

2016 INTERIM REPORT



APPLIED DEVELOPMENT HOLDINGS LIMITED

實力建業集團有限公司

(Incorporated in Bermuda with limited liability)

Stock Code : 519

American Depository Receipt : ADHLY

CONTENTS

CORPORATE INFORMATION	2
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	3
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	5
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	6
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	7
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	8
MANAGEMENT DISCUSSION AND OUTLOOK	22
OTHER INFORMATION	26

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ms. Wang Jingyu
(*Chairlady and Managing Director*)

Ms. Ng Kit Ling

Mr. Tsao Hoi Ho

Independent Non-executive Directors

Mr. Su Ru Jia

Mr. Lo Yun Tai

Mr. Chan Ming Fai, Terence

AUDIT COMMITTEE

Mr. Chan Ming Fai, Terence (*Chairman*)

Mr. Su Ru Jia

Mr. Lo Yun Tai

REMUNERATION COMMITTEE

Mr. Lo Yun Tai (*Chairman*)

Mr. Su Ru Jia

Mr. Chan Ming Fai, Terence

Ms. Wang Jingyu

NOMINATION COMMITTEE

Mr. Lo Yun Tai (*Chairman*)

Mr. Chan Ming Fai, Terence

Ms. Wang Jingyu

COMPANY SECRETARY

Ms. Ng Kit Ling

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units 3402-3, 34th Floor

China Merchants Tower

Shun Tak Centre

168-200 Connaught Road Central

Hong Kong

REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

BRANCH SHARE REGISTRAR IN HONG KONG

Computershare Hong Kong Investor Services
Limited

17M Floor

Hopewell Centre

183 Queen's Road East

Wanchai

Hong Kong

SHARE REGISTRAR IN BERMUDA

MUFG Fund Services (Bermuda) Limited

The Belvedere Building

69 Pitts Bay Road

Pembroke HM 08

Bermuda

PRINCIPAL BANKERS

The Bank of East Asia, Limited

Nanyang Commercial Bank, Ltd.

Bank of Communications Co., Ltd.,

Hong Kong Branch

AUDITOR

Mazars CPA Limited

Certified Public Accountants

SOLICITORS

Reed Smith Richards Butler

Troutman Sanders

STOCK CODE

The Stock Exchange of Hong Kong Limited: 519

American Depository Receipt: ADHLY

WEBSITE

<http://www.applieddev.com>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*For the six months ended 31 December 2015*

		Six months ended	
		31 December	
		2015	2014
		(Unaudited)	(Unaudited)
	<i>Notes</i>	HK\$'000	<i>HK\$'000</i>
Revenue	2	1,735	1,560
Other revenue	2	57	3
Other income	3	6,278	–
Net increase (decrease) in fair value of financial assets at fair value through profit or loss		1,342	(3,885)
Net increase in fair value of investment properties		49,000	14,000
Administrative expenses		(7,594)	(16,300)
Interest income on promissory note receivable from a joint venture		5,713	5,466
Finance costs	5	(824)	(928)
Impairment loss on amount due from a joint venture		(5,607)	(10,301)
Share of results of a joint venture		–	–
Profit (Loss) before tax	6	50,100	(10,385)
Taxation	7	–	–
Profit (Loss) for the period, attributable to equity holders of the Company		50,100	(10,385)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*For the six months ended 31 December 2015*

		Six months ended	
		31 December	
		2015	2014
		(Unaudited)	(Unaudited)
<i>Notes</i>		HK\$'000	HK\$'000
	Other comprehensive income		
	Items that are reclassified to profit or loss:		
	– Release of translation reserve upon disposal of a subsidiary	276	–
	Other comprehensive income for the period, net of tax	276	–
	Total comprehensive income (loss) for the period, attributable to equity holders of the Company	50,376	(10,385)
	Earnings (Loss) per share		
	Basic	2.86 HK cents	(0.62) HK cent
	Diluted	2.86 HK cents	(0.62) HK cent

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2015

	Notes	31/12/2015 (Unaudited) HK\$'000	30/06/2015 (Audited) HK\$'000
Non-current assets			
Investment properties	14	300,000	356,320
Property, plant and equipment		866	2,152
Promissory note receivable from a joint venture	9	-	132,388
Other assets		174	174
Interest in a joint venture		-	-
Available-for-sale investments		271	271
		301,311	491,305
Current assets			
Financial assets at fair value through profit or loss	10	65,057	23,469
Trade and other receivables	11	727	1,867
Amount due from a joint venture	12	-	16,763
Bank deposits		250,000	-
Bank balances and cash		93,453	27,394
		409,237	69,493
Current liabilities			
Other payables		777	6,991
Interest-bearing borrowings		73,424	75,181
		74,201	82,172
Net current assets (liabilities)		335,036	(12,679)
Total assets less current liabilities		636,347	478,626
Capital and reserves			
Share capital	13	20,876	17,397
Share premium and reserves		615,471	460,141
Total equity		636,347	477,538
Non-current liabilities			
Deferred tax liabilities		-	1,088
		636,347	478,626

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2015

	Attributable to equity holders of the Company								
	Share capital HK\$'000	Share premium HK\$'000	Investment revaluation reserve HK\$'000	Other reserve HK\$'000	Capital redemption reserve HK\$'000	Capital reserve HK\$'000	Translation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 July 2015 (audited)	17,397	139,846	(300)	2,606	11,931	204,610	(276)	101,724	477,538
Profit for the period	-	-	-	-	-	-	-	50,100	50,100
Other comprehensive income									
Items that are reclassified to profit or loss									
- Release of translation reserve upon disposal of a subsidiary	-	-	-	-	-	-	276	-	276
Total comprehensive income for the period	-	-	-	-	-	-	276	50,100	50,376
Transactions with equity holders									
<i>Contributions and distributions</i>									
Issue of shares upon placing of shares (Note 13)	3,479	104,954	-	-	-	-	-	-	108,433
<i>Change in ownership interest</i>									
Disposal of a subsidiary	-	-	-	(2,606)	-	-	-	2,606	-
	3,479	104,954	-	(2,606)	-	-	-	2,606	108,433
At 31 December 2015 (unaudited)	20,876	244,800	(300)	-	11,931	204,610	-	154,430	636,347
At 1 July 2014 (audited)	11,598	67,224	(392)	-	11,931	204,610	(276)	94,045	388,740
Loss for the period	-	-	-	-	-	-	-	(10,385)	(10,385)
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	-	-	(10,385)	(10,385)
Transactions with equity holders									
<i>Contributions and distributions</i>									
Issue of shares upon rights issue	5,799	72,738	-	-	-	-	-	-	78,537
At 31 December 2014 (unaudited)	17,397	139,962	(392)	-	11,931	204,610	(276)	83,660	456,892

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS*For the six months ended 31 December 2015*

	Six months ended	
	31 December	
	2015	2014
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net cash used in operating activities	(10,757)	(16,671)
INVESTING ACTIVITIES		
Interest received	1,109	981
Net cash inflows from disposal of subsidiaries <i>(Note 19)</i>	260,361	–
Purchase of financial assets at fair value through profit or loss	(40,171)	(33,182)
Purchase of property, plant and equipment	(335)	(724)
Net cash generated from (used in) investing activities	220,964	(32,925)
FINANCING ACTIVITIES		
Finance charges paid in respect of obligation under a finance lease	–	(6)
Interest paid in respect of bank borrowings	(824)	(922)
Proceeds from issue of shares upon placing of shares	108,433	–
Proceeds from issue of shares upon rights issue	–	78,537
Repayment of bank borrowings	(1,757)	(11,793)
Repayment of other borrowings	–	(10,000)
Repayment of obligation under a finance lease	–	(595)
Net cash from financing activities	105,852	55,221
Net increase in cash and cash equivalents	316,059	5,625
Cash and cash equivalents at beginning of the period	27,394	10,764
Cash and cash equivalents at end of the period, represented by bank deposits and bank balances and cash	343,453	16,389

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2015

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated interim financial statements are unaudited, but have been reviewed by the Audit Committee of the Company. These unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and Hong Kong Accounting Standard No. 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

The condensed consolidated interim financial statements have been prepared on the historical cost basis, except for investment properties, available-for-sale investments and financial assets at fair value through profit or loss which are measured at fair values.

The accounting policies used in the condensed consolidated interim financial statements are consistent with those applied in the preparation of the Group's consolidated financial statements for the year ended 30 June 2015, except for the new/revised Hong Kong Financial Reporting Standards ("HKFRSs") effective from the current interim period.

The adoption of the new/revised HKFRSs had no significant effect on the results and financial position of the Group for the current or prior accounting periods.

The Group has not early applied the following new/revised HKFRSs that have been issued but are not yet effective for the current period. The Directors anticipate that the application of these HKFRSs will have no significant impact on the results and financial position to the Group.

Amendments to HKAS 1	Disclosure Initiative ¹
Amendments to HKASs 16 and 38	Clarification of Acceptable Methods of Depreciation and Amortisation ¹
Amendments to HKAS 27 (2011)	Equity Method in Separate Financial Statements ¹
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	Investment Entities: Applying the Consolidation Exception ¹
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations ¹
HKFRS 14	Regulatory Deferral Accounts ¹
Annual Improvements Project	2012-2014 Cycle ¹
HKFRS 15	Revenue from Contracts with Customers ²
HKFRS 9 (2014)	Financial Instruments ²
Amendments to HKFRS 10 and HKAS 28 (2011)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

¹ Effective for annual periods beginning on or after 1 January 2016.

² Effective for annual periods beginning on or after 1 January 2018.

³ The effective date of the amendments which was originally intended to be effective for annual periods beginning on or after 1 January 2016 has been deferred/removed.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2015

2. REVENUE

	Six months ended 31 December	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Revenue		
Gross rental income from investment properties	608	581
Interest income from financial assets at fair value through profit or loss	1,127	979
	1,735	1,560
Other revenue		
Bank interest income	57	3
Total revenue	1,792	1,563

3. OTHER INCOME

	Six months ended 31 December	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Gain on disposal of subsidiaries (Note 19)	6,120	–
Sundry income	158	–
Total other income	6,278	–

4. SEGMENT INFORMATION

Management identifies operating segments based on internal reports that are regularly reviewed by the chief operating decision maker, who are the directors, for the purposes of allocating resources to segments and assessing their performance. The directors consider resort and property development, property investment and investment holding are the Group's major operating segments.

During the period ended 31 December 2015, as described in note 19(e), the Group disposed two subsidiaries which were engaged in resort and property development business. For the period ended 31 December 2014, the Group's resort and property development segment includes multi-purpose resort communities as well as sale of condo hotels, residential units and club memberships. No revenue had been earned by the resort and property development segment which was still under development. The property investment segment includes mainly residential and commercial properties that are held for capital appreciation or to earn rentals. The investment holding segment includes holding and trading of investments and other assets. No operating segments have been aggregated.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2015

4. SEGMENT INFORMATION (continued)

Segment revenue and results for the six months ended 31 December 2015 are presented below:

	Resort and property development (Unaudited) HK\$'000	Property investment (Unaudited) HK\$'000	Investment holding (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Revenue	-	608	1,127	1,735
Other revenue and income	-	116	-	116
	-	724	1,127	1,851
Results				
Segment results	(1,298)	49,251	2,166	50,119
Unallocated corporate income				99
Unallocated corporate expenses				(5,520)
Gain on disposal of subsidiaries	4,067	350		4,417
Gain on disposal of subsidiaries – unallocated				1,703
Interest income on promissory note receivable from a joint venture	5,713			5,713
Finance costs				(824)
Impairment loss on amount due from a joint venture	(5,607)			(5,607)
Profit before tax				50,100
Taxation				-
Profit for the period				50,100

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2015

4. SEGMENT INFORMATION (continued)

Segment assets and liabilities as of 31 December 2015 and other segment information for the six months ended 31 December 2015 are presented below:

	Resort and property development (Unaudited) HK\$'000	Property investment (Unaudited) HK\$'000	Investment holding (Unaudited) HK\$'000	Segment total (Unaudited) HK\$'000	Unallocated (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Assets	88	301,081	65,637	366,806	343,742	710,548
Liabilities	-	349	417	766	73,435	74,201

Other segment information:

Additions to property, plant and equipment	-	335	-	335	-	335
Depreciation of property, plant and equipment	-	92	61	153	358	511
Increase in fair value of investment properties	-	49,000	-	49,000	-	49,000
Net increase in fair value of financial assets at fair value through profit or loss	-	-	1,342	1,342	-	1,342

Segment revenue and results for the six months ended 31 December 2014 are presented below:

	Resort and property development (Unaudited) HK\$'000	Property investment (Unaudited) HK\$'000	Investment holding (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Revenue	-	581	979	1,560
Results				
Segment results	(11,029)	23,850	(3,458)	9,363
Unallocated corporate income				3
Unallocated corporate expenses				(13,988)
Interest income on promissory note receivable from a joint venture	5,466			5,466
Finance costs				(928)
Impairment loss on amount due from a joint venture	(10,301)			(10,301)
Loss before tax				(10,385)
Taxation				-
Loss for the period				(10,385)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2015

4. SEGMENT INFORMATION (continued)

Segment assets and liabilities as of 31 December 2014 and other segment information for the six months ended 31 December 2014 are presented below:

	Resort and property development (Unaudited) HK\$'000	Property investment (Unaudited) HK\$'000	Investment holding (Unaudited) HK\$'000	Segment total (Unaudited) HK\$'000	Unallocated (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Assets	222,390	273,418	30,046	525,854	28,847	554,701
Liabilities	3,421	17,262	27	20,710	77,099	97,809
Other segment information:						
Non-current assets classified as held for sale	-	17,569	-	17,569	-	17,569
Liabilities associated with non-current assets classified as held for sale	-	16,956	-	16,956	-	16,956
Additions to property, plant and equipment	-	-	-	-	724	724
Depreciation of property, plant and equipment	-	52	63	115	636	751
Release of prepaid lease payments	-	22	-	22	-	22
(Decrease) increase in fair value of investment properties	(10,000)	24,000	-	14,000	-	14,000
Net decrease in fair value of financial assets at fair value through profit or loss	-	-	3,885	3,885	-	3,885

There was no revenue generated from inter-segment transactions for both periods. Segment results represent profit or loss attributable to each segment without allocation of central administration costs, gain on disposal of subsidiaries, share of the results of a joint venture, finance costs, interest income on promissory note receivable from a joint venture, impairment loss on amount due from a joint venture and income tax expense. Segment assets and liabilities represent all assets and liabilities of reportable segments and unallocated corporate assets and liabilities other than those that have been eliminated in consolidation.

Geographical information

The Group's operations are principally located in Hong Kong, Singapore, the People's Republic of China other than Hong Kong (the "PRC"), the British Virgin Islands (the "BVI") and the Panama.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2015

4. SEGMENT INFORMATION (continued)

The following table provides an analysis of the Group's revenue from external customers by geographical market, which interest income from financial assets at fair value through profit or loss is based on the markets of the respective debt instruments:

	Revenue by geographical market	
	31/12/2015 (Unaudited) HK\$'000	31/12/2014 (Unaudited) HK\$'000
Hong Kong	949	812
Singapore	786	748
	1,735	1,560

The following is an analysis of the carrying amounts of non-current assets by geographical area in which the assets are located:

	Carrying amounts of non-current assets	
	31/12/2015 (Unaudited) HK\$'000	30/06/2015 (Audited) HK\$'000
Hong Kong	301,040	253,288
Panama	-	99,690
PRC	-	5,668
	301,040	358,646

Non-current assets presented above exclude financial instruments. The Group does not have deferred tax assets, post-employment benefit assets and rights arising under insurance contracts.

5. FINANCE COSTS

	Six months ended 31 December	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Interest expenses on borrowings	824	922
Finance charges on obligation under a finance lease	-	6
	824	928

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2015

6. PROFIT (LOSS) BEFORE TAX

	Six months ended 31 December 2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Profit (Loss) for the period has been arrived at after charging (crediting):		
Staff costs, including directors' emoluments		
Salaries and other benefits	1,813	10,190
Retirement benefit scheme contribution	43	45
Total staff costs	1,856	10,235
Other items		
Depreciation of property, plant and equipment	511	751
Impairment loss on amount due from a joint venture	5,607	10,301
Net (increase) decrease in fair value of financial assets at fair value through profit or loss	(1,342)	3,885
Direct operating expenses relating to investment properties that generated rental income	127	91
Direct operating expenses relating to investment properties that did not generate rental income	646	497
Operating lease payments on premises	1,177	933
Release of prepaid lease payments	-	22

7. TAXATION

Hong Kong Profits Tax had not been provided as the Group incurred a loss for taxation purposes for the period ended 31 December 2015 and 2014. No provision for deferred tax has been made in the period.

Taxation arising in the PRC and overseas jurisdiction, if applicable, are calculated at the rates prevailing in the relevant jurisdictions based on existing legislation, interpretations and practices in respect thereof.

8. EARNINGS (LOSS) PER SHARE

The calculation of the basic earnings (loss) per share for the period is based on the profit attributable to equity holders of the Company of HK\$50,100,000 (2014: loss of HK\$10,385,000) and on the weighted average of 1,752,969,537 (2014: 1,675,207,735) ordinary shares of the Company in issue during the period.

The number of shares for the purpose of calculating basic loss per share for the period ended 31 December 2014 has been adjusted to reflect the bonus element of rights issue of shares completed during the period ended 31 December 2014.

The diluted earnings (loss) per share is the same as the basic earnings (loss) per share for both the six months ended 31 December 2015 and 2014.

The Company did not have any dilutive potential ordinary shares during the six months ended 31 December 2015 and 2014.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS*For the six months ended 31 December 2015***9. PROMISSORY NOTE RECEIVABLE FROM A JOINT VENTURE**

	HK\$'000
At 30 June 2015 (Audited)	132,388
Interest income	5,713
Disposal of subsidiaries (<i>Note 19</i>)	(138,101)
<hr/>	
At 31 December 2015 (Unaudited)	-

Following the expiration of the due date of the promissory note receivable from Quorum Island (BVI) Limited ("Quorum") on 9 April 2011, management of the Group considered that there was objective evidence that an impairment loss on the promissory note had occurred. Management expected that the full amount of the promissory note would be realisable in approximately four years after 30 June 2011. Consequently, impairment loss of HK\$50,143,000 measured as the difference between the carrying amount and the present value of estimated future cash flows discounted at 9% per annum was recognised in profit or loss in the reporting period ended 30 June 2011.

In December 2012, the Group brought a legal action against Quorum for the non-payment of the promissory note. Having taken into consideration of the latest development of the legal action, management has reassessed the period of recovery and expected that the full amount of the promissory note would be realisable in four years' time from 30 June 2014. Accordingly, impairment loss of HK\$22,857,000 measured as the difference between the carrying amount and the present value of estimated future cash flows discounted at 9% per annum was recognised in profit or loss for the year ended 30 June 2014.

During the year ended 30 June 2015, there was a discount unwinding of HK\$10,931,000 recognised as an interest income in profit or loss using 9% per annum, the rate of interest used to discount the future cash flows in previous year.

During the period ended 31 December 2015, there was a discount unwinding of HK\$5,713,000 (2014: HK\$5,466,000) recognised as an interest income in profit or loss using 9% per annum, the rate of interest used to discount the future cash flows in previous period.

The promissory note was derecognised through the disposal of Applied Enterprises Limited ("Applied Enterprises") as set out in note 19(e).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2015

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31/12/2015 (Unaudited) HK\$'000	30/06/2015 (Audited) HK\$'000
Debt instruments at fair value, designated upon initial recognition		
Listed overseas	16,846	16,054
Listed in Hong Kong	48,211	7,415
	65,057	23,469

The fair values of the debt instruments are determined on the basis of quoted market price at the end of the reporting period.

11. TRADE AND OTHER RECEIVABLES

The Group allows credit period ranging within 90 days to its trade customers. There was no trade receivables as at 31 December 2015 (30 June 2015: Nil).

12. AMOUNT DUE FROM A JOINT VENTURE

The amount is unsecured, interest-free and has no fixed repayment term. During the period ended 31 December 2015, provision for impairment of HK\$5,607,000 (2014: HK\$10,301,000) had been made for non-repayment of the amount due. The amount was derecognised through the disposal of Applied Enterprises as set out in note 19(e).

13. SHARE CAPITAL

	Number of ordinary shares	Amount HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 30 June 2015 and 31 December 2015	6,000,000,000	60,000
Issued and fully paid:		
At 30 June 2015 (Audited)	1,739,660,739	17,397
Placing of shares on 24 December 2015 (Note)	347,930,000	3,479
At 31 December 2015 (Unaudited)	2,087,590,739	20,876

Note:

During the period ended 31 December 2015, the Company issued 347,930,000 placing shares (the "Placing Shares") by way of placing (the "Placing"), at a placing price of HK\$0.32 per Placing Share. The net proceeds from the Placing after deducting related expenses were HK\$108,433,000.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2015

14. INVESTMENT PROPERTIES**HK\$'000****Fair value**

At 30 June 2015 (Audited)	356,320
Net increase in fair value	49,000
Disposal of subsidiaries (Note 19)	(105,320)

At 31 December 2015 (Unaudited)	300,000
--	----------------

15. CONTINGENT LIABILITIES

At 30 June 2015 and 31 December 2015, the Group had no significant contingent liabilities.

16. CAPITAL COMMITMENTS

	31/12/2015	30/06/2015
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Capital expenditure in respect of the acquisition of investment properties and property, plant and equipment contracted for but not provided for in the consolidated financial statements		
– the Group	-	19,139
– share of a joint venture	-	31,288
	-	50,427

17. RELATED PARTY TRANSACTIONS

In addition to the transactions / information disclosed elsewhere in the condensed consolidated interim financial statements, during the period, the Group had the following transactions with related parties:

Remuneration to key management personnel

Remuneration to key management personnel including amounts paid to the Company's directors are as follows:

	Six months ended	
	31 December	
	2015	2014
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Salaries and other benefits	1,308	7,141
Retirement benefit scheme contributions	18	15
	1,326	7,156

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2015

18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The following table presents the carrying value of financial instruments measured at fair value at 31 December 2015 and 30 June 2015 across the three levels of the fair value hierarchy defined in HKFRS 13, Fair Value Measurement, with the fair value measurement categorised in its entirety based on the lowest level of input that is significant to the entire measurement. The levels of inputs are defined as follows:

- Level 1 (highest level): quoted prices (unadjusted) in active markets for identical financial instruments that the Group can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the financial instruments, either directly or indirectly;
- Level 3 (lowest level): unobservable inputs for the financial instruments.

(a) Financial assets measured at fair value

	At 31 December 2015 (Unaudited)			
	Total HK\$'000	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
<i>Financial assets at fair value through profit or loss:</i>				
Debt instruments listed overseas	16,846	16,846	-	-
Debt Instruments listed in Hong Kong	48,211	48,211	-	-
	65,057	65,057	-	-
<i>Available-for-sale investments:</i>				
Equity investments listed in Hong Kong	271	271	-	-
	At 30 June 2015 (Audited)			
	Total HK\$'000	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
<i>Financial assets at fair value through profit or loss:</i>				
Debt instruments listed overseas	16,054	16,054	-	-
Debt Instruments listed in Hong Kong	7,415	7,415	-	-
	23,469	23,469	-	-
<i>Available-for-sale investments:</i>				
Equity investments listed in Hong Kong	271	271	-	-

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2015

18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

(a) Financial assets measured at fair value (continued)

During the period ended 31 December 2015 and 2014, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

(b) Financial assets and liabilities not measured at fair value

The carrying amounts of the Group's financial assets and liabilities carried at other than their values are not materially different from their fair values as at 31 December 2015 and 30 June 2015.

19. DISPOSAL OF SUBSIDIARIES

- (a) In September 2015, Applied Enterprises entered into sale and purchase agreements with an independent third party to dispose of the entire issued share capital of and shareholder's loan to Applied Toys Limited ("Applied Toys") and Applied Mission Limited ("Applied Mission"), both were wholly owned subsidiaries of the Company, for cash considerations of HK\$1,550,000 and HK\$4,600,000 respectively. At the time of disposal, the major asset of Applied Toys was a motor vehicle whereas the major assets of Applied Mission were investment properties in the PRC. The aggregated gain on disposal of these subsidiaries was approximately HK\$1,557,000.
- (b) In September 2015, Applied Enterprises entered into a sale and purchase agreement with an independent third party to dispose of the entire equity interest in and shareholder's loan to Quorum Electronics (Shenzhen) Company Limited 盈聯多科技企業（深圳）有限公司 ("Quorum Electronics") for a cash consideration of HK\$620,000. The major assets of Quorum Electronics at the time of disposal were two motor vehicles. The gain on disposal of this subsidiary was approximately HK\$331,000.
- (c) In September 2015, Supreme Success Company Holdings Limited ("Supreme Success"), a wholly owned subsidiary of the Company, disposed of the entire equity interest in and shareholder's loan to a wholly owned subsidiary for a cash consideration of HK\$210,000 to an independent third party. The major asset of this subsidiary and its subsidiaries which had not commenced business at the time of disposal was bank balances of HK\$124,000. The gain on disposal of these subsidiaries was approximately HK\$86,000.
- (d) In October 2015, the Company entered into a sale and purchase agreement with an independent third party to dispose of the entire equity interest in and shareholder's loan to Supreme Success for a cash consideration of HK\$300,000. The major asset of Supreme Success and its subsidiaries at the time of disposal was bank balances of HK\$221,000. The gain on disposal of these subsidiaries was approximately HK\$79,000.
- (e) In November 2015, the Company entered into a disposal agreement with a purchaser, which is wholly and beneficially owned by Mr. Hung Kin Sang, Raymond, a former director of the Company who resigned on 15 July 2015, to dispose of the entire issued share capital of and shareholder's loan to Applied Enterprises and Beachside Investments Limited ("Beachside"), both were wholly owned subsidiaries of the Company, for cash considerations of HK\$153,000,000 and HK\$102,000,000 respectively. At the time of disposal, the major assets of Applied Enterprises were its 50% interest in Quorum and the promissory note receivable from Quorum whereas the major assets of Beachside and its subsidiaries were investment properties in the Panama. The gain on disposal of Applied Enterprises and Beachside was approximately HK\$1,706,000 and HK\$2,361,000 respectively.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2015

19. DISPOSAL OF SUBSIDIARIES (continued)

The aggregated net assets of the subsidiaries as at the date of disposal are set out as follows:

	Total HK\$'000
Net assets disposed of:	
Investment properties	105,320
Property, plant and equipment	1,110
Promissory note receivable from a joint venture	138,101
Other receivables	943
Amount due from a joint venture	11,156
Cash and bank balances	827
Other payables	(1,577)
Deferred tax liabilities	(1,088)
	<hr/> 254,792
Gain on disposal of subsidiaries:	
Consideration received	262,280
Net assets disposed of	(254,792)
Release of translation reserve upon disposal of a subsidiary	(276)
Direct expenses	(1,092)
	<hr/> 6,120
Gain on disposal of subsidiaries	<hr/> 6,120
Analysis of net inflow of cash and cash equivalents in respect of disposal subsidiaries:	
Total cash consideration	262,280
Cash and cash equivalents in subsidiaries disposed of	(827)
Direct expenses	(1,092)
	<hr/> 260,361
Net inflow of cash and cash equivalents	<hr/> 260,361

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2015

20. EVENTS AFTER THE REPORTING PERIOD

- (a) On 27 January 2016, Applied Investment (Asia) Limited ("AIAL") and Applied International Holdings Limited, each a wholly owned subsidiary of the Company, as vendors (the "Vendors"), Severn Villa Limited, a wholly owned subsidiary of the Company and the Company as guarantor entered into a sale and purchase agreement (the "Agreement") with the purchaser, who is an independent third party, pursuant to which (i) the Vendors have conditionally agreed to sell, and the purchaser has conditionally agreed to purchase, the entire issued share capital of Severn Villa Limited; and (ii) AIAL has conditionally agreed to sell and the purchaser has conditionally agreed to purchase a shareholder's loan owed by Severn Villa Limited to AIAL, at a total consideration of HK\$636,800,000. The Company as guarantor has agreed to unconditionally and irrevocably guarantee to the purchaser the due observance and performance by the Vendors of all the agreements, obligations, commitments and undertakings contained in the Agreement.

The major assets of Severn Villa Limited are four residential apartments, one roof area, one whole garden area and part of another garden area, and six parking spaces located at Severn Villa, No.3 Severn Road, Hong Kong. The expected gain on disposal of Severn Villa Limited is approximately HK\$312,563,000. Details of the proposed disposal were set out in the Company's announcement dated 16 February 2016.

- (b) On 4 February 2016, Applied Hong Kong Properties Limited, a wholly owned subsidiary of the Company, entered into a provisional sale and purchase agreement with an independent third party to purchase a commercial property in Hong Kong at a cash consideration of HK\$47,148,000. Details of the acquisition of property were set out in the Company's announcement dated 4 February 2016.

MANAGEMENT DISCUSSION AND OUTLOOK

INTERIM DIVIDEND

The Directors do not recommend an interim dividend for the six months ended 31 December 2015 (31 December 2014: nil).

RESULTS

The Group recorded a profit attributable to equity holders of HK\$50,100,000 for the six months ended 31 December 2015 as compared to a loss of HK\$10,385,000 for the corresponding period ended 31 December 2014. The turnaround of the Group's results was mainly due to (i) an increase in fair value of investment properties of HK\$49,000,000 compared with HK\$14,000,000 for the corresponding period in 2014; (ii) a gain on disposal of subsidiaries during the current interim period of HK\$6,120,000; and (iii) a decrease in administrative expenses of HK\$8,706,000 when compared to the corresponding period in 2014.

BUSINESS REVIEW

Resort and Property Development

References are made to the announcements of the Company dated 9 November 2015 and 23 December 2015 and the circular of the Company dated 4 December 2015 (the "Circular"), the disposal agreement entered into between the Company and the purchaser, a company wholly and beneficially owned by Mr. Hung Kin Sang, Raymond, a former director of the Company. The disposal agreement was duly approved by shareholders in a special general meeting of the Company held on 21 December 2015 and the transactions contemplated hereunder were completed on 22 December 2015 (the "Disposal"). Following the completion of the Disposal, the Company ceased to hold any interest in the BVI Project and the Panama Project (as are defined in the Circular). The Company received net proceeds of approximately HK\$253,908,000 from the Disposal and recorded a gain on Disposal of approximately HK\$4,067,000 for the six months ended 31 December 2015.

Property Investment

The Group's investment properties in Hong Kong continued to generate rental income amounting to HK\$608,000 for the six months ended 31 December 2015 (31 December 2014: HK\$581,000). The Group's investment properties in Hong Kong, comprising mainly the residential apartments in Severn Villa (as further explained below), were revalued to HK\$300,000,000 as at 31 December 2015 (30 June 2015: HK\$251,000,000), accordingly, a revaluation gain on investment properties of HK\$49,000,000 was recorded by the Group during the current interim period.

As stated in the Company's announcement dated 16 February 2016, the Company and its two wholly owned subsidiaries had entered into a conditional sale and purchase agreement with an independent third party to dispose of the entire issued share capital of and shareholder's loan to Severn Villa Limited, a wholly owned subsidiary of the Company, for a total consideration of HK\$636,800,000 (the "Proposed Disposal"). The Proposed Disposal is subject to shareholders' approval and a circular containing further information in relation thereto will be sent to shareholders in due course.

The major assets owned by Severn Villa Limited are the four residential apartments, one roof area, one whole garden area and part of another garden area, and six parking spaces located at Severn Villa, No. 3 Severn Road, Hong Kong (the "Properties"). Based on the total consideration for the Proposed Disposal of HK\$636,800,000, it is expected that upon completion of the Proposed Disposal, a substantial gain before taxation of approximately HK\$312,563,000 will be recognised by the Group.

MANAGEMENT DISCUSSION AND OUTLOOK

The Directors consider that the consideration for the Proposed Disposal has substantially reflected the long term investment potential of the Properties. Having considered the consideration offered by the purchaser and the number of prospective purchasers for a block sale of all the Properties in the market is limited as the amount involved is large, the Board believes that the Proposed Disposal presents a good opportunity for the Group to realise its investment in the Properties at a fair market price and makes additional funding available for the Group to pursue other investments in relation to property/resort business with relatively higher returns, if and when such opportunities arise.

Furthermore, subsequent to the period end date, a wholly owned subsidiary of the Company has entered into a provisional sale and purchase agreement with an independent third party to acquire a commercial property in China Merchants Tower, Sheung Wan, Hong Kong at a cash consideration of HK\$47,148,000. It is scheduled that the completion of the acquisition shall take place on or before 8 April 2016. The property is currently under lease as an office unit and the Board believes that the acquisition allows the Group to enlarge and diversify its investment properties portfolio with high quality assets, strengthen the income base of the Group and provide capital appreciation potential to the Group. The Company intends to hold the property for long-term investment purposes.

Investment Holding

During the six months ended 31 December 2015, the Group had invested in corporate and convertible bonds which contributed a total interest income of HK\$1,127,000 (31 December 2014: HK\$979,000) and unrealised gain (representing net increase in fair values of these debt instruments) of HK\$1,342,000 (31 December 2014: unrealised loss of HK\$3,885,000) during the current interim period. The carrying value of the Group's corporate and convertible bonds portfolio amounted to HK\$65,057,000 (30 June 2015: HK\$23,469,000) at the period end.

LIQUIDITY AND FINANCIAL RESOURCES

During the six months ended 31 December 2015, the Company successfully completed a placing of 347,930,000 new shares to independent investors at a price of HK\$0.32 per placing share on 24 December 2015, details of which are set out in the Company's announcements dated 15 December 2015 and 24 December 2015. The net proceeds of the placing amounted to approximately HK\$108,433,000 were intended to be used as general working capital of the Group and/or for attractive investment opportunities which may arise in future. Up to the date of the interim results announcement, approximately HK\$29,800,000 of the net proceeds were utilized by the Group's investment holding business for the purchase of corporate bonds, listed equity shares and equity-linked notes.

During the current interim period, the Group also received net proceeds amounted to approximately HK\$253,908,000 from the disposal of the BVI Project and the Panama Project as mentioned. The net proceeds were intended to be used as to approximately HK\$50,000,000 for investments in corporate bonds and the remaining balance as general working capital of the Group and/or for attractive investment opportunities, particularly those that are property related. Up to the date of the interim results announcement, approximately HK\$48,700,000 were utilized by the Group's investment holding business to purchase corporate and convertible bonds and approximately HK\$8,722,000 were utilized by the Group's property investment business to pay for the deposits and ancillary charges for the purchase of the office unit at China Merchants Tower as mentioned.

MANAGEMENT DISCUSSION AND OUTLOOK

As at 31 December 2015, the Group's total equity and borrowings amounted to HK\$636,347,000 and HK\$73,424,000 respectively, representing a low gearing ratio of 11.5% when compared to 15.7% as at 30 June 2015. The Group's borrowings represented bank loans which were denominated in Hong Kong dollars, bore interests at floating rate and secured by the Group's investment properties. At the period end, the Group's current assets and current liabilities amounted to HK\$409,237,000 and HK\$74,201,000 respectively, representing a strong current ratio of 5.5 times.

The increase in the Group's bank and cash balances to HK\$343,453,000 as at 31 December 2015 was mainly attributable to the net proceeds received from the placing of shares and disposal of the BVI Project and the Panama Project as mentioned. With the amount of liquid assets and cash on hand, the management is of the view that the Group has sufficient financial resources to meet its ongoing operational requirement.

OUTLOOK

Following the completion of the Proposed Disposal, the Group will have additional funding available to pursue other attractive investment opportunities in relation to property/resort business with relatively higher returns.

The Group is principally engaged in the businesses of resort and property development, property investment and investment holding. In order to improve the performance of the Group, the management is seeking to expand these business segments by looking for appropriate investment opportunities with the aim to bring satisfactory return to the Group and the shareholders.

PLEDGE OF ASSETS

At 31 December 2015, the Group and the Company had provided the following security for the banking facilities granted to a subsidiary of the Company:

- (a) pledge of investment properties of the Group with a carrying amount of HK\$300,000,000 (30 June 2015: HK\$251,000,000);
- (b) all monies earned by the above pledged investment properties of the Group. During the interim period, rental income of HK\$608,000 (31 December 2014: HK\$581,000) was generated from these investment properties;
- (c) property insurance on the pledged investment properties executed by the Group in favour of the bank. At 31 December 2015, the property insurance coverage amounted to HK\$20,460,000 (30 June 2015: HK\$20,460,000); and
- (d) unconditional and irrevocable corporate guarantee given by the Company in respect of all amounts owing by the subsidiary to the bank under the facilities.

LITIGATION

A former director of the Company, Ms. Wong Kar Gee, Mimi has commenced a legal action against the Company claiming for various arrears of salaries and other allowances for a sum of approximately HK\$3 million. The Directors consider that the claim from Ms. Wong is without merit and have been advised by the Group's lawyers that the Group holds strong positions in this claim and therefore no provision for the claim is considered necessary.

MANAGEMENT DISCUSSION AND OUTLOOK

FOREIGN EXCHANGE RISK

The majority of the Group's assets and liabilities were denominated in Hong Kong and US dollars, hence the exposure to foreign exchange risk was insignificant to the Group.

The Group does not engage in foreign exchange speculative activities. It is the Group's policy to manage foreign exchange risk through matching foreign exchange income with expenses, and where exposure to foreign exchange is anticipated, appropriate hedging instrument will be used.

EMPLOYEE INFORMATION

As at 31 December 2015, the Group employed a total of 6 (30 June 2015: 8) full-time employees. The remuneration packages for employees are normally reviewed annually and are structured by reference to market terms and individual competence, performance and experience. The Group also provides medical insurance coverage and provident fund scheme to its employees.

OTHER INFORMATION**DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES**

As at 31 December 2015, the interests and short positions of the directors and chief executive of the Company 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 ("SFO")), as recorded in the register of members required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Listing Rules were as follows:

Long position in shares of the Company

Name of director	Beneficial owner	Number of ordinary shares		Approximate % of shareholding
		Held by controlled corporation	Total	
Wang Jingyu ("Ms. Wang")	–	465,725,959 (Note)	465,725,959	22.309
Ng Kit Ling	15,000	–	15,000	0.001

Note: These shares were held by Millennium Capital Asia Limited, a company which was wholly owned by Peak Access International Limited, which in turn was beneficially owned by Ms. Wang.

Save as disclosed above, as at 31 December 2015, none of the directors or chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be 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 they are taken or deemed to have under such provisions of the SFO), the Model Code and which were required to be entered into and kept under the register pursuant to Section 352 of the SFO.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

The directors and employees of the Company and its subsidiaries are entitled to participate in the share option scheme of the Company adopted by the Company on 15 November 2012. Up to 31 December, 2015, no share options had been granted since the adoption of the share option scheme.

Save as disclosed above, at no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other associated corporations (within the meaning of Part XV of the SFO) and none of the directors or their spouses or children under the age of 18 had any right to subscribe for securities of the Company or had exercised any such rights during the period.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

Save as disclosed above and under the section headed "DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES", as at 31 December 2015 the Company had not been notified of any other person having interests representing 5% or more in the Company's issued share capital and recorded in the register maintained under Section 336 of the SFO.

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

During the six months ended 31 December 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Company is committed to adopting the best corporate governance practices and procedures throughout the Group. It strives to enhance transparency and independency of operation through the use of an effective accountability system to enable a healthy and sustainable development of the Company.

The Company has complied with the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules throughout the six months ended 31 December 2015, save in respect of code provisions (i) A.4.2; (ii) A.6.7; and (iii) A.2.1. Details of the deviations are set out in the paragraphs below:

(i) A.4.2

Under code provision A.4.2 of the CG Code, all directors who are appointed to fill casual vacancies are subject to re-election at the first general meeting after their appointments by the Board, and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. The Bye-laws of the Company (the "Bye-laws") deviates from this code provision in the following aspects:

- (a) Under Bye-law 86(2) of the Bye-laws, amongst other things, the directors have the power to appoint any person as a director, either to fill a casual vacancy on the Board, or, subject to authorisation by the shareholders in general meeting, as an addition to the existing Board. Any director so appointed by the Board shall hold office until the next following annual general meeting of the Company.

The reason for retaining this Bye-law is for the purpose of compliance with paragraph 4(2) of Appendix 3 of the Listing Rules. The requirement for directors appointed to fill casual vacancies or as additional members of the Board to retire only at the next annual general meeting, rather than at the next general meeting also allows shareholders to consider re-election of such new directors at the same time as the re-election of the directors who are subject to retirement by rotation, at the same general meeting.

OTHER INFORMATION

CORPORATE GOVERNANCE (continued)

(i) A.4.2 (continued)

- (b) Under Bye-law 87(1) of the Bye-laws, at the annual general meetings of the Company, one third of the directors for the time being (or where the number is not a multiple of three, the number nearest to, but not greater than one third), including the independent non-executive directors, shall retire from office by rotation, provided that the chairman of the Board and/or the managing director of the Company shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of directors to retire in each year. Notwithstanding the provisions of Bye-law 87(1), in practice, the Chairlady of the Board and the Managing Director of the Company, Ms. Wang Jingyu will voluntarily submit herself for re-election by shareholders at the annual general meeting of the Company at least once every three years. Accordingly in practice, all directors of the Company (including the independent non-executive directors), are subject to retirement by rotation at least once every three years. All independent non-executive directors are appointed for a term of three years, and are subject to retirement by rotation in accordance with the Bye-laws.

(ii) A.6.7

Under Code Provision A.6.7 of the CG Code, the independent non-executive directors and other non-executive directors should attend general meeting and develop a balanced understanding of the view of shareholders. However, one of the Independent Non-executive Directors, Mr. Lo Yun Tai was unable to attend the special general meeting ("SGM") held on 21 December 2015 due to his personal commitment whereas the other two Independent Non-executive Directors had attended the SGM.

(iii) A.2.1

Mr. Hung Kin Sang, Raymond took the roles of both Chairman and Managing Director of the Company for the period from 18 December 2014 to 15 July 2015 which was not in compliance with Code Provision A.2.1 of the CG Code which requires the roles of chairman and chief executive to be separate and not performed by the same person. Subsequent to the resignation of Mr. Hung, Ms. Wang Jingyu has been appointed as the Chairlady and the Managing Director of the Company on 15 July 2015 and is not in compliance with the requirement of Code Provision A.2.1 of the CG Code. As such, the Company will continue to identify suitable candidate in order to separate the roles of chairman and managing director of the Company.

The Company has always been committed to good corporate governance principles and practices to safeguard the interests of its shareholders and uphold accountability, transparency and responsibility of the Company.

The Company regularly reviews its corporate governance practices to ensure that the Company continues to meet the requirements of the CG Code.

AUDIT COMMITTEE

The unaudited condensed consolidated financial statements of the Company for the six months 31 December 2015 have been reviewed by the Audit Committee before they are duly approved by the Board under the recommendation of the Audit Committee.

MODEL CODE FOR SECURITIES TRANSACTION BY DIRECTORS

The Company has adopted the Model Code. Having made specific enquiries of all the Directors, all the Directors have confirmed that they had complied with the required standard set out in the Model Code during the six months ended 31 December 2015.