property, plant and equipment	(5,968)	–	(5,968)
Amortisation of other intangible assets	(34,371)	–	(34,371)
Allowance for impairment on trade receivables	(5,614)	–	(5,614)
Exchange losses, net	(2,579)	–	(2,579)
Loss on disposal of property, plant and equipment	(3,801)	–	(3,801)
Share of results of a joint venture	–	8,527	8,527

	As at 30 June 2015		
	LED lighting RMB'000 (unaudited)	Property sub-leasing services RMB'000 (unaudited)	Total RMB'000 (unaudited)
Reportable segment assets	953,657	358,015	1,311,672
Reportable segment liabilities	186,983	–	186,983

5. Turnover and Segment Reporting (Continued)

(b) Segment reporting (Continued)

	Six months ended 30 June 2014		
	LED lighting RMB'000 (unaudited)	Property sub-leasing services RMB'000 (unaudited)	Total RMB'000 (unaudited)
Turnover	79,350	–	79,350
Inter-segment revenue	–	–	–
Reportable segment revenue from external customers	79,350	–	79,350
Reportable segment results	(77,978)	(10,976)	(88,954)
Other information:			
Interest expenses	(4,678)	(3,838)	(8,516)
Depreciation of property, plant and equipment	(4,845)	–	(4,845)
Impairment loss on goodwill	(41,193)	–	(41,193)
Amortisation of other intangible assets	(35,661)	–	(35,661)
Fair value gain on embedded derivatives of bonds	2,178	–	2,178
Fair value loss on embedded derivatives of convertible bonds	–	(9,685)	(9,685)
Exchange gains, net	1,141	–	1,141
Loss on disposal of property, plant and equipment	(273)	–	(273)
Share of results of a joint venture	–	2,547	2,547

	As at 31 December 2014		
	LED lighting RMB'000 (audited)	Property sub-leasing services RMB'000 (audited)	Total RMB'000 (audited)
Reportable segment assets	913,757	349,488	1,263,245
Reportable segment liabilities	125,875	–	125,875

	Six months ended 30 June	
	2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
Reportable segment results	**(59,911)**	(88,954)
Interest income	**113**	10
Dividend income from financial assets at fair value through profit or loss	**176**	–
Net realised and unrealised loss on financial assets at fair value through profit or loss	**(864)**	–
Interest expenses	**(153)**	(61)
Unallocated corporate administration costs	**(2,541)**	(1,562)
Consolidated loss before income tax	**(63,180)**	(90,567)

6. Other Revenue and Income

	Six months ended 30 June 2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
Other revenue		
Bank interest income	**113**	10
Rental income from property, plant and equipment	**400**	1,200
Scrap sales	**1,858**	993
Dividend income from financial assets at fair value through profit or loss	**176**	–
Other income		
Sundry income	**111**	540
	2,658	2,743

7. Loss Before Income Tax

This is arrived at after charging:

	Six months ended 30 June 2015 RMB'000 (unaudited)	2014 RMB'000 (unaudited)
(a) Finance costs		
Interest on bank loans wholly repayable within 5 years	**138**	40
Interest on bonds	**1,162**	4,678
Imputed interest on convertible bonds	**–**	3,838
Finance charges on obligations under finance leases	**15**	21
Total finance costs	**1,315**	8,577
(b) Staff costs (including directors' emoluments)		
Salaries, wages and other benefits	**14,259**	13,079
Contributions to defined contribution retirement plans	**878**	694
Total staff costs	**15,137**	13,773
(c) Others		
Auditor's remuneration		
– Audit services	**–**	399
– Non-audit services	**241**	–
Cost of inventories sold	**97,908**	58,973
Depreciation of property, plant and equipment	**5,968**	4,845
Allowance for impairment on trade receivables	**5,614**	–
Loss on disposal of property, plant and equipment	**3,801**	273
Operating lease rentals in respect of land and buildings	**3,775**	3,361
Research and development expenditures	**476**	241

8. Income Tax

Income tax in the consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Hong Kong Profits Tax		
– Current period	**–**	77
PRC Enterprise Income Tax		
– Current period	**403**	1,625
Deferred tax	**(8,484)**	(8,934)
Income tax	**(8,081)**	(7,232)

(a) Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and BVI.

(b) The provision for Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 June 2014: 16.5%) of the estimated assessable profits for the period.

(c) The domestic tax rate of the Group's principal subsidiaries in the People's Republic of China ("PRC") is used as it is where the operations of the Group are substantially based. Except for a PRC subsidiary which entitles a preferential tax rate of 15% for the three years ended 31 December 2014, 2015 and 2016 as it is certified as a high and new technology enterprise, the standard enterprise income rate of 25% is applicable to the rest of the Group's principal subsidiaries in the PRC.

9. Loss Per Share

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to owners of the Company and the weighted average number of ordinary shares in issue during the six months ended 30 June 2015, as adjusted to reflect the share subdivision effected on the date before the issue of these interim financial statements as further mentioned in Note 20. Basic and diluted loss per share for the six months ended 30 June 2014 is also represented to reflect the effect of share subdivision as further mentioned in Note 20 and further adjusted to reflect the bonus issue during the year ended 31 December 2014.

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Loss attributable to owners of the Company	**40,907**	76,964

Weighted average number of ordinary shares

	As at 30 June 2015 (unaudited)	As at 30 June 2014 (unaudited) (represented)
Weighted average number of shares in issue	**6,255,782,592**	5,619,126,884

(b) Diluted loss per share

The computation of diluted loss per share does not assume the subscription of the Company's outstanding potential dilutive ordinary shares in the calculation of diluted loss per share as they are anti-dilutive. Therefore, the diluted loss per share was the same as the basic loss per share for the six months ended 30 June 2015 and 2014.

10. Dividends

The directors did not recommend payment of any interim dividend for the six months ended 30 June 2015 (six months ended 30 June 2014: RMBNil).

11. Property, Plant and Equipment

During the six months ended 30 June 2015, the Group acquired items of property, plant and equipment with a cost of RMB9,593,000 (six months ended 30 June 2014: RMB11,993,000) and disposed of items of property, plant and equipment with a carrying amount of RMB3,939,000 (six months ended 30 June 2014: RMB273,000). As at 30 June 2015, the carrying amount of property, plant and equipment held under finance leases of the Group was RMB816,000 (31 December 2014: RMB1,221,000).

12. Goodwill

	RMB'000
Costs	
At 1 January 2014, 31 December 2014 (audited) and 30 June 2015 (unaudited)	372,627
Impairment	
At 1 January 2014	197,045
Impairment loss recognised for the year	96,043
At 31 December 2014 (audited) and 30 June 2015 (unaudited)	293,088
Carrying amount	
At 30 June 2015 (unaudited)	79,539
At 31 December 2014 (audited)	79,539

The Group's goodwill was arising from business combinations in 2011 in connection with the acquisition of (i) Giga-World Industry Company Limited and its subsidiary (collectively referred to as the "Giga-World Group"), (ii) Shine Link Technology Limited and its subsidiaries (collectively referred to as the "Shine Link Group"), (iii) Kings Honor Technology Limited and its subsidiaries (collectively referred to as the "Kings Honor Group"), (iv) Pacific King Technology Limited and its subsidiaries (collectively referred to as the "Pacific King Group"), (v) Starry View Investments Limited and its subsidiaries (collectively referred to as the "Starry View Group") and (vi) Mega Wide Investments Limited and its subsidiaries (collectively referred to as the "Mega Wide Group"), which represented their respective workforce, expected future profitability and synergies with the existing LED lighting related businesses.

Impairment testing on goodwill

For the purpose of impairment testing, goodwill has been allocated to six cash-generating units ("CGUs") attributable to the above groups of subsidiaries which engaged in manufacturing and sale of LED lighting products and accessories, and provision of services for energy efficiency projects.

The recoverable amounts of the CGUs are determined by the directors of the Company based on value-in-use calculations with reference to professional valuations performed by Peak Vision Appraisal Limited, an independent firm of professionally qualified valuers. These calculations used cash flow projections based on the financial budgets approved by the management covering a five-year period. The cash flows beyond the five-year period are extrapolated using a steady growth rate of 3%, which is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the business in which the individual CGU operates. The pre-tax discount rates as presented below are determined using the Capital Assets Pricing Model.

	Pre-tax discount rate (unaudited)	**Growth rate beyond 5 years** (unaudited)
Giga-World Group	21.58%	3%
Shine Link Group	24.82%	3%
Kings Honor Group	22.05%	3%
Pacific King Group	20.43%	3%
Starry View Group	19.99%	3%
Mega Wide Group	26.24%	3%

12. Goodwill (Continued)

Impairment testing on goodwill (Continued)
In the opinion of the directors of the Company, the basis used to determine the value assigned to the growth in revenue and the budgeted gross margins is the management's expectation of market development and future performance of the respective CGUs. The discount rate used reflects specific risks relating to industries in relation to the respective CGUs.

Based on the above impairment assessments, the recoverable amounts of the respective CGUs exceeded the respective net carrying values of the assets including the allocated goodwill attributable to such CGUs as at 30 June 2015 and accordingly no impairment loss on goodwill was recognised for the six months ended 30 June 2015.

Analysis of carrying amounts of goodwill allocated to each of the CGUs at 30 June 2015 and 31 December 2014 are as follows:

	RMB'000
Giga-World Group	19,355
Shine Link Group	44,290
Kings Honor Group	–
Pacific King Group	15,894
Starry View Group and Mega Wide Group	–
At 31 December 2014 (audited) and 30 June 2015 (unaudited)	79,539

13. Trade and Bills Receivables

	As at 30 June 2015 RMB'000 (unaudited)	As at 31 December 2014 RMB'000 (audited)
Trade receivables	**114,797**	98,441
Less: Allowance for doubtful debts	**(9,767)**	(4,153)
	105,030	94,288
Bills receivables	**9,357**	10,066
	114,387	104,354

All of the trade and bills receivables are expected to be recovered within one year.

13. Trade and Bills Receivables (Continued)

Aging analysis of trade and bills receivables based on the invoice date (or date of revenue recognition, if earlier) and net of provisions as of the end of the reporting period is as follows:

	As at 30 June 2015 RMB'000 (unaudited)	As at 31 December 2014 RMB'000 (audited)
0–30 days	**20,691**	29,133
31–90 days	**28,014**	20,953
91–180 days	**27,246**	13,167
181–365 days	**19,295**	12,957
Over 365 days	**19,141**	28,144
	114,387	104,354

The Group normally grants a credit period of 90 to 365 days to its customers. Certain well-established customers who have strong financial strength, good repayment history and creditworthiness, the Group extends their credit period beyond 180 days. Each customer of the Group has a maximum credit limit.

14. Trade and Bills Payables

	As at 30 June 2015 RMB'000 (unaudited)	As at 31 December 2014 RMB'000 (audited)
Trade payables	**28,334**	22,307
Bills payables	**724**	–
	29,058	22,307

Aging analysis of trade and bills payables based on the invoice date (or date of cost recognition, if earlier) as of the end of the reporting period is as follows:

	As at 30 June 2015 RMB'000 (unaudited)	As at 31 December 2014 RMB'000 (audited)
0–30 days	**9,351**	5,641
31–90 days	**12,310**	4,579
91–365 days	**4,601**	7,836
Over 365 days	**2,796**	4,251
	29,058	22,307

The credit terms granted by the suppliers are generally for a period of 30 to 90 days, computing from the end of the month of the relevant purchase.

15. Share Capital

	Number of shares of HK$0.01 each	Nominal value of ordinary shares HK$'000
Authorised:		
At 31 December 2014 (audited) and 30 June 2015 (unaudited)	**2,000,000,000**	20,000

	Number of shares of HK$0.01 each	Nominal value of ordinary shares HK$'000	Nominal value of ordinary shares RMB'000
Issued and fully paid:			
At 1 January 2014 (audited)	1,148,160,000	11,482	10,407
Issue of new ordinary shares			
– upon exercise of unlisted warrants (Note (a))	36,640,000	366	287
– upon full conversion of convertible bonds (Note (b))	65,280,464	653	517
– upon acquisition of equity interest in a joint venture (Note (c))	33,849,129	338	268
– upon completion of bonus issue (Note (d))	255,185,918	2,552	2,022
– upon completion of a share transaction (Note (e))	5,000,000	50	40
At 31 December 2014 (audited)	1,544,115,511	15,441	13,541
Issue of new ordinary shares			
– upon exercise of unlisted warrants (Note (a))	77,600,000	776	622
At 30 June 2015 (unaudited)	1,621,715,511	16,217	14,163

(a) Issue of new ordinary shares upon exercise of unlisted warrants

During the six months ended 30 June 2015, 77,600,000 (year ended 31 December 2014: 36,640,000) new ordinary shares of the Company of HK$0.01 each were issued upon the exercise of 77,600,000 (year ended 31 December 2014: 36,640,000) unlisted warrants at exercise prices of ranging from HK$2.50 to HK$3.29 per share (year ended 31 December 2014: HK$1.95 to HK$3.29 per share).

The exercise of the above unlisted warrants give rise to an aggregate proceeds of RMB181,669,000 (year ended 31 December 2014: RMB76,969,000), net of expense, of which RMB622,000 (year ended 31 December 2014: RMB287,000) was credited to share capital and the remaining balance of RMB181,047,000 (year ended 31 December 2014: RMB76,682,000) was credited to the share premium account. The exercise of the above unlisted warrants also resulted in the transfer of RMB37,339,000 (year ended 31 December 2014: RMB8,153,000) from warrant reserve to share premium account.

(b) Issue of new ordinary shares upon full conversion of convertible bonds

During the year ended 31 December 2014, 65,280,464 new ordinary shares of HK$0.01 each were issued upon the conversion of the full convertible bonds with a principal amount of HK$270,000,000. The conversion gives rise to the conversion of the convertible bonds with carrying amount of RMB124,290,000, of which RMB517,000 was credited to share capital and the remaining balance of RMB123,773,000 was credited to share premium account. The conversion of convertible bonds also resulted in the transfer of RMB118,459,000 from the convertible bonds-equity component to share premium account.

15. Share Capital (Continued)

(c) Issue of new ordinary shares upon acquisition of equity interest in a joint venture

During the year ended 31 December 2014, the Company issued 33,849,129 new ordinary shares of HK$0.01 each measured at a price of HK$3.89 each, being the relevant closing market price of the shares of the Company as part of the consideration for the acquisition of equity interest in a joint venture, which gave rise to a notional consideration amount of RMB104,272,000. Accordingly, RMB268,000 was credited to share capital and the remaining balance of RMB104,004,000 was credited to share premium account.

(d) Issue of new ordinary shares upon completion of bonus issue

During the year ended 31 December 2014, a bonus issue was made by the Company on the basis of one bonus share for every five existing shares in issue held on the record date. Accordingly, 255,185,918 bonus shares of HK$0.01 each were allotted and distributed as fully paid to existing shareholders of the Company by way of capitalisation of an amount of RMB2,022,000 of the share premium account of the Company. Further details are set out in the Company's announcements dated 26 September 2014 and 24 November 2014, and the circular dated 17 October 2014.

(e) Issue of new ordinary shares upon completion of a share transaction

During the year ended 31 December 2014, the Group entered into a spokesperson agreement pursuant to which two artists will be acting as spokespersons of the Group's owned brand "LEDUS" for the period from 1 January 2014 to 31 December 2018. The nominal consideration of the spokesperson agreement was HK$30,000,000 (equivalent to RMB23,960,000) and has been settled by the allotment and issue of 5,000,000 ordinary shares of the Company during the year ended 31 December 2014. During the year ended 31 December 2014, share-based payment expenses of RMB4,792,000 (equivalent to HK$6,000,000) was recognised in profit or loss with a corresponding credit to equity, of which RMB40,000 was credited to share capital and the remaining balance of RMB4,752,000 was credited to share premium account in respect of the services provided by the artists during the year ended 31 December 2014. During the six months ended 30 June 2015, RMB2,407,000 was credited to share premium account for the services provided by the artists. The remaining balance of RMB16,761,000 will be charged to profit or loss and a corresponding credit to equity on a straight-line basis over the remaining service period. Further details are set out in the Company's announcement dated 31 October 2014.

16. Unlisted Warrants

(a) Unlisted warrants issued on 15 February 2012

During the year ended 31 December 2012, the Company entered into a placing agreement with the placing agent which was an independent third party, pursuant to which, the Company issued 140,000,000 unlisted warrants to individual, corporate and institutional investors at a subscription price of HK$0.05 each. Each unlisted warrant entitles the holder to subscribe for one ordinary share of HK$0.01 each of the Company at an initial subscription price of HK$2.65 per share, subject to anti-dilutive adjustments in accordance with the terms stipulated on the unlisted warrants instrument. The proceeds were utilised by the Group as its general working capital and as funds to reduce the liabilities of the Group.

During the year ended 31 December 2014, 23,000,000 new ordinary shares of HK$0.01 each were issued, in accordance with the terms of the relevant unlisted warrants instrument, for cash at a subscription price of HK$2.65 per share, representing a discount of 33.75% to the closing market price of the Company's shares on the issue date. The proceeds were used to reduce the borrowings and to provide additional working capital for the Group such as to purchase materials for manufacturing LED lighting products and operating expenses. The new ordinary shares were issued, in accordance with the terms of the relevant unlisted warrants instrument, under the general mandate granted to the directors of the Company at the extraordinary general meeting of the Company held on 19 August 2011 and rank pari passu with the existing ordinary shares in issue in all respects. During the year ended 31 December 2014, all the remaining unexercised 55,000,000 unlisted warrants lapsed.

16. Unlisted Warrants (Continued)

(b) Tranche 1 Unlisted Warrants issued on 7 December 2012

During the year ended 31 December 2012, the Company issued 89 tranche 1 unlisted warrants, as part of the consideration for the extinguishment of the convertible bonds, which entitle their holders to subscribe for a total of 29,666,637 ordinary shares of HK$0.01 each of the Company at an initial subscription price of HK$3.00 per share, subject to anti-dilutive adjustments in accordance with the terms of the unlisted warrant instruments ("Tranche 1 Unlisted Warrants"). During the year ended 31 December 2014, the number of ordinary shares to be subscribed and subscription price were adjusted to 35,600,000 and HK$2.50 per share respectively as a result of the completion of the bonus issue. The Tranche 1 Unlisted Warrants are exercisable at any time during the period commencing from 7 December 2013 to 6 December 2017.

During the six months ended 30 June 2015, 35,600,000 (year ended 31 December 2014: Nil) new ordinary shares of HK$0.01 each were issued, in accordance with the terms of the relevant unlisted warrants instrument, for cash at a subscription price of HK$2.50 per share, representing a discount ranged from 57.19% to 68.11% to the closing market prices of the Company's shares on the respective issue dates. The proceeds were used to reduce the borrowings of the Group. The new ordinary shares were issued, in accordance with the terms of the relevant unlisted warrants instrument, under the specific mandate granted to the directors of the Company at the extraordinary general meeting of the Company held on 5 December 2012 and rank pari passu with the existing ordinary shares in issue in all respects. During the six months ended 30 June 2015, all the unlisted warrants were subscribed.

(c) Tranche 2 Unlisted Warrants issued on 7 December 2012

During the year ended 31 December 2012, the Company issued 88 tranche 2 unlisted warrants as part of the consideration for the extinguishment of the convertible bonds, which entitle their holders to subscribe for a total of 45,128,248 ordinary shares of HK$0.01 each of the Company at an initial subscription price of HK$1.95 per share, subject to anti-dilutive adjustments in accordance with the terms of the unlisted warrant instruments ("Tranche 2 Unlisted Warrants"). During the year ended 31 December 2014, the number of ordinary shares to be subscribed and the subscription price were adjusted to 12,184 and HK$1.63 per share respectively as a result of the completion of the bonus issue. The Tranche 2 Unlisted Warrant are exercisable at any time during the period commencing from 7 December 2012 to 6 December 2017.

During the six months ended 30 June 2015, none of the new ordinary shares (year ended 31 December 2014: 5,640,000 new ordinary shares) of HK$0.01 each were issued, in accordance with the terms of the relevant unlisted warrants instrument, for cash at a subscription price of HK$1.95 per share. During the year ended 31 December 2014, the new ordinary shares issued representing a discount ranged from 47.86% to 48.00% to the closing market prices of the Company's shares on the respective issue dates. The proceeds were used to reduce the borrowings and to provide additional working capital for the Group such as to purchase materials for manufacturing LED lighting products and operating expenses. The new ordinary shares were issued, in accordance with the terms of the relevant unlisted warrants instrument, under the specific mandate granted to the directors of the Company at the extraordinary general meeting of the Company held on 5 December 2012 and rank pari passu with the existing ordinary shares in issue in all respects. As at 30 June 2015, there are 0.01 (31 December 2014: 0.01) outstanding Tranche 2 Unlisted Warrants.

16. Unlisted Warrants (Continued)

(d) Unlisted warrants issued on 20 June 2014

During the year ended 31 December 2014, the Company entered into a placing agreement with the placing agent which was an independent third party, pursuant to which, the Company issued 100,000,000 unlisted warrants to individual, corporate and institutional investors at a placing price of HK$0.15 each, resulting in the net proceeds of HK$15,000,000, equivalent to approximately RMB12,042,000. Each unlisted warrant entitles the holder to subscribe for one ordinary share of HK$0.01 each of the Company at an initial subscription price of HK$3.95 per share, subject to anti-dilutive adjustments in accordance with the terms stipulated on the unlisted warrants instrument. The unlisted warrants were issued on 20 June 2014. Subsequently, the subscription price was adjusted to HK$3.29 per share as a result of the completion of the bonus issue. The proceeds were utilised by the Group as its general working capital and to finance the operation of the Company such as to purchase materials for manufacturing LED lighting products.

During the six months ended 30 June 2015, 42,000,000 (year ended 31 December 2014: 8,000,000) new ordinary shares of HK$0.01 each were issued, in accordance with the terms of the relevant unlisted warrants instrument, for cash at an adjusted subscription price of HK$3.29 per share, representing a discount ranged from 42.98% to 58.25% (year ended 31 December 2014: 35.11% to 46.33%) to the closing market prices of the Company's shares on the respective issue dates. The proceeds were used to finance the consideration of acquiring the entire equity interest of a company, to reduce the liabilities and to provide additional working capital for the Group such as to purchase materials for manufacturing LED lighting products and operating expenses. The new ordinary shares were issued, in accordance with the terms of the relevant unlisted warrants instrument, under the general mandate granted to the directors of the Company at the annual general meeting of the Company held on 26 May 2014 and rank pari passu with the existing ordinary shares in issue on all respect. At 30 June 2015, 50,000,000 (31 December 2014: 92,000,000) outstanding unlisted warrants outstanding at the end of the reporting period.

In the opinion of the directors of the Company, based on the terms of the respective unlisted warrants instruments, the exercise option rights of the above unlisted warrants will result in settlement by the exchange of a fixed amount of cash for a fixed number of equity instrument (i.e. ordinary shares of the Company) and therefore, the above unlisted warrants have been recognised in equity at the fair value of unlisted warrants at the issue date.

17. Pledged Assets

Other than those disclosed elsewhere in these financial statements, at the end of the reporting period, the following assets were pledged to the banks to secure general banking facilities granted to the Group:

	As at 30 June 2015 RMB'000 (unaudited)	As at 31 December 2014 RMB'000 (audited)
Pledged bank deposits	**23,712**	23,935

18. Capital Commitments

At the end of the reporting period, the Group had following capital commitments:

	As at 30 June 2015 RMB'000 (unaudited)	As at 31 December 2014 RMB'000 (audited)
Contracted but not provided for		
– Purchase of property, plant and equipment	**523**	2,853
– Acquisition of entire equity interests of a company	**48,377**	–
	48,900	2,853

19. Contingent Liabilities

Financial guarantees issued

At the end of the reporting period, the Company has issued corporate guarantees to the banks in respect of banking facilities granted to two (31 December 2014: three) subsidiaries.

The directors of the Company do not consider it probable that a claim will be made against the Company under the above guarantees. The maximum liability of the Company at the end of the reporting period is the amount of the facilities drawn down by the subsidiaries amounted to RMB5,186,000 (31 December 2014: RMB11,293,000).

20. Events after the Reporting Period

Subsequent to the end of the reporting period, the Group has completed the acquisition of the entire equity interests in Football Club Sochaux-Montbéliard SA on 2 July 2015 at a cash consideration of EUR7,000,000. Further details are set out in the Company's announcements dated 17 February 2015, 18 May 2015, 30 June 2015 and 6 July 2015 and the circular dated 13 June 2015 respectively.

After the end of the reporting period, the Company proposed to subdivide each existing issued and unissued ordinary shares of HK$0.01 of the Company into four subdivided shares of HK$0.0025 each ("Shares Subdivision"). On 17 August 2015, an extraordinary shareholder meeting of the Company was held in which the shareholder approved the Shares Subdivision and the Shares Subdivision came into effective on 18 August 2015. Further details are set out in the Company's announcements dated 15 July 2015 and 17 August 2015 and the circular dated 27 July 2015 respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Introduce the new jerseys of FCSM by the Chairman, Mr. Li Wing Sang and Executive Director, Mr. Chiu Chi Hong at the press conference, France

Business Overview

For the six months ended 30 June 2015 ("the Period under Review"), Tech Pro Technology Development Limited (the "Company", together with its subsidiaries the "Group") recorded a growth of 39.9% in turnover, which was mainly driven by the capture of certain new customers both in local and overseas markets. The principal focuses of the Group are on (i) the manufacturing and sale of LED lighting products and accessories; (ii) the provision of services for energy efficiency projects; and (iii) the provision of property sub-leasing and management services.

The global operating environment remained challenging during the first half of 2015. The escalating production and operating costs, the fluctuating foreign exchanges and the intensified market competition pressurised the profitability of every market player. In order to overcome these challenges, the Company has expanded its market share tactically through strategic alliance and acquisition so as to achieve economies of scale, production efficiency and diversification.

In March 2015, the Group has entered into a Strategic Cooperation Framework Agreement ("Framework Agreement") with Jianfa Real Estate Group Limited (建發房地產集團有限公司) ("Jianfa Real Estate"), a subsidiary of a conglomerate property developer in the People's Republic of China ("PRC"), Xiamen C&D Company Limited (廈門建發集團有限公司). In accordance with the Framework Agreement, the Group may be given first priority to be appointed as the supplier of LED lighting systems and the associated installation services for real estate project of Jianfa Real Estate. The discussion of cooperation details is still undergoing.

Sponsor to HKGCC "Free Ride Day 2015" programme, Hong Kong

It is the strategy of the Group to diversify its businesses and broaden its sources of income in order to prevail the volatility of market situation and bring the best interests to the shareholders. On 2 July 2015, the Group has completed the acquisition of the entire issued share capital of Football Club Sochaux-Montbéliard SA ("FCSM"), a professional football club in France. Upon completion, FCSM will be the wholly-owned subsidiary of the Group.

The Company kept making progress in its LED lighting businesses in Hong Kong, the PRC and overseas. For private sector and retail market, the Group continued to expand its retail channels by engaging sizeable chain supermarkets and retail stores in Hong Kong and overseas. The putting of additional resources in the marketing and promotional activities such as TV advertisements was proven to be effective. The Group also sponsored certain charity activities which further enhanced the public awareness of "LEDUS". In the first half of 2015, those events was gaining its market recognition and the segment revenue achieved to approximately RMB111.1 million, an increase of approximately 39.9% from six months ended 30 June 2014.

For the Period under Review, the Group has completed the third energy efficiency project on the installation of LED street lamps in the city of Cartaya in Spain. In addition, the installation works in the city of Gandia in Spain, ie the fourth energy efficiency project, has been started and expected to be completed by the end of 2015. The Group will keep on working with other municipal governments in Spain for the opportunities of co-operation.

For the provision of property sub-leasing and management services segment, the profits remained stable, as the property is located in a prime location in Shanghai in the PRC which is less sensitive to the effect of increase in property supply.

Sponsor to HKGCC "Free Ride Day 2015" programme, Hong Kong

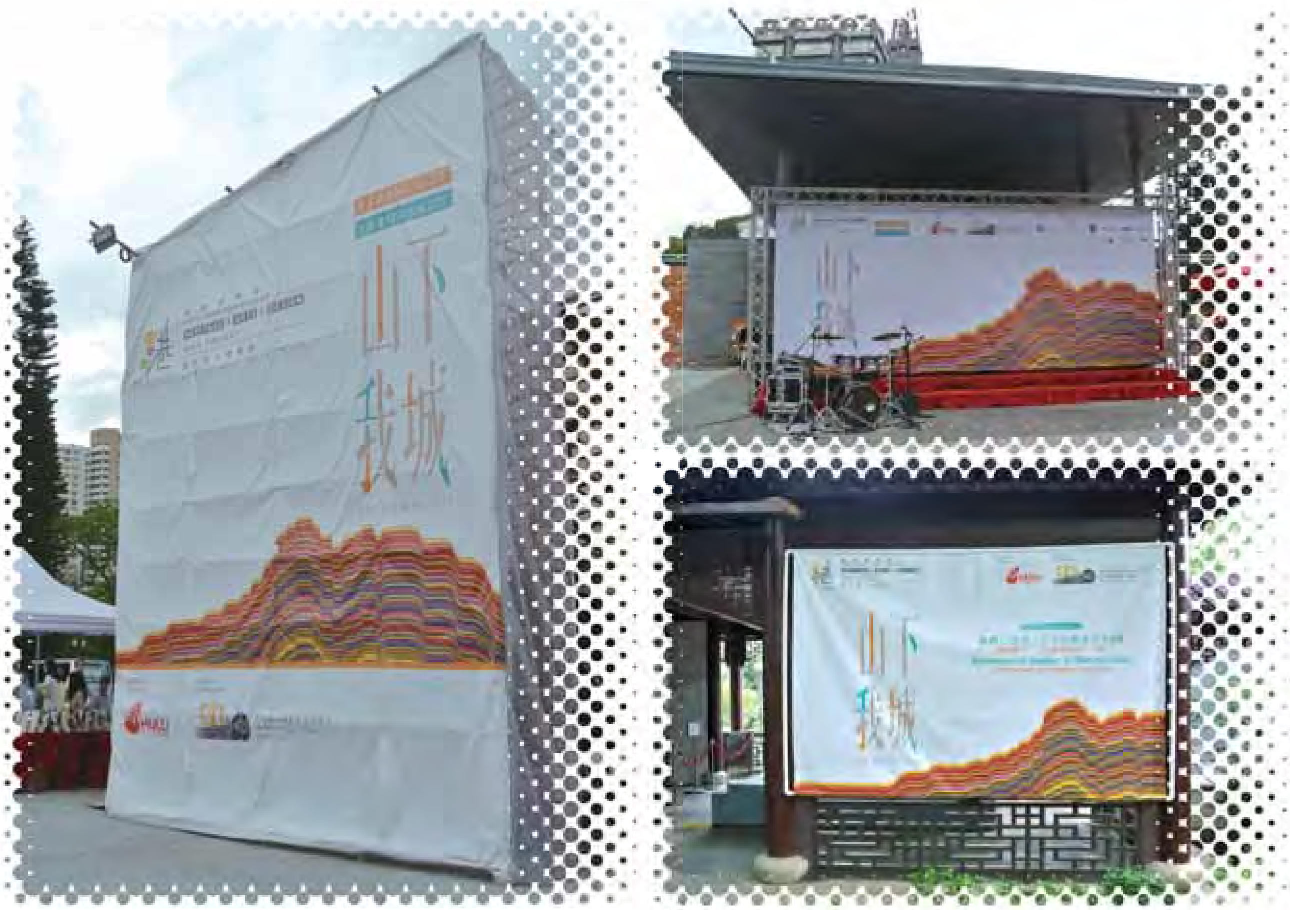
Sponsor to Lions Club Tessenderlo vzw "The Charity Golf Tournament Edition 2015" campaign, Belgium

Business Outlook

In recent years, the worldwide LED lighting market has achieved rapid growth due to the intense demand for efficient displays, lighting and fixtures as well as energy conservation concern. In Europe, the demand for LED lighting for commercial and architectural lighting applications is increasing. The Group strives to expand its share in the European LED lighting market by exploring and engaging additional sales channels and investing in promotional activities.

With the completion of the acquisition of FCSM, a new source of income will be established and further diversifies the business segments of the Group. It is expected that the acquisition will enhance the exposure and recognition of the Group's LED brand name, "LEDUS" in Europe. Not only could "LEDUS" advertise its brand name in the jerseys and marketing materials of FCSM but also introduce "LEDUS" lighting system to FCSM's football stadiums and training schools as a way to promote "LEDUS" to other private sectors in France as well as other European countries. As a result, the board ("Board") of directors ("Directors") of the Company foresees that "LEDUS" will expand its share in the global LED lighting market in the long run.

On the other hand, given the favourable Chinese government policies on green development, the demand for LED-based lights in the PRC is steering upward. The Company has plan to look at the retail, wholesale and marketing channels with the purpose of improving the recognition of "LEDUS" in the PRC. Currently, the Group is putting efforts in boosting "LEDUS"' presence in Hong Kong, the PRC, Japan, Malaysia, Spain, Belgium, the United States, United Kingdom, France and South Africa.



Sponsor to Hulu Culture 文化葫蘆 "2014-15 Our Rocking City" programme, Wong Tai Sin and Kowloon City, Hong Kong

All "LEDUS"'s products are manufactured in according to the prevailing LED quality management systems and standards. In addition, aimed at enhancing the competitiveness of "LEDUS" in the global LED lighting market, the Group is endeavour to keep on putting resources in research and development in order to advance the product technology and quality, simultaneously to improve the overall product cost, design and portfolio.

Taking into account the challenges facing the Group, the Group remains cautiously optimistic about the prospects of the LED lighting business given the competitive edge of "LEDUS". Nevertheless, the Board continues to adopt a prudent and cautious approach in managing the Group for its sustainable development. Besides, the Group will continue to explore other business opportunities to support our core focuses and at the same time, to pursue diversification with the aim of optimising the value for the Company and the shareholders as a whole.

Financial Review

The principal business activities of the Group are (i) the manufacturing and sale of LED lighting products and accessories; (ii) the provision of services for energy efficiency projects; and (iii) the provision of property sub-leasing and management services.

Turnover

During the Period under Review, the turnover of the Group was approximately RMB111.1 million (six months ended 30 June 2014: approximately RMB79.4 million), representing an increase of approximately RMB31.7 million as compared to the corresponding period of 2014.

The Group's turnover was analysed as follows:

	Six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
Manufacturing and sale of LED lighting products and accessories	**106,870**	77,153
Service income from energy efficiency projects	**4,230**	2,197
	111,100	79,350

Gross Profit Margin

As a result of the surge of production cost and falling of selling prices due to keen competition, gross profit margin for the manufacturing and sale of LED lighting products and accessories for the Period under Review decreased by approximately 64.4 basis points to approximately 8.4% (six months ended 30 June 2014: approximately 23.6%). The Group will monitor closely the overall cost of this business segment and implement stringent cost control measures to improve production efficiency.

Finance costs

During the Period under Review, finance costs of the Group decreased approximately RMB7.3 million to approximately RMB1.3 million (six months ended 30 June 2014: approximately RMB8.6 million). This was mainly due to no imputed interest expenses incurred from the convertible bonds.

Share of results of a joint venture

Share of results of a joint venture was approximately RMB8.5 million (six months ended 30 June 2014: approximately RMB2.5 million) for the Period under Review. This was mainly due to the six months results instead of three months results of a joint venture recorded by the Group during the Period under Review.

Dividends

At the meeting of the Board held on 19 August 2015, the Board did not recommend the payment of an interim dividend for the Period under Review (six months ended 30 June 2014: RMBNil).

Liquidity and Financial Resources

As at 30 June 2015, the Group had current assets of approximately RMB368.7 million (31 December 2014: approximately RMB286.1 million) and current liabilities of approximately RMB74.3 million (31 December 2014: approximately RMB138.7 million). The current ratio of the Group at 30 June 2015 improved to approximately 5.0 (31 December 2014: approximately 2.1). The improvement was mainly due to the increase in cash at banks and the bonds payable was fully repaid during the Period under Review.

As at 30 June 2015, the Group had cash and cash equivalents of approximately RMB93.7 million (31 December 2014: approximately RMB33.4 million), which was wholly cash at banks and cash in hand. Total bank loans were approximately RMB5.2 million (31 December 2014: approximately RMB11.3 million), which were entirely short term borrowings denominated in Hong Kong dollars and were subject to variable interest rates. As at 30 June 2015, there were obligations under finance leases of approximately RMB0.6 million (31 December 2014: approximately RMB0.8 million) denominated in Hong Kong dollars. The obligations under the finance leases are repayable in full within 5 years. The unlisted bonds were fully repaid during the Period under Review (31 December 2014: approximately RMB66.4 million).

As at 30 June 2015, the cash and cash equivalent was sufficient to repay the total borrowings, the gearing ratio (calculated by dividing total borrowings less cash and cash equivalent over total equity) of the Group was zero (31 December 2014: approximately 4.4). The decrease in gearing ratio as at 30 June 2015 was principally attributable to the fully repayment of bonds payable during the Period under Review.

Foreign Exchange Exposure

The Group's sales were principally made in Renminbi, Hong Kong dollars and US dollars, the majority of which was denominated in Renminbi. This may expose the Group to foreign currency exchange risks. The Group had not adopted formal hedging policies and no instruments had been applied for foreign currency hedging purposes during the Period under Review. However, in view of the fluctuation of Renminbi against Hong Kong dollars and US dollars, the Group will adopt all applicable financial instruments to hedge against currency risks if and when necessary.

Capital Commitment

As at 30 June 2015, the capital commitments contracted but not provided for in respect of purchase of property, plant and equipment were approximately RMB0.5 million (31 December 2014: approximately RMB2.9 million) and acquisition of equity interests in a subsidiary of approximately RMB48.4 million (31 December 2014: RMBNil). There was no outstanding capital commitments authorised but not provided for as at 30 June 2015 (31 December 2014: Nil).

Charge on Assets

As at 30 June 2015, the Group's pledged bank deposit of approximately RMB23.7 million (31 December 2014: approximately RMB23.9 million) was pledged to secure general banking facilities granted to and service contract engaged by the Group.

Contingent Liabilities

As at 30 June 2015, the Group had contingent liabilities regarding to the corporate guarantee to the banks for granting the banking facilities to two (31 December 2014: three) subsidiaries.

Employee Information

As at 30 June 2015, the Group had approximately 500 employees and the majority of whom were stationed in the PRC. Total remuneration for the Period under Review amounted to approximately RMB15.1 million (six months ended 30 June 2014: approximately RMB13.8 million). The Group adopts a competitive remuneration package for its employees. Promotion and salary increments are assessed on performance basis. Share options may also be granted to staff with reference to individual performance. Employees are encouraged to take training courses and seminars from time to time to enhance their knowledge and skills.

Material acquisitions and disposal of subsidiaries and associated companies

On 18 May 2015, "LEDUS" Club Limited ("LEDUS Club"), a wholly-owned subsidiary of the Company has entered into an acquisition agreement ("Acquisition Agreement") with an independent third party, Automobiles Peugeot SA, a French société anonyme company in relation to the acquisition of the entire issued share capital of Football Club Sochaux-Montbéliard SA by "LEDUS" Club at a consideration of EUR7.0 million (the "Acquisition"). The Acquisition Agreement and the transactions contemplated thereunder were approved, confirmed and ratified by the shareholders of the Company at an extraordinary general meeting held on 30 June 2015. Following the completion of the Acquisition on 2 July 2015, Football Club Sochaux-Montbéliard SA became an indirect wholly-owned subsidiary of the Company.

Save as disclosed above, there was no material acquisition and disposal of subsidiaries and associated companies by the Group.

FURTHER INFORMATION

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Its Associated Corporations

As at 30 June 2015, the interests and short positions of the directors and chief executives of the Company in any shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which require notification pursuant to Divisions 7 and 8 of Part XV of the SFO, or which are required, pursuant to section 352 of the Part XV of the SFO, to be entered in the register kept by the Company, or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") were as follows:

Name	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Executive Directors:			
Li Wing Sang	Beneficial owner	292,671,200 (Long position)	18.05%
	Beneficial owner	34,879,200 (Short position)	2.15%
Chiu Chi Hong	Beneficial owner	86,368,000 (Long position)	5.47%
Liu Xinsheng	Beneficial owner	43,917,600 (Long position)	2.77%

Save as disclosed above, and as at 30 June 2015, none of the Directors or any of their associates or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Share Option Scheme

A share option scheme ("Share Option Scheme") was conditionally approved by resolutions of the shareholders of the Company on 26 July 2007. It became unconditional on 6 September 2007 and shall be valid and effective for a period of ten years commencing on 26 July 2007, subject to the early termination provisions contained in the Share Option Scheme.

During the Period under Review, no share options were granted, exercised or cancelled by the Company under the Share Option Scheme and there are no outstanding share options under the Share Option Scheme as at 30 June 2015.

Interests and Short Positions of Substantial Shareholders in Shares, Underlying Shares and Debentures of the Company

As at 30 June 2015, so far as is known to the Directors, the following person (other than the Directors or chief executive of the Company), who had interests of 5% in the shares or underlying shares of the Company which would fall to be disclosed to the Company in accordance with the provision of Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein, were as follows:

Name	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Hui Wah Ying, Joelle (Note)	Deemed interest	86,368,000	5.47%

Note: Ms. Hui Wah Ying Joelle ("Ms. Hui") is the spouse of Mr. Chiu Chi Hong ("Mr. Chiu"), an executive Director. By virtue of the SFO, Ms. Hui is deemed to be interested in the 83,368,000 shares which are beneficially owned by Mr. Chiu.

Save as disclosed above, and as at 30 June 2015, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the shares, underlying shares or debentures of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to section 336 of the SFO, to be entered in the register referred therein.

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Period under Review.

Corporate Governance

Save as described below, none of the Directors is aware of any information that would reasonably indicate that the Company is not or was not, in any time during the Period under Review in due compliance with the code provisions and certain recommended practices (with amendments from time to time) as set out in the Corporate Governance Code (the "CG Code") under Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

Under code provision A.2.1 of the Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Taking into account the current structure of the Company, there is no officer appointed with the title "chief executive officer" and accordingly, the Company is in deviation from code provision A.2.1.

Mr. Li Wing Sang, who acted as the chairman of the Company during the Period under Review, was also responsible for overseeing the general operations of the Group. As the Board would meet regularly to consider major matters affecting the operations of the Company, the Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company. The roles of the respective executive Directors and senior management who are in charge of different functions, complement the role of the chairman and chief executive officer. The Board believes that this structure is conducive to strong and consistent leadership enabling the Group to operate efficiently.

The Company understands the importance of complying with the code provision A.2.1 of the CG Code and will continue to consider the feasibility of compliance. If compliance is determined, appropriate persons will be nominated to take up the different roles of chairman and chief executive officer.

Model Code Set Out in Appendix 10 to the Listing Rules

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. The Company has also adopted the Model Code for the relevant employees.

Having made specific enquiry of all Directors, the Board has confirmed that all Directors have complied with the Model Code for the Period under Review. Moreover, no incident of non-compliance of the Model Code by the relevant employees was noted by the Company.

FURTHER INFORMATION

Changes of Directors' Information Under Rule 13.51B(1) of the Listing Rules

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes of Directors' information of the Company since the date of the 2014 annual report are as follows:

With effect from 1 April 2015, the director's emoluments of Mr. Li Wing Sang, Mr. Chiu Chi Hong and Mr. Liu Xinsheng have been revised to approximately HK$2.5 million (equivalent to approximately RMB2.0 million) per annum, approximately HK$2.1 million (equivalent to approximately RMB1.7 million) per annum and approximately HK$0.4 million (equivalent to approximately RMB0.3 million) per annum respectively, which were determined with reference to the duties and responsibilities of an executive director.

With effect from 1 April 2015, the director's emoluments of both Mr. Tam Tak Wah, Mr. Ng Wai Hung and Mr. Lau Wan Cheung have been revised to approximately HK$0.2 million (equivalent to approximately RMB0.2 million) per annum, which were determined with reference to the duties and responsibilities of an independence non-executive director.

Mr. Li Wing Sang and Mr. Chiu Chi Hong have been appointed as directors of Football Club Sochaux-Montbéliard SA on 2 July 2015 upon completion of the acquisition of its entire share capital.

Mr. Tam Tak Wah has been appointed as an executive director of Mission Capital Holdings Limited whose shares are listed on the Main Board of the Stock Exchange on 20 July 2015.

Mr. Ng Wai Hung has been appointed as an independent non-executive director of Kingbo Strike Limited whose shares are listed on the Main Board of the Stock Exchange on 1 June 2015.

Save as disclosed above, the Company is not aware of other information which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Audit Committee

The Company established an audit committee ("Audit Committee") on 26 July 2007 with written terms of reference in compliance with the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group. The Audit Committee comprises three independent non-executive Directors, namely, Mr. Tam Tak Wah, Mr. Ng Wai Hung and Mr. Lau Wan Cheung. Mr. Tam Tak Wah is the chairman of the Audit Committee.

The Audit Committee has reviewed and discussed with the Company's management regarding the Group's unaudited financial statements for the Period under Review and this interim report. The Audit Committee has confirmed that this interim report is in compliance with all applicable laws and regulations, including but not limited to the Listing Rules.

Remuneration Committee

The Group set up a remuneration committee ("Remuneration Committee") on 26 July 2007 with written terms of reference in compliance with the CG Code. The primary duties of the Remuneration Committee are to review and determine the terms of remuneration packages, bonuses and other employment terms to the Directors and other senior management. Currently, the Remuneration Committee comprises three independent non-executive Directors, namely Mr. Tam Tak Wah, Mr. Lau Wan Cheung and Mr. Ng Wai Hung. Mr. Tam Tak Wah is the chairman of the Remuneration Committee.

By order of the Board
Li Wing Sang
Chairman

Hong Kong, 19 August 2015