



寧波萬豪控股股份有限公司

Ningbo WanHao Holdings Company Limited*

(a joint stock limited company incorporated in the People's Republic of China)

Stock code: 8249

Interim Report
2016

* For identification purposes only

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the “Directors”) of Ningbo WanHao Holdings Company Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to Ningbo WanHao Holdings Company Limited. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this report is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this document misleading; and (iii) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three months and six months ended 30 June 2016

	Notes	(Unaudited) For the three months ended 30 June		(Unaudited) For the six months ended 30 June	
		2016 RMB'000	2015 RMB'000	2016 RMB'000	2015 RMB'000
Revenue	(2)&(3)	1,544	4,016	5,870	12,907
Cost of sales		(875)	(3,868)	(4,907)	(12,271)
Gross profit		669	148	963	636
Other income	(2)	3	52	3	100
Selling and distribution expenses		–	–	–	–
Administrative expenses	(7)	(925)	(965)	(2,122)	(2,371)
Loss from operations		(253)	(765)	(1,156)	(1,635)
Finance cost		(10)	(26)	(16)	(31)
Loss before tax		(263)	(791)	(1,172)	(1,666)
Income tax expenses	(4)	–	–	–	–
Loss for the period		(263)	(791)	(1,172)	(1,666)
Attributable to:					
Owners of the Company		(263)	(791)	(1,172)	(1,666)
Loss per share					
— Basic (cents per share)	(6)	(0.05 cents)	(0.16 cents)	(0.23 cents)	(0.33 cents)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	(Unaudited) For the three months ended 30 June		(Unaudited) For the six months ended 30 June	
	2016 RMB'000	2015 RMB'000	2016 RMB'000	2015 RMB'000
Loss for the period	(263)	(791)	(1,172)	(1,666)
Total comprehensive income for the period	(263)	(791)	(1,172)	(1,666)
Attributable to:				
Owners of the Company	(263)	(791)	(1,172)	(1,666)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Notes	(Unaudited) 30 June 2016 RMB'000	(Audited) 31 December 2015 RMB'000
Non-current assets			
Property, plant and equipment		102	159
Investment properties		–	979
Prepaid lease payments		–	3,873
		102	5,011
Current assets			
Investment properties held for resale	(14)	4,947	–
Inventories		2,526	2,387
Prepaid lease payment		–	242
Trade receivables	(8)	3,259	1,285
Prepayments, deposits and other receivables		45	336
Tax recoverable		–	36
Paid in advances		5,471	5,314
Pledged bank deposits	(11)	96	95
Bank balances and cash		1,816	1,373
		18,160	11,068
Current liabilities			
Trade payables	(9)	4,569	2,399
Other payables and accruals		5,634	1,770
Receipt in advances		7,030	4,117
Amount due to a director		11,697	11,073
Amount due to a major shareholder		29,658	29,658
Dividends payable		4,440	4,440
Other borrowings	(10)	4,700	11,000
		67,728	64,457
Net current liabilities		(49,568)	(53,389)
Net liabilities		(49,466)	(48,378)
Capital and reserves			
Share capital		50,000	50,000
Reserves		(99,466)	(98,378)
Equity attributable to owners of the Company		(49,466)	(48,378)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2016

	Attributable to owners of the Company								
	Share capital	Capital reserve	Other reserve	Statutory surplus reserve	Translation reserve	Accumulated losses	Sub-total	Non-Controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2015	50,000	40,449	256,623	24,998	34	(424,985)	(52,881)	633	(52,248)
Loss for the period	-	-	-	-	-	(1,666)	(1,666)	-	(1,666)
At 30 June 2015	50,000	40,449	256,623	24,998	34	(426,651)	(54,547)	633	(53,914)
At 1 January 2016	50,000	40,449	256,623	24,998	13	(420,461)	(48,378)	-	(48,378)
Exchange differences	-	-	-	-	-	84	84	-	84
Loss for the period	-	-	-	-	-	(1,172)	(1,172)	-	(1,172)
At 30 June 2016	50,000	40,449	256,623	24,998	13	(421,549)	(49,466)	-	(49,466)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2016

	(Unaudited) Six months ended 30 June 2016 RMB'000	(Unaudited) Six months ended 30 June 2015 RMB'000
Net cash inflow/(outflow) from operating activities	6,763	252
Net cash inflow/(outflow) from investing activities	(20)	-
Net cash inflow/(outflow) from financing activities	(6,300)	(2,576)
Increase/(decrease) in cash and cash equivalents	443	(2,324)
Cash and cash equivalents at the beginning of period	1,373	4,096
Cash and cash equivalents at the end of period	1,816	1,772
Analysis of balances of cash and cash equivalents:		
Bank balances and cash	1,816	1,772

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards “HKFRS” and Hong Kong Accounting Standards “HKAS” (collectively “HKFRSs”), HKAS 34: Interim Financial Reporting Standards issued by Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong, the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”).

The accounting policies and basis of preparation adopted in unaudited consolidated interim results for the six months ended 30 June 2016 are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2015.

The condensed consolidated interim results for the six months ended 30 June 2016 are unaudited and have been reviewed by the audit committee of the Company.

2. REVENUE

Revenue, which is also the Group’s turnover, represents the net amounts received and receivable for goods sold by the Group to outside customers, net of discounts and sales related taxes.

	(Unaudited) For the three months ended 30 June		(Unaudited) For the six months ended 30 June	
	2016	2015	2016	2015
	RMB’000	RMB’000	RMB’000	RMB’000
Revenue				
Sales of controller systems for consumer electrical and electronic appliances	1,544	3,100	5,870	10,979
Manufacture of mobile phone controller systems and assembly of mobile phones	–	916	–	1,928
	1,544	4,016	5,870	12,907
Other income				
Bank interest income	1	–	1	–
Rental income	–	52	–	52
Sundry income	2	–	2	48
	3	52	3	100
	1,547	4,068	5,873	13,007

3. SEGMENT INFORMATION

	Controller systems for consumer electrical and electronic appliances (Unaudited)		Manufacture of mobile phone controller systems and assembly of mobile phones (Unaudited)		Total (Unaudited)	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2016	2015	2016	2015	2016	2015
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	5,870	10,979	-	1,928	5,870	12,907
Segment result	963	606	-	30	963	636
Unallocated income					3	100
Unallocated expenses					(2,122)	(2,371)
Operating loss					(1,156)	(1,635)
Finance costs					(16)	(31)
Loss before taxation					(1,172)	(1,666)
Taxation					-	-
Loss attributable to shareholders					(1,172)	(1,666)
Segment assets	13,315	11,048	-	715	13,315	11,763
Unallocated assets					4,947	345
Total assets					18,262	12,108
Segment liabilities	67,728	61,656	-	786	67,728	62,442
Unallocated liabilities					-	3,580
Total liabilities					67,728	66,022

4. INCOME TAX EXPENSES

The amount of taxation charged to the consolidated profit and loss account represents:

	(Unaudited) For the three months ended 30 June		(Unaudited) For the six months ended 30 June	
	2016	2015	2016	2015
	RMB'000	RMB'000	RMB'000	RMB'000
Current taxation:				
— PRC income tax	—	—	—	—
Taxation charges	—	—	—	—

- (a) No provision for Hong Kong profits tax has been made as the Group has no estimated assessable Hong Kong profits for the period (2015: Nil).
- (b) The Group is subject to an income tax rate of 25% on their taxable profit in accordance with the income tax law in the PRC (2015: 25%).

5. DIVIDEND

The Board does not recommend payment of interim dividend for the six months ended 30 June 2016 (six months ended 30 June 2015: nil).

6. LOSS PER SHARE

Loss per share is calculated based on Group's loss attributable to shareholders for the three and six months ended 30 June 2016 of approximately RMB263,000 and RMB1,172,000 (2015: RMB791,000 and RMB1,666,000) and the number of 500,000,000 (2015: 500,000,000) ordinary shares in issue during the period.

Diluted earnings per share is not presented as the Company has no dilutive potential ordinary shares during the period (2015: Nil).

7. ADMINISTRATIVE EXPENSES

During the period ended 30 June 2016, the Group has incurred salaries of approximately RMB781,000 (2015: RMB732,000) plus depreciation of approximately RMB77,000 (2015: RMB54,000). The general decrease in administrative expenses is mainly due to the tighter cost control during the period.

8. TRADE RECEIVABLES

The ageing analysis of the trade receivables is analysed as follows:

	30 June 2016 RMB'000	31 December 2015 RMB'000
0 to 90 days	333	330
91 to 180 days	2,325	352
181 to 365 days	48	546
Over 365 days	113	57
	3,259	1,285

The normal credit terms granted to customers are of 60–90 days.

9. TRADE PAYABLES

The ageing analysis of the trade payables is analysed as follows:

	30 June 2016 RMB'000	31 December 2015 RMB'000
0 to 90 days	427	33
91 to 180 days	1,916	647
181 to 365 days	654	1,324
Over 365 days	1,572	395
	4,569	2,399

10. OTHER BORROWINGS

The loan was obtained from Yuyao Wanli Mortgage Company Limited*, a subsidiary of major shareholder Zhejiang Wanli Holding Group Company Limited* and is unsecured, interest-free and repayable within one year.

* English name is for identification only.

11. PLEDGE OF ASSETS

As at 30 June 2016, the Group had pledged bank deposit of USD14,500 (equivalent to approximately RMB96,000) for issuance of a bank guarantee of USD14,500.

12. CONTINGENT LIABILITIES AND COMMITMENTS

As at 30 June 2016, the Group did not have any material contingent liabilities and commitments.

13. LITIGATION

In July 2015, the Company filed a claim through The People's Court of Baiyun District, Guangzhou against Haining Taifeng Lighting Co., Ltd* (海寧泰豐照明有限公司) relating to a dispute over a debt of approximately RMB350,000. No judgment has been issued for the case yet.

14. INVESTMENT PROPERTIES HELD FOR RESALE

As pursuant to the announcement dated 17 June 2016, the Company entered into the Agreement with the Purchaser (an Independent Third Party) on 17 June 2016 in relation to the disposal of the Land Property, which comprise the relevant land use rights of the Land Parcel and the buildings situated at No. 9, Jinji Kaifu Zhenxinglu, Yuyao City, the PRC* (中國余姚市扶貧經濟開發區鎮興路9號) at a total consideration of RMB7,500,000.

Accordingly, the amounts for investment properties, prepaid lease payments and prepaid lease payment have been reclassified under investment properties held for resale after deducting the related amortisation.

During the period, the Company received a total of RMB7,500,000 from the Purchaser, RMB3,000,000 and RMB4,500,000 were recorded under receipt in advances; other payables and accruals respectively.

The completion of the Agreement is subject to the conditions as mentioned in the announcement.

15. SUBSEQUENT EVENT

As pursuant to (i) the joint announcement of the Company, the Purchaser and the Offeror dated 13 July 2016 in relation to, among others, the sale and purchase of the Domestic Shares and the possible mandatory unconditional cash offer; and (ii) the joint announcement dated 18 July 2016 in relation to the completion of acquisition of the First Batch Sale Shares under the Share Transfer Agreement. The completions are subject to the conditions as mentioned in the announcement(s).

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

The Group is principally engaged in the design, manufacture and sales of intelligent controller systems for mobile phones, TV sets and various consumer electrical and electronic appliances and the assembly of mobile phones.

During the period under review, the Group continued to seek improvement in the manufacturing and selling of mobile phones and other consumer electrical and electronic appliances. Required capital would be introduced if the prospect is good and the developments are going on in stable manner.

The Group is waiting for emergence of profitable opportunities before expanding current operation. Active sourcings are done to fit our production advantages to current market situation.

Financial review

Results

The Group recorded a turnover of approximately RMB5,870,000 (2015: RMB12,907,000) for the six months ended 30 June 2016, representing a decrease of approximately RMB7,037,000. Main reason for the decrease in turnover was due to the intense competition in the electronics industry. Loss attributable to shareholders was approximately RMB1,172,000 (2015: Loss RMB1,666,000), representing a decrease of loss of approximately RMB494,000. The main reasons for the decrease were mainly due to the increase in gross profit and the decrease in administrative expenses as a result of tighter cost control.

Gross profit

Gross profit margin was 16.4% (2015: 4.9%). During the period, The Group has improved the gross profit by producing higher profit margin products without having to sacrifice the quality of products with higher profit margin. The Group also continues to procure cost control to mitigate the impact of price competition caused by intense competition in the electronics industry.

Overheads were maintained at reasonable level leading to controllable losses comparable to that of the first quarter period.

Prospect

The Group understands that our own competitive capability in product innovation and quality are important to future growth in sales and operation. Production processes are continuously improved during the difficult time and out of the tight budgets. The Group are moving forwards with realistic measures and work and in accordance with feasible plans.

Financial Resources and liquidity

As at 30 June 2016, the Group had net current liabilities of approximately RMB49,568,000 (2015: RMB53,389,000).

Current assets amounted to approximately RMB18,160,000 (2015: RMB11,068,000) of which approximately RMB1,816,000 were bank balances and cash (2015: RMB1,373,000). On the other hand, the Group had current liabilities of approximately RMB67,728,000 (2015: RMB64,457,000), mainly were trade payables; receipt in advances; other payables and accruals; amount due to a director; amount due to a major shareholder and other borrowings.

As pursuant to the announcement dated 17 June 2016, the Company entered into the Agreement with the Purchaser (an Independent Third Party) in relation to the disposal of the Land Property. The Company received a total of RMB7,500,000 from the Purchaser, RMB3,000,000 and RMB4,500,000 were recorded under receipt in advances; other payables and accruals respectively.

As at 30 June 2016, the Group had no bank borrowings (2015: Nil).

The Group's gearing ratio as at 30 June 2016 was Nil (2015: Nil), which is expressed as a percentage of the total bank borrowings over the total assets.

Other

The Group had not held any significant investment for the six months ended 30 June 2016.

Foreign exchange risk

For the six months ended 30 June 2016, the Group's income and expenses were denominated in RMB while certain procurement transactions were settled in US dollars. The Group regulated its outstanding foreign exchange balance by conducting sales settled in US dollars to reduce its foreign exchange exposure. Since the existing other borrowings are repayable in RMB, there was no material foreign exchange risk. The Group will review and monitor foreign exchange risk from time to time and may enter into forward swap contracts to hedge such risks where appropriate.

Employee and Remuneration Policies

As at 30 June 2016, total remuneration cost of the Group was approximately RMB781,000 and the Group had 19 employees. Remuneration is determined by reference to market terms and performance, qualifications and experience of individual employee. Discretionary bonuses based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include contributions to retirement scheme.

RIGHTS OF DIRECTORS, CHIEF EXECUTIVE AND SUPERVISORS TO ACQUIRE SHARES

During the six months ended 30 June 2016, none of the Directors, chief executive (if any) (the “Chief Executive”) or supervisors of the Company (the “Supervisors”) or their spouse or children under the age of 18 was granted any right to acquire shares of the Company or any of its associated corporation (as referred below), or had exercised any such right.

DISCLOSURE OF INTERESTS AND SHORT POSITIONS

So far as known to the Directors, at 30 June 2016, the interests and short positions of each Directors, Chief Executive and Supervisor in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the minimum standards of dealings by directors of listed issuers as referred to in Rule 5.46 of the Rules Governing the Listing of Securities on the GEM (the “GEM Listing Rules”), were as follows:

Long positions in shares

Name of Director/ Chief Executive/ Supervisor	Domestic Shares of RMB0.10 each (the “Domestic Shares”) held	Nature of interest	Approximate percentage of shareholding held in same class of securities	Approximate percentage of shareholding in the registered capital
Mr. Zhu Guo An	204,610,230 Domestic Shares (note 2)	Interest of controlled corporation (note 1)	55.30%	40.92%
Mr. Zhu Guo Dan	102,289,770 Domestic Shares (note 2)	Interest of controlled corporation (note 1)	27.65%	20.46%
Mr. Qi Yong Qiang	63,100,000 Domestic Shares (note 2)	Beneficial owner	17.05%	12.62%

Notes:

- (1) Wan Li Group Company Limited (a joint stock limited company incorporated in the PRC) is beneficially owed as to 66.67% by Mr. Zhu Guo An and as to 33.33% by Mr. Zhu Guo Dan and as such, Mr. Zhu Guo An and Mr. Zhu Guo Dan are deemed to be interested in the 204,610,230 Shares and 102,289,770 Shares respectively.

- (2) Domestic Shares of a nominal value of RMB0.10 each, in the registered capital of the Company, which are subscribed for or credited as fully-paid in Renminbi. Please note that the interest of the Domestic Shares is subject to the terms and conditions of the share transfer agreement dated 11 July 2016 (details of which were set out in the Company's announcement dated 13 July 2016).

Save as disclosed above, at no time during the six months ended 30 June 2016 the Directors, Chief Executives and Supervisors (including their spouse and children under 18 years of age) had any interest in, or had been granted, or exercised, any rights to subscribe for shares of the Company or its associated corporations (within the meaning of SFO).

Apart from the above, at no time during the six months ended 30 June 2016 was the Company or its subsidiaries a party to any arrangement enabling the Directors, Chief Executives and Supervisors of the Company to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or its associated corporation.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARES OF THE COMPANY

Long positions in shares

According to the register of substantial shareholders maintained under section 336 of the SFO, as at 30 June 2016, the Company had been notified the following substantial shareholders' were interested in 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors, Chief Executives and Supervisors.

Name of shareholder	Number of shares held	Nature of interest	Approximate percentage of shareholding in same class of securities	Approximate percentage of shareholding in the registered capital
Wan Li Group Company Limited	306,900,000 Domestic Shares (note 2&3)	Beneficial owner	82.95%	61.38%
Zhu Guo An	204,610,230 Domestic Shares (note 2&3)	Interest of controlled corporation	55.30%	40.92%
Zhu Guo Dan	102,289,770 Domestic Shares (note 2&3)	Interest of controlled corporation	27.65%	20.46%

Name of shareholder	Number of shares held	Nature of interest	Approximate percentage of shareholding in same class of securities	Approximate percentage of shareholding in the registered capital
Qi Yong Qiang	63,100,000 Domestic Shares (note 3)	Beneficial owner	17.05%	12.62%
Martin Currie China Hedge Fund Limited	14,245,000 H Shares (note 1)	Investment manager	10.96%	2.85%
Martin Currie Investment Management Limited	14,245,000 H shares (note 1)	Investment manager	10.96%	2.85%

Notes:

- (1) "H Share(s)" represent overseas listed foreign share(s) of a nominal value of RMB0.10 each in the registered capital of the Company, which are listed on the GEM and subscribed for and traded in Hong Kong dollars. Save as disclosed above, as at 30 June 2016, the Directors are not aware of any person, not being a Director, Chief Executive or Supervisor, have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO and are required to be entered in the register maintained by the Company pursuant to section 336 of the SFO.
- (2) Wan Li Group Company Limited (a joint stock limited company incorporated in the PRC) is beneficially owned as to 66.67% by Mr. Zhu Guo An and as to 33.33% by Mr. Zhu Guo Dan and as such, Mr. Zhu Guo An and Mr. Zhu Guo Dan are deemed to be interested in the 204,610,230 Shares and 102,289,770 Shares respectively.
- (3) Domestic Shares of a nominal value of RMB0.1 each, in the registered capital of the Company, which are subscribed for or credited as fully-paid in Renminbi. Please note that the interest of the Domestic Shares is subject to the terms and conditions of the share transfer agreement dated 11 July 2016 (details of which were set out in the Company's announcement dated 13 July 2016).

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

During the period under review, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities.

COMPETING INTERESTS

None of the Directors, Supervisors and the management shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) had any interest in any business that directly or indirectly competes with the business of the Group or has any other conflicts of interest.

CORPORATE GOVERNANCE

For the six months ended 30 June 2016, the Company has also complied with the code provisions set out in the Code on Corporate Governance Code (effective from 1 April 2012) as stated in Appendix 15 of the GEM Listing Rules except the following deviations (Code Provisions A.2.1 and E.1.2):

Mr. Zhu Guo An is the Chairman of the board of directors. The Company has no such title as the chief executive officer and the daily operation and management of the Company is monitored by the executive directors as well as the senior management. The Board is of the view that although there is no chief executive officer, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals and meet from time to time to discuss issues affecting the operations of the Company.

AUDIT COMMITTEE

The Company has established an audit committee since 1 June 2003 with written terms of reference (updated on 28 June 2013) based on the guidelines recommended by the Hong Kong Institute of Certified Public Accountants and the requirements as set out in Rules 5.28 and 5.29 of the GEM Listing Rules. The audit committee comprises three independent non-executive Directors of the Company, namely Mr. Kwok Kim Hung Eddie, who is the Chairman of such committee, Mr. Lu Xiang Tai and Mr. Lu Song Qian.

The Audit Committee has reviewed with the senior management of the Company the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters, including the review of the Group's unaudited consolidated financial statements for the six months ended 30 June 2016.

By order of the board
Ningbo WanHao Holdings Company Limited
Zhu Guo An
Chairman

Ningbo, The PRC, 12 August 2016

As at the date of this report, the Board comprises the following directors:

EXECUTIVE DIRECTORS

Mr. Zhu Guo An
Mr. Qi Yong Qiang
Mr. Zhu Chun Rong

NON-EXECUTIVE DIRECTORS

Mr. Jiang Guo Ping
Mr. Zheng Xin
Mr. Zhu Guo Dan

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Kwok Kim Hung Eddie
Mr. Lu Xiang Tai
Mr. Lu Song Qian