



TC Orient Lighting Holdings Limited

達進東方照明控股有限公司

Incorporated in the Cayman Islands with limited liability

Stock Code: 515

The background is a high-angle photograph of the Great Wall of China. The wall, constructed from grey stone and brick, winds through a dense forest of green trees. In the distance, more mountain peaks are visible under a clear sky. The wall's path leads the eye from the bottom center towards the top right of the frame.

Interim Report
2015

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REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



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INDEPENDENT REVIEW REPORT TO THE BOARD OF DIRECTORS OF TC ORIENT LIGHTING HOLDINGS LIMITED *(incorporated in Cayman Islands with limited liability)*

We have reviewed the interim financial information set out on pages 2 to 21, which comprises the condensed consolidated statement of financial position of TC Orient Lighting Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) at 30 June 2015 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies 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 of the Company 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.

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.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Hon Koon Fai, Alex
Practising Certificate Number P05029

Hong Kong, 23 March 2016

The Board (the "Board") of directors (the "Directors") is pleased to announce the unaudited consolidated interim results of TC Orient Lighting Holdings Limited (the "Company") and its subsidiaries (collectively known as the "Group") for the six months ended 30 June 2015. These interim condensed consolidated financial statements were not audited, but have been reviewed by HLB Hodgson Impey Cheng Limited, the Group's external auditors, and the Audit Committee.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	Notes	For the six months ended 30 June	
		2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Turnover	3	290,349	367,384
Cost of sales		(257,553)	(330,103)
Gross profit		32,796	37,281
Other income		15,260	20,333
Other gains and losses		(2,670)	(27,977)
Selling and distribution expenses		(16,710)	(20,090)
Administrative expenses		(79,792)	(35,153)
Finance costs		(6,780)	(3,508)
Loss before tax		(57,896)	(29,114)
Income tax expense	4	(28)	(411)
Loss for the period	5	(57,924)	(29,525)
Other comprehensive (expense)/income:			
<i>Items that will not be reclassified to profit or loss:</i>			
Gain on revaluation of owner-occupied properties		–	11,557
Deferred tax liabilities arising from revaluation of properties		–	(2,889)
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		(319)	416
Total comprehensive expense for the period		(58,243)	(20,441)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (continued)

For the six months ended 30 June 2015

	Notes	For the six months ended 30 June	
		2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
(Loss)/profit for the period attributable to:			
Owners of the Company		(56,180)	(29,922)
Non-controlling interests		(1,744)	397
		(57,924)	(29,525)
Total comprehensive (expense)/income for the period attributable to:			
Owners of the Company		(56,405)	(20,504)
Non-controlling interests		(1,838)	63
		(58,243)	(20,441)
Loss per share (HK cents)			
— Basic and diluted	7	(10.59)	(6.77)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Notes	30 June 2015 HK\$'000 (unaudited)	31 December 2014 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	8	232,139	245,750
Prepaid lease payments — non-current portion		19,151	19,459
Trade receivables with extended credit terms	9(a)	72,020	77,281
Deposits paid for acquisition of property, plant and equipment		—	600
		323,310	343,090
Current assets			
Inventories		68,993	76,247
Prepaid lease payments — current portion		615	615
Trade and other receivables	9(a)	428,087	426,039
Bills receivable	9(b)	900	5,833
Pledged bank deposits		37,164	105,936
Bank balances, deposits and cash		96,686	167,319
		632,445	781,989
Assets classified as held for sale	10	16,044	16,044
		648,489	798,033
Current liabilities			
Trade and other payables	11(a)	340,808	313,203
Bills payable	11(b)	97,612	117,288
Taxation payable		77,417	78,927
Bank borrowings — due within one year	12	112,975	230,293
Obligations under finance leases — due within one year		383	394
		629,195	740,105
Net current assets		19,294	57,928
Total assets less current liabilities		342,604	401,018

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

As at 30 June 2015

	Notes	30 June 2015 HK\$'000 (unaudited)	31 December 2014 HK\$'000 (audited)
Non-current liabilities			
Obligation under finance leases			
— due after one year		352	523
Deferred taxation		18,816	18,816
		19,168	19,339
Net assets			
		323,436	381,679
Capital and reserves			
Share capital	13	53,074	53,074
Reserves		263,733	320,138
Equity attributable to owners of the Company		316,807	373,212
Non-controlling interests		6,629	8,467
Total equity			
		323,436	381,679

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

	The people's Republic of China										Non-controlling interests	Total equity		
	Share Capital	Share premium	Capital redemption reserve	Treasury share	Property revaluation reserve	Statutory reserve	Special reserve	Share option reserve	Capital contribution reserve	Exchange reserve			Accumulated profits (losses)	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 January 2014 (audited)	44,228	438,042	470	-	82,832	15,003	1,156	12,389	1,993	15,497	(218,909)	392,601	12,877	405,478
Loss for the period	-	-	-	-	-	-	-	-	-	-	(29,922)	(29,922)	397	(29,525)
Exchange differences arising on translation	-	-	-	-	-	-	-	-	-	750	-	750	(334)	416
Surplus on revaluation of properties	-	-	-	-	11,557	-	-	-	-	-	-	-	-	11,557
Deferred tax liabilities arising from revaluation of properties	-	-	-	-	(2,889)	-	-	-	-	-	-	-	-	(2,889)
Total comprehensive income/ (expense) for the period	-	-	-	-	8,668	-	-	-	-	750	(29,922)	(20,504)	63	(20,441)
Transfer	-	-	-	-	-	344	-	-	-	-	(344)	-	-	-
Release upon forfeiture of share options	-	-	-	-	-	-	-	(5,763)	-	-	5,763	-	-	-
Recognition of equity-settled share based payments	-	-	-	-	-	-	-	39	-	-	-	39	-	39
At 30 June 2014 (unaudited)	44,228	438,042	470	-	91,500	15,347	1,156	6,665	1,993	16,247	(243,412)	372,136	12,940	385,076

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)
For the six months ended 30 June 2015

	Share Capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Treasury share HK\$'000	Property revaluation reserve HK\$'000	The people's Republic of China (the "PRC") statutory reserve HK\$'000	Special reserve HK\$'000	Share option reserve HK\$'000	Capital contribution reserve HK\$'000	Exchange reserve HK\$'000	Accumulated profits (losses) HK\$'000	Total equity HK\$'000	Non- controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2015 (audited)	53,074	517,353	470	-	54,532	15,003	1,156	44,033	1,893	15,779	(330,301)	373,212	8,467	381,679
Loss for the period	-	-	-	-	-	-	-	-	-	-	(56,180)	(56,180)	(1,744)	67,924
Exchange differences arising on transition	-	-	-	-	-	-	-	-	-	(225)	-	(225)	(94)	(319)
Total comprehensive expense for the period	-	-	-	-	-	-	-	-	-	(225)	(56,180)	(56,405)	(1,838)	68,243
Release upon forfeiture/ lapse of share options	-	-	-	-	-	-	-	(939)	-	-	939	-	-	-
At 30 June 2015 (unaudited)	53,074	517,353	470	-	54,532	15,003	1,156	43,114	1,893	15,554	(385,542)	316,807	6,629	323,436

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015

	For the six months ended 30 June	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Net cash (outflow)/inflow from operating activities	(15,560)	31,226
Net cash generated from/(used in) investing activities:		
Withdrawal of pledged bank deposits	107,517	34,707
Placement of pledged bank deposits	(38,745)	(121,121)
Purchase of property, plant and equipment	(1,728)	(9,138)
Other investing cash flows	2,482	767
	69,526	(94,785)
Net cash (used in)/generated from financing activities:		
Bank borrowings raised	91,725	354,547
Repayment of bank borrowings	(209,043)	(235,867)
Interest paid	(6,780)	(3,508)
Repayment of obligations under finance leases	(182)	(2,267)
	(124,280)	112,905
Net (decrease)/increase in cash and cash equivalents	(70,314)	49,346
Cash and cash equivalents at 1 January	167,319	108,773
Effect of foreign exchange rate changes	(319)	416
Cash and cash equivalents at 30 June, represented by bank balances, deposits and cash	96,686	158,535

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

1. BASIS OF PREPARATION

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

The interim financial report has been prepared in accordance with same accounting policies adopted in the 2014 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2015 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgement, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The Interim Financial Statements has been prepared under the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values.

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning on 1 January 2015.

Amendments to HKAS19	Defined benefit plans: Employee contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010–2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle

The Company has adopted the amendments to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") issued by the the Stock Exchange relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial period. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

The application of those new and revised HKFRSs in the current interim period has had no material impact on the Interim Financial Statements and/or disclosures set out in these Interim Financial Statements.

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

3. SEGMENT INFORMATION

The following is an analysis of the Group's turnover and results by reportable and operating segments:

	For the six months ended 30 June	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Segment turnover — external sales		
Manufacturing and trading of single-sided printed circuit boards ("PCB") ("Single-sided PCB")	90,978	95,440
Manufacturing and trading of double-sided PCB ("Double-sided PCB")	104,600	144,255
Manufacturing and trading of multi-layered PCB ("Multi-layered PCB")	91,798	102,347
Manufacturing and trading of light emitting diode ("LED") lighting ("LED lighting")	2,973	25,342
Total	290,349	367,384
Segment loss		
Single-sided PCB	(12,293)	(6,544)
Double-sided PCB	(17,379)	(7,154)
Multi-layered PCB	(12,717)	(10,691)
LED lighting	(9,343)	(3,007)
	(51,732)	(27,396)
Other income	2,645	4,407
Central administrative costs	(2,029)	(2,617)
Finance costs	(6,780)	(3,508)
Loss before tax	(57,896)	(29,114)

Segment loss represents the loss incurred by each segment after allocation of selling and administrative staff cost with reference to turnover and without allocation of certain other income, central administrative costs (mainly including audit fee, exchange loss and depreciation of property, plant and equipment for administrative purpose) and finance costs. This is the measure reported to the Group's Chairman, who is the chief operating decision maker, for the purposes of resource allocation and performance assessment.

4. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Current tax:		
PRC Enterprise Income Tax ("EIT")	28	411

No provision for Hong Kong Profits Tax has been made for both periods as the Group had no assessable profit.

The PRC EIT is calculated at 15% to 25% relevant to the PRC subsidiaries where applicable.

5. LOSS FOR THE PERIOD

Loss for the period has been arrived after charging/(crediting) the following items:

	For the six months ended 30 June	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Directors' emoluments	24,072	4,443
Other staff costs	74,759	64,231
Total staff costs	98,831	68,674
Amortisation of prepaid lease payments	308	308
Depreciation of property, plant and equipment	13,818	14,612
Impairment loss/written off recognised in respect of trade receivables	-	6,446
Impairment loss recognised on property, plant and equipment (included in other gains and losses)	-	6,209
Reversal of impairment loss previously recognised on trade receivables	(338)	(259)
Bad debts recovered of trade receivables with extended credit terms	(400)	(271)
Imputed interest income on trade receivables with extended credit terms (included in other income)	(2,980)	(4,156)
Interest income on bank deposits and bank balances (included in other income)	(2,482)	(767)
Sales of scrap materials (included in other income)	(9,498)	(8,942)
Government grants (note)	(58)	(2,828)
Provision for compensation (included in other gains and losses)	-	14,701

Note: Government grants were granted to the Group as subsidies to support the PRC subsidiaries. The government grants had no conditions or contingencies attached to them and they were non-recurring in nature.

6. DIVIDENDS

No dividends were paid, declared or proposed during the interim period (six months ended 30 June 2014: nil).

The Directors of the Company have determined that no dividend will be paid in respect of the interim period.

7. LOSS PER SHARE

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

	For the six months ended	
	30 June	
	2015	2014
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Loss		
Loss for the purposes of basic and diluted loss per share:		
Loss for the period attributable to owners of the Company	(56,180)	(29,922)
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	530,740	442,284

The calculation of the diluted loss per share for the periods ended 30 June 2015 and 2014 did not assume the exercise of the Company's outstanding share options as the exercise of the Company's share options would result in a decrease in loss per share.

8. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

The Group's buildings classified as property, plant and equipment were revalued by Roma Appraisals Limited, an independent qualified professional valuer not connected with the Group. The buildings were revalued at depreciated replacement cost approach.

During the six months ended 30 June 2015, the Group paid HK\$1,728,000 (six months ended 30 June 2014: HK\$9,138,000) on acquisition of property, plant and equipment.

No any impairment loss (six months ended 30 June 2014: HK\$6,209,000) was recognised during the current interim period in respect of obsolete production machinery.

9. TRADE, BILLS AND OTHER RECEIVABLES

(a) Trade and other receivables

	30 June 2015 HK\$'000 (unaudited)	31 December 2014 HK\$'000 (audited)
Trade receivables with normal credit terms	183,869	207,455
Less: Allowance for doubtful debts	(1,503)	(1,841)
	182,366	205,614
Trade receivables with extended credit terms	198,490	216,308
	380,856	421,922
Total trade receivables, net of allowance for doubtful debts	380,856	421,922
Less: Non-current portion of trade receivables with extended credit terms	(72,020)	(77,281)
	308,836	344,641
Current portion of trade receivables	308,836	344,641
Advances to suppliers	2,032	3,002
Value-added tax recoverable	10,382	18,880
Other receivables and prepayments	106,837	59,516
	428,087	426,039
Trade and other receivables shown under current assets	428,087	426,039

9. TRADE, BILLS AND OTHER RECEIVABLES (continued)

(a) Trade and other receivables (continued)

The Group generally allows an average credit period of 30 days to 180 days to its trade on PCB customers with normal credit terms and credit period ranging from one year to ten years to its trade LED lighting customers with extended credit terms which is based on the contractual repayment schedule. The following is an aged analysis of trade receivables with normal credit terms and trade receivables with extended credit terms, net of allowance for doubtful debts, respectively, presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates:

	Extended credit terms		Normal credit terms		Total	
	30 June 2015 HK\$'000 (unaudited)	31 December 2014 HK\$'000 (audited)	30 June 2015 HK\$'000 (unaudited)	31 December 2014 HK\$'000 (audited)	30 June 2015 HK\$'000 (unaudited)	31 December 2014 HK\$'000 (audited)
0-30days	-	-	47,331	58,064	47,331	58,064
31-60 days	-	-	44,600	54,199	44,600	54,199
61-90 days	212	597	38,344	44,024	38,556	44,621
91-180 days	344	1,291	49,581	44,789	49,925	46,080
Over 180 days	197,934	214,420	2,510	4,538	200,444	218,958
	198,490	216,308	182,366	205,614	380,856	421,922

Allowance for doubtful debts are recognised based on the Group's historical experience, aging analysis and internal assessment of the recoverability of the debt. No provision has been made by the Group during the period (six months ended 30 June 2014: Nil) and there was a written off of trade receivables as uncollectible of approximately HK\$7,157,000 as at 30 June 2015 (as at 30 June 2014: HK\$6,446,000). The Group has reversed the impairment loss previously recognised on trade receivables of approximately HK\$338,000 (six months ended 30 June 2014: HK\$259,000). Also, the Group has not written off any allowance of trade receivable as uncollectible in the current period (six months ended 30 June 2014: HK\$11,909,000).

(b) Bills Receivable

The following is an aged analysis of bills receivable based on issue date of the bills at the end of the reporting period:

	30 June 2015 HK\$'000 (unaudited)	31 December 2014 HK\$'000 (audited)
0-30 days	775	5,833
31-60 days	125	-
	900	5,833

10. ASSETS CLASSIFIED AS HELD FOR SALE

In March 2013, TC (BVI) Limited (a wholly-owned subsidiary of the Company), entered into an agreement with an independent third party in which the independent third party would inject not less than RMB20,000,000 as construction costs to acquire 70% equity interest of Best Pursue Holdings Limited and its subsidiaries ("Best Pursue Group"). Best Pursue Group owns a land with carrying value of HK\$16,044,000 which is held under medium lease terms and is situated in the PRC at the end of the reporting period (as at 31 December 2014: HK\$16,044,000). The transaction has not yet been completed at the end of the reporting period and control has not yet been passed to the buyer.

11. TRADE, BILLS AND OTHER PAYABLES

(a) Trade and other payables

The aged analysis of trade payables presented based on the invoice date at the end of the reporting period is as follows:

	30 June 2015 HK\$'000 (unaudited)	31 December 2014 HK\$'000 (audited)
0-30 days	790	40,294
31-60 days	30,304	37,276
61-90 days	29,035	31,834
91-180 days	128,562	53,112
Over 180 days	47,835	45,801
	236,526	208,317
Other payables	72,857	79,860
Accrued salaries and other accrued charges	31,425	25,026
	340,808	313,203

The credit period on purchases of goods ranged from 90 days to 120 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

(b) Bills payable

The aged analysis of bills payable is as follows:

	30 June 2015 HK\$'000 (unaudited)	31 December 2014 HK\$'000 (audited)
0-30 days	-	31,814
31-60 days	-	14,923
61-90 days	6,250	15,806
91-180 days	91,362	54,745
	97,612	117,288

12. BANK BORROWINGS

During the current interim period, the Group obtained new bank loans amounting to HK\$91,725,000 (six months ended 30 June 2014: HK\$354,547,000) which were secured by the assets of the Group as disclosed in note 16. The new loans bear fixed interest at rate from 1.71% to 5.4% per annum, the effective interest rate for fixed interest rate were 3.31% (six months ended 30 June 2014: 1.78% to 6.02%) per annum. The proceeds are used to finance the operations of the Group.

13. SHARE CAPITAL

	Number of shares '000	Share capital HK\$'000
Ordinary shares of HK\$0.1 each		
Authorised:		
At 31 December 2014 and 30 June 2015	2,000,000	200,000
Issued and fully paid:		
At 31 December 2014 and 30 June 2015	530,740	53,074

14. SHARE OPTION SCHEME

The Company's share option scheme was adopted on 5 June 2006 for the purpose of providing incentives to directors, employees, consultants and advisers of the Company or the Group and to promote the success of the business of the Group.

No share options were granted or exercised during both interim periods.

During the current interim period, 1,320,000 (six months ended 30 June 2014: 8,674,000) share options lapsed or were forfeited.

15. CAPITAL COMMITMENTS

At 30 June 2015, the Group has no commitment (as at 31 December 2014: HK\$737,000) in respect of the acquisition of property, plant and equipment contracted for but not provided in the Interim Financial Statements.

16. PLEDGE OF ASSETS

At the end of the reporting period, the following assets were pledged to banks to secure general banking facilities granted to the Group:

	30 June 2015 HK\$'000 (unaudited)	31 December 2014 HK\$'000 (audited)
Buildings	150,769	153,363
Plant and machinery	1,060	1,259
Pledged bank deposits	37,164	105,936
Prepaid lease payments	19,766	20,074
Trade receivables	–	12,875
	208,759	293,507

17. RELATED PARTY DISCLOSURES

Compensation of key management personnel

The remuneration of key management for the Group (representing directors) during the period under review are set out as follows:

	For the six months ended	
	30 June	
	2015	2014
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Short-term benefits	24,013	4,359
Post-employment benefits	59	45
Share-based payments	–	39
	24,072	4,443

Related party transactions

The Group's outstanding balance with related parties are as below:

- (a) At the end of the reporting period, included in the Group's other receivables is an amount of HK\$3,888,000 licensing income receivable (as at 31 December 2014: HK\$3,888,000) from Orient Opto-Semiconductors Corp. ("Dongfang"), a non-controlling interest of a PRC subsidiary of the Company and controlled by Mr. Zhu Jianqin, who is a Director of the Company. Amounts are unsecured, interest-free and repayable on demand.
- (b) During the year 2014, the Group has entered into a construction contracts with 深圳市世紀安耐光電科技有限公司("世紀安耐") of approximately HK\$28,111,000 included in the Group's other receivables as at 30 June 2015 (as at 31 December 2014: HK\$28,111,000). Mr. Chen Jing was a substantial shareholder of Company and was a director of the Company and resigned on 5 June 2015 and is a director of 世紀安耐.
- (c) As at 30 June 2015, the Group's other receivables included an amount of approximately HK\$967,000 (as at 31 December 2014: HK\$506,000) due from 江蘇金來順光電科技有限公司("江蘇金來順"). Mr. Chen Jing, was a substantial shareholder of Company and was a director of the Company and resigned on 5 June 2015 and was a general manager of 江蘇金來順.
- (d) During the interim period, TC Orient Lighting (Shenzhen) Limited (the "TC Shenzhen"), a subsidiary of the Company entered into a loan agreement (the "Loan") with Mr. Chen. The loan amount of approximately RMB3,000,000 (HK\$3,750,000) (as at 31 December 2014: Nil) was included in other receivables and related interest receivable amount of approximately HK\$100,000 (as at 31 December 2014: Nil) as at 30 June 2015. Mr. Chen Jing was a substantial shareholder of the Company and was a Director of the Company and resigned on 5 June 2015.
- (e) During the year ended 2014, the Company entered into a supply contract with Shenzhen Tronsin Illuminating Technique Ltd ("Tronsin") for the sum of approximately HK\$1,600,000 (as at 31 December 2014: Nil) and paid during the interim period, included in the other receivable as at 30 June 2015. Mr. Chen Jing was a substantial shareholder of the Company and Tronsin and was a Director of the Company and resigned on 5 June 2015.

18. LITIGATION

- (a) In June 2014, Tat Chun Printed Circuit Board Company Limited (“HKTC”), a subsidiary of the Company, received an order from Zhejiang Province Jiaxing Intermediate People’s Court ordering HKTC to comply with an arbitral award in the PRC which requires HKTC to make a payment to a customer in the amount of approximately HK\$14,701,000 in respect of certain alleged breach of contract.

In view of the possible cash outflow arising from such proceedings, the full amount of the compensation was provided for and recognised as other gains and losses in the consolidated financial statements for the years ended 31 December 2014. HKTC paid the compensation to the customer in full in June 2015.

- (b) On 9 December 2014, TC Orient (Jiangsu) Optoelectronic Company Limited (達進東方(江蘇)光電有限公司) (“TC Orient (JS)”), a subsidiary of the Company, received a writ issued by 連雲港市連溧棧基工程有限公司中雲分公司 (the “Plaintiff”) against TC Orient (JS) and filed with Lianyungang City Lianyung District People’s Court together with the related court summons, whereby the Plaintiff alleged that TC Orient (JS) shall make a payment of RMB1,331,000 (approximately HK\$1,662,000) under certain alleged settlement agreement.

In view of the possible cash outflow arising from such proceedings, the full amount of the claim was provided for and recognised as other gains and losses in the consolidated financial statements for the year ended 31 December 2014. In July 2015, Lianyungang City Lianyung District People’s Court made an order requiring TC Orient (JS) to make full payment under the claim.

(c) PRC court orders

On 23 April 2015, Zhongshan Tat Chun Printed Circuit Board Company Limited (中山市達進電子有限公司), a wholly-owned subsidiary of the Company (“Zhongshan Tat Chun”) received court orders (the “PRC Court Orders”) issued on 17 April 2015 by the court of Bao An District, Shenzhen City, Guangdong Province, the PRC (the “Bao An Court”). Pursuant to the PRC Court Orders, upon the application made by Huang Shuidi (黃水第) (“Ms. Huang”), Bao An Court granted a pre-trial injunction to restraint (i) Mr. Chen Jing; (ii) Shenzhen Optoelectronic Industry Holdings Group Company Limited (深圳光電產業控股集團有限公司) (a company whose president is Mr. Chen since 2012) (“Shenzhen Optoelectronic”); (iii) Zhongshan Tat Chun; and (iv) Shenzhen City Jin Lai Shun Group Company Limited (深圳市金來順集團有限公司) (a company whose chief executive officer was Mr. Chen from 2007 to 2013) (“Jin Lai Shun”) from disposing of their assets in the total amount of RMB12,340,000.

According to the PRC Court Orders, the pre-trial injunction was granted in relation to the dispute over the loan transactions between Ms. Huang, Shenzhen Optoelectronic, Mr. Chen, Zhongshan Tat Chun and Jin Lai Shun.

Further details relating to the PRC Court Orders are more particularly set out in the Company’s announcement dated 30 April 2015.

18. LITIGATION *(continued)***(d) The demand letter and the purported guarantees and indemnity**

On 27 April 2015, Tat Chun PCB International Company Limited (a wholly-owned subsidiary of the Company) ("Tat Chun PCB") received a demand letter dated 21 April 2015 (the "Demand Letter") from a solicitors firm acting on behalf of the Huang Guihua, Wu Qian Hong and Ms. Huang (the "Lenders"), alleging that:

1. Zhongshan Tat Chun had purportedly provided seven guarantees (the "Guarantees") for securing the repayment of the loans granted by the Lenders to Mr. Chen and Shenzhen Optoelectronic in the total principal amount of RMB\$31,000,000.00 (the "Guaranteed Principal") and accrued interests RMB8,048,000;
2. Tat Chun PCB and the Company purportedly executed an indemnity dated 11 April 2015 in favour of the Lenders and Mr. Chen Gui Yang (陳貴陽) (the "Indemnity"), pursuant to which Tat Chun PCB and the Company purportedly covenanted to pay to the Lenders and Mr. Chen Gui Yang (陳貴陽) the moneys owed to them by Mr. Chen and Shenzhen Optoelectronic in the total sum of RMB77,720,000.00 which consisted of the aggregate principal amount of RMB60,700,000.00 and interest in the aggregate amount of RMB17,020,000.00, such sums included the Guaranteed Principal.

In the Demand Letter, the law firm acting on behalf of the Lenders demanded Tat Chun PCB to pay to the Lender the sum of RMB39,048,000.00, within 21 days from the date of the Demand Letter. Further details relating to the Demand Letter, the Guarantees and the Indemnity are more particularly set out in the Company's announcement dated 30 April 2015.

(e) First petition and second petition

On 13 May 2015, Tat Chun PCB received a petition for commencing the legal proceedings for its winding up in the High Court of Hong Kong issued by the Lenders (the "First Petition"). Further details relating to the First Petition are more particularly set out in the Company's announcement dated 15 May 2015.

The Company as also notified that a second petition dated 13 May 2015 was filed with the High Court of Hong Kong against the Company for its winding up (the "Second Petition"). The Second Petition is, again, based on the allegations along the lines of the Demand Letter and the First Petition. Further details relating to the Second Petition are more particularly set out in the Company's announcement dated 9 July 2015.

19. EVENTS AFTER THE END OF THE REPORTING PERIOD**(a) Dismissal of the PRC court order**

Upon the application of Ms. Huang and other plaintiffs, Bao An Court granted orders on 13 August 2015 (the "Withdrawal Orders") ordering the withdrawal of the PRC Court Orders and all related pre-trial asset-preserving injunctions and legal proceedings involving Zhongshan Tat Chun, Tat Chun PCB and the Company. According to the Withdrawal Orders, Ms. Huang and other plaintiffs have reached a settlement agreement with the defendants (other than Zhongshan Tat Chun and Tat Chun PCB) and therefore wished to petition to the Bao An Court for withdrawing all proceedings and injunctions against Zhongshan Tat Chun and Tat Chun PCB.

Further details relating to the dismissal of the PRC Court Orders are more particularly set out in the Company's announcement dated 18 August 2015.

(b) Dismissal of the first petition and second petition

Upon the application for consent summons by the petitioners and the Company, the High Court of Hong Kong ordered at a hearing on 31 August 2015 that the First Petition and the Second Petition be dismissed.

Further details relating to the dismissal of the First Petition and the Second Petition are more particularly set out in the Company's announcement dated 31 August 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the period under review, the Group is principally engaged in manufacturing and trading of broad range of LED lighting and PCBs including single-sided PCBs, double-sided PCBs and multi-layered PCBs (for up to 12 layers). The breakdown of turnover based on products is summarised as follows:

	For the six months ended 30 June					
	2015		2014		Increase/ (decrease)	Change in
	HK\$'000	%	HK\$'000	%		
LED lighting	2,973	1.0	25,342	6.9	(22,369)	(88.3)
Single-sided PCB	90,978	31.3	95,440	26.0	(4,462)	(4.7)
Double-sided PCB	104,600	36.0	144,255	39.3	(39,655)	(27.5)
Multi-layered PCB	91,798	31.7	102,347	27.8	(10,549)	(10.3)
Total	290,349	100.0	367,384	100.0	(77,035)	(21.0)

Revenue from LED lighting business for the six months ended 30 June 2015 decreased by 88.3% as compared to the corresponding period of last year. The decline is mainly due to the external environmental factor, the change in the major shareholder of the Group, the high turnover of the staff, and the fact that fewer projects were commenced by the Group after balancing the risk and return and considering the effect on the liquidity of the business.

The three categories of PCB products are mainly applied in consumer electronics, computers and computer peripherals, and communications equipment. During the period, single and double-sided PCB's used for consumer electronics accounted for approximately 67.3% of the Group's turnover. High-end multi-layered PCBs was also a core product of the Group, accounting for 31.7% of turnover.

The Group's turnover by geographical regions is summarised as follows:

	For the six months ended 30 June					
	2015		2014		Increase/ (decrease) HK\$'000	Change in %
	HK\$'000	%	HK\$'000	%		
Hong Kong	68,908	23.7	88,565	24.1	(19,657)	(22.2)
The PRC	134,082	46.2	145,313	39.6	(11,231)	(7.7)
Asia (Excluding Hong Kong and the PRC)	42,171	14.5	34,380	9.4	7,791	22.7
Europe	32,409	11.2	87,971	23.9	(55,562)	(63.2)
Others	12,779	4.4	11,155	3.0	1,624	14.6
Total	290,349	100.0	367,384	100.0	(77,035)	(21.0)

During the period under review, revenue from Asia (excluding Hong Kong and the PRC) and others increased significantly, principally due to orders placed by new customers from markets such as Korea and Australia. Revenue from Europe also largely decreased, as there were fewer customer orders from this area. On the other hand, revenue from Mainland China decreased, mainly due to the above-mentioned drop in revenue from LED lighting business.

FINANCIAL REVIEW

For the period under review, the Group's turnover amounted to approximately HK\$290.3 million, representing a decrease of 21.0% as compared to approximately HK\$367.4 million for the corresponding period last year. The turnover of LED lighting has decreased by 88.3% when compared with the same period in 2014. The gross profit margin for the six months ended 30 June 2015 was 11.3%. The gross profit/(loss) margins for LED lighting and PCBs were (6.3%) and 11.5% respectively.

The turnover and gross profit/(loss) margin for both LED lighting and PCB business decreased, mainly attributable to (i) strong competition in LED lighting sector; (ii) more severe competition in PCB industry; and (iii) reduction in average selling price of PCB.

Loss attributable to shareholders was approximately HK\$56.2 million (2014: HK\$29.9 million).

LIQUIDITY AND CAPITAL RESOURCES

As at 30 June 2015, the Group had total assets of approximately HK\$971.8 million (31 December 2014: HK\$1,141.1 million) and interest-bearing borrowings of approximately HK\$113.7 million (31 December 2014: HK\$231.2 million), representing a gearing ratio (defined as interest-bearing borrowings over total assets) of approximately 11.7% (31 December 2013: 20.3%).

The Group had net current assets of approximately HK\$19.3 million (31 December 2014: net current assets of HK\$57.9 million) consisted of current assets of approximately HK\$648.5 million (31 December 2014: HK\$798.0 million) and current liabilities of approximately HK\$629.2 million (31 December 2014: HK\$740.1 million), representing a current ratio of approximately 1.03 (31 December 2014: 1.08).

As at 30 June 2015, the Group had cash and bank balances (including pledged bank deposits) of approximately HK\$133.9 million (31 December 2014: HK\$273.3 million). As at 30 June 2015, the Group had bank balances, deposit and cash of approximately HK\$96.7 million (31 December 2014: HK\$167.3 million).

FOREIGN CURRENCY EXPOSURE

The Group operates in Hong Kong and the PRC with most of the transactions denominated and settled in Hong Kong dollars ("HK\$") and Renminbi ("RMB"). However, foreign currencies, mainly United States Dollars ("US\$") is required to settle the Group's expenses and additions on property, plant and equipment. There are also sales transactions denominated in US\$ and RMB. The Group will consider using forward contracts to hedge its foreign currency exposure if it considers the risk to be significant.

DIVIDENDS

The Board has resolved not to recommend the payment of an interim dividend for the six months ended 30 June 2015 (30 June 2014: Nil).

OUTLOOK

1. GROUP STRATEGIC MOVE AND PROSPECTS IN LED SEGMENT

A. *Enhancement of existing technology and production base*

The Group understands that the potentials of the LED segment have not been fully explored. Based on our current technology platform and accumulated experience, and to further strengthen our market share in the street light market, the Group has formulated the following strategies going forward:

(i) Selling of street light modules to partners other than first tier cities

The Group will continue to focus our effort in pursuing large street light projects in first tier cities as these projects require an established brand, quality product and control experience of extensive project profile.

Gauged on our technology and procurement strengths, establishing partnership with other street light service providers other than first tier cities will be the focus of our marketing effort. Other than further utilising our technology and production capacity, this move is hoped to improve our market share in Mainland China and also our cash flow in the coming years though the margin per project is expected to reduce.

On balance, the Group believes that this strategy will strengthen the Group in the LED street light sector and increase overall profitability level in the long run.

(ii) Extension to the overseas market of street light

Thanks to our extensive project experience, quality of our products and the product profiles in Mainland China, the Group has been approached by various overseas buyers to request the supply of street light overseas. This request has inspired the Group to consider the overseas market in the coming financial year. This strategic change will further utilise our existing technology and production platform.

Accordingly, the Group expects to expand the overseas division by recruiting more professionals or cooperating with other companies in order to vigorously explore the overseas market potentials.

Certainly, more research and development will be conducted on advanced street light application including wireless control system of the smart street light, which the Group has started to apply in Mainland China projects.

- (iii) New product range: High-watt-flood-light for signage lighting

A well-known issue for the advertising industry is that the signage lighting has consumed a lot of power for the signboard or the billboard. As the Group has extensive experience in lighting design in utilizing special lens, high wattage driver, high power LED chips and heat sink (“Special Lighting Design”, or SLD), the Group believe this market potential is great and will focus to develop a series of products which will match the special requirements of the advertising industry normally utilising the lights with a range between 100 watts to more than 1,000 watts.

B. Extension of our technology to Special Lighting Design

As explained above, the Group has specialised experience in SLD. The potential of applying our existing researches is also vital to the Group’s development in the LED lighting sectors. As a result, the Group has continued to research the applications which could utilise our existing technology to further develop our product range.

The Group believes that the special LED sector is expected to grow in demand in future and has a lot of potentials. The Group may also consider developing in the plant factory system and industry if opportunity comes. The Group is identifying suitable partners in this sector with the view to entering this industry as early as possible.

C. Extension of product profile

As the LED technology has become more stable, the demand of products for small-wattage products (1 watt to 48 watts) becomes more popular. The demand for these products are significant for both Mainland China and overseas market.

The Group plans to specialise in certain product range in order to tap the market trend in the future. The Group intends to focus on either special products or high volumes product in order to fully utilise the branding effect and production capacity.

D. Conclusion

The Company expects the LED lighting industry to continue to grow for industrial and commercial applications.

The Group hopes to seize this opportunity by combining the current and new technology and resources to improve its industry position. The Group will continue its efforts in future with the view to improving our performance in the LED lighting sector.

2. GROUP STRATEGIC MOVE AND PROSPECTS IN PCB SEGMENT

A. *Adjustment to product mix*

For single-sided PCBs, we intend to shift to metal base materials for high-end LED and backlight power supply. The Company is hoping for an improvement of PCB sales in view of the major international customers secured in 2015.

For multi-layered PCBs, we intend to develop in the motor vehicle market. The Company is trying to secure orders from leading automotive electrical appliance assembly companies in the world.

We also intend to strengthen our cooperation with top domestic PCB manufacturers to support our research and development and marketing of high-end 4G communications products.

B. *Measures to be taken in order to increase sales*

We target to expand our sales team and recruit talents, in particular building our teams for overseas markets such as Europe and U.S. to capture any opportunities.

We target to expand our OEM division, and will share market and profit with suitable OEM manufacturers while securing long-term customers.

We target to improve our production quality and optimise management through assessment of performance.

HUMAN RESOURCES

As at 30 June 2015, the Group employed a total of approximately 1,906 employees (31 December 2014: 2,068), including approximately 1,830 employees in its Zhongshan production site, 55 employees in its PRC LED business units and approximately 21 employees in its Hong Kong office.

The Group's remuneration policy is reviewed regularly, with reference to the legal framework, market conditions and the performance of the Group and individual staff. The remuneration policy and remuneration packages of the executive directors and members of the senior management are also reviewed by the remuneration committee. The Group may grant share options and discretionary bonuses to eligible employees based on the performance of the Group and individuals. Under the Group's remuneration policy, employees are rewarded in line with the market rate in compliance with statutory requirements of all jurisdictions where it operates. The Group intends to hold regular training programmes and encourages staffs to attend training courses and seminars that are related directly or indirectly to the Group's business.

CHARGE OF ASSETS

Details of the charge of assets are set out in note 16 to the financial statements.

LITIGATIONS

- (a) In June 2014, Tat Chun Printed Circuit Board Company Limited (“**HKTC**”), a subsidiary of the Company, received an order from Zhejiang Province Jiaying Intermediate People’s Court ordering HKTC to comply with an arbitral award in the PRC which requires HKTC to make a payment to a customer in the amount of approximately HK\$14,701,000 in respect of certain alleged breach of contract.

In view of the possible cash outflow arising from such proceedings, the full amount of the compensation was provided for and recognised as other gains and losses in the consolidated financial statements for the years ended 31 December 2014. HKTC paid the compensation to the customer in full in June 2015.

- (b) On 9 December 2014, TC Orient (Jiangsu) Optoelectronic Company Limited (達進東方(江蘇)光電有限公司) (“**TC Orient (JS)**”), a subsidiary of the Company, received a writ issued by 連雲港市連溧樁基工程有限公司中雲分公司 (the “**Plaintiff**”) against TC Orient (JS) and filed with Lianyungang City Lianyung District People’s Court together with the related court summons, whereby the Plaintiff alleged that TC Orient (JS) shall make a payment of RMB1,331,000 (approximately HK\$1,662,000) under certain alleged settlement agreement.

In view of the possible cash outflow arising from such proceedings, the full amount of the claim was provided for and recognised as other gains and losses in the consolidated financial statements for the year ended 31 December 2014. In July 2015, Lianyungang City Lianyung District People’s Court made an order requiring TC Orient (JS) to make full payment under the claim.

(c) PRC Court Orders

On 23 April 2015, Zhongshan Tat Chun Printed Circuit Board Company Limited (中山市達進電子有限公司), a wholly owned subsidiary of the Company (“**Zhongshan Tat Chun**”) received court orders (the “**PRC Court Orders**”) issued on 17 April 2015 by the court of Bao An District, Shenzhen City, Guangdong Province, the PRC (the “**Bao An Court**”). Pursuant to the PRC Court Orders, upon the application made by Huang Shuidi (黃水第) (“**Ms. Huang**”), Bao An Court granted a pre-trial injunction to restraint (i) Mr. Chen Jing; (ii) Shenzhen Optoelectronic Industry Holdings Group Company Limited (深圳光電產業控股集團有限公司) (a company whose president is Mr. Chen since 2012) (“**Shenzhen Optoelectronic**”); (iii) Zhongshan Tat Chun; and (iv) Shenzhen City Jin Lai Shun Group Company Limited (深圳市金來順集團有限公司) (a company whose chief executive officer was Mr. Chen from 2007 to 2013) (“**Jin Lai Shun**”) from disposing of their assets in the total amount of RMB12,340,000.

According to the PRC Court Orders, the pre-trial injunction was granted in relation to the dispute over the loan transactions between Ms. Huang, Shenzhen Optoelectronic, Mr. Chen, Zhongshan Tat Chun and Jin Lai Shun.

Further details relating to the PRC Court Orders are more particularly set out in the Company’s announcement dated 30 April 2015.

(d) The Demand Letter and the Purported Guarantees and Indemnity

On 27 April 2015, Tat Chun PCB International Company Limited (a wholly-owned subsidiary of the Company) (“**Tat Chun PCB**”) received a demand letter dated 21 April 2015 (the “**Demand Letter**”) from a solicitors firm acting on behalf of the Huang Guihua, Wu Qian Hong and Ms. Huang (the “**Lenders**”), alleging that:

1. Zhongshan Tat Chun had purportedly provided seven guarantees (the “**Guarantees**”) for securing the repayment of the loans granted by the Lenders to Mr. Chen and Shenzhen Optoelectronic in the total principal amount of RMB\$31,000,000.00 (the “**Guaranteed Principal**”) and accrued interests RMB8,048,000;
2. Tat Chun PCB and the Company purportedly executed an indemnity dated 11 April 2015 in favour of the Lenders and Mr. Chen Gui Yang (陳貴陽) (the “**Indemnity**”), pursuant to which Tat Chun PCB and the Company purportedly covenanted to pay to the Lenders and Mr. Chen Gui Yang (陳貴陽) the moneys owed to them by Mr. Chen and Shenzhen Optoelectronic in the total sum of RMB77,720,000.00 which consisted of the aggregate principal amount of RMB60,700,000.00 and interest in the aggregate amount of RMB17,020,000.00, such sums included the Guaranteed Principal.

In the Demand Letter, the law firm acting on behalf of the Lenders demanded Tat Chun PCB to pay to the Lender the sum of RMB39,048,000.00, within 21 days from the date of the Demand Letter. Further details relating to the Demand Letter, the Guarantees and the Indemnity are more particularly set out in the Company’s announcement dated 30 April 2015.

(e) **First Petition and Second Petition**

On 13 May 2015, Tat Chun PCB received a petition for commencing the legal proceedings for its winding up in the High Court of Hong Kong issued by the Lenders (the “**First Petition**”). Further details relating to the First Petition are more particularly set out in the Company’s announcement dated 15 May 2015.

The Company as also notified that a second petition dated 13 May 2015 was filed with the High Court of Hong Kong against the Company for its winding up (the “**Second Petition**”). The Second Petition is, again, based on the allegations along the lines of the Demand Letter and the First Petition. Further details relating to the Second Petition are more particularly set out in the Company’s announcement dated 9 July 2015.

(f) **Dismissal of the PRC Court Order**

Upon the application of Ms. Huang and other plaintiffs, Bao An Court granted orders on 13 August 2015 (the “**Withdrawal Orders**”) ordering the withdrawal of the PRC Court Orders and all related pre-trial asset-preserving injunctions and legal proceedings involving Zhongshan Tat Chun, Tat Chun PCB and the Company. According to the Withdrawal Orders, Ms. Huang and other plaintiffs have reached a settlement agreement with the defendants (other than Zhongshan Tat Chun and Tat Chun PCB) and therefore wished to petition to the Bao An Court for withdrawing all proceedings and injunctions against Zhongshan Tat Chun and Tat Chun PCB.

Further details relating to the dismissal of the PRC Court Orders are more particularly set out in the Company’s announcement dated 18 August 2015.

(g) **Dismissal of the First Petition and Second Petition**

Upon the application for consent summons by the petitioners and the Company, the High Court of Hong Kong ordered at a hearing on 31 August 2015 that the First Petition and the Second Petition be dismissed.

Further details relating to the dismissal of the First Petition and the Second Petition are more particularly set out in to the Company’s announcement dated 31 August 2015.

OTHER INFORMATION

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2015, the interests or short positions of the directors and chief executives and their associates in the shares, underlying shares and debenture of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (“SFO”), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”), were as follows:

Interest in shares:

Names of Directors	Capacity	Number of Shares held (long position)	Percentage of issued share capital
Wang Shi Jin (Note 1)	Other	128,262,303	24.17%
Zhu Jianqin	Beneficial Owner	3,801,803	0.72%

Note 1: Based on the information provided by Mr. Wang Shi Jin, on 20 May 2015, he obtained a stop notice from the High Court of Hong Kong (HCSN 5 of 2015) to stop the transfer of 128,262,303 shares of and in the Company (the “**Restrained Shares**”), those Restrained Shares being registered in the name of Propitious Group Limited.

Interests in underlying shares pursuant to share options:

Names of Directors	Capacity	Date of grant	Exercise price per share HK\$	Number of share options granted
Shi Qiu Yu	Beneficial owner	22 October 2014	1.25	4,422,838
Zhu Jianqin	Beneficial owner	29 September 2009	1.07	600,000
	Beneficial owner	2 September 2011	2.11	2,300,000
	Beneficial owner	22 October 2014	1.25	1,300,000
Chen Zheng Xue	Beneficial owner	22 October 2014	1.25	440,000

Other than disclosed above, none of the directors and chief executives nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 30 June 2015.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2015, the following person (other than a director or chief executive of the Company) had an interest or short position in the shares and underlying shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Interest in shares:

Name of Shareholders	Capacity	Number of shares held (long position)	Percentage of issued share capital
Propitious Group Limited (Note 1)	Beneficial Owner	128,262,303	24.17%
Chen Jing (Notes 1, 2)	Beneficial owner and interest in controlled corporation	132,162,303	24.90%
Fang Hailing	Security interest in shares	128,262,303	24.17%

Note 1: Based on the disclosure of interest ("DI") filing made by the relevant person, Propitious Group Limited is a company 100% owned by Mr. Chen Jing.

Note 2: Based on the DI filing made by the relevant person, Mr. Chen Jing is interested in 132,162,303 shares, comprising (a) 128,262,303 shares held by his controlled corporation, Propitious Group Limited; and (b) 3,900,000 share options held by him personally. Mr. Chen Jing was an ex-director and the ex-Chairman of the Company who resigned on 5 June 2015. According to the terms of the Company's employee share option scheme adopted on 5 June 2006, the 3,900,000 share options held by Mr. Chen Jing should have lapsed on 5 September 2015.

Other than disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 30 June 2015.

SHARE OPTION SCHEME

On 5 June 2006, a share option scheme (the “**Share Option Scheme**”) was adopted. The purposes of the Share Option Scheme are to attract and retain best available personnel to provide additional incentive to employees, directors, consultants, and advisers of the Company or the Group and to promote the success of the business of the Group. The directors of the Company may, at their discretion, offer any employee (whether full-time or part-time), director, consultant or adviser of the Company or the Group options to subscribe for new shares at a price and terms set out in the Share Option Scheme.

The maximum number of shares in respect of which options may be granted under the Share Option Scheme when aggregated with the maximum number of shares in respect of which options may be granted under any other scheme involving the issue or grant of options over shares or other securities by the Group shall not exceed 10% of the issued share capital on 22 June 2006 (such 10% limit representing 24,000,000 shares). On 31 May 2013, a resolution was passed on the AGM for the approval of refreshing the 10% mandate under the Share Option Scheme (the “**Refreshed Scheme Mandate**”) provided that the total number of shares of the Company which may be allotted and issued upon the exercise of all options to be granted under the Share Option Scheme under the limit as refreshed hereby shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at 31 May 2013 (options previously granted under the Share Option Scheme shall not be counted for the purpose of calculating the Refreshed Scheme Mandate).

No option may be granted to any one person such that the total number of shares issued and to be issued upon the exercise of options granted to that person in any 12-month period up to the date of the latest grant exceeds 1% of the issued share capital from time to time, unless the approval of the shareholders is obtained. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company’s share capital or with a value in excess of HK\$5,000,000 must be approved in advance by the Company’s shareholders.

The amount payable on acceptance of the grant of options is HK\$1. The exercise price is determined by the board of directors, and will not be less than the highest of (i) the closing price of the Company’s shares on the date of grant; (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company’s shares.

Details of movements in the share options of the Company are as follows:

Grantee	Date of grant	Exercise price per share HK\$	Outstanding	Granted during the period '000	Reclassification '000	Exercised during the period '000	Lapsed/ Forfeited during the period '000	Outstanding	Exercisable period
			at 1 January 2015 '000					at 30 June 2015 '000	
Directors:									
Yeung Hoi Shan	22 October 2014	1.25	3,900	-	(3,900)	-	-	-	(Note 4)
Zhu Jianqin	29 September 2009	1.07	600	-	-	-	-	600	(Note 1)
	2 September 2011	2.11	2,300	-	-	-	-	2,300	(Note 3)
	22 October 2014	1.25	1,300	-	-	-	-	1,300	(Note 4)
Chen Jing	22 October 2014	1.25	3,900	-	-	-	-	3,900	(Note 4)
Li Jianchao	22 October 2014	1.25	4,423	-	-	-	-	4,423	(Note 4)
Shi Qiu Yu	22 October 2014	1.25	4,423	-	-	-	-	4,423	(Note 4)
Leung Wah	22 October 2014	1.25	440	-	-	-	-	440	(Note 4)
Lai Sze Ngot	22 October 2014	1.25	440	-	-	-	-	440	(Note 4)
Chen Zheng Xue	22 October 2014	1.25	440	-	-	-	-	440	(Note 4)
Subtotal			22,166	-	(3,900)	-	-	18,266	
Consultant									
	29 September 2009	1.07	600	-	-	-	-	600	(Note 1)
	29 November 2010	3.39	1,300	-	-	-	-	1,300	(Note 2)
	22 October 2014	1.25	8,261	-	3,900	-	(1,320)	10,841	(Note 4)
			10,161	-	3,900	-	(1,320)	12,741	
Employee									
	02 September 2011	2.11	2,000	-	-	-	-	2,000	(Note 3)
	22 October 2014	1.25	16,483	-	-	-	-	16,483	(Note 4)
			18,483	-	-	-	-	18,483	
Total			50,810	-	-	-	(1,320)	49,490	

Note 1: Options are exercisable subject to (i) up to 30% of the options are exercisable on or after the date of grant; (ii) up to 60% of the options are exercisable a year on or after the date of grant; and (iii) all the remaining options are exercisable two years on or after the date of grant. The options will be expired in the 5th year after the date of grant.

Note 2: Options are exercisable subject to (i) up to 30% of the options are exercisable on or after the date of grant; (ii) up to 60% of the options are exercisable a year on or after the date of grant; and (iii) all the remaining options are exercisable two years on or after the date of grant. The options will be expired in the 10th year after the date of grant.

Note 3: Options are exercisable subject to (i) up to 25% of the options are exercisable on or after 2 March 2012; (ii) up to 50% of the options are exercisable on or after 2 March 2013; (iii) up to 75% of the options are exercisable on or after 2 March 2014; and (iv) all the remaining options are exercisable on or after 2 March 2015. The options will be expired in the 10th year after the date of grant.

Note 4: Options are exercisable on or after 22 October 2014. The options will be expired in the 10th year after the date of grant.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Other than the Company's share option scheme 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 of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Other than as disclosed in note 17 to the consolidated financial statements, no contracts of significance, to which the Company or its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted for the period ended 30 June 2015 or at any time during the period.

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

During the six months ended 30 June 2015, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of its own listed securities.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE PRACTICES

The Company and the Directors confirm, to the best of their knowledge, that the Company complied with the code provisions set out in the Corporate Governance Code (the "**CG Code**") as stated in Appendix 14 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") during the six months from 1 January 2015 to 30 June 2015, except the deviation disclosed in the following paragraph:

- (i) With respect to Code Provision A.1.5, minutes of board meetings and meetings of board committees should record in sufficient detail the matters considered and decisions reached, including any concerns raised by directors or dissenting views expressed. We note that the minutes of some of the board meetings in the six months ended 30 June 2015 failed to record in sufficient detail the matters considered, the reasons for making the decisions and any dissenting views. Upon the revelation of such deviations, the Board spoke with the relevant directors who attended the relevant meetings and recorded the matters, reasoning and dissenting views discussed at those meetings by way of supplemental attendance notes or memoranda. The Board has also set up policies to ensure that all future minutes shall record in sufficient detail the matters considered and decisions reached. After the adoption of such remedial measures, the Company regards that it has now complied with Code Provision A.1.5.

- (ii) With respect to Code Provision A.2.1, the roles of Chairman and chief executive officer ("**CEO**") should be separated and not be performed by the same individual. On 1 September 2014, Mr. Li Jianchao was appointed as an executive director and the CEO of the Company. Upon the resignation of Mr. Li on 5 June 2015, Mr. Zeng Xiang Di was appointed Deputy CEO of the Company. Upon the resignation of Mr. Zeng on 16 November 2015, Mr. Wang Shi Jin was appointed the CEO of the Company. Currently, the Company regards that it has complied with Code Provision A.2.1.

- (iii) With respect to Code Provision A.2.5, the chairman should take primary responsibility for ensuring that good corporate governance practices and procedures are established. With respect to Code Provision A.2.6, the chairman should encourage (a) all directors to make a full and active contribution to the board's affairs and take the lead to ensure that it acts in the best interests of the issuer; and (b) directors with different views to voice their concerns, allow sufficient time for discussion of issues and ensure that board decisions fairly reflect board consensus. We note that the Company has not maintained written records of its internal control and corporate governance practices for certain time during the six months ended 30 June 2015. As disclosed in the Company's announcements dated 31 August 2015, 6 November 2015 and 6 January 2016, the Company engaged RSM Nelson Wheeler Consulting Limited ("**RSM**") as our internal control consultant to draw up the Group's internal control and corporate governance policies. After the adoption of a new set of internal control procedures (the "**New IC Procedures**") on 5 November 2015, the Company regards that it has now complied with Code Provisions A.2.5 and A.2.6.

- (iv) With respect to Code Provision A.4.1, non-executive Directors should be appointed for a specific term, subject to re-election. When Ms. Shi Qiu Yu was appointed as a non-executive Director on 16 October 2014, she has not been appointed for any fixed term but was subject to retirement by rotation and re-election at the annual general meeting (the "**AGM**") of the Company in accordance with the articles of association of the Company (the "**Articles**"). Upon the revelation of such deviations, the Company has set up policies to ensure that all directors should be appointed for specific term in future. After the adoption of the new policies, the Company regards that it has now complied with Code Provision A.4.1.

- (v) With respect to Code Provision A.6.1, every new appointed Director of the Company should receive a comprehensive, formal and tailored induction on appointment and should subsequently receive briefing and professional development necessary to ensure that he has a proper understanding of the issuer's operations and business and is fully aware of his responsibilities under statute and common law, the Listing Rules, legal and other regulatory requirements and the issuer's business and governance policies. With respect to Code Provision A.6.5, all Directors should participate in continuous professional development to develop and refresh their knowledge and skill, and Directors should provide a record of the training they received to the issuer. We note that certain Directors might not have received formal induction and training and/or might not have maintained written records of their training as required under the CG Code during the six months ended 30 June 2015. On 16 November 2015, the Company has arranged for directors' training on common law directors' duties, the Listing Rules, Hong Kong Code on Takeovers and Mergers (the "**Takeovers Code**") and the Securities and Futures Ordinance (the "**SFO**"). In addition, the Company has set up policies to ensure that regular training will be provided to directors in future. After the adoption of the remedial measures, the Company regards that it has complied with Code Provisions A.6.1 and A.6.5.
- (vi) With respect to Code Provision C.1.2, management should provide all members of the Board with monthly updates giving a balanced and understandable assessment of the issuer's performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules. We note that certain Directors might not have been provided with the management accounts on a monthly basis during the six months ended 30 June 2015. Upon the revelation of such deviations, the Company has put in place policies to circulate monthly management accounts to all its Directors. After the adoption of such remedial measures, the Company regards that it has complied with Code Provision C.1.2.

- (vii) With respect to Code Provisions C.2.1 and C.2.2, (a) the Board should conduct a review of the effectiveness of the risk management and internal control systems of the issuer and its subsidiaries at least annually; (b) the review should cover all material controls, including financial, operational and compliance controls and risk management functions; and (c) such annual review should, in particular, consider the adequacy of resources, staff qualifications and experience, training programmes and budget of the issuer's accounting and financial reporting function. As stated in the Company's announcements dated 31 August 2015, 6 November 2015 and 6 January 2016, the Company engaged RSM as our internal control adviser to conduct a thorough review of our internal control systems and make recommendations to the Company for this purpose. RSM has made recommendations to the Company and the Board has, on 5 November 2015, adopted the New IC Procedures which not only cover the usage of chops and grant of guarantees and indemnities but also policies regarding: (a) investment decisions; (b) handover of work on change of key personnel; (c) risk assessment and control; (d) external communication; (e) financial reporting, budgeting and closing, bank reconciliation, accounting system and records; (f) cash management and loans approval; (g) sales contract management, sales order approval and credit control; (h) purchase contract management and procurement; (i) record registration, management, depreciation and disposal of fixed assets; (j) stock take, reconciliation and record registration of inventory; (k) management and filing of contract authorization and execution; (l) human resources and payroll; (m) production, materials monitoring and quality; and (n) information technology controls. In the first week of December 2015, the New IC Procedures have been circulated to all relevant staff members of the Group. The heads of the departments of each and every key operating subsidiary of the Company in China were delegated the responsibility to provide introductory training to his staff members on the New IC Procedures. After the adoption of the New IC Procedures, the Company regards that it has complied with Code Provisions C.2.1 and C.2.2.
- (viii) With respect to Code Provision C.2.5, the issuer should have an internal audit function and issuers without an internal audit function should review the need for one on an annual basis and should disclose the reasons for the absence of such a function in the Corporate Governance Report. The Company does not currently have an internal audit function. In addition, we are not aware of any review of the need for internal audit function being carried out during the six months ended 30 June 2015. Upon the recommendation of RSM, the Company intended to engage an internal auditor to ensure compliance of internal control procedures by the Group's staff and to take up the overall responsibilities and functions of the Group in relation to our financial reporting procedures, compliance, corporate governance, internal control systems and directors' training.

- (ix) With respect to Code Provision D.1.4, Directors should clearly understand delegation arrangements in place, and the Company should have formal letters of appointment for Directors setting out the key terms and conditions of their appointment. We note that the Company had not signed any formal letter of appointment with Ms. Shi Qiu Yu when she joined the Company as a non-executive Director between 16 October 2014 and 29 January 2015. However, upon her redesignation as an executive Director on 29 January 2015, the Company entered into a service contract with Ms. Shi Qiu Yu.
- (x) With respect to Code Provision D.3.1, the terms of reference of the Board or the committee performing the corporate governance functions should cover aspects on the development, monitoring and review of (i) the Company's corporate governance policies and practices; (ii) training and continuous professional development of directors and senior management, (iii) policies and practices relating to compliance of law and regulations and the CG Code; and (iv) code of conduct and compliance manual applicable to employees and directors. We are not aware of any terms of reference of the Board regarding the Company's corporate governance functions during the six months ended 30 June 2015. Upon the recommendation of RSM, the Company established a compliance committee on 5 November 2015 to oversee the Company's corporate governance and compliance functions. After the establishment of the compliance committee, the Company regards that it has complied with Code Provision D.3.1.
- (xi) With respect to Code Provision E.1.4, the board should establish a shareholders' communication policy and review it on a regular basis to ensure its effectiveness. We note that the Company might not have a formal written shareholders' communication policy during the six months ended 30 June 2015. Upon the revelation of such deviations, the Company adopted the New IC Procedures on 5 November 2015 which contains written shareholders' communication policy. After the adoption of the New IC Procedures, the Company regards that it has complied with Code Provision E.1.4.

The Board continues to monitor and review the Company's corporate governance practices to ensure compliance.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company follows the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Listing Rules (the "**Model Code**") as the code of conduct for Directors in their dealings in the Company's securities. Because of the delay in publication of this Interim Report and the changes in directorship whether for the six months ended 30 June 2015 and for the subsequent period up to the date of publication of this Interim Report, the Company is no longer in the position to obtain confirmations from all resigned directors as to their compliance of the Model Code. Having made specific enquiry with Mr. Wang Shi Jin, Ms. Shi Qiu Yu, Mr. Zhu Jianqin, Mr. Chen Zheng Xue, Mr. Anson Poon Wai Kong, Mr. Poon Chi-Choy, Sonny, Dr. Tsang Cheung Fat, Mr. Zeng Xiang Di, Mr. Leung Wah, Ms. Lai Sze Ngot, Mr. Charles Liu Kam Man and Mr. Luk Chi Keung, each of them confirmed that he/she has complied with the Model Code during the six months ended 30 June 2015.

AUDIT COMMITTEE

As at 30 June 2015, the Audit Committee (the "**AC**") comprised the four independent non-executive Directors, namely, Mr. Anson Poon Wai Kong, Dr. Tsang Cheung Fat, Ms. Han Peng and Mr. Poon Chi-Choy, Sonny. One out of four AC members, namely Mr. Anson Poon Wai Kong, possesses recognized professional qualifications in accounting and has wide experience in audit and accounting. As at 30 June 2015, Mr. Anson Poon Wai Kong was the chairman of the AC.

As at 23 March 2016, the AC comprised of three independent non-executive Directors, namely, Mr. Anson Poon Wai Kong, Mr. Poon Chi-Choy, Sonny and Mr. Zhang Xiaofei. One out of three AC members, namely Mr. Anson Poon Wai Kong, possesses recognized professional qualifications in accounting and has wide experience in audit and accounting. On 11 April 2016, Mr. Ye Ji Li was appointed as a member of the AC. As at 23 March 2016, Mr. Anson Poon Wai Kong is the chairman of AC.

No former partner of the Company's existing auditing firm acted as a member of the AC within one year from ceasing to be a partner or having any financial interest in the auditing firm.

The AC was delegated with the authority of the Board of the Company to investigate any activity within its terms of reference. The primary function of the AC is to review and supervise the Group's financial reporting process and internal controls. The AC has also reviewed arrangements to enable employees of the Group to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters, and to ensure proper arrangements that in place for fair and independent investigation and follow up actions. The full terms of reference of the AC are available on the Company's website: www.tatchun.com and the website of the Stock Exchange: www.hkexnews.hk.

The Group's unaudited financial statements for the six months ended 30 June 2015 have been reviewed by the AC, which is of the opinion that such statements comply with applicable accounting standards, the Listing Rules and other legal requirements, and that adequate disclosures have been made.

TRADING HALT

On 24 April 2015, the trading in the Shares on the Stock Exchange was halted.

CHANGE OF THE HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

During the six months ended 30 June 2015 and for the period before 29 February 2016, the head office and principal place of business of the Company was Room 3, 15/F., Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong.

On 29 February 2016, the head office and principal place of business of the Company in Hong Kong has changed to Unit 1001E, 10/F, East Ocean Centre, 98 Granville Road, Tsim Sha Tsui, Kowloon, Hong Kong.

CORPORATE INFORMATION

EXECUTIVE DIRECTORS

- Mr. Chen Yongsen (appointed on 12 August 2015),
Chairman (appointed on 16 November 2015)
- Mr. Wang Shi Jin (appointed on 29 January 2015),
Deputy Chairman (from 5 June 2015 to
16 November 2015) and Chief Executive Officer
(appointed on 16 November 2015)
- Mr. Zhu Jianqin
- Mr. Chen Zheng Xue (appointed as independent
non-executive director on 16 October 2014 and
re-designated as executive director on
29 January 2015)
- Ms. Shi Qiu Yu (appointed as non-executive
director on 16 October 2014 and re-designated
as executive director on 29 January 2015)
- Mr. Chen Hua (appointed on 29 February 2016)
- Mr. Wong Wing Choi (appointed on 29 February 2016)
- Mr. Chen Jing, Chairman (appointed from
1 September 2014 and resigned on 5 June 2015)
- Mr. Li Jianchao, Chief Executive Officer
(appointed on 1 September 2014 and resigned on
5 June 2015)
- Mr. Zeng Xiang Di (appointed on 29 January 2015
and resigned on 16 November 2015),
Deputy Chief Executive Officer (from 5 June 2015 to
16 November 2015)
- Mr. Charles Liu Kam Man (appointed on 1 June 2015
and resigned on 8 October 2015)

INDEPENDENT NON-EXECUTIVE DIRECTORS

- Mr. Anson Poon Wai Kong (appointed on 1 June 2015)
- Mr. Poon Chi-Choy, Sonny (appointed on
1 June 2015)
- Mr. Zhang Xiaofei (appointed on 16 November 2015)
- Mr. Ye Ji Li (appointed on 29 February 2016)
- Dr. Tsang Cheung Fat (appointed on 1 June 2015 and
resigned on 16 November 2015)
- Ms. Han Pang (appointed on 1 June 2015 and
resigned on 8 October 2015)
- Mr. Leung Wah (appointed on 1 September 2014
and resigned on 5 June 2015)
- Ms. Lai Sze Ngot (appointed on 16 October 2014 and
resigned on 5 June 2015)
- Mr. Lo Chi Ko (appointed on 29 January 2015 and
resigned on 5 June 2015)
- Mr. Luk Chi Keung (appointed on 2 February 2015 and
resigned on 5 June 2015)

AUDIT COMMITTEE

- Mr. Anson Poon Wai Kong (appointed on 5 June 2015)
- Mr. Poon Chi-Choy, Sonny (appointed on
5 June 2015)
- Mr. Zhang Xiaofei (appointed on 16 November 2015)
- Mr. Ye Ji Li (appointed on 11 April 2016)
- Dr. Tsang Cheung Fat (appointed on 5 June 2015 and
resigned on 16 November 2015)
- Ms. Han Peng (appointed on 5 June 2015 and
resigned on 8 October 2015)
- Mr. Chen Zheng Xue (appointed on 16 October 2014
and ceased to be committee member on
29 January 2015)
- Mr. Leung Wah (appointed on 1 September 2014 and
resigned on 5 June 2015)
- Ms. Lai Sze Ngot (appointed on 16 October 2014 and
resigned on 5 June 2015)
- Mr. Lo Chi Ko (appointed on 29 January 2015 and
resigned on 5 June 2015)
- Mr. Luk Chi Keung (appointed on 2 February 2015 and
resigned on 5 June 2015)

REMUNERATION COMMITTEE

- Mr. Anson Poon Wai Kong (appointed on 5 June 2015)
- Mr. Poon Chi-Choy, Sonny (appointed on
5 June 2015)
- Mr. Zhang Xiaofei (appointed on 16 November 2015)
- Mr. Ye Ji Li (appointed on 11 April 2016)
- Dr. Tsang Cheung Fat (appointed on 5 June 2015 and
resigned on 16 November 2015)
- Ms. Han Peng (appointed on 5 June 2015 and
resigned on 8 October 2015)
- Mr. Chen Zheng Xue (appointed on 16 October 2014
and ceased to be committee member on
29 January 2015)
- Mr. Leung Wah (appointed on 1 September 2014 and
resigned on 5 June 2015)
- Ms. Lai Sze Ngot (appointed on 16 October 2014 and
resigned on 5 June 2015)
- Mr. Lo Chi Ko (appointed on 29 January 2015 and
resigned on 5 June 2015)
- Mr. Luk Chi Keung (appointed on 2 February 2015 and
resigned on 5 June 2015)

NOMINATION COMMITTEE

- Mr. Chen Yongsan (appointed on 29 February 2016)
- Mr. Wang Shi Jin (appointed on 16 November 2015 and ceased to be committee member on 29 February 2016)
- Mr. Anson Poon Wai Kong (appointed on 5 June 2015)
- Mr. Poon Chi-Choy, Sonny (appointed on 5 June 2015)
- Mr. Zhang Xiaofei (appointed on 16 November 2015)
- Mr. Ye Ji Li (appointed on 11 April 2016)
- Dr. Tsang Cheung Fat (appointed on 5 June 2015 and resigned on 16 November 2015)
- Ms. Han Peng (appointed on 5 June 2015 and resigned on 8 October 2015)
- Mr. Chen Zheng Xue (appointed on 16 October 2014 and ceased to be committee member on 29 January 2015)
- Mr. Leung Wah (appointed on 1 September 2014 and resigned on 5 June 2015)
- Ms. Lai Sze Ngot (appointed on 16 October 2014 and resigned on 5 June 2015)
- Mr. Lo Chi Ko (appointed on 29 January 2015 and resigned on 5 June 2015)
- Mr. Luk Chi Keung (appointed on 2 February 2015 and resigned on 5 June 2015)

COMPANY SECRETARY

- Ms. Chan Yim Kum (appointed on 1 September 2014 and resigned on 5 June 2015)
- Mr. Chan Chun Kau (appointed on 5 June 2015)

AUTHORISED REPRESENTATIVES

- Ms. Chan Yim Kum (appointed on 1 September 2014 and resigned on 5 June 2015)
- Mr. Chan Chun Kau (appointed on 5 June 2015)
- Mr. Wang Shi Jin (appointed on 5 June 2015)

HEAD OFFICE

Before 29 February 2016:
Room 3, 15/F., Aitken Vanson Centre
61 Hoi Yuen Road
Kwun Tong, Kowloon

After 29 February 2016:
Unit 1001E, 10/F, East Ocean Centre
98 Granville Road, Tsim Sha Tsui
Kowloon

REGISTERED OFFICE

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

AUDITOR

HLB Hodgson Impey Cheng Limited

PRINCIPAL BANKERS

China Construction Bank Corporation,
Zhongshan Branch, Guangdong, the PRC
Agricultural Bank of China,
Zhongshan Branch, Guangdong, the PRC
Hang Seng Bank Limited
China Trust Commercial Bank, Ltd.

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

STOCK CODE

00515

WEB-SITE

www.tatchun.com

On behalf of the Board, I would like to extend our sincere appreciation to all management and staff members of their diligence and dedication, the continuing support of our business partners and the Company's shareholders.

On behalf of the Board

Chen Yongsan

Chairman

Hong Kong, 23 March 2016