CHTC FONG'S INDUSTRIES COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 641)

INTERIM REPORT
2016

CONTENTS

CORPORATE INFORMATION

CHAIRMAN EMERITUS
Mr. Fong Sou Lam

BOARD OF DIRECTORS
Mr. Ye Maoxin *(Chairman)*
Mr. Ji Xin *(Chief Executive Officer)*
Mr. Fong Kwok Leung, Kevin
Mr. Du Qianyi *(Chief Financial Officer)*
Mr. Ying Wei#
Dr. Yuen Ming Fai#
Mr. Li Jianxin#

Independent Non-executive Director

COMPANY SECRETARY
Mr. Lee Che Keung

AUTHORISED REPRESENTATIVES
Mr. Ji Xin
Mr. Lee Che Keung

AUDIT COMMITTEE
Mr. Ying Wei *(Committee Chairman)*
Dr. Yuen Ming Fai
Mr. Li Jianxin

REMUNERATION COMMITTEE
Mr. Li Jianxin *(Committee Chairman)*
Mr. Ye Maoxin
Mr. Ji Xin
Mr. Ying Wei
Dr. Yuen Ming Fai

NOMINATION COMMITTEE
Mr. Ye Maoxin *(Committee Chairman)*
Mr. Ji Xin
Mr. Ying Wei
Dr. Yuen Ming Fai
Mr. Li Jianxin

LEGAL ADVISER
Reed Smith Richards Butler

AUDITOR
Baker Tilly Hong Kong Limited

PRINCIPAL BANKERS IN HONG KONG
Hang Seng Bank Limited
DBS Bank (Hong Kong) Limited
Standard Chartered Bank (Hong Kong) Limited
Bank of China (Hong Kong) Limited
CTBC Bank Co., Limited
The Hongkong and Shanghai Banking Corporation Limited

PRINCIPAL BANKERS IN THE PRC
Bank of China Limited
Ping An Bank Company Ltd.
Bank of Communications Co., Ltd.
Agricultural Bank of China Limited
Industrial and Commercial Bank of China Limited

BERMUDA PRINCIPAL REGISTRAR AND TRANSFER OFFICE
MUFG Fund Services (Bermuda) Limited
The Belvedere Building,
69 Pitts Bay Road,
Pembroke HM08, Bermuda

HONG KONG BRANCH REGISTRAR AND TRANSFER OFFICE
Tricor Secretaries Limited
Level 22, Hopewell Centre,
183 Queen's Road East, Hong Kong
Tel: (852) 2980 1333
Fax: (852) 2810 8185

REGISTERED OFFICE
Canon's Court, 22 Victoria Street,
Hamilton HM12, Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS
8th Floor,
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Tsing Yi, Hong Kong
Tel: (852) 2497 3300
Fax: (852) 2432 2552

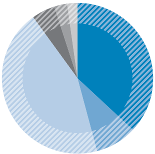
WEBSITE ADDRESS
http://www.fongs.com

FINANCIAL HIGHLIGHTS

REVENUE BY BUSINESS SEGMENT (HK$ MILLION)

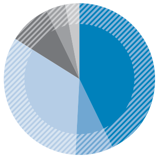
Manufacture and Sale of Dyeing and Finishing Machines

By geographical region



INTERIM 2016

The PRC	373	(37%)
Hong Kong	97	(9%)
Asia Pacific	443	(44%)
Europe	51	(5%)
North and South America	30	(3%)
Others	18	(2%)
Total:	1,012	(100%)

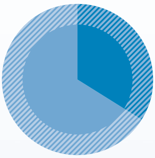


INTERIM 2015

The PRC	480	(43%)
Hong Kong	89	(8%)
Asia Pacific	367	(33%)
Europe	101	(9%)
North and South America	40	(3%)
Others	47	(4%)
Total:	1,124	(100%)

Trading of Stainless Steel Supplies

By geographical region



INTERIM 2016

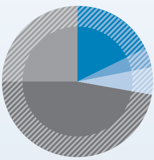
The PRC	50	(34%)
Hong Kong	98	(66%)
Total:	148	(100%)

INTERIM 2015

The PRC	64	(32%)
Hong Kong	133	(68%)
Total:	197	(100%)

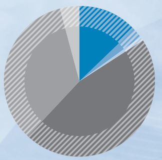
Manufacture and Sale of Stainless Steel Casting Products

By geographical region



INTERIM 2016

The PRC	37	(18%)
Hong Kong	9	(4%)
Asia Pacific	12	(6%)
Europe	97	(47%)
North and South America	52	(25%)
Others	0	(0%)
Total:	207	(100%)



INTERIM 2015

The PRC	34	(13%)
Hong Kong	5	(2%)
Asia Pacific	4	(1%)
Europe	126	(46%)
North and South America	91	(34%)
Others	11	(4%)
Total:	271	(100%)

The board of directors (the "Board") of CHTC Fong's Industries Company Limited (the "Company") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2016 together with the comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2016

		For the six months ended 30 June	
	Notes	**2016 (unaudited) HK$'000**	2015 (unaudited) HK$'000
Revenue	4	**1,367,565**	1,592,365
Cost of sales		**(903,584)**	(1,099,477)
Gross profit		**463,981**	492,888
Interest income		**984**	1,045
Other income		**7,725**	2,889
Other gains (losses)	6	**1,596**	(10,421)
Selling and distribution costs		**(115,788)**	(129,837)
Administrative and other expenses		**(288,971)**	(304,272)
Finance costs	5	**(18,726)**	(22,197)
Profit before tax	6	**50,801**	30,095
Income tax expense	7	**(20,209)**	(18,258)
Profit for the period		**30,592**	11,837
Other comprehensive (expense) income, net of tax			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation		**(23,447)**	7,906
Other comprehensive (expense) income for the period		**(23,447)**	7,906
Total comprehensive income for the period		**7,145**	19,743

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

For the six months ended 30 June 2016

		For the six months ended 30 June	
	Notes	**2016 (unaudited) HK$'000**	2015 (unaudited) HK$'000
Profit (loss) for the period attributable to:			
Owners of the Company		**30,592**	12,020
Non-controlling interests		**–**	(183)
		30,592	11,837
Total comprehensive income (expense) for the period attributable to:			
Owners of the Company		**7,145**	19,925
Non-controlling interests		**–**	(182)
		7,145	19,743
		HK cents	HK cents
Earnings per share			
Basic and diluted	8	**2.77**	1.09

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2016

	Notes	**At 30 June 2016 (unaudited) HK$'000**	At 31 December 2015 (audited) HK$'000
Non-current assets			
Property, plant and equipment	10	**549,084**	532,587
Prepaid lease payments		**231,951**	237,971
Goodwill		**533,515**	533,515
Intangible assets	10	**103,436**	95,778
Available-for-sale financial assets		**184,341**	187,210
Deposits for acquisition of property, plant and equipment		**7,965**	791
Deposits for acquisition of leasehold land		**7,620**	7,738
Deferred tax assets		**15,671**	15,222
		1,633,583	1,610,812
Current assets			
Inventories		**728,920**	648,523
Trade and other receivables	11	**436,415**	528,935
Prepaid lease payments		**5,419**	5,496
Tax recoverable		**465**	1,998
Cash and cash equivalents		**625,447**	443,115
		1,796,666	1,628,067
Current liabilities			
Trade and other payables	12	**804,480**	590,564
Warranty provision		**11,303**	16,099
Tax liabilities		**27,887**	22,548
Borrowings	13	**1,014,653**	992,813
		1,858,323	1,622,024
Net current (liabilities) assets		**(61,657)**	6,043
Total assets less current liabilities		**1,571,926**	1,616,855

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 30 June 2016

	Notes	**At 30 June 2016 (unaudited) HK$'000**	At 31 December 2015 (audited) HK$'000
Non-current liabilities			
Borrowings		**75,000**	100,000
Deferred revenue		**7,302**	5,281
Deferred tax liabilities		**23,341**	20,363
Other payable		**116,961**	118,781
		222,604	244,425
Net assets		**1,349,322**	1,372,430
Capital and reserves			
Equity attributable to owners of the Company			
Share capital	14	**55,145**	55,145
Share premium and reserves		**1,294,177**	1,317,285
		1,349,322	1,372,430
Non-controlling interests		**–**	–
Total equity		**1,349,322**	1,372,430

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2016 (unaudited)

	Attributable to owners of the Company										
	Share capital HK$'000	Share premium HK$'000	Capital reserve HK$'000	Capital redemption reserve HK$'000	Translation reserve HK$'000	Retained profits HK$'000	Contributed surplus HK$'000	Share option reserve HK$'000	Subtotal HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 January 2016	55,145	157,261	(581)	2,370	67,100	1,062,050	25,582	3,503	1,372,430	–	1,372,430
Profit for the period	–	–	–	–	–	30,592	–	–	30,592	–	30,592
Other comprehensive expense for the period, net of tax	–	–	–	–	(23,447)	–	–	–	(23,447)	–	(23,447)
Total comprehensive (expense) income for the period	–	–	–	–	(23,447)	30,592	–	–	7,145	–	7,145
Effects of share options	–	–	–	–	–	–	–	2,834	2,834	–	2,834
Final dividend for 2015 paid	–	–	–	–	–	(33,087)	–	–	(33,087)	–	(33,087)
At 30 June 2016	55,145	157,261	(581)	2,370	43,653	1,059,555	25,582	6,337	1,349,322	–	1,349,322
At 1 January 2015	55,145	157,261	–	2,370	126,871	922,847	25,582	–	1,290,076	336	1,290,412
Profit (loss) for the period	–	–	–	–	–	12,020	–	–	12,020	(183)	11,837
Other comprehensive income for the period, net of tax	–	–	–	–	7,905	–	–	–	7,905	1	7,906
Total comprehensive income (expense) for the period	–	–	–	–	7,905	12,020	–	–	19,925	(182)	19,743
Effects of share options	–	–	–	–	–	–	–	656	656	–	656
Final dividend for 2014 paid	–	–	–	–	–	(27,572)	–	–	(27,572)	–	(27,572)
At 30 June 2015	55,145	157,261	–	2,370	134,776	907,295	25,582	656	1,283,085	154	1,283,239

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2016

	For the six months ended 30 June	
	2016	2015
	(unaudited)	(unaudited)
	HK$'000	HK$'000
Net cash generated from (used in) operating activities	**317,906**	(60,076)
Net cash used in investing activities	**(66,655)**	(39,390)
Net cash (used in) generated from financing activities	**(50,087)**	52,691
Net increase (decrease) in cash and cash equivalents	**201,164**	(46,775)
Cash and cash equivalents at beginning of the period	**443,115**	495,565
Effect of foreign exchange rate changes	**(18,832)**	(13,906)
Cash and cash equivalents at end of the period	**625,447**	434,884

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability and its securities are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company's parent company is China Hi-Tech Holding Company Limited, a company incorporated in Hong Kong, and its ultimate holding company is China Hi-Tech Group Corporation（中國恒天集團有限公司）, a company established in the People's Republic of China (the "PRC"). China Hi-Tech Group Corporation（中國恒天集團有限公司）is a state-owned enterprise under the direct supervision and administration of, and is beneficially owned by, the State-Owned Assets Supervision and Administration Committee of the State Council of the PRC.

The condensed consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company.

The Company acts as an investment holding company. Its subsidiaries are principally engaged in the manufacture and sale of dyeing and finishing machines, trading of stainless steel supplies and the manufacture and sale of stainless steel casting products.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the six months ended 30 June 2016 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2015, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 January 2016. HKFRSs comprise HKFRS and HKAS and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current period and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

4. REVENUE AND SEGMENT INFORMATION

Information reported to the Executive Directors of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on the performance of each group company. Specifically, the Group's reportable segments under HKFRS 8 are aggregation of operating segments based on types of goods or services delivered or provided, as follows:

1. Manufacture and sale of dyeing and finishing machines

2. Trading of stainless steel supplies

3. Manufacture and sale of stainless steel casting products

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segment.

For the six months ended 30 June 2016 (unaudited)

	Manufacture and sale of dyeing and finishing machines HK$'000	Trading of stainless steel supplies HK$'000	Manufacture and sale of stainless steel casting products HK$'000	Total HK$'000
Revenue				
External sales	1,012,268	148,166	207,131	1,367,565
Inter-segment sales	1,204	56,050	12,842	70,096
Segment revenue	1,013,472	204,216	219,973	1,437,661
Elimination				(70,096)
Group revenue				1,367,565
Results				
Segment profit	49,759	923	17,861	68,543
Interest income				984
Finance costs				(18,726)
Profit before tax				50,801

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment revenues and results (Continued)

For the six months ended 30 June 2015 (unaudited)

	Manufacture and sale of dyeing and finishing machines HK$'000	Trading of stainless steel supplies HK$'000	Manufacture and sale of stainless steel casting products HK$'000	Total HK$'000
Revenue				
External sales	1,124,090	197,073	271,202	1,592,365
Inter-segment sales	3,516	95,692	13,433	112,641
Segment revenue	1,127,606	292,765	284,635	1,705,006
Elimination				(112,641)
Group revenue				1,592,365
Results				
Segment profit	20,878	2,758	27,611	51,247
Interest income				1,045
Finance costs				(22,197)
Profit before tax				30,095

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the results of each segment excluding interest income and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at terms agreed between relevant parties.

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Geographical information

The Group's operations are located mainly in Hong Kong, the PRC and Germany.

The Group's revenue from external customers by location of customers is detailed below:

	For the six months ended 30 June	
	2016 (unaudited) HK$'000	2015 (unaudited) HK$'000
The PRC	**460,185**	578,392
Hong Kong	**204,440**	226,644
Asia Pacific (other than the PRC and Hong Kong)	**454,616**	371,286
Europe	**147,536**	227,587
North and South America	**81,947**	131,243
Others	**18,841**	57,213
	1,367,565	1,592,365

5. FINANCE COSTS

	For the six months ended 30 June	
	2016 (unaudited) HK$'000	2015 (unaudited) HK$'000
Interest on borrowings	**13,245**	16,400
Bank charges	**5,481**	5,797
	18,726	22,197

6. PROFIT BEFORE TAX

	For the six months ended 30 June	
	2016	2015
	(unaudited)	(unaudited)
	HK$'000	HK$'000
Profit before tax has been arrived at after charging (crediting):		
Other (gains) losses:		
Loss on disposal of property, plant and equipment	**27**	1,813
Foreign exchange (gain) loss, net	**(1,623)**	8,608
Total other (gains) losses	**(1,596)**	10,421
Depreciation and amortisation:		
Amortisation of intangible assets	**1,254**	376
Amortisation of prepaid lease payments	**2,703**	2,963
Depreciation of property, plant and equipment	**35,291**	44,818
Total depreciation and amortisation	**39,248**	48,157

7. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2016	2015
	(unaudited)	(unaudited)
	HK$'000	HK$'000
Hong Kong Profits Tax:		
Current period	**3,642**	3,263
Overprovision in prior years	**–**	(3,796)
PRC Corporate Income Tax:		
Current period	**11,022**	16,512
Overprovision in prior years	**(150)**	(1,080)
Overseas income tax:		
Current period	**654**	823
Underprovision in prior years	**2,316**	–
	17,484	15,722
Deferred tax	**2,725**	2,536
Income tax expense	**20,209**	18,258

8. EARNINGS PER SHARE

(a) Basic earnings per share:

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

	For the six months ended 30 June	
	2016	2015
	(unaudited)	(unaudited)
	HK$'000	HK$'000
Profit for the period attributable to owners of the Company for the purpose of basic earnings per share	**30,592**	12,020
	'000	'000
Weighted average number of ordinary shares:		
Issued ordinary shares at 1 January	**1,102,892**	551,446
Effect of share subdivision on 22 May 2015	**–**	551,446
Weighted average number of ordinary shares	**1,102,892**	1,102,892

(b) Diluted earnings per share:

No adjustment has been made to the basic earnings per share for the six months ended 30 June 2016 and 2015 as the outstanding share options had anti-dilutive effect on the basic earnings per share.

9. DIVIDENDS

Dividends recognised as distribution during the period:

	For the six months ended 30 June	
	2016 (unaudited) HK$'000	2015 (unaudited) HK$'000
2015 final dividend paid: 3 HK cents per share with a par value of HK$0.05 each (2014: 2.5 HK cents per share with a par value of HK$0.05 each)	**33,087**	27,572

The Board resolved not to pay any interim dividend for the six months ended 30 June 2016 (for the six months ended 30 June 2015: Nil).

10. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

During the six months ended 30 June 2016, total cost of additions to property, plant and equipment and intangible assets of the Group were approximately HK$59,567,000 (2015: HK$40,560,000) and HK$8,645,000 (2015: HK$Nil) respectively.

11. TRADE AND OTHER RECEIVABLES

	At 30 June 2016 (unaudited) HK$'000	At 31 December 2015 (audited) HK$'000
Trade receivables	**260,083**	347,964
Less: Allowance for doubtful debts	**(8,847)**	(8,665)
	251,236	339,299
Bills receivables	**57,852**	105,906
	309,088	445,205
Other receivables	**127,327**	83,730
Total trade and other receivables	**436,415**	528,935

The Group allows an average credit period of 60 days (2015: 60 days) to its trade customers.

11. TRADE AND OTHER RECEIVABLES (CONTINUED)

The following is an ageing analysis of trade receivables net of allowance for doubtful debts and bills receivables presented based on the invoice date at the end of the reporting period:

	At 30 June 2016 (unaudited) HK$'000	At 31 December 2015 (audited) HK$'000
0-60 days	**241,024**	371,173
61-90 days	**40,536**	46,733
Over 90 days	**27,528**	27,299
	309,088	445,205

12. TRADE AND OTHER PAYABLES

The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

	At 30 June 2016 (unaudited) HK$'000	At 31 December 2015 (audited) HK$'000
0-90 days	**129,793**	94,181
91-120 days	**24,447**	17,588
Over 120 days	**6,760**	10,609
	161,000	122,378

The average credit period on purchase of goods is 90 days (2015: 90 days). The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

13. BORROWINGS

	At 30 June 2016 (unaudited) HK$'000	At 31 December 2015 (audited) HK$'000
Unsecured bank borrowings comprise the following:		
Bank borrowings	**1,013,765**	1,024,794
Trust receipts loans	**72,613**	61,703
Discounted bills with recourse	**3,275**	6,316
	1,089,653	1,092,813
Carrying amounts repayable*:		
Within one year	**99,474**	68,019
More than one year, but not exceeding two years	**50,000**	50,000
More than two years, but not exceeding five years	**25,000**	50,000
	174,474	168,019
Carrying amounts of bank borrowings contain a repayment on demand clause that are repayable (shown under current liabilities)*:		
Within one year	**772,743**	718,627
More than one year, but not exceeding two years	**95,033**	162,500
More than two years, but not exceeding five years	**47,403**	43,667
	915,179	924,794
	1,089,653	1,092,813
Less: Amounts due within one year shown under current liabilities	**(1,014,653)**	(992,813)
Amounts shown under non-current liabilities	**75,000**	100,000

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

14. SHARE CAPITAL

	Note	At 30 June 2016 (unaudited) Number of shares	HK$'000	At 31 December 2015 (audited) Number of shares	HK$'000
Authorised:					
Ordinary shares	(i)	**2,000,000,000**	**100,000**	2,000,000,000	100,000
Issued and fully paid:					
At 1 January		**1,102,892,570**	**55,145**	551,446,285	55,145
Share subdivision	(i)	**–**	**–**	551,446,285	–
At 30 June/ 31 December		**1,102,892,570**	**55,145**	1,102,892,570	55,145

Note:

(i) Pursuant to an ordinary resolution passed by the shareholders at the annual general meeting of the Company held on 21 May 2015, each of the existing issued and unissued share of par value of HK$0.10 in the share capital of the Company has been subdivided into two shares of par value of HK$0.05 each with effect from 22 May 2015. Upon the share subdivision became effective on 22 May 2015, the authorised share capital of the Company becomes HK$100,000,000 divided into 2,000,000,000 subdivided shares of HK$0.05 each, of which 1,102,892,570 subdivided shares were in issue and fully paid.

15. SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Scheme") at the annual general meeting of the Company held on 21 May 2015 for the purpose of providing incentive to Participants (as defined in the Scheme) to contribute to the Group and enabling the Group to recruit and retain high-calibre employees and attracting human resources that are valuable to the Group.

The Scheme shall be valid and effective for a period of ten years commencing on the adoption date after which period no further share options shall be offered or granted but the provisions of the Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any share options granted or exercised prior thereto. The principal terms of the Scheme were disclosed in the circular of the Company dated 21 April 2015.

15. SHARE OPTION SCHEME (CONTINUED)

A summary of the movements of the share options granted under the Scheme during the six months ended 30 June 2016 were as follows:

	Number of share options							
	As at 1 January 2016	Granted	Exercised	As at 30 June 2016	% of issued share capital	Date of grant	Exercise price *HK$*	Note
Grantee (Note i):								
Qi Yuan Investment (Hong Kong) Limited	13,750,000	–	–	27,500,000	2.49	22 April 2015	1.95	(ii)
Qi Yuan Investment (Hong Kong) Limited	13,750,000	–	–	27,500,000	2.49	22 April 2015	2.50	(ii)
Total	27,500,000	–	–	55,000,000	4.98			

Notes:

(i) The Grantee is a consultant of the Company providing advice on the Group's strategic planning, business expansion and development, and investor relation management. In consideration of motivating the Grantee in its performance of services, the Company granted the share options to the Grantee pursuant to a conditional agreement dated 22 April 2015 (as amended by a supplemental agreement dated 30 April 2015) entered into between the Grantee and the Company, which were approved, ratified and confirmed by the shareholders at the special general meeting of the Company held on 21 May 2015.

(ii) The share options are exercisable from 22 April 2015 to 21 April 2018. Vesting of the share options is conditional upon the Grantee assisting the Company to achieve certain performance targets, which were disclosed in the circular of the Company dated 5 May 2015.

15. SHARE OPTION SCHEME (CONTINUED)

The fair values of the shares options granted were calculated using the Black-Scholes option pricing model. The inputs into the model were as follows:

	Options with exercise price of HK$1.95	Options with exercise price of HK$2.50
Fair value at measurement date	HK$0.685	HK$0.520
Share price	HK$2.175	HK$2.175
Expected tenor	3 years	3 years
Expected vesting probability	50%	50%
Expected volatility	47.20%	47.20%
Expected dividend yield	1.97%	1.97%
Risk-free interest rate	0.95%	0.95%

The expected tenor used in the model has been adjusted, based on the management's best estimate. The expected volatility was determined by using the historical volatility of the Company's share prices over the previous years. The expected dividend yield was based on historical dividends. Risk-free interest rate was based on the yield of Hong Kong Exchange Fund Note. Changes in the variables and assumptions may result in changes in the fair values of the share options.

In total, approximately HK$2,834,000 (2015: approximately HK$656,000) of share option expense has been recognised in profit and loss for the six months ended 30 June 2016 and the corresponding amount of which has been credited to share option reserve.

16. CAPITAL COMMITMENTS

	At 30 June 2016 (unaudited) HK$'000	At 31 December 2015 (audited) HK$'000
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of the acquisition of:		
Property, plant and equipment	**22,554**	1,339
Leasehold land	**112,014**	113,757
	134,568	115,096

17. RELATED PARTY DISCLOSURES

The Group has entered into the following transactions with related parties during the period:

	For the six months ended 30 June	
	2016 (unaudited) HK$'000	2015 (unaudited) HK$'000
Related parties in which a close member of a Director of the Company has control		
Rental paid	**5,609**	5,797
Fellow subsidiaries		
Commission paid	**79**	–
Consultancy fee paid	**–**	118
Purchase of materials	**–**	32
Ultimate holding company		
Other income received	**228**	299
Compensation of key management personnel		
The remuneration of Directors and other members of key management during the period was as follows:		
Short-term benefits	**23,405**	29,812
Post-employment benefits	**723**	787
	24,128	30,599

18. DISCLOSURES PURSUANT TO RULE 13.18 OF THE LISTING RULES

In accordance with the requirements under Rule 13.21 of the Listing Rules, the Board reported below details of loan facilities which exist at any time during the six months ended 30 June 2016 and up to the date of this Interim Report and include conditions relating to specific performance of the controlling shareholder of the Company.

(i) On 17 March 2012, certain indirect wholly-owned subsidiaries of the Company accepted the renewal of the banking facilities letter offered by a bank in relation to various banking facilities being made available to the Group, such facilities include a new 4-year term fixed loan of US$40 million. The terms and conditions of the term loan include, inter alia, a condition to the effect that it will be an event of default if China Hi-Tech Group Corporation（中國恒天集團有限公司）, the controlling shareholder of the Company, ceases to maintain not less than 51% of shareholding (whether directly or indirectly) of the Company throughout the life of the term loan.

    On 11 September 2014, the Group accepted the renewal of the banking facilities (the "Renewed Facilities") offered by the bank. The Renewed Facilities Include a new 3-year term fixed loan of HK$300 million and have been used for refinancing some of the existing banking facilities of the Group and financing the general corporate fund requirements of the Group.

    The terms and conditions of the Renewed Facilities include, Inter alia, the same condition that it will be an event of default if China Hi-Tech Group Corporation（中國恒天集團有限公司）, the controlling shareholder of the Company currently holding approximately 55.8% Interest of the Company, ceases to maintain not less than 51% of shareholding (whether directly or indirectly) of the Company throughout the life of the two said term loans.

(ii) On 13 November 2013, Fong's National Engineering Company, Limited (as borrower) accepted the banking facilities offered by a bank (as lender) in relation to a new 3-year term loan of a principal amount of US$30 million. The term loan will be used for the construction cost of buildings and facilities as well as purchase of production equipment in respect of the new Zhongshan factory premises. The terms and conditions of the term loan include, inter alia, a condition that China Hi-Tech Group Corporation（中國恒天集團有限公司）undertakes it will at all times maintain not less than 51% of shareholding (whether directly or indirectly) of the Company throughout the life of the term loan.

18. DISCLOSURES PURSUANT TO RULE 13.18 OF THE LISTING RULES (CONTINUED)

(ii) (Continued)

On 8 July 2015 and 16 November 2015, the Group accepted the renewal of the banking facilities to the extent of approximately HK$367 million (the "Renewed Facilities") offered by the bank. The Renewed Facilities include the 3-year term fixed loan of US$30 million and other trade finance facilities.

The terms and conditions of the Renewed Facilities include, Inter alia, the same condition that it will be an event of default if China Hi-Tech Group Corporation（中國恒天集團有限公司）ceases to maintain not less than 51% of shareholding (whether directly or indirectly) of the Company throughout the life of the Renewed Facilities.

(iii) On 28 November 2013, Fong's National Engineering Company, Limited (as borrower) accepted the banking facilities offered by a bank (as lender) in relation to a 3-year term loan facility of a principal amount of HK$150 million. The term loan will be used for construction cost of buildings and facilities as well as purchase of production equipment in respect of the new Zhongshan factory premises. The terms and conditions of the term loan include, inter alia, a condition that China Hi-Tech Group Corporation（中國恒天集團有限公司）undertakes it will at all times maintain not less than 51% of shareholding (whether directly or indirectly) of the Company throughout the life of the term loan.

On 28 October 2015, the Group accepted the renewal of the banking facilities to the extent of approximately HK$317 million (the "Renewed Facilities") offered by the bank. The Renewed Facilities include the 3-year term fixed loan of the outstanding principal amount of approximately HK$142 million and other trade finance facilities.

The terms and conditions of the Renewed Facilities include, Inter alia, the same condition that it will be an event of default if China Hi-Tech Group Corporation（中國恒天集團有限公司）ceases to maintain not less than 51% of shareholding (whether directly or indirectly) of the Company throughout the life of the Renewed Facilities.

(vi) On 29 July 2015, Fong's National Engineering Company, Limited (as borrower) accepted a 3-year term loan facility of HK$100 million offered by a bank (as lender). The terms and conditions of the facilities include, inter alia, a condition that China Hi-Tech Group Corporation（中國恒天集團有限公司）undertakes it will at all times maintain not less than 51% of shareholding (whether directly or indirectly) of the Company throughout the life of the term loan.

18. DISCLOSURES PURSUANT TO RULE 13.18 OF THE LISTING RULES (CONTINUED)

(v) On 31 March 2016, certain wholly-owned subsidiaries of the Company (as borrowers) accepted the banking facilities offered by a bank (as lender) as stipulated in the two facility letters dated 20 November 2015 and 18 February 2016 (the "1st Facility Letter" and "2nd Facility Letter" respectively and collectively the "Facility Letters").

The 1st Facility Letter is for trade finance facilities up to an aggregate amount of HK$60 million being available to two wholly-owned subsidiaries of the Company namely Fong's National Engineering Company, Limited and Fong's Steels Supplies Company Limited.

The 2nd Facility Letter is for a three-year term loan facility of a principal amount of HK$100 million (the "Term Loan") being available to Tycon Alloy Industries Holding Limited, a wholly-owned subsidiary of the Company. The Term Loan will be utilised for the construction cost of buildings and facilities as well as purchase of production equipment in respect of the new Zhongshan factory premises of the Group.

Pursuant to the terms and conditions of the Facility Letters, it will be an event of default if China Hi-Tech Group Corporation（中國恒天集團有限公司）ceases to maintain an aggregate beneficial ownership (directly or indirectly) of not less than 51% in the issued share capital of the Company throughout the life of the Facility Letters.

Save as disclosed above, the Directors are not aware of any circumstances which would give rise to a disclosure obligation pursuant to the requirements under Rule 13.18 of the Listing Rules as at 30 June 2016 and as at the date of this Interim Report.

MANAGEMENT DISCUSSION AND ANALYSIS

Operating results

In the first half of 2016, the global economy remained difficult and the overall business environment did not see much improvement. The Group's performance met our expectation in the first half of the year due to the adoption of prudent business direction, the stringent cost control and streamlining of its organisational structure and business process. For the six months ended 30 June 2016, the Group recorded revenue of approximately HK$1,368,000,000, representing a decrease of 14% as compared to approximately HK$1,592,000,000 in the corresponding period of last year. Profit for the period rebounded from approximately HK$12,000,000 in the corresponding period of last year to approximately HK$31,000,000. Basic earnings per share were HK2.77 cents for the period as compared to basic earnings per share of HK1.09 cents for the corresponding period of last year.

Manufacture and sale of dyeing and finishing machines

The year of 2016 was still full of challenges for the dyeing and finishing machine sector. As the Chinese economic growth has continued to slow down in recent years, the SMEs still suffered from liquidity strain. In addition, due to the rising operation cost in recent years and the weakening of Renminbi since the devaluation in August 2015, some customers became more conservative on capital investments, resulting in reduced purchasing of dyeing and finishing machines. As to the overseas markets, the weakness of the Euro diminished the price competitiveness of the Group's products manufactured in the PRC when entering into the European market. Local customers in emerging markets such as India, Brazil, Indonesia and Vietnam were prudent in investing production equipment quoted in US dollars due to the substantial depreciation of currencies. Nevertheless, the overall sales of dyeing and finishing machines had not been significantly affected, thanks to the concerted efforts of the Group's operating team to increase promotions and improve the quality and competitiveness of our products.

For the six months ended 30 June 2016, this business segment recorded revenue of approximately HK$1,012,000,000, accounting for 74% of the Group's revenue and representing a decrease of 10% from approximately HK$1,124,000,000 recorded in the corresponding period of last year. In particular, combined sales from Hong Kong and the PRC markets were approximately HK$470,000,000, representing a decrease of 17% from approximately HK$569,000,000 recorded in the corresponding period of last year; while sales from overseas markets were approximately HK$542,000,000, representing a decrease of 2% from approximately HK$555,000,000 in the corresponding period of last year. The operating profit rebounded to approximately HK$50,000,000 from approximately HK$21,000,000 in the corresponding period of last year, which was mainly attributable to the Group's stringent cost control and streamlining of its organisational structure and business process. As prices of stainless steel as the major raw material returned to the relatively lower level as well, the gross profit margin has improved.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Manufacture and sale of dyeing and finishing machines (Continued)

Amid the challenging environment, the Group will make its unwavering efforts to streamline its organisational structure and business process as well as strictly monitor the inventory and operation cost, so as to improve the overall operating performance and productivity. On the other hand, the Group will continue its commitment to enhancing its technology and R&D capability and improving service level, to meet the requirements of the market and mid to high-end customers on product quality, which in turn create more value for its customers. The Group will also increase investment on exploring new markets and sales channels to expand the Group's customer base and the market competitiveness of its products. All of above are in an effort to maintain leading position in the market and lay down a solid foundation for long-term business development.

Meanwhile, the recent launch of "Environment Protection and Energy Saving" requirement which pushes the manufacturing industry to upgrade and transform as well as the launch of a series of development strategies by the PRC government, including "One Belt and One Road" and "Made in China 2025", would help drive the Chinese economy to recovery, while providing ample market opportunities for the Group's medium to long-term development. The Board believes that the Group has laid a solid foundation for its mission to be "a world-class manufacturer of dyeing and finishing machinery". By exceling ourselves and striving to provide more advanced, efficient, energy-saving and high-quality products and integrated solutions for our customers, we will seize various opportunities in a pragmatic manner to make the Group bigger and stronger.

Construction of Phase II of the new production plant of the Group located at Linhai Industrial Park, Tsui Hang New District, Zhongshan City, Guangdong Province has commenced and is scheduled to be completed in 2017. Upon full operation of the new plant, the Group's production capacity is expected to increase significantly to meet the growing needs from market in the foreseeable future. The new Zhongshan plant will be keen on energy conservation, production efficiency and high efficiency in the design of production processes and will apply more automated processes to reduce manpower requirement and labour costs.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Trading of stainless steel supplies

In recent years, due to the over-supply and the sluggish demand, the stainless steel price was in a down trend and was expected to remain at historical low level. In view of that, the Group has been cautious in its stainless steel trading business over the recent years so as to mitigate the risk of weak stainless steel price. For the six months ended 30 June 2016, this business segment recorded revenue of approximately HK$148,000,000, accounting for 11% of the Group's revenue, representing a decrease of 25% as compared to approximately HK$197,000,000 for the corresponding period of last year. Operating profit for the period amounted to approximately HK$1,000,000 as compared to the profit of approximately HK$3,000,000 for the corresponding period of last year.

The Group will continue to adopt a prudent approach in running this business. It will take appropriate measures to control market risks, adjust selling prices and the level of inventories properly in a timely manner based on market analysis and its judgment, in order to improve the inventory turnover ratio while minimising the risk of price fluctuations. At the same time, the Group will strengthen the credit management of sales and trade receivables in order to lower the risk of bad debts and enhance its cash flow position.

The construction industry in Hong Kong is booming as more major infrastructure projects have commenced, which, coupled with the accelerated pace of urbanisation and the "One Belt One Road" strategy in the PRC, has provided a strong support to the future demand of stainless steel. Therefore, the Group remains optimistic on the prospect of the stainless steel trading business. The Group will closely monitor and response to market changes to maintain steady growth in this business segment. Global supply and demand for stainless steel will depend largely on the economic recovery around the world.

Manufacture and sale of stainless steel casting products

The products of this business segment are primarily high-quality castings and machined processing parts made of stainless steel, dual-phase steel and nickel-based alloys that are widely used in large industrial facilities in industries such as valves, pumps, chemical, oil, natural gas and foods, with customers principally hailing from Europe, the United States and Japan. The stainless steel casting business maintained a steady growth in orders from its major customers thanks to the concerted efforts of the Group's operating team, stable supply capacity and good product quality. Meanwhile, the Group continued to optimise cost control and production management, improve workshops and the production processes, increase automated equipment, effectively reduce the scrappage rate of its products and enhance product competitiveness. As such, the stainless steel casting business segment recorded improvement in its overall gross profit margin.

For the first half of 2016, this business segment reported satisfactory performance as a whole and the results were in line with targets. Revenue for the period amounted to approximately HK$207,000,000, accounting for 15% of the Group's revenue and representing a decrease of 24% compared to approximately HK$271,000,000 in the corresponding period of last year. Operating profit decreased by 35% from approximately HK$28,000,000 in the corresponding period of last year to approximately HK$18,000,000.

The management of the Group believes that market demand for high-quality stainless steel castings will continue to grow. Given the above measures implemented and the stabilisation of the global economy and market environment, the management is confident that in the mid to long term, this business segment will maintain steady revenue growth and make continuous contribution to the Group's profit.

Human resources

As at 30 June 2016, the Group had a total of approximately 4,340 employees (31 December 2015: approximately 4,400 employees) across mainland China, Hong Kong, Macau, Germany, Switzerland, Austria, Thailand, India, Turkey and Central and South America. In the first half of 2016, total staff costs (including Directors' emoluments, employees' remuneration and contribution to retirement benefits scheme) amounted to approximately HK$342,000,000 (the first half of 2015: approximately HK$368,000,000), accounting for approximately 25% of our revenue. The Group will continue to monitor the market situation and consolidate its human resource and labour structure in order to utilise manpower more efficiently and enhance operational productivity.

The Group has always placed great importance on human resources and considers that competitive remuneration is an essential factor that motivates employees at all levels to be dedicated to their work and to provide customers with high-quality products and services. The Group's employees are remunerated according to industry benchmarks, prevailing market conditions, their experiences and performance. The Group's remuneration policies and packages are reviewed by the Remuneration Committee of the Company on a regular basis. Discretionary bonus and share options may be awarded to eligible employees with reference to individual performance and the Group's business performance. The Group also provides employees with other benefits including annual leave, medical insurance, education subsidies, and contributions to retirement benefits scheme or Mandatory Provident Fund Schemes.

The Group recognises the importance of having high caliber employees. Therefore, the Group will continue to offer appropriate training programs to employees at all levels on an ongoing basis so as to improve staff's quality to better cope with the future development of the Group.

Liquidity and capital sources

Given continuously increasing cost pressure, the Group strictly implemented prudent cost and cash flow management. During the period, the Group met its funding requirements for its ordinary and normal course of business with cash flow generated from operations and existing banking facilities. The Board believes that the Group is in a healthy financial position and has sufficient resources to meet its working capital requirements.

During the six months period ended 30 June 2016, the Group's net cash inflow generated in operating activities was approximately HK$318,000,000. As of 30 June 2016, the Group's inventory level increased to approximately HK$729,000,000 as compared to approximately HK$649,000,000 as of 31 December 2015.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)
Liquidity and capital sources (Continued)

As at 30 June 2016, bank borrowings of the Group amounted to approximately HK$1,090,000,000. Most of the bank borrowings were secured in Hong Kong, with 67% denominated in Hong Kong dollars and 33% in United States dollars. The Group's bank borrowings are predominantly subject to floating interest rates.

As at 30 June 2016, the Group's bank balances and cash amounted to approximately HK$625,000,000, of which 48% was denominated in Renminbi, 29% in United States dollars, 14% in Hong Kong dollars, 8% in Euros and the remaining 1% in other currencies.

The Group continued to maintain prudent financial management policies during the period. As of 30 June 2016, the Group's gearing ratio, defined as net bank borrowings (other than payables in ordinary course of business) over total equity, decreased to 34% (31 December 2015: 47%) and its current ratio was 0.97 (31 December 2015: 1.00). The Board considers these ratios to remain at healthy and appropriate levels.

The Group's sales were principally denominated in Renminbi, United States dollars or Euros, while purchases were denominated in Renminbi, United States dollars, Euros or Hong Kong dollars. As such, the Group does not foresee significant exposure to exchange rate risks. The Board will continue to monitor the Group's overall exposure to foreign exchange risks and will consider hedging significant foreign currency risks, should the need arise.

DIRECTORS' INTERESTS IN THE SHARES OF THE COMPANY

As at 30 June 2016, the interests of the Directors and their associates in the shares 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 maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules were as follows:

Long position in shares of HK$0.05 each of the Company

Name of director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Mr. Fong Kwok Leung, Kevin	Beneficial owner	3,100,000	0.28%
	Held by spouse	200,000	0.02%
	Beneficiary of a discretionary trust (Note)	126,104,220	11.43%
		129,404,220	11.73%

Note: Mr. Fong Kwok Leung, Kevin is a beneficiary of a discretionary trust which owns (i) the entire share capital of Loyal Mate Limited which in turn beneficially owns 5,100,000 shares and (ii) the entire issued share capital of GBOGH Assets Limited which in turn beneficially owns the entire share capital of the following companies which in turn beneficially own an aggregate of 121,004,220 shares as follows:

(i) Bristol Investments Limited – 16,000,000 shares
(ii) Polar Bear Holdings Limited – 78,000,000 shares
(iii) Sheffield Holdings Company Limited – 27,004,220 shares

By virtue of the SFO, Mr. Fong Kwok Leung, Kevin is deemed to be interested in the 126,104,220 shares which the discretionary trust owns.

Save as disclosed above, none of the Directors, chief executive nor their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations as at 30 June 2016.

DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS UNDER THE SFO

As at 30 June 2016, the register maintained by the Company pursuant to Section 336 of the SFO shows that the following shareholders had notified the Company of relevant interests in the issued share capital of the Company as follows:

Long position in shares of HK$0.05 each of the Company

Name of shareholder	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
China Hi-Tech Group Corporation	Corporate interests (Note A)	615,408,140	55.80%
Mr. Fong Sou Lam	Beneficial owner	48,800,000	4.43%
	Held by spouse	10,000,000	0.91%
	Founder of a discretionary trust (Note B)	126,104,220	11.43%
		184,904,220	16.77%

Note A: By virtue of the SFO, China Hi-Tech Group Corporation is deemed to be interested in 615,408,140 shares held by its two wholly-owned subsidiaries as follows:

(i) Newish Trading Limited – 257,617,640 shares
(ii) China Hi-Tech Holding Company Limited – 357,790,500 shares

Mr. Ye Maoxin and Mr. Du Qianyi, both being Executive Directors of the Company, are the directors of Newish Trading Limited.

Mr. Ye Maoxin, Mr. Ji Xin and Mr. Du Qianyi, all being Executive Directors of the Company, are the directors of China Hi-Tech Holding Company Limited.

DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS UNDER THE SFO (CONTINUED)

Long position in shares of HK$0.05 each of the Company (Continued)

Note B: Mr. Fong Sou Lam is the founder of a discretionary trust which owns (i) the entire share capital of Loyal Mate Limited which in turn beneficially owns 5,100,000 shares and (ii) the entire issued share capital of GBOGH Assets Limited which in turn beneficially owns the entire share capital of the following companies which in turn beneficially own an aggregate of 121,004,220 shares as follows:

(i) Bristol Investments Limited – 16,000,000 shares
(ii) Polar Bear Holdings Limited – 78,000,000 shares
(iii) Sheffield Holdings Company Limited – 27,004,220 shares

By virtue of the SFO, Mr. Fong Sou Lam is deemed to be interested in the 126,104,220 shares which the discretionary trust owns.

Save as disclosed above, as at 30 June 2016, the Company had not been notified of any person who had an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2016.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. All the Directors have confirmed, following a specific enquiry by the Company, that they have complied with the required standard as set out in the code of conduct regarding securities transactions by the Directors adopted by the Company during the six months ended 30 June 2016.

CORPORATE GOVERNANCE

During the six months ended 30 June 2016, the Company has complied with all of the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules.

AUDIT COMMITTEE

The Company has set up an Audit Committee with written terms of reference based upon the provisions of the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting system and internal control procedures of the Group. The Audit Committee currently comprises three Independent Non-executive Directors of the Company, namely Mr. Ying Wei (committee chairman), Dr. Yuen Ming Fai and Mr. Li Jianxin.

The Company's unaudited condensed consolidated financial statements for the six months ended 30 June 2016 have been reviewed by the Audit Committee, which is of the opinion that such statements complied with the applicable accounting standards, Listing Rules and legal requirements, and that adequate disclosures have been made.

MEMBERS OF THE BOARD

As at the date of this Interim Report, the Executive Directors are Mr. Ye Maoxin (Chairman), Mr. Ji Xin (Chief Executive Officer), Mr. Fong Kwok Leung, Kevin and Mr. Du Qianyi (Chief Financial Officer); and the Independent Non-executive Directors are Mr. Ying Wei, Dr. Yuen Ming Fai and Mr. Li Jianxin.

On behalf of the Board
Ye Maoxin
Chairman

Hong Kong, 26 August 2016