



Changgang Dunxin Enterprise Company Limited

長港敦信實業有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2229

2014 Interim Report



Contents

Corporate Information	2
Chairman’s Statement	4
Management Discussion and Analysis	5
Corporate Governance and Other Information	7
Report on Review of Interim Financial Information	11
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	13
Condensed Consolidated Statement of Financial Position	14
Condensed Consolidated Statement of Changes in Equity	15
Condensed Consolidated Statement of Cash Flows	16
Notes to the Condensed Consolidated Interim Financial Statement	17
Definitions	39

Corporate Information

Board of director

Executive director

Mr. Zheng Dunmu (*Chairman*)

Mr. Zheng Dunqian (*Chief Executive Officer*)

Mr. Chen Ruomao (*Chief Financial Officer*)

Independent non-executive director

Mr. Kwong Kwan Tong

Mr. Ye Deshan

Mr. Hu Zhenghui

Audit Committee

Mr. Kwong Kwan Tong (*Chairman*)

Mr. Ye Deshan

Mr. Hu Zhenghui

Nomination Committee

Mr. Hu Zhenghui (*Chairman*)

Mr. Ye Deshan

Mr. Kwong Kwan Tong

Remuneration Committee

Mr. Ye Deshan (*Chairman*)

Mr. Hu Zhenghui

Mr. Kwong Kwan Tong

Authorized Representatives

Mr. Chen Ruomao

Mr. Lam Ho Keung

Company Secretary

Mr. Lam Ho Keung

Registered Office

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Principal Place of Business

In Hong Kong

Office No. 3, 13th Floor

Boss Commercial Centre

No. 28 Ferry Street

Kowloon

Hong Kong

In the PRC

Jinlin Industrial Park

Yanxi Town

Changtai County

Zhangzhou City

Fujian Province

the PRC

Principal Bankers

In Hong Kong

Bank of China

DBS

The Bank of East Asia

Corporate Information (continued)

In the PRC

Agricultural Bank of China
Bank of China
China Construction Bank
China Merchants Bank
China Everbright Bank
Industrial and Commercial Bank of China

Auditor

Martin C.K. Pong & Company
Certified Public Accountants

Compliance Advisor

Kingsway Capital Limited

Hong Kong Share Register

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

Stock code

2229

Website

<http://www.dxwj.com>

Chairman's Statement

Dear Shareholders,

On behalf of the Group, I am pleased to announce the Group's first interim results after its successful Listing on the Stock Exchange, hence, laying a solid foundation and marking a special milestone in the Group's development path of which are able to strengthen the position of the Group as well as our advancement. The Listing of our Group is not merely for the purpose of fund raising from capital markets but also bode well for the Group in enhancing its competitiveness, market recognition and augmentation of opportunities.

Business Review

In the first half of 2014, the Group has achieved satisfactory sales performance in spite of facing severe competition environment, total revenue reached RMB530.5 million, whilst gross profit of RMB114.1 million and net profit of RMB71.7 million, increased by 6.9%, 3.7% and 0.2% respectively compared to the corresponding period in 2013.

In order to further enhance the market share in the Fujian Province region, the Group strategically offered more competitive product prices and slightly lowered its gross profit margin from 22.2% to 21.5%. As a result, the Group achieved increase in sales volume across all operating segments, with 2.6% from paperboards, 77.1% from corrugated medium boards and boxes and 6.4% from poker cards.

Prospects

Benefiting from the Group's low level of borrowings and its efficient cost control, thus, it enjoys relatively high gross profit margin with its product mix. The Group will continue to expand further into the downstream production lines in future, striving for greater returns for the shareholders of the Company.

In addition to the future plans set out in the Prospectus, the Board is proactively assessing other options to enhance production and earning capability from time to time.

Since the change of PRC governments's policy on the elimination of obsolete production capacities, which requires gradually phase out those paper manufacturers with backward production capacity and below set standard of environmental requirements, the management of the Group has confidence in the prospects and competitiveness of the business due to well equipped production facilities and its solid position in the industry.

Dividend

In view of the Group's positive financial position and business performance, the Board is actively reviewing the Company's dividend policy, and taking into account the Group's operations, earnings, capital requirements and other relevant factors, the Board considers the possibility of payment of dividend in coming financial year-end.

Zheng Dunmu

Chairman

Hong Kong, 29 August 2014

Management Discussion and Analysis

Review Of Operations

The Group produces and sells a broad variety of upstream packaging paperboard products (including white top linerboard, kraftlinerboard and high performance corrugated medium), as well as downstream products comprise of corrugated medium boards and boxes and poker cards.

During the period from 1 January 2014 to 30 June 2014, leveraging upon its management and operation team's extensive experience and its relationship with its customers, the Group achieved growth in sales volume and continuing to maintain a balance between production and sales with reasonable inventory at low levels. All machineries were in sound operation state at near full capacity, with paperboard production lines operating at 93.9%, corrugated medium boards and boxes at 76.6% and poker cards at 98.3% of designed production capacity.

Results of Operation

Revenue and net profit attributable to owners of the Company for the six months ended 30 June 2014 was RMB530.5 million and RMB71.7 million respectively, which has increased by 6.9% and 0.2% respectively compared to that for the six months ended 30 June 2013. The earnings per Share for the six months ended 30 June 2014 was RMB10 cents and RMB10 cents for the six months ended 30 June 2013. For the six months ended 30 June 2014, the revenue contribution from each operating segment (paperboards, corrugated medium boards and boxes and poker cards) were approximately 70.0%, 16.4% and 13.6% respectively, in comparison to the same period in 2013 of approximately 75.5%, 10.5% and 14.0% respectively.

Distribution Costs

The Group's distribution costs was RMB2.9 million for the six months ended 30 June 2014 compared to RMB2.1 million in the corresponding period in 2013. It represented approximately 0.6% of revenue for the six months ended 30 June 2014, which had increased slightly as compared to that of 0.4% for the six months ended 30 June 2013.

Administrative Expenses

The Group's administrative expense was RMB16.5 million for the six months ended 30 June 2014 compared to RMB10.8 million in the corresponding period in 2013. It represented approximately 3.1% of revenue for the six months ended 30 June 2014, which had increased as compared to that of 2.2% for the six months ended 30 June 2013, the increase in administrative expenses was primarily due to the inclusion of listing expenses in respect to the Listing, in the statement of profit and loss and other comprehensive income for the six months ended 30 June 2014.

Management Discussion and Analysis (continued)

Finance Costs

The Group's total cost of borrowing decreased by approximately 28.4% from RMB6.2 million for the six months ended 30 June 2013 to RMB4.4 million for the six months ended 30 June 2014. The decrease was mainly due to on average, the Group had reduced its reliance of bank borrowings during the period.

Liquidity, Financial Resources and Capital Structure

The total shareholders' fund of the Group as at 30 June 2014 was RMB882.1 million (31 December 2013: RMB552.4 million). As at 30 June 2014, the Group had current assets of RMB866.5 million (31 December 2013: RMB458.7 million) and current liabilities of RMB302.5 million (31 December 2013: RMB244.1 million). The current ratio was 2.9 as at 30 June 2014 as compared to 1.9 at 31 December 2013.

The Group's sources of capital primarily consist of cash generated from operating activities and borrowings from financial institutions from PRC. As at 30 June 2014, the Group had outstanding bank borrowings of RMB104.3 million (31 December 2013: RMB103.0 million). These bank loans were secured against certain fixed assets held by the Group. As at 30 June 2014, the Group maintained cash and cash equivalent of RMB573.9 million (31 December 2013: RMB173.9 million). The Group's net debt-to-equity ratio (total borrowings net of cash and cash equivalents over shareholders' equity) decreased from -12.8% as at 31 December 2013 to -53.2% as at 30 June 2014. The Group possesses sufficient cash and available banking facilities to meet its commitments and working capital requirements.

The Group's transactions and the monetary assets are principally denominated in Renminbi and Hong Kong dollars. The Group has not experienced any material difficulties or effects on its operations or liquidity as a result of fluctuations in currency exchange rates during the six months ended 30 June 2014.

Employees and Remuneration Policies

As at 30 June 2014, the Group had a total of 729 employees. The total remuneration amounted to approximately RMB15.5 million for the six months ended 30 June 2014. The remuneration levels of employees are commensurate with their responsibilities, performance and contributions and set out the basis of their merits, qualifications and competence as well as the opinions from the remuneration committee of the Company (the "**Remuneration Committee**") (if applicable).

Contingent Liabilities

As at 30 June 2014 and 31 December 2013, no contingent event was required to be disclosed by the Group.

Interim Dividend

The Board does not recommend payment of any interim dividend for the six months ended 30 June 2014.

Corporate Governance and Other Information

Compliance with the Corporate Governance Code

The Company has complied with the code provisions set out in Appendix 14 — Corporate Governance Code and Corporate Governance Report to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) during the period from the date of Listing to 30 June 2014.

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as its code. Having made specific enquiries to each director of the Company, all directors of the Company confirmed that during the period from the date of Listing to 30 June 2014, they had complied with the requirements as set out in the Model Code. Senior management who, because of their office in the Company, are likely to be in possession of inside information, have been requested to comply with the provisions of the Model Code.

Audit Committee

The audit committee of the Company (the “**Audit Committee**”) comprised of three independent non-executive directors of the Company namely, Mr. Kwong Kwan Tong (Chairman), Mr. Ye Deshan and Mr. Hu Zhenghui.

The Audit Committee meets at least twice each year with the purpose of monitoring the integrity of the Company’s financial statements and to consider the nature and scope of external audit. The Audit Committee, together with the Company’s external auditor, has reviewed the accounting principles and practices adopted by the Company and discussed all significant aspects involving internal control procedures, compliance controls and financial matters including the review of the Company’s unaudited interim financial statements for the six months ended 30 June 2014.

Nomination Committee

The nomination committee of the Company (the “**Nomination Committee**”) comprised of three independent non-executive directors of the Company namely, Mr. Hu Zhenghui (Chairman), Mr. Ye Deshan and Mr. Kwong Kwan Tong.

The Nomination Committee has the responsibility of, inter alia, reviewing and making recommendations on the composition of the Board, making recommendations on the selection of individuals nominated for directorship and senior management staff, assessing the independence of independent non-executive directors, reviewing the board diversity policy of the Company adopted by the Board from time to time, against the Corporate Governance Code and Corporate Governance Report set out in Appendix 14 to the Listing Rules and making recommendations on the appointment or re-appointment of directors of the Company.

Corporate Governance and Other Information (continued)

Remuneration Committee

The Remuneration Committee comprised of three independent non-executive directors of the Company namely, Mr. Ye Deshan (Chairman), Mr. Hu Zhenghui and Mr Kwong Kwan Tong.

The primary functions of the Remuneration Committee are, inter alia, to make recommendations to the Board on the remuneration policy of the directors and senior management of the Company and to determine on behalf of the Board specific remuneration packages and conditions that will retain and motivate high-calibre staff to reinforce the success of the Company and create value for the shareholders of the Company.

Interests and Short Positions of the Directors or Chief Executive in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at 30 June 2014, the interests (including interests in shares and short positions) of the Directors or chief executives in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to: (a) Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which each of them is taken or deemed to have taken under such provisions of the SFO); or (b) Section 352 of the SFO to be entered in the register referred to in that section; or (c) the Model Code as set out in Appendix 10 to the Listing Rules relating to securities transactions by Directors, were as follows:

Director's name	Capacity	Long position/ Short position	Number of Shares held	Approximate percentage of shareholding interest (%)
Zheng Dunmu ¹	Interest of Controlled Corporation	Long position	558,450,000	56.25

Note:

1. 483,990,000 Shares, 37,230,000 Shares and 37,230,000 Shares respectively are owned by Pure Sheen, Radiant Path and Radiant Prestige, all of which are wholly-owned by Mr Zheng, executive Director. Accordingly, Mr. Zheng is deemed to be interested in the same number of Shares held by Pure Sheen, Radiant Path and Radiant Prestige by virtue of part XV of the SFO.

Saved as disclosed above, as at 30 June 2014, so far as is known to the Directors, no Directors or chief executive or their respective associates who had or were deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations by virtue of Part XV of the SFO which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or the Model Code, or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein.

Corporate Governance and Other Information (continued)

As at 30 June 2014, none of the Directors and chief executive (including their respective spouses and children under the age of 18) had or were granted any rights to subscribe for the securities and share options of the Group and its associated corporations, nor had they exercised such rights.

Interests and Short Positions of Substantial Shareholders in the Shares of the Company

As at 30 June 2014, so far as is known to the Directors, the person(s), not being the Directors or chief executive, who had any interests or short positions in the Shares and underlying Shares required to be recorded in the register kept under section 336 of the SFO are set out below:

Shareholder's name	Capacity	Long position/ Short position	Number of Shares held	Approximate percentage of shareholding interest (%)
Pure Sheen Limited ¹	Beneficial owner	Long position	483,990,000	48.75
Gang Bo Limited ²	Beneficial owner	Long position	117,646,800	11.85
Mr. Kung	Interest of Controlled Corporation	Long position	117,646,800	11.85

Notes:

1. Pure Sheen is wholly-owned by Mr. Zheng, the executive Director. Accordingly, Mr Zheng is deemed to be interested in the same number of Shares held by Pure Sheen by virtue of Part XV of the SFO.
2. Gang Bo is wholly-owned by Mr. Kung. Accordingly, Mr Kung is deemed to be interested in the same number of Shares held by Gang Bo by virtue of Part XV of the SFO.

Saved as the disclosed above, as at 30 June 2014, so far as is known to the Directors, no other person(s) had any interest or short position in the Shares and underlying Shares as recorded in the register of the Company required to be kept pursuant to section 336 of the SFO.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the six months ended 30 June 2014.

Corporate Governance and Other Information (continued)

Material Litigation and Arbitration

So far as is known to the Directors, the Group was not involved in any litigation, arbitration or claims of material importance and there was no litigation or claims of material importance to be pending or threatened by or against the Group during the six months ended 30 June 2014.

Review of Interim Results

The interim report of the Company for the six months ended 30 June 2014 has been reviewed by the Audit Committee.

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2014 has been reviewed by the Company's external auditor, Martin C.K. Pong & Company, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

Report on Review of Interim Financial Information



TO THE BOARD OF DIRECTORS OF CHANGGANG DUNXIN ENTERPRISE COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim information set out on pages 13 to 38, which comprise the condensed consolidated statement of financial position of Changgang Dunxin Enterprise Company Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) as at 30 June 2014 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the six-month period then ended, and other explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Report on Review of Interim Financial Information (continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Without qualifying our review conclusion, we draw attention to the fact that the comparative condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period ended 30 June 2013 and the relevant explanatory notes disclosed in the interim financial statements have not been reviewed in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

Martin C. K. Pong & Company

Certified Public Accountants

Hong Kong, 29 August 2014

16/F., Dah Sing Life Building,
99 Des Voeux Road Central,
Central, Hong Kong

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	For the six months end 30 June	
		2014 (Unaudited) RMB'000	2013 (Unaudited) RMB'000
Turnover	5	530,537	496,471
Cost of sales		(416,417)	(386,455)
Gross profit		114,120	110,016
Other income	5	6,998	4,873
Distribution costs		(2,923)	(2,097)
Administrative expenses		(16,459)	(10,779)
Finance costs	6	(4,447)	(6,214)
Profit before income tax	7	97,289	95,799
Income tax expense	8	(25,622)	(24,294)
Profit for the period		71,667	71,505
Other comprehensive income for the period, net of tax			
Items that may be subsequently reclassified to profit or loss:			
Translation difference of foreign operation		(250)	22
Total comprehensive income for the period		71,417	71,527
		RMB Cents	RMB Cents
Earnings per share attributable to owners of the Company	10	10	10

Condensed Consolidated Statement of Financial Position

	Notes	As at 30 June 2014 (Unaudited) RMB'000	As at 31 December 2013 (Audited) RMB'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	11	289,914	308,997
Investment properties	12	4,574	4,789
Prepaid land lease payments	13	21,912	22,179
Deposits for land use rights and property, plant and equipment		1,815	1,815
		318,215	337,780
Current assets			
Inventories	14	57,607	44,109
Trade and bills receivables	15	223,609	228,533
Prepayments and other receivables	16	1,359	2,756
Pledged bank deposits	17	9,987	9,380
Cash and cash equivalents	17	573,898	173,944
		866,460	458,722
Current liabilities			
Trade and bills payables	18	158,893	115,612
Accruals and other payables	19	26,750	9,908
Bank borrowings	20	104,318	103,000
Amount due to a director	21	—	293
Amounts due to shareholders	21	—	2,355
Current tax liabilities		12,579	12,885
		302,540	244,053
Net current assets		563,920	214,669
Total assets less current liabilities/Net assets		882,135	552,449
EQUITY			
Equity attributable to owners of the Company			
Share capital	22	7,891	—
Reserves	23	874,244	552,449
Total equity		882,135	552,449

Condensed Consolidated Statement of Changes in Equity

	Reserves							Total equity RMB'000
	Share capital RMB'000	Share Premium RMB'000	Capital reserve RMB'000	Statutory		Retained profits RMB'000	Total reserves RMB'000	
				surplus reserve RMB'000	Translation reserve RMB'000			
At 1 January 2014	—	—	90,001	48,343	19	414,086	552,449	552,449
Profit for the period	—	—	—	—	—	71,667	71,667	71,667
Other comprehensive income for the period, net of tax								
Translation difference of foreign operation	—	—	—	—	(250)	—	(250)	(250)
Total comprehensive income for the period	—	—	—	—	(250)	71,667	71,417	71,417
Placing and public offer of new shares	1,973	274,204	—	—	—	—	274,204	276,177
Capitalisation issue	5,918	(5,918)	—	—	—	—	(5,918)	—
Shares issue expenses	—	(17,908)	—	—	—	—	(17,908)	(17,908)
At 30 June 2014	7,891	250,378	90,001	48,343	(231)	485,753	874,244	882,135
At 1 January 2013	—	—	90,001	48,343	1	271,385	409,730	409,730
Profit for the period	—	—	—	—	—	71,505	71,505	71,505
Other comprehensive income for the period, net of tax								
Translation difference of foreign operation	—	—	—	—	22	—	22	22
Total comprehensive income for the period	—	—	—	—	22	71,505	71,527	71,527
At 30 June 2013	—	—	90,001	48,343	23	342,890	481,257	481,257

Condensed Consolidated Statement of Cash Flows

	For the six months ended 30 June	
Notes	2014 RMB'000	2013 RMB'000
Cash flows from operating activities		
Profit before income tax	97,289	95,799
Adjustments for:		
Interest income	(511)	(529)
Interest expenses	3,950	5,654
Depreciation and amortisation	19,593	11,238
Operating profit before working capital changes	120,321	112,162
(Increase)/decrease in inventories	(13,498)	7,843
Decrease in trade and bills receivables	4,924	109,376
Decrease/(increase) in prepayments and other receivables	1,397	(490)
Increase/(decrease) in trade and bills payables	43,281	(78,925)
Increase in accruals and other payables	16,842	1,359
Decrease in amount due to a director	(293)	(164)
Decrease in amounts due to shareholders	(2,355)	(5,685)
Cash generated from operations	170,619	145,476
Income taxes paid	(25,928)	(27,545)
Net cash generated from operating activities	144,691	117,931
Cash flows from investing activities		
Payment to acquire property, plant and equipment	(28)	(29,326)
Deposits paid for land use right and property, plant and equipment	—	(10,360)
(Increase)/decrease in pledged bank deposits	(607)	3,607
Interest received	511	529
Net cash used in investing activities	(124)	(35,550)
Cash flows from financing activities		
Interest paid	(3,950)	(5,654)
Placing and public offer of new shares	276,177	—
Shares issue expenses	(17,908)	—
Proceeds from new bank borrowings	25,831	31,700
Repayment of bank borrowings	(24,513)	(24,146)
Net cash generated from financing activities	255,637	1,900
Net increase in cash and cash equivalents	400,204	84,281
Effect on foreign exchange rate changes	(250)	22
Cash and cash equivalents at beginning of the period	173,944	259,057
Cash and cash equivalents at end of the period	573,898	343,360

Notes to the Condensed Consolidated Interim Financial Statement

1 Corporate information

The Company was incorporated under the Companies Law Chapter 22 (Law 3 of 1961, as consolidated and revised) as an exempted company with limited liability in the Cayman Islands on 27 August 2012. The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Group is principally engaged in the production and sale of paperboards, corrugated medium boards and boxes and poker cards in the People's Republic of China (the "PRC").

Pursuant to a group reorganisation (the "Reorganisation") of the Company and its subsidiaries to rationalise the structure of the Group in preparation for the Listing, the Company became the holding company of the Group on 29 May 2014. Details of the Reorganisation were set out in the prospectus of the Company dated 16 June 2014 (the "Prospectus").

The shares of HK\$0.01 each in the Company (the "Shares") have been listed on the Stock Exchange since 26 June 2014.

The Group resulting from the Reorganisation is regarded as a continuing entity under common control. Accordingly, for the purpose of this report, the consolidated financial statements of the Group have been prepared using principles of merger accounting. The interim information of the Group for the six-months ended 30 June 2014 shown as comparatives in this report have been prepared as if the current group structure had been in existence throughout both periods presented, or since the respective dates of incorporation or establishment of the companies in the Group, rather than from the date when the Company became the holding company of the Group pursuant to the Reorganisation.

In the opinion of the directors of the Company, the ultimate holding company of the Company is Pure Sheen Limited, a limited liability company incorporated in the British Virgin Islands ("BVI").

2 Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The condensed financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except where otherwise indicated.

Notes to the Condensed Consolidated Interim Financial Statement (Continued)

3 Significant Accounting Policies

The condensed consolidated financial statements have been prepared on the historical cost basis.

During the period under review, the Group has adopted all of the new and revised HKFRSs issued by the HKICPA that are relevant to its operating and effective for annual periods beginning on or after 1 January 2014. The application of the new and revised HKFRSs in the period under review has had no material effect on these financial statements.

The Group has not adopted the following new and revised HKFRSs that have been issued but are not yet effective.

		Effective for annual periods beginning on or after
HKFRS 9	Financial Instruments	To be determined*
HKFRS 9 (Amendment) and HKFRS 7	Mandatory Effective Date of HKFRS9 and Transition Disclosures	To be determined*
HKFRS 7, HKFRS 9 and HKAS 39 (Amendments)	Hedge Accounting and amendments to HKFRS 9, HKFRS 7 and HKAS 39	To be determined*
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
HKFRS 14	Regulatory Deferral Accounts	1 January 2016
HKFRS 15	Revenue from Contracts with Customers	1 January 2017
HKAS 16 and HKAS38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
HKAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions	1 July 2014
Annual improvement 2010–2012 Cycle	Amendments to a number of HKFRSs Issued in January 2014	1 July 2014
Annual improvement 2011–2013 Cycle	Amendments to a number of HKFRSs Issued in January 2014	1 July 2014

The Group is in the process of making an assessment of what impact of these new or revised HKFRSs is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Financial Information.

4 Segment Information

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the chief operating decision maker for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major operations.

Notes to the Condensed Consolidated Interim Financial Statement (Continued)

4 Segment Information (Continued)

The Group's operating business are organised and managed separately according to the nature of products, which each segment representing a strategic business segment that offers different products in the PRC market. The Group's chief operating decision maker considered that all of the Group's revenue, operating result and asset for the period under review were mainly derived from its production and sale of paperboards, corrugated medium boards and boxes and poker cards.

The Company is an investment holding company and the principal place of the Group's operation is in the PRC. For the purpose of segment information disclosures under HKFRS 8, the Group regarded the PRC as its country of domicile. All the Group's revenue and non-current assets are principally attributable to the PRC, being the single geographical region.

The following tables present revenue, profit and certain assets, liabilities and expenditure information for the Group's operating segments for the period under review:

For the six months ended 30 June 2014

	Paperboards RMB'000	Corrugated medium boards and boxes RMB'000	Poker cards RMB'000	Total RMB'000
Segment revenue:				
Sales	374,943	87,396	72,071	534,410
Intersegment	(3,873)	—	—	(3,873)
Sales to customers	371,070	87,396	72,071	530,537
Segment results	62,108	26,851	25,161	114,120
Unallocated income				6,998
Unallocated expenses				(19,382)
Finance costs				(4,447)
Profit before income tax				97,289
Income tax expense				(25,622)
Profit for the period				71,667

Notes to the Condensed Consolidated Interim Financial Statement (Continued)

4 Segment Information (Continued)

For the six months ended 30 June 2014 (Continued)

	Paperboards RMB'000	Corrugated medium boards and boxes RMB'000	Poker cards RMB'000	Unallocated RMB'000	Total RMB'000
Other segment information					
Depreciation of property, plant and equipment	12,750	544	792	5,025	19,111
Depreciation of investment properties	—	—	—	215	215
Amortisation of prepaid land lease payments	237	—	—	30	267
Capital expenditure	—	—	—	28	28

	Paperboards RMB'000	Corrugated medium boards and boxes RMB'000	Poker cards RMB'000	Total RMB'000
As at 30 June 2014				
Assets and liabilities:				
Segment assets	420,182	41,514	42,125	503,821
Unallocated assets				680,854
Total assets				1,184,675
Segment liabilities	133,206	12,351	13,336	158,893
Unallocated liabilities				143,647
Total liabilities				302,540

Notes to the Condensed Consolidated Interim Financial Statement (Continued)

4 Segment Information (Continued)

For the six months ended 30 June 2013

	Paperboards RMB'000	Corrugated medium boards and boxes RMB'000	Poker cards RMB'000	Total RMB'000
Segment revenue:				
Sales	376,941	51,903	69,767	498,611
Intersegment	(2,140)	—	—	(2,140)
Sales to customers	374,801	51,903	69,767	496,471
Segment results	69,453	16,398	24,165	110,016
Unallocated income				4,873
Unallocated expenses				(12,876)
Finance costs				(6,214)
Profit before income tax				95,799
Income tax expense				(24,294)
Profit for the period				71,505

Notes to the Condensed Consolidated Interim Financial Statement (Continued)

4 Segment Information (Continued)

For the six months ended 30 June 2013 (Continued)

	Paperboards RMB'000	Corrugated medium boards and boxes RMB'000	Poker cards RMB'000	Unallocated RMB'000	Total RMB'000
Other segment information					
Depreciation of property, plant and equipment	5,736	566	837	3,794	10,933
Depreciation of investment properties	—	—	—	112	112
Amortisation of prepaid land lease payments	163	—	—	30	193
Capital expenditure	29,228	98	—	—	29,326
Deposits for land use rights and property, plant and equipment	10,360	—	—	—	10,360

	Paperboards RMB'000	Corrugated medium boards and boxes RMB'000	Poker cards RMB'000	Total RMB'000
--	------------------------	---	------------------------	------------------

As at 31 December 2013

Assets and liabilities:

Segment assets	424,356	43,907	41,307	509,570
Unallocated assets				286,932
Total assets				796,502
Segment liabilities	101,125	6,691	7,796	115,612
Unallocated liabilities				128,441
Total liabilities				244,053

Notes to the Condensed Consolidated Interim Financial Statement (Continued)

5 Turnover and other income

Turnover represents the net invoiced value of goods sold, after allowances for returns and trade discounts (net of value-added tax) during the period under review.

An analysis of the Group's turnover and other income is as follows:

	For the six months ended	
	2014	2013
	RMB'000	RMB'000
Turnover:		
Sale of goods	530,537	496,471
Other income:		
Bank interest income	511	529
Exchange gain, net	—	160
Scrap sales	6,177	3,959
Rental income	280	95
Sundry income	30	130
	6,998	4,873
	537,535	501,344

6 Finance costs

	For the six months ended	
	2014	2013
	RMB'000	RMB'000
Interest on bank loans wholly repayable within five years	3,950	5,654
Handling charges	497	560
	4,447	6,214

Notes to the Condensed Consolidated Interim Financial Statement (Continued)

7 Profit before income tax

The Group's profit before income tax is arrived at after charging:

	For the six months ended	
	30 June	
	2014	2013
	RMB'000	RMB'000
Cost of raw materials consumed	320,767	284,059
Depreciation of property, plant and equipment	19,111	10,933
Depreciation of investment properties	215	112
Amortisation of prepaid land lease payments	267	193
Employee benefit expenses (including directors' remuneration):		
Wages and salaries	15,545	13,307
Pension scheme contributions	1,768	1,326
	17,313	14,633
Rental expense	45	10,737

8 Income tax expense

	For the six months ended	
	30 June	
	2014	2013
	RMB'000	RMB'000
Current tax		
— PRC enterprise income tax	25,622	24,294

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate. No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in or derived from Hong Kong during the period under review.

Enterprise income tax ("EIT") arising from the PRC for the period under review is calculated at 25% of the estimated assessable profits.

Notes to the Condensed Consolidated Interim Financial Statement (Continued)

8 Income tax expense (Continued)

A reconciliation of the income tax expense applicable to profit before income tax at the statutory tax rate to the income tax expense at the effective tax rate is as follows:

	For the six months ended 30 June	
	2014 RMB'000	2013 RMB'000
Profit before income tax	97,289	95,799
Tax at EIT rate	24,322	23,949
Effect of expenses not deductible	1,300	345
Income tax expense	25,622	24,294

The Group had no material recognised temporary differences as at 30 June 2014 and 2013.

9 Dividend

No dividend had been declared by the Company or any of its subsidiaries during the period under review (six months ended 30 June 2013: RMB Nil).

10 Earnings per share

The calculation of basic earnings per share amounts for the six months period ended 30 June 2014 is based on the profit for the period attributable to ordinary equity holders of the Company and the weighted average number of 752,827,624 Shares in issue during the period under review.

The calculations of basic earnings per share for the six months period ended 30 June 2013 is based on the profit attributable to owners of the Company and the 744,600,000 Shares in issue prior to the listing of the Shares on the Stock Exchange, as if these Shares had been issued throughout the six months period ended 30 June 2013.

No diluted earnings per Share is presented as the Group has no dilutive potential Shares during the period under review.

Notes to the Condensed Consolidated Interim Financial Statement (Continued)

11 Property, plant and equipment

	Buildings	Plant and machinery	Motor vehicles	Office equipment	Power supply equipment	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost:						
At 1 January 2013	75,923	119,228	4,202	640	49,208	249,201
Additions	36,286	129,828	456	—	—	166,570
Transfer	(4,730)	—	—	—	—	(4,730)
At 31 December 2013	107,479	249,056	4,658	640	49,208	411,041
Additions	—	—	—	—	28	28
At 30 June 2014	107,479	249,056	4,658	640	49,236	411,069
Accumulated depreciation:						
At 1 January 2013	17,080	49,080	2,913	404	7,668	77,145
Provided for the year	4,531	15,655	479	54	4,671	25,390
Transfer	(491)	—	—	—	—	(491)
At 31 December 2013	21,120	64,735	3,392	458	12,339	102,044
Provided for the period	3,624	12,871	255	26	2,335	19,111
At 30 June 2014	24,744	77,606	3,647	484	14,674	121,155
Net book value						
At 30 June 2014	82,735	171,450	1,011	156	34,562	289,914
At 31 December 2013	86,359	184,321	1,266	182	36,869	308,997

Notes to the Condensed Consolidated Interim Financial Statement (Continued)

11 Property, plant and equipment (Continued)

Certain buildings and plant and machinery were pledged for the banking facilities granted to the Group (note 25), and their carrying amounts are set out below:

	At 30 June 2014 RMB'000	At 31 December 2013 RMB'000
Buildings	49,393	51,706
Plant and machinery	17,370	18,485
Power supply equipment	1,749	1,872
	68,512	72,063

The above buildings are held under medium-term leases and situated in the PRC.

12 Investment properties

	RMB'000
Cost:	
At 1 January 2013	4,840
Transfer	4,730
At 31 December 2013 and 30 June 2014	9,570
Accumulated Depreciation:	
At 1 January 2013	3,998
Transfer	491
Provided for the year	292
At 31 December 2013	4,781
Provided for the period	215
At 30 June 2014	4,996
Net carrying amount:	
At 30 June 2014	4,574
At 31 December 2013	4,789

Notes to the Condensed Consolidated Interim Financial Statement (Continued)

12 Investment properties (Continued)

The above investment properties are held under medium-term leases and situated in the PRC.

As at 30 June 2014 and 31 December 2013, the Group's investment properties with total carrying values of approximately RMB4,574,000 and RMB4,789,000 respectively were pledged to secure the Group's banking facilities (note 25).

13 Prepaid land lease payments

	At 30 June 2014 RMB'000	At 31 December 2013 RMB'000
At the beginning of the period/year	22,179	16,914
Additions	—	5,700
Amortisation	(267)	(435)
At the end of the period/year	21,912	22,179

An analysis of the use of prepaid land lease payments were set out below:

	At 30 June 2014 RMB'000	At 31 December 2013 RMB'000
For own occupied	21,763	22,028
For investment properties	149	151
	21,912	22,179

The Group's prepaid land lease payments represent payments for land use rights in the PRC under medium-term leases.

As at 30 June 2014 and 31 December 2013, certain of the Group's prepaid land lease payments with total carrying values of approximately RMB12,843,000 and RMB12,999,000 respectively were pledged to secure the Group's banking facilities (note 25).

Notes to the Condensed Consolidated Interim Financial Statement (Continued)

14 Inventories

	At 30 June 2014 RMB'000	At 31 December 2013 RMB'000
Raw materials	30,732	18,747
Finished goods	26,875	25,362
	57,607	44,109

As at 30 June 2014 and 31 December 2013, certain of the Group's inventories with total carrying values of approximately RMB50,501,000 and RMB35,661,000 respectively were pledged to secure the Group's banking facilities (note 25).

15 Trade and bills receivables

	At 30 June 2014 RMB'000	At 31 December 2013 RMB'000
Trade receivables, net	223,609	228,533

The Group's trading terms with customers are mainly on credit. The credit term ranged from 30 days to 120 days. The Group's trade receivables are interest-free and relate to a large number of diversified customers and there is no significant concentration of credit risk.

The directors of the Company consider that the fair values of trade receivables which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

Notes to the Condensed Consolidated Interim Financial Statement (Continued)

15 Trade and bills receivables (Continued)

An ageing analysis of the trade receivables of the Group based on the invoice date is as follows:

	At 30 June 2014 RMB'000	At 31 December 2013 RMB'000
Within 3 months	212,544	216,509
4 to 6 months	11,065	12,024
	223,609	228,533

Movements of provision for impairment loss on trade receivables during the period under review were as follows:

	At 30 June 2014 RMB'000	At 31 December 2013 RMB'000
At the beginning and at the end of the period/year	453	453

16 Prepayment and other receivables

	At 30 June 2014 RMB'000	At 31 December 2013 RMB'000
Other receivables	1,359	174
Prepayments	—	2,582
	1,359	2,756

Notes to the Condensed Consolidated Interim Financial Statement (Continued)

17 Pledged bank deposits and cash and cash equivalents

	At 30 June 2014 RMB'000	At 31 December 2013 RMB'000
Cash and bank balances	583,885	183,324
Less: Pledged bank deposits for secured bills payables and bank borrowings (note 25)	(9,987)	(9,380)
Cash and cash equivalents	573,898	173,944

18 Trade and bills payables

	At 30 June 2014 RMB'000	At 31 December 2013 RMB'000
Trade payables	158,893	115,612

The trade payables and bills payables are interest-free. The credit period ranges from 30 days to 180 days.

An ageing analysis of the trade payables of the Group based on the invoice date is as follows:

	At 30 June 2014 RMB'000	At 31 December 2013 RMB'000
Within 3 months	130,385	89,578
4 to 6 months	28,508	26,034
	158,893	115,612

Notes to the Condensed Consolidated Interim Financial Statement (Continued)

19 Accruals and other payables

	At 30 June 2014 RMB'000	At 31 December 2013 RMB'000
Accruals and other payables	19,130	2,079
Wages payables	2,602	2,477
Other tax payables	5,018	5,352
	26,750	9,908

20 Bank borrowings

	At 30 June 2014 RMB'000	At 31 December 2013 RMB'000
Bank loans wholly repayable within five years, secured	104,318	103,000
Less: Repayable within one year	(104,318)	(103,000)
Non-current portion	—	—

The ranges of effective interest rates of the Group's borrowings are as follows:

	At 30 June 2014	At 31 December 2013
Current		
Variable-rate borrowings	3.73%–7.80%	3.40%–8.10%
Fixed-rate borrowings	6.72%–7.80%	4.30%–7.80%

All the Group's bank loans were denominated in Renminbi, United States dollars and Hong Kong dollars.

Details of the assets pledged to secure the bank borrowings of the Group were disclosed in note 25.

Notes to the Condensed Consolidated Interim Financial Statement (Continued)

21 Amounts due to a director and shareholders

The amounts due to a director and shareholders of the Company are interest free, unsecured and have no fixed repayment term.

22 Share capital

	Notes	Number of Shares of HK\$0.01 each	Nominal value of Shares	
			HK\$'000	RMB'000
<i>Authorised:</i>				
At date of incorporation	(a)	38,000,000	380	
At 31 December 2012 and 2013		38,000,000	380	
Increase in authorized capital	(c)	2,962,000,000	29,620	
At 30 June 2014		3,000,000,000	30,000	
<i>Issued and fully paid:</i>				
Issue of Shares to initial subscribers	(a)	750	—	—
At 31 December 2012 and 2013		750	—	—
Issue of Shares for the acquisition of the entire issued shares capital of Tun's Paper Group Holdings Limited	(b)	9,250	—	—
Placing and public offer of new Shares	(d)	248,200,000	2,482	1,973
Capitalisation issue	(e)	744,590,000	7,446	5,918
		992,800,000	9,928	7,891

Notes to the Condensed Consolidated Interim Financial Statement (Continued)

22 Share capital (Continued)

Notes:

- (a) As at the date of incorporation of the Company, its authorised share capital was HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each. On 27 August 2012, 750 Shares were allotted and issued nil paid to the initial subscribers.
- (b) On 29 May 2014, the Company issued a total of 9,250 Shares, credited as fully paid, to Pure Sheen Limited (5,850 Shares), Radiant Prestige Limited (450 Shares), Radiant Path Limited (450 Shares), Gang Bo Limited (1,580 Shares), Sebert Developments Limited (500 Shares) and Man Hong International Investment Limited (420 Shares); and credited as fully paid at par the 750 Shares issued nil paid on 27 August 2012 as consideration for the acquisition of the entire issued share capital of Tun's Paper Group Holdings Limited.
- (c) On 11 June 2014, the authorised share capital of the Company was increased by HK\$29,620,000 by the creation of an additional 2,962,000,000 Shares.
- (d) On 23 June 2014, 248,200,000 new Shares were allotted and issued by way of placing and public offer at an issue price of HK\$1.40 per Share for a total cash consideration, before expenses, of HK\$347,480,000. A premium of HK\$1.39 per Share for cash, the excess of the issue price over the par value of the shares issued upon the placing and public offer, totaling HK\$344,998,000 was credited to the share premium account of the Company.
- (e) Immediately after the placing and public offer, 744,590,000 new Shares were allotted and issued, credit as fully paid, at par, to the then shareholders in proportion to their respective shareholdings on the register of members of the Company as at the close of business on 11 June 2014 by way of the capitalisation of the share premium available.

23 Reserves

Capital reserve

Capital reserve of the Group arose as a result of the Reorganisation which was completed on 29 May 2014 and represented the difference between the consideration under the Reorganisation and the nominal value of the share capital of the subsidiaries then acquired.

Statutory surplus reserve

In accordance with the Company Law of the PRC, the Company's subsidiary registered in the PRC is required to appropriate 10% of the annual statutory profit after tax (after offsetting any prior years' losses) determined in accordance with generally accepted accounting principles in the PRC ("PRC GAAP") to the statutory surplus reserve until the balance of the reserve fund reaches 50% of the entity's registered capital. The statutory surplus reserve can be utilised to offset prior years' losses or to increase capital, provided the remaining balance of this reserve is not less than 25% of registered capital.

Translation reserve

Translation reserve comprises all relevant translation differences arising from the translation of the financial statements of foreign operations with functional currency other than Renminbi. The reserve is dealt with in accordance with the accounting policy set out above.

Notes to the Condensed Consolidated Interim Financial Statement (Continued)

23 Reserves (Continued)

Distributable reserve

The Company was incorporated on 27 August 2012 and there was no reserve available for distribution to shareholders as at 30 June 2014 and 31 December 2013.

The distributable reserve of the Group is as follows:

	At 30 June 2014 RMB'000	At 31 December 2013 RMB'000
Distributable reserve	485,753	414,086

Other comprehensive income

Tax effects relating to each component of other comprehensive income

	At 30 June 2014			At 30 June 2013		
	Before-tax amount RMB'000	Tax (expense)/ credit RMB'000	Net-of-tax amount RMB'000	Before-tax amount RMB'000	Tax (expense)/ credit RMB'000	Net-of-tax amount RMB'000
Translation difference of: foreign operation	(250)	—	(250)	22	—	22
Other comprehensive income	(250)	—	(250)	22	—	22

24 Capital commitments and contingent liabilities

The Group had the following capital commitments at the end of each reporting period:

	At 30 June 2014 RMB'000	At 31 December 2013 RMB'000
Contracted but not provided for: Property, plant and equipment and prepaid land lease payments	1,765	1,765

At the end of each reporting period, the Group did not have any significant contingent liabilities.

Notes to the Condensed Consolidated Interim Financial Statement (Continued)

25 Banking facilities

A summary of assets pledged for the banking facilities granted to the Group is set out below:

	At 30 June 2014 RMB'000	At 31 December 2013 RMB'000
Buildings (note 11)	49,393	51,706
Plant and machinery (note 11)	17,370	18,485
Power supply equipment (note 11)	1,749	1,872
Investment properties (note 12)	4,574	4,789
Prepaid land lease payments (note 13)	12,843	12,999
Inventories (note 14)	50,501	35,661
Pledged bank deposits (note 17)	9,987	9,380
	146,417	134,892

A summary of facilities granted by banks and the amounts utilised by the Group at the end of each reporting period is set out below:

	At 30 June 2014 RMB'000	At 31 December 2013 RMB'000
Amounts granted	120,918	142,600
Amounts utilised	104,318	103,000

Notes to the Condensed Consolidated Interim Financial Statement (Continued)

26 Operating lease arrangement

The Group as lessee

At the end of each reporting period, the Group had future minimum lease payments payable in respect of land and buildings under non-cancellable operating lease which fell due as follows:

	At 30 June 2014 RMB'000	At 31 December 2013 RMB'000
Within one year	90	90
In the second to fifth year inclusive	10	55
	100	145

Operating lease payments represent rentals payable by the Group for its office, factory and warehouse. The leases are negotiated for terms of 1–5 years. The leases did not include contingent rentals.

The Group as lessor

At the end of each reporting period, the Group's future minimal lease payments under non-cancellable operating leases are receivable as follows:

	At 30 June 2014 RMB'000	At 31 December 2013 RMB'000
Within one year	559	523
In the second to fifth year inclusive	787	836
	1,346	1,359

The leases were negotiated with terms of 1–3 years with fixed monthly rental. None of the leases included contingent rentals.

Notes to the Condensed Consolidated Interim Financial Statement (Continued)

27 Related parties transactions

(a) Balances and transactions

Other than those disclosed in notes 21 to the notes to the condensed consolidated interim financial statements, the following transactions were carried out with related and connected parties:

		For the six months ended 30 June	
		2014	2013
		RMB'000	RMB'000
Related companies			
Purchases	(i)	—	46,630
Rental expense	(ii)	—	450

(i) Directors' father and/or brother have beneficial interests in the related companies.

(ii) A director has beneficial interest in the related company.

(b) Compensation of key management personnel

The emoluments of directors of the Company who are identified as members of key management of the Group during the reporting period are set out below:

		For the six months ended 30 June	
		2014	2013
		RMB'000	RMB'000
Fees		60	6
Salaries, allowances and benefits in kind		194	194
Pension scheme contributions		6	3
Total		260	203

28 Event after reporting period

Except as disclosed elsewhere in this report, there have been no material subsequent events undertaken by the Company or by the Group after 30 June 2014.

29 Approval of the interim consolidated financial statements

These interim consolidated financial statements were approved and authorized for issue by the Board on 29 August 2014.

Definitions

“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“chief executive”	the chief executive (as defined in the SFO) of the Company
“Company”	Changgang Dunxin Enterprise Company Limited (長港敦信實業有限公司), a company incorporated in the Cayman Islands with limited liability on 27 August 2012
“Directors(s)”	the director(s) of the Company
“Gang Bo”	Gang Bo Limited (港博有限公司), a company incorporated in BVI with limited liability on 10 January 2012 and wholly-owned by Mr. Kung, and is a substantial shareholder (as defined in the Listing Rules) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKFRSs”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	party who is independent of and not connected with any directors, chief executive or substantial shareholders of the Company or any of their respective associates
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Kung”	Mr. Kung Kin Mang (龔建猛), the owner of Gang Bo and an Independent Third Party
“Mr. Zheng”	Mr. Zheng Dunmu (鄭敦木), an executive Director and the Chairman of the Company
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers
“Nomination Committee”	the nomination committee of the Company

Definitions (continued)

“PRC”	the People’s Republic of China
“Prospectus”	the prospectus of the Company dated 16 June 2014 in relation to the Listing
“Pure Sheen”	Pure Sheen Limited, a company incorporated in BVI on 16 March 2012 and wholly-owned by Mr. Zheng, and a controlling shareholder (as defined in the Listing Rules) of the Company
“Radiant Path”	Radiant Path Limited, a company incorporated in BVI on 9 January 2012 and wholly-owned by Mr. Zheng
“Radiant Prestige”	Radiant Prestige Limited, a company incorporated in BVI 18 January 2012 and wholly-owned by Mr. Zheng
“Remuneration Committee”	the remuneration committee of the Company
“RMB”	Renminbi yuan, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	shares(s) with a nominal value of HK\$0.01 (each) in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited