



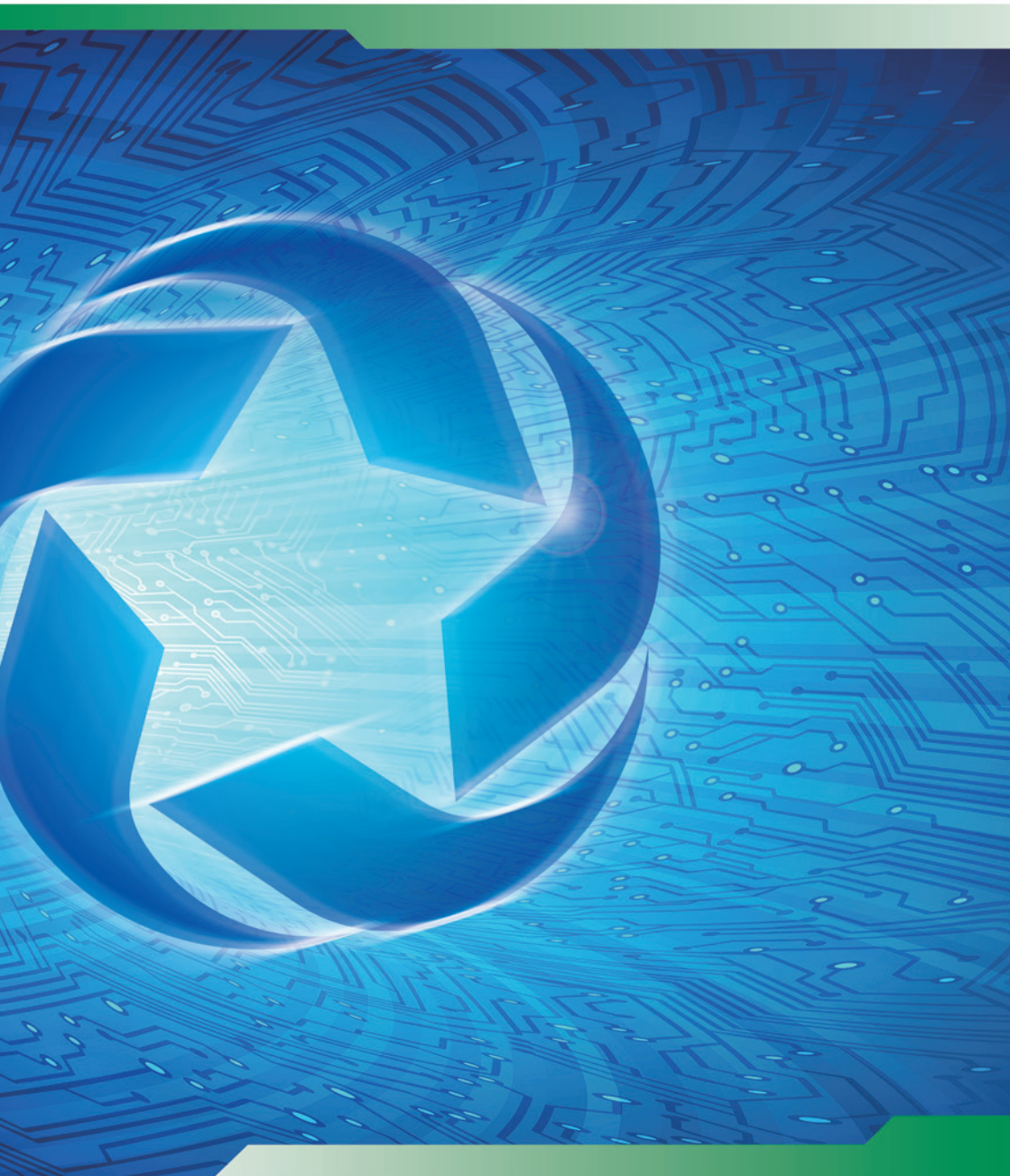
實華發展
SHIHUA DEVELOPMENT

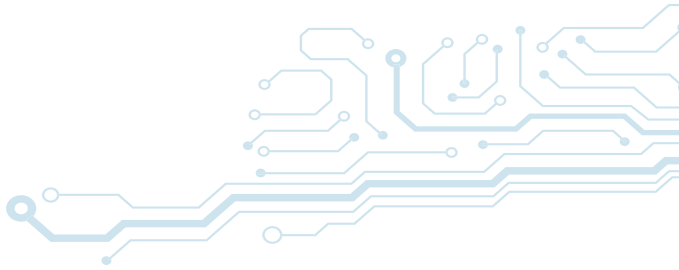
實華發展有限公司
Shihua Development Company Limited

(Incorporated in Bermuda with limited liability)
Stock Code: 485

2015/2016

Interim Report





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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors:

Wang Jing (Chairman)
Wang Xing Qiao (Chief Executive Officer)
Chen Wan Jin
Zhao Shuang

Non-Executive Director:

Li Jun

Independent Non-Executive Directors:

Yang Xin Hua
Wang Ping
Cheng Tai Kwan Sunny

AUDIT COMMITTEE

Wang Ping (Chairman)
Yang Xin Hua
Cheng Tai Kwan Sunny

REMUNERATION COMMITTEE

Yang Xin Hua (Chairman)
Wang Ping
Cheng Tai Kwan Sunny

NOMINATION COMMITTEE

Wang Jing (Chairman)
Yang Xin Hua
Cheng Tai Kwan Sunny

COMPANY SECRETARY

Lam Wai Kei

AUDITOR

Deloitte Touche Tohmatsu

PRINCIPAL BANKER

The Hongkong and Shanghai
Banking Corporation Limited
Hang Seng Bank

SOLICITOR

Locke Lord

SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Secretaries Limited

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

PRINCIPAL OFFICE

Rooms 05-15, 13A/F.,
South Tower,
World Finance Centre,
Harbour City, 17 Canton Road,
Tsim Sha Tsui, Kowloon,
Hong Kong
Tel: (852) 2208 6008
Fax: (852) 2208 6006
Website: www.00485.hk
Email: office@lnshihua.com

MANAGEMENT DISCUSSION & ANALYSIS

The Board is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended 30 September 2015 which have been reviewed by the Company's Audit Committee.

GROUP RESULTS

For the six months ended 30 September 2015, the Group recorded a turnover of HK\$214 million, an increase of 15% compared to the turnover of HK\$187 million for the corresponding period in 2014.

The gross profit margin in the six months ended 30 September 2015 was 24% compared to the gross profit margin of 13% in the comparable period in 2014.

The loss before taxation reduced from HK\$196 million in the previous period to HK\$8 million due to the completion of the group restructuring and no further one-off losses for the six months ended 30 September 2015.

FINANCIAL POSITION

Liquidity and financial resources

As at 30 September 2015, cash and bank deposits amounted to HK\$58 million, as compared to HK\$37 million as at 31 March 2015.

Gearing ratio calculated as total interest bearing borrowings which excludes Convertible Bonds was 0.65 (31 March 2015: 0.11), current ratio calculated as current assets to current liabilities was 0.71 (31 March 2015: 1.48).

In the management of liquidity risk, the Group monitors and maintains its level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Financing and capital structure

The Group finances its operations by combination of equity and borrowings. As at 30 September 2015, the Group's total interest bearing borrowings was HK\$82 million (31 March 2015: HK\$9 million), of which the whole amount is repayable within one year. Net borrowings is HK\$24 million (31 March 2015: nil).

Exposure to fluctuation in exchange rates

The Group's transactions were mostly denominated in US dollars, Hong Kong dollars and RMB which have been relatively stable for the six months ended 30 September 2015. The exposure to exchange rate risk was insignificant and the Group had not employed any financial instruments for hedging purposes.

Contingent Liabilities

As at 30 September 2015, the Group had no contingent liabilities.

STAFF AND REMUNERATION

As at 30 September 2015, the Group had a total staff of 43 of which 30 were employed in the overseas for the Group's marketing and distribution business.

The Group provides employee benefits such as health insurance, retirement scheme, discretionary bonus and also provides in-house training programmes and external training sponsorship.

MATERIAL ACQUISITIONS

During the six months ended 30 September 2015, the Group completed the acquisition of the property which is located at the intersection of Huanshan Road and Guangyu Road, Pingshan District, Benxi, Liaoning Province, the PRC (the "Property"). The Property is part of the property development project of the Liaoning Shihua Property, namely Shihua-Meilan City, and is a shopping mall at ground floor and first basement floor.

The Property is under construction and renovation and is expected to be operated in the second quarter of 2016.

Save as disclosed above, there was no material acquisition and disposal for the six months ended 30 September 2015.

SIGNIFICANT INVESTMENT HELD

Save for the Property mentioned in the above Material Acquisitions, the Group did not have any significant investment held as at 30 September 2015.

FUTURE PLANS RELATING TO MATERIAL INVESTMENT OR CAPITAL ASSET

Except for the completion of the acquisition of the Property mentioned in the above Material Acquisitions, the Group has not executed any agreement in respect of material investment or capital asset and did not have any other future plans relating to material investment or capital assets as at 30 September 2015.

REVIEW AND PROSPECTS

After the financial year of 2015, the Group completed the group restructuring to separate the distributed business and the scheme business from the remaining business. The Group's remaining business is in the design and sale of a wide range of electronic products. For further information about the group restructuring, please refer to the circular of the Company dated 24 May 2014.

Starting from the 2nd quarter of 2015, the revenue of the Group is mainly generated from the trading of electronic products in overseas. By the growth of the sales orders and selling prices of the electronic products from the existing customers, the Group's turnover has increased to approximately HK\$214 million for the six months ended 30 September 2015, representing an increase of HK\$27 million as compared to the corresponding period of the previous year. At the same time, the steady growth of the sales activities also leads to the increase of the distribution costs by HK\$4 million to HK\$20 million for the six months ended 30 September 2015 as compared to HK\$16 million for the same period in the previous year. In addition, the administrative expenses has slightly decreased from HK\$35 million in 2014 to HK\$27 million in this year.

As a result, the loss before taxation has sharply decreased to HK\$8 million for the six months ended 30 September 2015 as compared to the loss before taxation of HK\$196 million for the same period in previous year.

It has been the Group's business strategy to diversify its business and further enhancing the Shareholders' value. Apart from the current trading business of the electronic products, the management of the Group is in the view that the two acquisitions entered by the Group in the current year will broaden the revenue stream of the Group. Furthermore, the Group is also seeking for any possible business opportunities, including the properties investment and renewable energy business and other areas in order to enhance the value for the Group and generate better return to the Shareholders in the future.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

	NOTES	Six months ended 30 September	
		2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Turnover	3	214,034	186,783
Cost of sales		(161,919)	(162,368)
Gross profit		52,115	24,415
Other income	4	91	6,963
Distribution costs		(20,230)	(16,360)
Administrative expenses		(26,932)	(34,722)
Other gains and losses	5	(4,884)	(1,448)
Interest expenses		(5,965)	(2,912)
Share of profits of an associate		98	73
Decrease in fair value of an investment property under construction		(2,307)	-
Increase in fair value of investment properties		-	5,704
Loss arising from the issue of convertible bonds		-	(38,536)
Loss arising from distribution in specie of shares in a subsidiary	22	-	(138,946)
Loss before taxation	6	(8,014)	(195,769)
Tax (expense) credit	7	(2,991)	743
Loss for the period		(11,005)	(195,026)
Other comprehensive (expense) income			
Items that may be subsequently reclassified to profit or loss:			
Exchange difference arising on translation of foreign operations		(3,119)	416
Release upon distribution in specie of shares in a subsidiary	22	-	(795)
Other comprehensive expense for the period		(3,119)	(379)
Total comprehensive expense for the period		(14,124)	(195,405)
(Loss) profit for the period attributable to:			
Owners of the Company		(12,978)	(194,174)
Non-controlling interests		1,973	(852)
		(11,005)	(195,026)
Total comprehensive (expense) income for the period attributable to:			
Owners of the Company		(16,218)	(194,556)
Non-controlling interests		2,094	(849)
		(14,124)	(195,405)
		HK cents	HK cents
Loss per share			
- Basic and diluted	9	(0.50)	(9.58)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER 2015

		At 30 September 2015 HK\$'000 (unaudited)	At 31 March 2015 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	10	4,067	3,639
Investment property under construction	11	201,219	–
Goodwill		17,665	17,665
Interest in an associate		6,643	6,845
Deferred tax assets		15,267	18,258
Long-term prepayments		457	746
Deposits paid for a property		<u>112,530</u>	<u>76,600</u>
		<u>357,848</u>	<u>123,753</u>
Current assets			
Inventories		98,942	75,123
Debtors, deposits and prepayments	12	175,855	43,993
Investments held for trading		502	453
Bank balances and cash		<u>57,650</u>	<u>36,718</u>
		<u>332,949</u>	<u>156,287</u>
Current liabilities			
Creditors and accrued charges	13	178,052	90,741
Promissory note	14	208,276	–
Amount due to a shareholder	15	172	172
Amount due to immediate holding company	15	18,543	14,871
Borrowings	16	<u>66,619</u>	–
		<u>471,662</u>	<u>105,784</u>

		At 30 September 2015 <i>HK\$'000</i> (unaudited)	At 31 March 2015 <i>HK\$'000</i> (audited)
Net current (liabilities) assets		<u>(138,713)</u>	<u>50,503</u>
Total assets less current liabilities		<u>219,135</u>	<u>174,256</u>
Non-current liabilities			
Long-term creditors		15,011	20,081
Convertible bonds	17	<u>60,494</u>	<u>56,875</u>
		<u>75,505</u>	<u>76,956</u>
Net assets		<u>143,630</u>	<u>97,300</u>
Capital and reserves			
Share capital	18	292,057	243,381
Reserves		<u>(165,860)</u>	<u>(161,337)</u>
Equity attributable to owners of the Company		126,197	82,044
Non-controlling interests		<u>17,433</u>	<u>15,256</u>
Total equity		<u>143,630</u>	<u>97,300</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

	Attributable to owners of the Company							Attributable to non-controlling interests				Total HK\$'000	
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Translation reserve HK\$'000	Convertible notes/ bonds reserve HK\$'000	Capital redemption reserve HK\$'000	Contributed surplus HK\$'000	Accumulated losses HK\$'000	Sub-total HK\$'000	Share of net assets of subsidiaries HK\$'000	Share option reserve of a listed subsidiary HK\$'000		Sub-total HK\$'000
At 1 April 2015 (audited)	243,381	24,000	144	12,912	61,365	292,448	23,909	(576,115)	82,044	13,410	1,846	15,256	97,300
Exchange difference arising on translation of foreign operations (Loss) profit for the period	-	-	-	(3,240)	-	-	-	-	(3,240) (12,978)	121 1,973	-	121 1,973	(3,119) (11,005)
Total comprehensive (expense) income for the period	-	-	-	(3,240)	-	-	-	(12,978)	(16,218)	2,094	-	2,094	(14,124)
Placing of shares	48,676	11,682	-	-	-	-	-	-	60,358	-	-	-	60,358
Capital contribution from non-controlling shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	59	-	59	59
Deemed partial disposal of a subsidiary	-	-	13	-	-	-	-	-	13	(13)	-	(13)	-
Recognition of equity-settled share-based payments	-	-	-	-	-	-	-	-	-	-	37	37	37
At 30 September 2015 (unaudited)	292,057	35,682	157	9,672	61,365	292,448	23,909	(589,093)	126,197	15,550	1,883	17,433	143,630

	Attributable to owners of the Company								Attributable to non-controlling interests				Total HK\$'000			
	Share capital HK\$'000	Share premium HK\$'000	Merger reserve HK\$'000	Capital reserve HK\$'000	Other property revaluation reserve HK\$'000	Translation reserve HK\$'000	Share option reserve HK\$'000	Convertible notes/ bonds reserve HK\$'000	Capital redemption reserve HK\$'000	Contributed surplus HK\$'000	Accumulated losses HK\$'000	Sub-total HK\$'000		Share of net assets (liabilities) of subsidiaries HK\$'000	Share option reserve of a listed subsidiary HK\$'000	
At 1 April 2014 (audited)	201,343	146,883	37,138	128	52,578	9,627	3,993	-	292,448	-	(422,422)	221,716	14,867	1,543	16,410	338,126
Exchange difference arising on translation of foreign operations	-	-	-	-	-	413	-	-	-	-	-	413	3	-	3	416
Release upon distribution in specie of shares in a subsidiary (note 22)	-	-	-	-	-	(795)	-	-	-	-	-	(795)	-	-	-	(795)
Loss for the period	-	-	-	-	-	-	-	-	-	-	(194,174)	(194,174)	(852)	-	(852)	(195,026)
Total comprehensive expense for the period	-	-	-	-	-	(382)	-	-	-	-	(194,174)	(194,556)	(849)	-	(849)	(195,405)
Issue of shares upon exercise of share options	2,038	1,088	-	-	-	-	(468)	-	-	-	-	2,658	-	-	-	2,658
Transfer of share premium to contributed surplus (note)	-	(147,971)	-	-	-	-	-	-	147,971	-	-	-	-	-	-	-
Special dividend by way of distribution in specie of shares in a subsidiary (note 8 & 22)	-	-	-	-	-	-	-	-	-	(124,062)	-	(124,062)	(2,121)	-	(2,121)	(126,183)
Release upon distribution in specie of shares in a subsidiary (note 22)	-	-	(37,138)	-	(44,187)	-	-	-	-	-	81,325	-	-	-	-	-
Capital contribution from non-controlling shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	59	-	59	59
Deemed partial disposal of a subsidiary	-	-	-	16	-	-	-	-	-	-	-	16	(16)	-	(16)	-
Issue of convertible bonds	-	-	-	-	-	-	61,480	-	-	-	61,480	-	-	-	61,480	61,480
Transaction costs incurred in connection with issue of convertible bonds	-	-	-	-	-	-	-	(115)	-	-	-	(115)	-	-	-	(115)
Recognition of equity-settled share-based payments	-	-	-	-	-	-	-	-	-	-	-	-	270	-	270	270
Cancellation of share options	-	-	-	-	-	-	(3,525)	-	-	-	3,525	-	-	-	-	-
At 30 September 2014 (unaudited)	203,381	-	-	144	8,391	9,245	-	61,365	292,448	23,909	(531,746)	67,137	11,940	1,813	13,753	80,899

Note: Pursuant to a special resolution passed in the special general meeting of the Company held on 19 June 2014, an amount of HK\$147,971,000 standing to the credit of share premium has been reduced and transferred to contributed surplus.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

	Six months ended	
	30 September	
NOTE	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Net cash used in operating activities	<u>(65,428)</u>	<u>(49,341)</u>
Net cash used in investing activities		
Dividend received from an associate	300	–
Interest received	17	6
Deposits paid for a property	(36,250)	–
Purchase of property, plant and equipment	<u>(972)</u>	<u>(447)</u>
	<u>(36,905)</u>	<u>(441)</u>
Net cash from financing activities		
New borrowings raised	66,619	–
Proceeds from placing of shares	60,358	–
Advance from immediate holding company	3,672	–
Capital contribution from non-controlling shareholders of a subsidiary	59	59
Repayment to long-term creditors	(5,070)	–
Interest on bank and other borrowings paid	(2,346)	(1,472)
Proceeds on issue of convertible bonds	–	75,000
Net increase in trust receipts and import loans and loans related to bills discounted with recourse	–	27,682
Proceeds from issue of shares upon exercise of share options	–	2,658
Net cash outflow from distribution in specie of shares in a subsidiary	–	(17,609)
Repayment to a shareholder	–	(1,000)
Transaction costs incurred in connection with the issue of convertible bonds	<u>–</u>	<u>(212)</u>
	<u>123,292</u>	<u>85,106</u>
Net increase in cash and cash equivalents	20,959	35,324
Cash and cash equivalents at beginning of the period	36,718	26,077
Effect of foreign exchange rate changes	<u>(27)</u>	<u>(2,405)</u>
Cash and cash equivalents at end of the period	<u>57,650</u>	<u>58,996</u>
Analysis of balances of cash and cash equivalents		
Bank balances and cash	57,650	60,349
Bank overdrafts	<u>–</u>	<u>(1,353)</u>
	<u>57,650</u>	<u>58,996</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standards 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

In preparing the condensed consolidated financial statements, the Directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that its current liabilities exceeded its current assets by HK\$138,713,000 as at 30 September 2015 and the Group incurred loss for the period of HK\$11,005,000 and HK\$195,026,000 (including loss arising from distribution in specie of shares in a subsidiary of HK\$138,946,000) for the six months ended 30 September 2015 and 30 September 2014, respectively. Included in the net current liabilities of HK\$138,713,000 is promissory note of HK\$208,276,000, which is repayable on demand when the Company has generated, obtained and/or raised fund for not less than HK\$200,000,000.

On 7 October 2015, the Company proposed to raise gross proceeds of HK\$251,169,000 by way of the issue of 2,920,568,484 offer shares at the subscription price of HK\$0.086 per offer share on the basis of four offer shares for every one adjusted share (details are set out in the Company's announcement dated 7 October 2015). The proceeds would be used for the settlement of promissory note, amount due to a shareholder and amount due to immediate holding company with carrying amounts of HK\$208,276,000, HK\$172,000 and HK\$18,543,000, respectively, as at 30 September 2015. The open offer is subject to approval from shareholders in the special general meeting on 21 December 2015 and has not been completed at the date of approval of condensed consolidated financial statements. If the open offer is approved, part of the proceeds will be used to settle the promissory note. If not, while the Company cannot generate, obtain and/or raise fund for not less than HK\$200,000,000 in other ways within twelve months after the reporting period, there is no need for the Company to repay the promissory note in the coming year. By excluding the promissory note from net current liabilities, there will be net current assets of HK\$69,563,000. Accordingly, the Directors of the Company are of the opinion that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measurement at fair value.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2015 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2015.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

Property under construction or development for future use as an investment property is classified as investment property under construction. If the fair value cannot be reliably determined, the investment property under construction will be measured at cost until such time as fair value can be determined or development is completed, in which time any difference between the fair value and the carrying amount will be recognised in profit or loss in that period.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA which are effective for the Group's financial year beginning on 1 April 2015.

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

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

3. REVENUE AND SEGMENT INFORMATION

The Group is organised into three operating divisions, namely design, manufacture and sale of electronic products (representing consumer electronic audio and video equipment, karaoke equipment and accessories), property investment and securities trading. These divisions are the basis on which the Group reports its segment information.

Segment revenue and results

An analysis of the Group's revenue, which represents sales of goods, and results by reportable and operating segments is as follows:

For the six months ended 30 September 2015

	Design and sale of electronic products HK\$'000 (unaudited)	Property investment HK\$'000 (unaudited)	Securities trading HK\$'000 (unaudited)	Consolidated HK\$'000 (unaudited)
TURNOVER	<u>214,034</u>	<u>-</u>	<u>-</u>	<u>214,034</u>
SEGMENT RESULTS	<u>2,599</u>	<u>(2,307)</u>	<u>48</u>	340
Interest income				17
Unallocated expenses				(2,504)
Share of profits of an associate				98
Interest expenses				<u>(5,965)</u>
Loss before taxation				<u>(8,014)</u>

For the six months ended 30 September 2014

	Design, manufacture and sale of electronic products HK\$'000 (unaudited)	Property investment HK\$'000 (unaudited)	Securities trading HK\$'000 (unaudited)	Consolidated HK\$'000 (unaudited)
TURNOVER	<u>186,783</u>	<u>–</u>	<u>–</u>	<u>186,783</u>
SEGMENT RESULTS	<u>(25,847)</u>	<u>11,586</u>	<u>(65)</u>	<u>(14,326)</u>
Interest income				6
Unallocated expenses				(1,128)
Share of profits of an associate				73
Loss arising from the issue of convertible bonds				(38,536)
Loss arising from distribution in specie of shares in a subsidiary				(138,946)
Interest expenses				<u>(2,912)</u>
Loss before taxation				<u>(195,769)</u>

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies. Segment results represent the results from each operating segment without allocation of central administration costs incurred by head office, share of results of an associate, interest income, loss arising from the issue of Convertible Bonds, loss arising from distribution in specie of shares in a subsidiary and interest expenses. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

4. OTHER INCOME

	Six months ended 30 September	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Other income includes:		
Rental income	–	5,931
Interest income	17	6
Others	<u>74</u>	<u>1,026</u>
	<u>91</u>	<u>6,963</u>

5. OTHER GAINS AND LOSSES

	Six months ended 30 September	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Other (losses) gains comprise:		
Reversal of bad debts written off	–	13
Exchange loss, net	(4,365)	(892)
Allowance for doubtful debts	(567)	(507)
Increase (decrease) in fair value of investments held for trading	48	(62)
	<u>(4,884)</u>	<u>(1,448)</u>

6. LOSS BEFORE TAXATION

	Six months ended 30 September	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Loss before taxation has been arrived at after charging (crediting):		
Allowance for (reversal of allowance for) obsolete and slow-moving inventories (included in cost of sales)	41	(3,667)
Depreciation of property, plant and equipment	544	2,029
Interest expenses on:		
– bank overdrafts	–	42
– borrowings wholly repayable within five years	1,230	1,430
– convertible bonds/notes	4,735	1,440
Minimum lease payments under operating leases in respect of rented premises	2,664	3,054
Release of prepaid lease payments	–	60
Staff cost including directors' remuneration and share-based payment	<u>10,560</u>	<u>25,426</u>

7. TAX EXPENSE (CREDIT)

	Six months ended 30 September	
	2015	2014
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
The charge (credit) comprises:		
Taxation in other jurisdictions		
Current period	–	570
Overprovision in prior period	–	(86)
	<hr/>	<hr/>
	–	484
Deferred taxation	<u>2,991</u>	<u>(1,227)</u>
	<hr/>	<hr/>
	<u>2,991</u>	<u>(743)</u>

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 September 2014: 16.5%) of the estimated assessable profit for the period. No provision of Hong Kong Profits Tax has been made as the Group did not generate any assessable profits in Hong Kong for both periods.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% (six months ended 30 September 2014: 25%). No provision of Enterprise Income Tax has been made as the Group did not have any assessable income for both periods.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

8. DIVIDEND

	Six months ended 30 September	
	2015	2014
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Dividends recognised as distribution during the period:		
Special dividends by way of distribution in specie of shares in a subsidiary	–	124,062
	<hr/>	<hr/>

On 26 June 2014, the Company made a distribution in specie of shares in a subsidiary, SIH Limited ("SIH"), to the shareholders of the Company, 2,033,808,485 shares in SIH were distributed to the shareholders whose names appeared on the register of members of the Company on the same date. Details of the assets and liabilities distributed are set out in note 22.

Other than the special dividends, the Directors of the Company have determined that no dividends will be paid in respect of the interim period (six months ended 30 September 2014: nil).

9. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the following data:

	Six months ended 30 September	
	2015	2014
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Loss for the period attributable to owners of the Company for the purposes of basic and diluted loss per share	<u>(12,978)</u>	<u>(194,174)</u>
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>2,598,721,709</u>	<u>2,026,793,200</u>

For the period ended 30 September 2015 and 2014, the calculation of diluted loss per share does not assume the conversion of the outstanding Convertible Bonds as it would result in a decrease in the loss per share.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2015, the Group spent HK\$972,000 (six months ended 30 September 2014: HK\$447,000) on purchase of property, plant and equipment and property, plant and equipment of nil (six months ended 30 September 2014: HK\$14,040,000) were disposed of by way of distribution in specie of shares in a subsidiary.

11. INVESTMENT PROPERTY UNDER CONSTRUCTION

During the six months ended 30 September 2015, the Group purchased an investment property under construction at a consideration of HK\$208,276,000 (six months ended 30 September 2014: nil).

12. DEBTORS, DEPOSITS AND PREPAYMENTS

At 30 September 2015, debtors, deposits and prepayments includes trade debtors of HK\$161,042,000 (31 March 2015: HK\$30,562,000). The aging analysis of trade debtors net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period, which approximated the respective recognition dates, is as follows:

	30.9.2015	31.3.2015
	HK\$'000	HK\$'000
	(unaudited)	(audited)
0 – 30 days	130,283	11,938
31 – 60 days	19,017	6,486
61 – 90 days	10,413	5,633
Over 90 days	<u>1,329</u>	<u>6,505</u>
	<u>161,042</u>	<u>30,562</u>

The Group allows an average credit period ranging from 30 days to 90 days to its trade customers.

13. CREDITORS AND ACCRUED CHARGES

At 30 September 2015, creditors and accrued charges includes trade creditors of HK\$133,394,000 (31 March 2015: HK\$22,407,000). The aged analysis of trade creditors presented based on the invoice date at the end of the reporting period is as follows:

	30.9.2015 HK\$'000 (unaudited)	31.3.2015 HK\$'000 (audited)
0 – 30 days	96,623	8,451
31 – 60 days	17,510	1,990
61 – 90 days	4,106	2,554
Over 90 days	15,155	9,412
	<u>133,394</u>	<u>22,407</u>

The average credit period on purchases of goods is 90 days.

14. PROMISSORY NOTE

The amount is denominated in Hong Kong dollars, unsecured, interest free and repayable on demand when the Company has generated, obtained and/or raised fund for not less than HK\$200,000,000. As the Company does not have a conditional right to defer the settlement, the promissory note is classified as current liabilities.

15. AMOUNTS DUE TO A SHAREHOLDER/IMMEDIATE HOLDING COMPANY

The amounts are interest-free, unsecured and repayable on demand.

16. BORROWINGS

	30.9.2015 HK\$'000	31.3.2015 HK\$'000
Short term bank loans	<u>66,619</u>	<u>–</u>

Notes:

- The amount was denominated in United States Dollar.
- The Group's borrowings were secured by all tangible and intangible assets of a subsidiary of the Group.
- The interest bearing of revolving credit facility at PNC Base Rate floating plus 2% or 1, 2 or 3 month fully absorbed PNC LIBOR Rate plus 3.50%.

17. CONVERTIBLE BONDS

On 30 July 2014, the Company issued 3% coupon Convertible Bonds (the "Bonds") at a principal amount of HK\$75,000,000 maturing on 30 July 2017 to Achieve Prosper, the immediate holding company of the Company. The Bonds are denominated in Hong Kong dollars and the Company agrees to guarantee payment of all sums payable in relation to the Bonds. Interest of 3% per annum will be paid half-annually up until the settlement date.

The Bonds are convertible, at the option of the bond holder, into ordinary shares of HK\$0.1 each of the Company at a conversion price of HK\$0.172 per share, subject to anti-dilutive adjustments, at any time on or after 30 July 2014 up to and including the maturity date. Unless previously redeemed, converted or purchased and cancelled, the outstanding Bonds will be redeemed by the Company at 100% of its principal amount on the maturity date.

At initial recognition, the Bonds are split into an equity component of HK\$61,480,000 and a liability component of HK\$52,056,000. The liability component is determined based on the present value of the estimated future cash flows discounted at an effective interest rate of 16.21% per annum, being the average yield of similar financial instruments with similar credit rating and structure but without the call conversion option, which incorporated appropriate adjustments to reflect possible impact of country factors, firm specific risk and liquidity risk.

The equity component is presented as Convertible Bonds reserve in equity, whereas the liability component is classified under non-current liabilities at 30 September 2015 and 31 March 2015.

The movement of the liability component of the Bonds for the current and prior period is set out below:

	<i>HK\$'000</i> (unaudited)
Liability component at date of issue	52,056
Transaction costs attributable to the liability component of the Bonds	<u>(97)</u>
	51,959
Imputed interest expense for the period	5,865
Coupon interest paid	<u>(949)</u>
At 31 March 2015	56,875
Imputed interest expense for the period	4,735
Coupon interest paid	<u>(1,116)</u>
At 30 September 2015	<u>60,494</u>

None of the Bonds has been converted into ordinary shares of the Company during the period.

18. SHARE CAPITAL

Ordinary shares of HK\$0.1 each	Number of shares	Amount HK\$'000
Authorised:		
At 1 April 2014, 30 September 2014, 1 April 2015 and 30 September 2015	<u>5,000,000,000</u>	<u>500,000</u>
Issued and fully paid:		
At 1 April 2014	2,013,430,751	201,343
Issue of shares upon exercise of share options	<u>20,377,734</u>	<u>2,038</u>
At 30 September 2014	2,033,808,485	203,381
Issue of shares (note a)	<u>400,000,000</u>	<u>40,000</u>
At 31 March 2015	2,433,808,485	243,381
Placing of shares (note b)	<u>486,760,000</u>	<u>48,676</u>
At 30 September 2015	<u>2,920,568,485</u>	<u>292,057</u>

All shares issued rank pari passu in all respects with the then existing shares in all aspects.

Notes:

- (a) In February 2015, the Company issued 400,000,000 shares of HK\$0.1 each at HK\$0.16 per share as partial payment of the deposit paid for acquisition of a property.
- (b) On 30 July 2015, the Company issued 486,760,000 ordinary shares of HK\$0.1 each at HK\$0.124 per share by way of placing.

19. CAPITAL COMMITMENT

	30.9.2015 HK\$'000 (unaudited)	31.3.2015 HK\$'000 (audited)
Capital expenditure in respect of acquisition of properties contracted for but not provided in the condensed consolidated financial statements	<u>56,604</u>	<u>264,976</u>

20. RELATED PARTY TRANSACTIONS

The Group entered into the following related party transactions:

- (a) During the six months ended 30 September 2015, the Company paid coupon interest of HK\$1,116,000 to the immediate holding company of the Company (six months ended 30 September 2014: nil).
- (b) During the six months ended 30 September 2015, the Group purchased an investment property under construction at a consideration of HK\$208,276,000 from 遼寧實華(集團)房地產開發有限公司, the ultimate holding company of the Company, by way of issue promissory note (see note 14) (six months ended 30 September 2014: nil).
- (c) During the six months ended 30 September 2014, the Group paid salaries and other short term employee benefits of HK\$146,000 to certain close family members of Mr. Lau Sak Hong, Philip, a former director and a former substantial shareholder of the Company, as employees of the Group (six months ended 30 September 2015: nil).
- (d) Compensation of key management personnel

The remuneration of directors and other member of key management during the period was as follows:

	Six months ended 30 September	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Salaries and other short term employee benefits	312	2,008
Retirement benefit scheme contributions	—	28
	<u>312</u>	<u>2,036</u>

21. CONTINGENT LIABILITIES

There are no significant contingent liabilities as at 30 September 2015 and 31 March 2015.

22. DISTRIBUTION IN SPECIE OF SHARES IN A SUBSIDIARY

On 26 June 2014, the Company made a distribution in specie of shares in a subsidiary, SIH, to the shareholders of the Company, 2,033,808,485 shares in SIH were distributed to the shareholders whose names appeared on the register of members of the Company on the same date.

The net assets of SIH and its subsidiaries were as follows:

	<i>HK\$'000</i>
Analysis of assets and liabilities over which control was lost:	
Investment properties	233,300
Property, plant and equipment	14,040
Inventories	3,926
Debtors, deposits and prepayments	123,693
Bank balances and cash	17,609
Creditors and accrued charges	(157,546)
Deferred tax liabilities	(481)
Taxation payable	(34)
Borrowings	(54,750)
	<u>179,757</u>
Net assets transferred	<u>179,757</u>
Loss arising from distribution in specie of shares in a subsidiary:	
Fair value of shares in a subsidiary	124,062
Net assets transferred	(179,757)
Reinstatement of the balances among the Group and SIH and its subsidiaries	(86,167)
Non-controlling interests	2,121
Release of translation reserve	795
	<u>(138,946)</u>
Net cash outflow from distribution in specie of shares in a subsidiary	
Bank balances and cash	<u>(17,609)</u>

23. EVENT AFTER THE REPORTING PERIOD

On 7 October 2015, the Directors proposed to effect a Capital Reorganisation and raise gross proceeds of HK\$251,169,000 by way of open offer (details are set out in the Company's announcement dated 7 October 2015). Up to date of approval of the condensed consolidated financial statements, the capital reorganisation and open offer are subject to approval from shareholders in the special general meeting on 21 December 2015 and have not been completed.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS

As at 30 September 2015, the interests and short positions of the Directors or chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in the Listing Rules to be notified to the Company and the Stock Exchange were as follows:

(i) Long position in the Shares

Name of Director	Capacity	Number of Shares held	Approximate percentage of shareholding as at 30.9.2015
Wang Jing	Interest of controlled corporation (Note)	1,085,755,571 Shares	37.18%
Wang Xing Qiao	Beneficial owner	2,620,000 Shares	0.09%

Note: These 1,085,755,571 Shares are held by Achieve Prosper, which is wholly and beneficially owned by Hong Kong Shihua, which is in turn wholly and beneficially owned by Liaoning Shihua Property. Mr. Wang Jing is the sole director of and the beneficial owner of 82.8% of the equity interest in Liaoning Shihua Property. By virtue of the SFO, Mr. Wang Jing is deemed to be interested in these 1,085,755,571 Shares. Mr. Wang Xing Qiao is the sole director of Achieve Prosper.

(ii) Long position in the underlying Shares or Adjusted Shares

Name of Director	Capacity	Number of underlying Shares or Adjusted Shares held	Approximate percentage of shareholding as at 30.9.2015
Wang Jing	Interest of controlled corporation (Note 1)	436,046,511 Shares (Note 2)	14.93% (Note 3)
	Interest of controlled corporation (Note 1)	1,377,563,493 Adjusted Shares (Note 4)	47.17% (Note 5)

Notes:

1. These interests in underlying Shares or underlying Shares are held by Achieve Prosper. By virtue of the SFO, Mr. Wang Jing is deemed to be interested in these 1,085,755,571 Shares.
2. These underlying Shares represent the conversion Shares which are issuable upon the exercise of the Convertible Bonds at the conversion price of HK\$0.172 per Share (subject to adjustment).
3. Based on the issued share capital as at 30 September 2015 without taking into account the effect of the Capital Reorganisation, the Open Offer and the exercise of the conversion rights under the Convertible Bonds.
4. These underlying Adjusted Shares represent the Offer Shares underwritten by Achieve Prosper as one of the Underwriters of the Open Offer.
5. Based on the issued share capital as at 30 September 2015 without taking into account the effect of the Capital Reorganisation, the Open Offer and the exercise of the conversion rights under the Convertible Bonds.

(iii) Directors' interests in the shares of associated corporations

Name of associated corporation	Name of Director	Capacity	Number of shares held
Achieve Prosper	Wang Jing	Interest of controlled corporation (<i>Note</i>)	1,000,000 shares (Long position)

Note: Achieve Prosper is wholly and beneficially owned by Hong Kong Shihua, which is in turn wholly and beneficially owned by Liaoning Shihua Property. Mr. Wang Jing is the sole director and the beneficial owner of 82.8% of the equity interest in Liaoning Shihua Property. By virtue of the SFO, Mr. Wang Jing is deemed to be interested in these 1,000,000 Shares of Achieve Prosper.

Save as disclosed above and other than certain nominee Shares in subsidiaries held by Directors in trust for the Company or its subsidiaries, as at the 30 September 2015, none of the Company's directors, chief executive nor their associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the SFO) as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO), or as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS

Save as disclosed in the paragraph headed "Directors' and chief executives' interests and short positions" above, as at 30 September 2015, the following persons, had an interest or short position in the Shares and underlying Shares of the Company have notified to the Company and have been recorded in the register of substantial shareholders' interest in shares and short positions required to be kept under Section 336 of Part XV of the SFO:

Names	Nature of interest	Number of Shares or Adjusted Shares held	Approximate percentage of shareholding as at 30.9.2015
Achieve Prosper (Note 1)	Beneficial owner	1,085,755,571 Shares	37.18%
		436,046,511 Shares (Note 2)	14.93% (Note 3)
		1,377,563,493 Adjusted Shares (Note 4)	47.17% (Note 5)
Hong Kong Shihua (Note 1)	Interest of controlled corporation	1,085,755,571 Shares	37.18%
		436,046,511 Shares (Note 2)	14.93% (Note 3)
		1,377,563,493 Adjusted Shares (Note 4)	47.17% (Note 5)
Liaoning Shihua Property (Note 1)	Interest of controlled corporation	1,085,755,571 Shares	37.18%
		436,046,511 Shares (Note 2)	14.93% (Note 3)
		1,377,563,493 Adjusted Shares (Note 4)	47.17% (Note 5)
Hu Bao Qin (Note 1)	Spouse interest	1,085,755,571 Shares	37.18%
		436,046,511 Shares (Note 2)	14.93% (Note 3)
		1,377,563,493 Adjusted Shares (Note 4)	47.17% (Note 5)
Chu Yuet Wah	Interest of controlled corporation	454,629,422 Adjusted Shares (Note 6)	12.45% (Note 5)

Notes:

1. Achieve Prosper is wholly and beneficially owned by Hong Kong Shihua, which is in turn wholly and beneficially owned by Liaoning Shihua Property. Mr. Wang Jing is the sole director of and the beneficial owner of 82.8% of the equity interest in Liaoning Shihua Property. Madam Hu Bao Qin is the spouse of Mr. Wang Jing. By virtue of the SFO, each of Hong Kong Shihua and Liaoning Shihua Property is deemed to be interested in the Shares and underlying Shares which Achieve Prosper is interested in; Madam Hu Bao Qin is deemed to be interested in the Shares and underlying Shares which Mr. Wang Jing is interested in.
2. These underlying Shares represent the conversion Shares which are issuable upon the exercise of the Convertible Bonds at the conversion price of HK\$0.172 per Share.
3. Based on the issued share capital as at 30 September 2015 without taking into account the effect of the Capital Reorganisation, the Open Offer and the exercise of the conversion rights under the Convertible Bonds.
4. These underlying Adjusted Shares represent the Offer Shares underwritten by Achieve Prosper as one of the Underwriters of the Open Offer.
5. Based on the issued share capital as at 30 September 2015 without taking into account the effect of the Capital Reorganisation, the Open Offer and the exercise of the conversion rights under the Convertible Bonds.
6. To the best of the Directors knowledge these underlying Adjusted Shares represent the Offer Shares underwritten by Kingston Securities pursuant to the Underwriting Agreement. Kingston Securities is a wholly- owned subsidiary of Galaxy Sky Investments Limited, which is wholly owned by Kingston Capital Asia Limited. Kingston Capital Asia Limited is wholly owned by Kingston Financial Group Limited. Active Dynamic Limited owns 49.19% interest in Kingston Financial Group Limited. Mrs. Chu Yuet Wah owns 100% interest in Active Dynamic Limited. As Mrs. Chu Yuet Wah controls Kingston Securities, she is deemed to be interested in these underlying Adjusted Shares by virtue of the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any persons (who were not Directors or chief executives of the Company) who had an interest or short position in the Share or underlying Shares which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any of its subsidiaries or held any option in respect of such capital.

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

During the six months ended 30 September 2015, there was no purchase, sales or redemption by the Company, or any of its subsidiaries, of the Company's listed shares.

CORPORATE GOVERNANCE

The Company has met the code provisions of the Corporate Governance Code (“the Code”) as set out in the Appendix 14 of Listing Rules during the six months ended 30 September 2015 except the code provision A.6.7 of the Code, the non-executive director, Mr. Li Jun, and the independent non-executive director, Mr. Yang Xin Hua, were unable to attend the annual general meeting of the Company held on 2 September 2015 due to other business commitments.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules, as the code of conduct regarding directors’ securities transactions. Having made specific enquiry of all directors, they all confirmed that they have complied with the Model Code throughout the six months period ended 30 September 2015.

AUDIT COMMITTEE

The Company has established an audit committee currently comprising Mr. Yang Xin Hua, Mr. Wang Ping and Mr. Cheng Tai Kwan Sunny. Terms of reference of the audit committee have been updated in compliance with the Code. The audit committee together with the management of the Company has reviewed the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including review of the interim report for the six months ended 30 September 2015.

BOARD OF DIRECTORS

As at the date of this report, the Board comprises Mr. Wang Jing, Mr. Wang Xing Qiao, Mr. Chen Wan Jin and Mr. Zhao Shuang as executive Directors; Mr. Li Jun as non-executive Director; and Mr. Yang Xin Hua, Mr. Wang Ping and Mr. Cheng Tai Kwan Sunny as independent non-executive Directors.

By Order of the Board
Shihua Development Company Limited
Wang Jing
Chairman

Hong Kong, 30 November 2015

DEFINITION OF TERMS

“Achieve Prosper”	Achieve Prosper Capital Limited, a company incorporated in Samoa with limited liability on 21 November 2013 and is wholly and beneficially owned by Hong Kong Shihua
“Adjusted Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company upon the Capital Reorganisation becoming effective
“Board”	the board of Directors
“Capital Reorganisation”	the reorganisation of the Company’s issued share capital, which became effective on 22 December 2015
“Company”	Shihua Development Company Limited (實華發展有限公司), a company incorporated in Bermuda whose shares are listed and traded on the Stock Exchange
“Consolidated Shares”	means ordinary share(s) of HK\$0.40 each in the issued share capital of the Company immediately upon the Share Consolidation becoming effective
“Convertible Bonds”	3% convertible bonds due 2017 in the principal amount of HK\$75,000,000 issued by the Company to Achieve Prosper on 30 July 2014 as more particularly described in the circular of the Company dated 24 May 2014
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong Shihua”	Hong Kong Shihua Holdings Limited, a company incorporated in Hong Kong with limited liability on 12 December 2013, the entire issued share capital of which is legally and beneficially owned by Liaoning Shihua Property
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Kingston Securities”	Kingston Securities Limited, a corporation licensed to conduct type 1 regulated activity (dealing in securities) under the SFO
“Liaoning Shihua Property”	遼寧實華（集團）房地產開發有限公司(Liaoning Shihua (Group) Property Development Company Limited*), a company established in the PRC on 12 January 1998 with limited liability which is controlled as to 82.8% of its equity interest by Mr. Wang Jing, the Chairman of the Board and an executive Director, 16.0% by Ms. Wang Yi Qiao (Mr. Wang Jing’s daughter) and 1.2% by Ms. Hu Bao Qin (Mr. Wang Jing’s spouse)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer Shares”	2,920,568,484 Adjusted Shares to be allotted and issued pursuant to the Open Offer
“Open Offer”	the issue of Offer Shares on the basis of four (4) Offer Shares for every one (1) Adjusted Share held on the record date to qualifying shareholders pursuant to the terms and conditions of the prospectus documents and the underwriting agreement of the Company. For further details of the open offer, please refer to the announcements of the Company dated 7 October 2015, 27 October 2015, 20 November 2015, 27 November 2015, 21 December 2015 and 22 December 2015 and the circular of the Company dated 27 November 2015
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Shares”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Share Consolidation”	the consolidation of share(s) in the issued and unissued share capital of the Company whereby every four (4) Shares with a nominal value of HK\$0.10 each will be consolidated into one (1) Consolidated Share with a nominal value of HK\$0.40

"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Underwriting Agreement"	the underwriting agreement dated 20 August 2015 (as supplemented by two side letters dated 7 October 2015 and 25 November 2015 respectively) entered into between the Company and the Underwriters in relation to the Open Offer
"Underwriters"	Achieve Prosper and Kingston Securities
"%"	per cent.