



realord

Interim Report 2016

realord

偉祿集團控股有限公司
REALORD GROUP HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 1196

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Lin Xiaohui (*Chairman*)

Su Jiaohua (*Chief Executive Officer*)

Lin Xiaodong

Independent Non-executive Directors

Yu Leung Fai

Fang Jixin

Li Jue

COMPANY SECRETARY

Chan Ying Kay

LEGAL ADVISERS

Michael Li & Co.

INDEPENDENT AUDITOR

Ernst & Young

22/F, CITIC Tower

1 Tim Mei Avenue

Central, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited

The Belvedere Building

69 Pitts Bay Road

Pembroke HM08

Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited

Level 22, Hopewell Centre

183 Queen's Road East

Wanchai, Hong Kong

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Suites 2403-2410

24/F, Jardine House

1 Connaught Place

Central, Hong Kong

REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking
Corporation Limited

Bank of China (Hong Kong) Limited

China Merchants Bank

AUDIT COMMITTEE

Yu Leung Fai (*Chairman*)

Fang Jixin

Li Jue

REMUNERATION COMMITTEE

Li Jue (*Chairman*)

Lin Xiaohui

Yu Leung Fai

NOMINATION COMMITTEE

Lin Xiaohui (*Chairman*)

Yu Leung Fai

Fang Jixin

STOCK CODE

1196

COMPANY WEBSITE

<http://www.realord.com.hk>

CONDENSED CONSOLIDATED INCOME STATEMENT

for the six months ended 30 June 2016

	Notes	For the six months ended	
		30 June 2016 (Unaudited) HK\$'000	30 June 2015 (Unaudited) HK\$'000 (Restated)
REVENUE	3	92,844	77,335
Cost of sales		(51,170)	(45,423)
Gross profit		41,674	31,912
Other income and gains	5	192,131	10,436
Selling and distribution expenses		(1,969)	(1,617)
Administrative expenses		(58,520)	(44,601)
Other operating expenses		–	(4,492)
Finance costs	6	(5,809)	(939)
PROFIT/(LOSS) BEFORE TAX	7	167,507	(9,301)
Income tax expense	9	(85,818)	(572)
PROFIT/(LOSS) FOR THE PERIOD		81,689	(9,873)
Attributable to:			
Owners of the Company		81,689	(10,085)
Non-controlling interest		–	212
		81,689	(9,873)
Profit/(loss) per share for the period			
– Basic and diluted	11	HK7.08 cents	(HK1.03 cents)



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2016

	For the six months ended	
	30 June 2016 (Unaudited) HK\$'000	30 June 2015 (Unaudited) HK\$'000
PROFIT/(LOSS) FOR THE PERIOD	81,689	(9,873)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(6,083)	92
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	(6,083)	92
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	75,606	(9,781)
Attributable to:		
Owners of the Company	75,606	(9,993)
Non-controlling interest	–	212
	75,606	(9,781)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2016

		As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment		83,250	86,764
Investment properties	12	1,033,700	552,900
Goodwill		2,100	2,100
Other intangible asset	13	4,400	4,400
Finance lease receivables		5,611	6,546
Available-for-sale investments		13,844	13,844
Deferred tax assets		110	31
Prepayments and deposits		26,462	13,878
Total non-current assets		1,169,477	680,463
CURRENT ASSETS			
Inventories		15,574	7,884
Trade receivables	14	102,012	86,335
Receivables arising from securities broking	14	115,580	116,158
Prepayments, deposits and other receivables		14,383	8,679
Finance lease receivables		1,615	1,601
Tax recoverable		208	222
Equity investment at fair value through profit or loss	15	23,188	14,646
Cash held on behalf of clients		23,973	10,443
Pledged time deposit		–	102,760
Cash and cash equivalents	16	82,090	107,846
Total current assets		378,623	456,574
CURRENT LIABILITIES			
Trade payables	17	12,310	5,748
Payables arising from securities broking	17	39,113	27,438
Other payables and accruals		15,589	15,526
Interest-bearing bank borrowings	19	166,903	186,825
Tax payable		1,349	1,013
Total current liabilities		235,264	236,550

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

as at 30 June 2016

		As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
NET CURRENT ASSETS		143,359	220,024
TOTAL ASSETS LESS CURRENT LIABILITIES		1,312,836	900,487
NON-CURRENT LIABILITIES			
Deferred tax liabilities		130,472	46,075
Loans from the ultimate holding company	20	246,702	–
Total non-current liabilities		377,174	46,075
Net assets		935,662	854,412
EQUITY			
Equity attributable to owners of the Company			
Share capital	18	115,349	115,349
Reserves		820,313	739,063
Total equity		935,662	854,412

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2016

	For the six months ended	
	30 June 2016 (Unaudited) HK\$'000	30 June 2015 (Unaudited) HK\$'000
Net cash inflows/(outflows) from:		
Operating activities	(51,566)	(44,392)
Investing activities		
– Acquisition of non-controlling interest	–	(12,668)
– Acquisition of subsidiaries	(307,948)	(235,616)
– Other investing activities	587	96,443
	(307,361)	(151,841)
Financing activities		
– Proceeds from share subscription	–	504,000
– Proceeds received from loans from the ultimate holding company	250,930	–
– Other financing activities	(27,645)	–
	223,285	504,000
(Decrease)/Increase in cash and cash equivalents	(135,642)	307,767
Cash and cash equivalents at beginning of period	210,541	175,988
Effect of foreign exchange rate changes	(597)	92
Cash and cash equivalents at end of period	74,302	483,847
Cash and cash equivalents as stated in the condensed consolidated statement of financial position	82,090	378,147
Pledged bank deposit	–	105,700
Bank overdrafts	(7,788)	–
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	74,302	483,847

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2016

	Equity attributable to equity holders of the Company							Non-controlling Interest	Total equity
	Share capital	Share premium account	Share option reserve	Asset revaluation reserve	Exchange fluctuation reserve	Retained profits	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2015	79,419	141,473	-	28,274	219	69,623	319,008	12,456	331,464
Loss for the period	-	-	-	-	-	(10,085)	(10,085)	212	(9,873)
Other comprehensive income:									
Exchange differences on translation of foreign operations	-	-	-	-	92	-	92	-	92
Total comprehensive loss for the period	-	-	-	-	92	(10,085)	(9,993)	212	(9,781)
Acquisition of non-controlling interest	-	-	-	-	-	-	-	(12,668)	(12,668)
Issuance of new shares	36,000	468,000	-	-	-	-	504,000	-	504,000
Equity-settled share option arrangements	-	-	1,282	-	-	-	1,282	-	1,282
At 30 June 2015 (Unaudited)	115,419	609,473	1,282	28,274	311	59,538	814,297	-	814,297
At 1 January 2016	115,349	607,797	6,876	28,274	(6,005)	102,121	854,412	-	854,412
Profit for the period	-	-	-	-	-	81,689	81,689	-	81,689
Other comprehensive income:									
Exchange differences on translation of foreign operations	-	-	-	-	(6,083)	-	(6,083)	-	(6,083)
Total comprehensive income for the period	-	-	-	-	(6,083)	81,689	75,606	-	75,606
Equity-settled share option arrangements	-	-	5,644	-	-	-	5,644	-	5,644
At 30 June 2016 (Unaudited)	115,349	607,797	12,520	28,274	(12,088)	183,810	935,662	-	935,662



NOTES TO THE INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2016

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial information of the Realord Group Holdings Limited (the "Company") and its subsidiaries (together referred to as the "Group") has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standard 34 "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The unaudited condensed consolidated interim financial information has been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 December 2015, except for the adoption of the new standards and amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by HKICPA, as disclosed in note 2 to this interim financial information.

2. IMPACT OF NEW HONG KONG FINANCIAL REPORTING STANDARDS

Adoption of new or amended HKFRSs effective on or after 1 January 2016

In the current period, the Group has applied, for the first time, the following new or amended HKFRSs issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on or after 1 January 2016.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKAS 27 (2011)	Equity Method in Separate Financial Statements
Annual Improvements 2012-2014 Cycle	Amendments to a number of HKFRSs

The adoption of the new or amended HKFRS had no material impact on the Group's financial statements.

The Group has not early adopted the new or amended HKFRS that have been issued but not yet effective.

3. REVENUE

Revenue represents the invoiced value of goods sold, after allowances for returns and trade discounts, the value of services rendered, commission income from securities broking; interest income from margin financing and rental income during the period.

	For the six months ended	
	30 June 2016 (Unaudited) HK\$'000	30 June 2015 (Unaudited) HK\$'000 (Restated)
Sales of goods	43,618	36,856
Rendering of services	38,428	37,037
Commission income from securities broking	1,119	469
Interest income from margin financing	4,219	–
Rental income	5,460	2,973
	92,844	77,335

As further explained in note 4 to the financial statements rental income of HK\$2,973,000 for the six months ended 30 June 2015 was reclassified from other income to revenue as property investment was considered by management to be one of the major business segments of the Group during the six months ended 30 June 2016.

4. SEGMENT INFORMATION

The Group identifies its operating segments and prepares segment information based on the regular internal financial information reported to the Group's executive directors for their decisions about resources allocation to the Group's business components and for their review of these components' performance. During the period under review, as a result of the increase in property investment and also increase in rental income received by the Group, the Group has reassessed the operating performance, which resulted in separate disclosure of its property investment segment. The comparative segment information for the last corresponding period was restated accordingly.

The business components in the internal reporting to the executive directors are determined following the Group's major business lines. The Group has identified the following reportable segments:

- provision of financial printing, digital printing and other related services ("Commercial Printing Segment");
- manufacture and sale of hangtags, labels, shirt paper boards and plastic bags principally to manufacturers of consumer products ("Hangtag Segment");
- distribution and sales of motor vehicle parts ("Motor Vehicle Parts Segment");
- provision of securities brokerage services and margin financing ("Financial Services Segment");
- trading of electronic products and computer components ("Trading Segment"); and
- property investment ("Property Investment Segment").

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit before tax except that bank interest income, fair value gains on equity investment at fair value through profit or loss, revaluation surplus on property, plant and equipment, loss on disposal of equity investment at fair value through profit or loss, finance costs, as well as corporate expenses are excluded from such measurement.

4. SEGMENT INFORMATION (Continued)

Segment assets exclude deferred tax assets, tax recoverable, pledged time deposit, cash and cash equivalents, equity investments at fair value through profit or loss, available-for-sale investments and other unallocated corporate assets as these assets are managed on a group basis.

Segment liabilities exclude loans from the ultimate holding company, interest-bearing bank borrowings except for import invoice financing and overdraft, tax payable, deferred tax liabilities and other unallocated corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Information regarding the Group's reportable operating segments as provided to the Group's executive directors is set out below:

	Commercial Printing (Unaudited) HK\$'000	Hangtag (Unaudited) HK\$'000	Motor Vehicle Parts (Unaudited) HK\$'000	Financial Services (Unaudited) HK\$'000	Trading (Unaudited) HK\$'000	Property Investment (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Period ended 30 June 2016							
Segment revenue							
Sales to external customers	38,428	4,777	38,841	5,338	-	5,460	92,844
Intersegment sales	247	-	-	-	-	-	247
	38,675	4,777	38,841	5,338	-	5,460	93,091
Reconciliation:							
Elimination of intersegment sales							(247)
							<u>92,844</u>
Segment results	414	(409)	1,692	1,149	(357)	179,128	181,617
Reconciliation:							
Bank interest income							961
Fair value gains on equity investment at fair value through profit or loss - held for trading							8,542
Revaluation surplus on property, plant and equipment							1,555
Corporate expenses							(19,359)
Finance costs							(5,809)
Profit before tax							<u>167,507</u>

4. SEGMENT INFORMATION (Continued)

	Commercial Printing (Unaudited) HK\$'000	Hangtag (Unaudited) HK\$'000	Motor Vehicle Parts (Unaudited) HK\$'000	Financial Services (Unaudited) HK\$'000	Trading (Unaudited) HK\$'000	Property Investment (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
As at 30 June 2016							
Segment assets	19,643	2,682	113,337	152,963	118	1,051,002	1,339,745
Reconciliation:							
Corporate and unallocated assets							208,355
Total assets							<u>1,548,100</u>
Segment liabilities	17,037	2,816	55,236	40,397	-	3,631	119,117
Reconciliation:							
Corporate and unallocated liabilities							493,321
Total liabilities							<u>612,438</u>
Other segment information:							
Depreciation	760	2	121	80	16	30	1,009
Gain on disposal of items of property, plant and equipment	-	(32)	-	-	-	-	(32)
Fair value gain on investment properties	-	-	-	-	-	(176,005)	(176,005)
Capital expenditure*	360	-	40	-	-	-	400

* Capital expenditure consists of additions to property, plant and equipment.



4. SEGMENT INFORMATION (Continued)

	Commercial Printing (Unaudited) HK\$'000	Hangtag (Unaudited) HK\$'000	Motor Vehicle Parts (Unaudited) HK\$'000	Financial Services (Unaudited) HK\$'000	Trading (Unaudited) HK\$'000	Property Investment (Unaudited) HK\$'000 (Restated)	Total (Unaudited) HK\$'000 (Restated)
Period ended 30 June 2015							
Segment revenue							
Sales to external customers	37,103	4,682	22,421	403	9,753	2,973	77,335
Intersegment sales	266	-	-	66	-	-	332
	37,369	4,682	22,421	469	9,753	2,973	77,667
Reconciliation:							
Elimination of intersegment sales							(332)
							<u>77,335</u>
Segment results	2,416	(2,295)	920	(679)	(317)	2,558	2,603
Reconciliation:							
Bank interest income							2,206
Fair value gains on equity investment at fair value through profit or loss - held for trading							7,603
Loss on disposal of equity investment at fair value through profit or loss - held for trading							(4,492)
Corporate expenses							(16,282)
Finance costs							(939)
Loss before tax							<u>(9,301)</u>

4. SEGMENT INFORMATION (Continued)

	Commercial Printing HK\$'000	Hangtag HK\$'000	Motor Vehicle Parts HK\$'000	Financial Services HK\$'000	Trading HK\$'000	Property Investment HK\$'000 (Restated)	Total HK\$'000 (Restated)
As at 31 December 2015							
Segment assets	13,498	3,228	90,868	142,179	134	572,723	822,630
Reconciliation:							
Corporate and unallocated assets							314,407
Total assets							<u>1,137,037</u>
Segment liabilities	13,304	1,790	12,106	27,892	119	1,645	56,856
Reconciliation:							
Corporate and unallocated liabilities							225,769
Total liabilities							<u>282,625</u>
Other segment information:							
Depreciation	1,300	330	104	67	13	30	1,844
Loss/(gain) on disposal of items of property, plant and equipment	148	(97)	-	-	-	-	51
Impairment loss on property, plant and equipment	-	471	-	-	-	-	471
Reversal of impairment of trade receivables	(83)	(109)	-	-	-	-	(192)
Capital expenditure*	3,647	13	1,226	153	146	-	5,185

* Capital expenditure consists of additions to property, plant and equipment.

5. OTHER INCOME AND GAINS

	For the six months ended	
	30 June 2016 (Unaudited) HK\$'000	30 June 2015 (Unaudited) HK\$'000 (Restated)
Other income		
Interest income	961	2,206
Finance lease interest income	247	–
Exchange gain, net	4,691	613
Others	98	14
	5,997	2,833
Gains		
Gain on disposal of items of property, plant and equipment	32	–
Fair value gain on investment properties	176,005	–
Revaluation surplus on property, plant and equipment	1,555	–
Fair value gain on equity investments at fair value through profit or loss – held for trading	8,542	7,603
	186,134	7,603
	192,131	10,436

6. FINANCE COSTS

	For the six months ended	
	30 June 2016 (Unaudited) HK\$'000	30 June 2015 (Unaudited) HK\$'000
Interest charges on bank loans, overdrafts and other borrowings repayable within five years	1,487	939
Interest charges on loans from the ultimate holding company	4,322	–
	5,809	939

7. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	For the six months ended	
	30 June 2016 (Unaudited) HK\$'000	30 June 2015 (Unaudited) HK\$'000
Depreciation	3,977	2,249
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties	23	–
Gain on disposal of property, plant and equipment	(32)	–
Loss on disposal of equity investment at fair value through profit or loss – held for trading	–	4,492
Fair value gain on equity investment at fair value through profit or loss – held for trading	(8,542)	(7,603)
Fair value gain on investment properties	(176,005)	–
Revaluation surplus on property, plant and equipment	(1,555)	–
Employee benefit expense (including directors' emoluments)	27,839	23,083
Equity-settled share option expenses	5,644	1,282
Minimum lease payments under operating leases	10,583	11,547
Foreign exchange differences, net	(4,691)	(613)

8. ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES

- (a) On 6 June 2015, the Group acquired 100% equity interest in Concept Star Corporation Limited ("Concept Star"), from an independent third party, at a cash consideration of HK\$225,517,000. Concept Star is engaged in investment holding.
- (b) On 17 March 2015, the Group acquired 100% equity interest in Lake King Holdings Limited and its subsidiary ("Lake King Group"), from Mr. Lin Jingming, who is the father of Dr. Lin Xiaohui, a substantial shareholder of the Company, at a cash consideration of HK\$2,000,000. Lake King Group is engaged in investment holding. The acquisition was a related party transaction and constituted a connected transaction as defined in Chapter 14A of the Listing Rules.
- (c) On 11 November 2015, the Group acquired 100% equity interest in Manureen Group Holdings Limited and its subsidiaries ("Manureen Group"), from Dr. Lin Xiaohui and Madam Su Jiaohua, the substantial shareholders of the Company, at a cash consideration of HK\$48,000,000. Manureen Group is engaged in investment in property and financial assets. The acquisition was a related party transaction and constituted a connected transaction as defined in Chapter 14A of the Listing Rules.
- (d) On 26 January 2016, the Group acquired 100% equity interest in Excellent Well (H.K.) Limited ("Excellent Well"), from an independent third party, at a cash consideration of HK\$25,834,000. Excellent Well is engaged in investment holding.
- (e) On 24 June 2016, the Group completed the acquisition of Citibest Global Limited and its subsidiary ("Citibest Group"), from an independent third party, at a cash consideration of HK\$284,553,000. Citibest Group is engaged in investment holding.



8. ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES (Continued)

All of the above transactions were accounted for as purchases of assets and liabilities rather than as business combinations because Concept Star, Lake King Group, Manureen Group, Excellent Well and Citibest Group have not carried out any significant business transactions prior to the date of acquisition.

The assets and liabilities acquired in the above acquisitions are as follows:

Concept Star

	(Audited) HK\$'000
Investment property	225,000
Prepayments, deposits and other receivables	157
Shareholder's loan	(130,517)
<hr/>	
Net assets	94,640
<hr/>	
Assignment of a shareholder's loan	130,517
<hr/>	
Satisfied by cash	225,157
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Cash consideration	(225,157)
Cash and bank balances acquired	–
<hr/>	
Net outflow of cash and cash equivalents	(225,157)
<hr/>	

Lake King Group

	(Audited) HK\$'000
Property, plant and equipment	1,719
Prepayments, deposits and other receivables	22
Cash and bank balances	273
Other payables	(14)
<hr/>	
Net assets	2,000
<hr/>	
Satisfied by cash	2,000
<hr/>	
Cash consideration	(2,000)
Cash and bank balances acquired	273
<hr/>	
Net outflow of cash and cash equivalents	(1,727)
<hr/>	



8. ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES (Continued)

Manureen Group

	(Audited) HK\$'000
Property, plant and equipment	73,413
Finance lease receivables	8,592
Cash and bank balances	3,122
Shareholder's loan	(11,826)
Due to a related company	(37,070)
Other payables and accruals	(57)
<hr/>	
Net assets	36,174
Assignment of shareholder's loan	11,826
<hr/>	
Satisfied by cash	48,000
<hr/> <hr/>	
Cash consideration	(48,000)
Cash and bank balances acquired	3,122
<hr/>	
Net outflow of cash and cash equivalents	(44,878)
<hr/> <hr/>	

Excellent Well

	(Unaudited) HK\$'000
Investment property	25,800
Prepayments and deposits	34
<hr/>	
Net assets	25,834
<hr/>	
Satisfied by cash	25,834
<hr/> <hr/>	
Net outflow of cash and cash equivalents	(25,834)
<hr/> <hr/>	



8. ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES (Continued)

Citibest Group

	(Unaudited) HK\$'000
Investment property	283,797
Cash and bank balances	2,439
Shareholder's loan	(35,354)
Other payables and accruals	(1,683)
<hr/>	
Net assets	249,199
Assignment of shareholder's loan	35,354
<hr/>	
Satisfied by cash	284,553
<hr/>	
Cash consideration	(284,553)
Cash and bank balances acquired	2,439
<hr/>	
Net outflow of cash and cash equivalents	(282,114)
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9. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profits for the six months ended 30 June 2016. Taxes on estimated assessable profits elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

	For the six months ended	
	30 June	30 June
	2016	2015
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current tax – Hong Kong	390	588
Current tax – Mainland China	89	17
Deferred	85,339	(33)
<hr/>		
	85,818	572
<hr/>		



10. DIVIDENDS

The directors do not recommend the payment of interim dividend for the six months ended 30 June 2016 (2015: Nil).

11. EARNINGS/LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings/(loss) per share amounts is based on the profit/(loss) for the period attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the period.

The calculation of the diluted earnings/(loss) per share amounts is based on the profit for the period attributable to ordinary equity holders of the Company, as used in the basic earnings/(loss) per share calculation. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings/(loss) per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of the basic and diluted earnings/(loss) per share are based on:

	Six months ended 30 June 2016 (Unaudited) HK\$'000	Six months ended 30 June 2015 (Unaudited) HK\$'000
Earnings		
Profit/(loss) attributable to ordinary equity holders of the Company, used in the basic earnings/(loss) per share calculation	81,689	(10,085)

11. EARNINGS/LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (Continued)

	Number of shares	
	Six months ended 30 June 2016 (Unaudited)	Six months ended 30 June 2015 (Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	1,153,491,398	975,185,873
Effect of dilution – weighted average number of ordinary shares:		
Share options	–	–
	1,153,491,398	975,185,873

The Company's share options have no dilutive effect for the six months ended 30 June 2016 and 30 June 2015 because the exercise price of the Company's share options was higher than the average market price of the Company's share during the periods.

12. INVESTMENT PROPERTIES

	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
Carrying amount at beginning of period/year	552,900	135,730
Additions	–	106,100
Acquisition of assets through acquisition of subsidiaries (note 8)	309,597	225,000
Net gain from a fair value adjustment	176,005	90,076
Exchange realignment	(4,802)	(4,006)
Carrying amount at closing of period/year	1,033,700	552,900

At 30 June 2016, the Group's investment properties with a carrying value of HK\$356,400,000 (31 December 2015: HK\$288,000,000) were pledged to secure general banking facilities granted to the Group.



13. OTHER INTANGIBLE ASSET

	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
Trading right	4,400	4,400

The trading right has been considered to have an indefinite life because it is expected to contribute net cash inflow to the Group indefinitely, and is not amortised.

14. TRADE RECEIVABLES/RECEIVABLES ARISING FROM SECURITIES BROKING

	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
Trade receivables	102,012	86,335
Impairment	-	-
	102,012	86,335
Receivables arising from securities broking conducted in the ordinary course of business:		
Cash clients	14,351	14,722
Loans to margin clients	99,943	101,436
Clearing house	1,286	-
Receivables arising from securities broking	115,580	116,158
Total trade receivables and receivables arising from securities broking	217,592	202,493

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit periods are generally one month to three months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management.

14. TRADE RECEIVABLES/RECEIVABLES ARISING FROM SECURITIES BROKING (Continued)

An aged analysis of trade receivables and receivables arising from securities broking as at the end of the reporting period, based on the invoiced date and net of provisions, is as follows:

	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
Current to 30 days	33,733	43,606
31 to 60 days	8,332	11,892
61 to 90 days	10,433	10,499
Over 90 days	65,151	35,060
	117,649	101,057
Loans to margin clients [#]	99,943	101,436
	217,592	202,493

[#] The loans to margin clients are secured by the underlying pledged securities, are repayable on demand and bear interest at commercial rates. No aged analysis is disclosed as, in the opinion of the directors, an aged analysis is not relevant in view of the nature of the business of securities margin financing. As at 30 June 2016, the total market value of securities pledged as collateral in respect of the loans to margin clients was approximately HK\$347,210,000 (31 December 2015: HK\$207,827,000).

15. EQUITY INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
Listed equity investments, at market value	23,188	14,646



16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
Cash and bank balance	82,090	107,846
Pledged time deposits	–	102,760
	82,090	210,606
Less: Pledged time deposits	–	(102,760)
Cash and cash equivalents	82,090	107,846

17. TRADE PAYABLE/PAYABLES ARISING FROM SECURITIES BROKING

	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
Trade payables	12,310	5,748
Payables arising from securities broking conducted in the ordinary course of business:		
Cash clients accounts payable	39,113	22,558
Clearing house	–	4,880
Payables arising from securities broking	39,113	27,438
Total trade payables and payables arising from securities broking	51,423	33,186

17. TRADE PAYABLE/PAYABLES ARISING FROM SECURITIES BROKING (Continued)

An aged analysis of trade payables and payables arising from securities broking as at the end of the reporting period, based on invoice date, is as follows:

	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
Current to 30 days	3,658	7,246
31 to 60 days	1,421	1,268
61 to 90 days	5,578	805
Over 90 days	1,653	1,309
	12,310	10,628
Cash clients accounts payable	39,113	22,558
	51,423	33,186

The trade payables are non-interest-bearing and are normally settled on 60-day terms.

Included in the cash clients accounts payable arising from dealing in securities conducted in the ordinary course of business is an amount of approximately HK\$25,172,000 (31 December 2015: HK\$6,806,000) representing those clients' undrawn monies/excess deposits placed with the Group. As at 30 June 2016, the cash clients accounts payable included an amount of HK\$132,000 (31 December 2015: HK\$132,000) in respect of certain directors' undrawn monies/excess deposits placed with the Group. The cash clients accounts payable are repayable on demand and non-interest-bearing. No aged analysis is disclosed as, in the opinion of the directors, an aged analysis is not meaningful in view of the nature of the business of dealing in securities.

18. SHARE CAPITAL

	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
Authorised:		
20,000,000,000 ordinary shares of HK\$0.10 each	2,000,000	2,000,000
Issued and fully paid:		
1,153,491,398 ordinary shares of HK\$0.10 each	115,349	115,349

19. INTEREST-BEARING BORROWINGS

	As at 30 June 2016			As at 31 December 2015		
	Effective interest rate (%)	Maturity	(Unaudited) HK\$'000	Effective interest rate (%)	Maturity	(Audited) HK\$'000
Current	Hong Kong Interbank Offered Rate ("HIBOR")	Within 1 year or on demand		HIBOR	Within 1 year or on demand	
Bank loans – secured	+1.4% to 1.5% p.a.		159,115	+1.4% to 1.5% p.a.		186,760
Bank overdraft – secured		Within 1 year or on demand	7,788			65
			166,903			186,825

As at	As at
30 June	31 December
2016	2015
(Unaudited)	(Audited)
HK\$'000	HK\$'000

Analysed into:

Bank loans and overdraft repayable:

Within one year or on demand

166,903

186,825

Notes:

- The Group's banking facilities amounted to HK\$291,450,000 (31 December 2015: HK\$200,000,000), of which HK\$166,903,000 (31 December 2015: HK\$186,852,000) had been utilised as at the end of the reporting period.
- Certain of the Group's bank loans and overdraft were secured by the Company's guarantee of up to HK\$291,450,000 (31 December 2015: HK\$220,000,000) and a mortgage over the Group's investment properties situated in Hong Kong, which had a carrying value at the end of the reporting period of HK\$356,400,000 (31 December 2015: HK\$288,000,000).
- All bank borrowings are denominated in Hong Kong dollars.



20. LOANS FROM THE ULTIMATE HOLDING COMPANY

	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
Loans from the ultimate holding company	246,702	–

The loans from the ultimate holding company were unsecured, interest bearing at 8.2% per annum and not repayable within 12 months as at the end of the reporting period.

21. OPERATING LEASE COMMITMENTS

	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
Within one year	17,606	18,238
In the second to fifth year, inclusive	23,237	31,328
	40,843	49,566

22. CAPITAL COMMITMENTS

	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
Contracted for but not provided:		
– Equity investment	408,424	–
– Investment property	11,190	4,600
	419,614	4,600

23. RELATED PARTY TRANSACTIONS

(a) Transactions with related parties:

- (i) During the six months ended 30 June 2016, the Group had finance lease receivables due from a company jointly owned by Dr. Lin Xiaohui and Madam Su Jiaohao, both of whom are directors and substantial shareholders of the Company. The Group received interest income arising from such finance lease receivables amounting to HK\$247,000 during the six months ended 30 June 2016, which was based on the prevailing market rate.
- (ii) During the six months ended 30 June 2016, the Group had loans to the ultimate holding company, Manureen Holdings Limited, which is jointly owned by Dr. Lin Xiaohui and Madam Su Jiaohao, both of whom are directors of the Company. The Group paid interest expenses arising from such loan amounting to HK\$4,322,000 during the six months ended 30 June 2016, which was based on the prevailing market rate.
- (iii) During the six months ended 30 June 2015, the Group acquired Lake King Group at a cash consideration of HK\$2,000,000 from Mr. Lin Jingming, who is the father of Dr. Lin Xiaohui and Mr. Lin Xiaodong, both of whom are directors of the Company. Further details of the transaction are included in note 8 to the financial statements.
- (iv) During the six months ended 30 June 2015, the Group acquired Realord Manureen Securities from Madam Su Jiaohua, a substantial shareholder of the Company, at a consideration of HK\$18,812,000. Further details of the transaction are included in note 24 to the financial statements.

(b) Loans from the ultimate holding company:

The ultimate holding company of the Group provided loans to the Group amounted to HK\$246,702,000, comprised of RMB136,000,000 and HK\$88,000,000 (31 December 2015: Nil). The loans were provided to the Group in normal commercial terms and is not secured by the assets of the Group, it constitutes a fully exempt connected transaction under the Listing Rules. The carrying amounts of the balances approximately to their fair values. Terms of the loans are shown in note 20 to the financial statements.

(c) Compensation of key management personnel of the Group:

	For the six months ended	
	30 June 2016 (Unaudited) HK\$'000	30 June 2015 (Unaudited) HK\$'000
Short term employee benefits	2,940	2,940
Post-employment benefits	27	18
Equity-settled share option expenses	2,248	500
	5,215	3,458



24. BUSINESS COMBINATION

On 8 May 2015, the Group acquired a 100% interest in Realord Manureen Securities Limited (“Realord Manureen Securities”) (formerly known as “Manureen Securities Limited”) from Madam Su Jiaohua, the substantial shareholder of the Company. Realord Manureen Securities is principally engaged in the provision of securities brokerage services. The acquisition was made as part of the Group’s strategy to participate in the securities trading industry and allow the Group to diversify from its existing businesses. The purchase consideration for the acquisition, in the form of cash, was HK\$18,812,000 which was fully settled during the year. The acquisition was a related party transaction and constituted a connected transaction as defined in Chapter 14A of the Listing Rules.

	As at 8 May 2015 (Audited) HK\$'000
Assets and liabilities acquired:	
Property, plant and equipment	475
Other intangible asset	4,400
Other assets	275
Receivables arising from securities broking	12,806
Prepayments	71
Cash held on behalf of clients	10,663
Cash and bank balances	10,196
Payables arising from securities broking	(21,564)
Other payables and accruals	(610)
<hr/>	
Total identifiable net assets at fair value	16,712
Goodwill on acquisition	2,100
<hr/>	
Satisfied by cash	18,812
<hr/>	
An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:	
Cash consideration	(18,812)
Cash and bank balances acquired	10,196
<hr/>	
	(8,616)
<hr/>	

The fair values of the receivables arising from securities broking as at the date of acquisition amounted to HK\$12,806,000. No receivables are expected to be uncollectible.

25. FINANCIAL INSTRUMENTS BY CATEGORY

(a) The carrying amounts of each category of financial instruments as at the end of the reporting period are as follows:

30 June 2016

Financial assets

	Financial assets at fair value through profit or loss – held for trading (Unaudited) <i>HK\$'000</i>	Loans and receivables (Unaudited) <i>HK\$'000</i>	Available- for-sale financial assets (Unaudited) <i>HK\$'000</i>	Total (Unaudited) <i>HK\$'000</i>
Available-for-sale investments	–	–	13,844	13,844
Trade receivables	–	102,012	–	102,012
Receivables arising from securities broking	–	115,580	–	115,580
Financial assets included in prepayments, deposits and other receivables	–	12,139	–	12,139
Finance lease receivables	–	7,226	–	7,226
Equity investment at fair value through profit or loss	23,188	–	–	23,188
Cash held on behalf of clients	–	23,973	–	23,973
Cash and cash equivalents	–	82,090	–	82,090
	23,188	343,020	13,844	380,052

Financial liabilities

	Financial liabilities at amortised cost (Unaudited) <i>HK\$'000</i>
Trade payables	12,310
Payables arising from securities broking	39,113
Financial liabilities included in other payables and accruals	4,669
Loans from the ultimate holding company	246,702
Interest-bearing bank borrowings	166,903
	469,697

25. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

(a) The carrying amounts of each category of financial instruments as at the end of the reporting period are as follows: (Continued)

31 December 2015

Financial assets

	Financial assets at fair value through profit or loss – held for trading (Audited) <i>HK\$'000</i>	Loans and receivables (Audited) <i>HK\$'000</i>	Available- for-sale financial assets (Audited) <i>HK\$'000</i>	Total (Audited) <i>HK\$'000</i>
Available-for-sale investments	–	–	13,844	13,844
Trade receivables	–	86,335	–	86,335
Receivables arising from securities broking	–	116,158	–	116,158
Financial assets included in prepayments, deposits and other receivables	–	7,748	–	7,748
Finance lease receivables	–	8,147	–	8,147
Equity investment at fair value through profit or loss	14,646	–	–	14,646
Cash held on behalf of clients	–	10,443	–	10,443
Pledged time deposit	–	102,760	–	102,760
Cash and cash equivalents	–	107,846	–	107,846
	14,646	439,437	13,844	467,927

Financial liabilities

	Financial liabilities at amortised cost (Audited) <i>HK\$'000</i>
Trade payables	5,748
Payables arising from securities broking	27,438
Financial liabilities included in other payables and accruals	10,619
Interest-bearing bank borrowings	186,825
	230,630

25. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

(b) Fair value measurement recognised in the condensed consolidated statement of financial position

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The following tables illustrate the fair value measurement hierarchy of the Group' financial instruments:

Assets measured at fair value:

As at 30 June 2016

	Quoted prices in active markets (Level 1) (Unaudited) HK\$'000	Fair value measurement using		Total (Unaudited) HK\$'000
		Significant observable inputs (Level 2) (Unaudited) HK\$'000	Significant unobservable inputs (Level 3) (Unaudited) HK\$'000	
Available-for-sale investments	13,844	–	–	13,844
Equity investment at fair value through profit or loss	23,188	–	–	23,188
	37,032	–	–	37,032



25. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

(b) Fair value measurement recognised in the condensed consolidated statement of financial position (Continued)

As at 31 December 2015

	Quoted prices in active markets (Level 1) (Audited) HK\$'000	Fair value measurement using Significant observable inputs (Level 2) (Audited) HK\$'000	Significant unobservable inputs (Level 3) (Audited) HK\$'000	Total (Audited) HK\$'000
Available-for-sale investments Equity instrument at fair value through profit or loss	13,844	–	–	13,844
	14,646	–	–	14,646
	28,490	–	–	28,490

The Group did not have any financial liabilities measured at fair value as at 30 June 2016 and 31 December 2015.

26. CONTINGENT LIABILITIES

During the period under review, 深圳市新有序規劃設計有限公司 (Shenzhen Xin You Xu Planning and Design Company Limited*) (the "Plaintiff") issued a civil writ dated 22 June 2016 against, among others, (i) Citibest Global Limited ("Citibest"), a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company, (ii) Ms. Hung Hsin-Hui ("Ms. Hung"), being the sole shareholder of Citibest prior to the completion of the acquisition by the Company of the entire issued share capital of Citibest as announced by the Company on 24 March 2016 (the "Acquisition") which took place on 24 June 2016, and (iii) 冠彰電器(深圳)有限公司 (Guan Zhang Electrical Appliances (Shenzhen) Limited*) ("Guan Zhang"), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Citibest, claiming for allegedly outstanding payment in the amount of RMB30,000,000 and interest accrued thereon from 25 March 2016 up to the actual date of payment at the prevailing rate of the PRC, under an agency agreement dated 29 January 2015 and entered into among the Plaintiff, Citibest, Guan Zhang and its legal representative (which was entered into prior to the entering into of the Acquisition) pursuant to which Citibest agreed to appoint the Plaintiff as its agent to liaise with potential purchaser for the disposal by Citibest of its equity interest in Guan Zhang and the land use rights and properties held by Guan Zhang. The Company is in the course of consulting legal advice in relation to the claim raised by the Plaintiff. Ms. Hung has put RMB23,800,000 in an escrow account for covering the claim, such amount would be otherwise released to Ms. Hung, pending the results of the aforesaid litigation. The directors of the Company considered that the possibility of any cash outflow in settling the legal claims is remote after due consideration of the fact with reference to legal advice.

* For identification only



27. COMPARATIVE AMOUNTS

As further explained in note 3 and note 4, certain comparative amount included in other income has been reclassified to revenue to conform with the current period's presentation.

28. EVENT AFTER THE REPORTING DATE

On 23 May 2016, the Group had entered into an agreement with 5 other independent third parties, pursuant to which the parties agreed to set up a security company in Guangzhou Pilot Free Trade Zone, Nanshan area in the PRC, to carry out securities business in the PRC. The agreement was approved at special general meeting on 5 August 2016. Up to the date of the interim report, the establishment of the subject security company is pending for the approval of the China Securities Regulatory Commission and other regulatory authorities in the PRC. For details, please refer to the two announcements and the circular dated 23 May 2016, 5 August 2016 and 20 July 2016, respectively.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Recent Development

The principal activities of the Group during the period under review included the provision of financial printing, digital printing and other related services (“Commercial Printing Segment”), manufacture and sale of hangtags, labels, shirt paper boards and plastic bags (“Hangtag Segment”), distribution and sale of motor vehicle parts (“Motor Vehicle Parts Segment”), provision of securities brokerage services and margin financing (“Financial Services Segment”), and trading of electronic products, computer equipment and consumer products (“Trading Segment”), and property investment (“Property Investment Segment”).

As disclosed in the announcement of the Company dated 24 March 2016, the Group entered into an acquisition agreement to conditionally acquire the entire equity interest in Citibest Global Limited (“Citibest”), which hold the properties situated at Qiankeng Industrial Zone, Fumin Community, Guanlan Town, Baoan District, Shenzhen, the PRC, at a cash consideration of RMB238,000,000 (equivalent to approximately HK\$284,553,000). The acquisition was completed on 24 June 2016.

As disclosed in the announcements of the Company dated 23 May 2016 and 5 August 2016 and the circular of the Company dated 20 July 2016, the Group had entered into an agreement with 5 other independent third parties, pursuant to which the parties agreed to set up a security company (“Security Company”) in Guangzhou Pilot Free Trade Zone, Nanshan area in the PRC, to carry out securities businesses in the PRC. Pursuant to the agreement, upon establishment of the Security Company, the Group agreed to subscribe for 350,000,000 shares of the Security Company in cash, representing 10% equity interests thereof, at an aggregate subscription price of RMB350,000,000. The establishment of the Security Company is pending for the approval of the China Securities Regulatory Commission and other relevant regulatory authorities in the PRC.

As disclosed in the announcements of the Company dated 9 May 2016 and 9 August 2016, the Company and Fortune Victory Asia Corporation entered into a letter of intent and supplementary letter of intent (the “Letter of Intent”) in respect of a possible acquisition of 60% issued share capital of Top Eagle International Trading Limited, which in turn holds the entire equity interest in 廣西梧州市通寶再生物資有限公司 (Guangxi Wuzhou City Tong Bao Renewable Materials Limited*), which is principally engaged in the business of recycling, dismantling and sales of scrap materials. Pursuant to the Letter of Intent, the Company has the right to conduct due diligence on the target group and an exclusivity period of five months from the date of the Letter of Intent was granted by the vendor in negotiations of the possible acquisition. Up to the date of the interim report, the acquisition is still in negotiations and no formal agreement was entered.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

BUSINESS REVIEW (Continued)

General Review

During the period under review, as a result of the completion of the acquisition of the properties situated at Qiankeng Industrial Zone, Fumin Community, Guanlan Town, Baoan District, Shenzhen, the PRC as mentioned in the "Recent Development" section, the management had separately disclosed the Property Investment Segment due to the increase in property investment and also increase in rental income received by the Group. For comparison purpose, figures for the last corresponding period were restated accordingly.

For the period under review, the Group recorded a turnover of approximately HK\$92.8 million for the six months ended 30 June 2016, representing a significant increase by 20.1% compared with the turnover of approximately HK\$77.3 million (restated) recorded for the six months ended 30 June 2015. Gross profit margin of the Group increased from approximately 41.3% (restated) for the six months ended 30 June 2015 to approximately 44.9% for the period under review. The Group's results increased from loss of approximately HK\$9.9 million for the six months ended 30 June 2015 to profit of approximately HK\$81.7 million for the period under review.

The increase in the turnover of the Group was primarily due to the increase in the turnover from the Motor Vehicle Parts Segment, the Financial Services Segment and Property Investment Segment amounted to approximately HK\$16.4 million, HK\$4.9 million and HK\$2.5 million respectively. The overall increase in the gross margin was due to the increase in revenue from the Financial Services Segment and Property Investment Segment, which comprised service income, margin interest income and rental income. The increase in profit attributable to the equity holders was mainly due to the fair value gain on investment properties amounted to approximately HK\$176.0 million, which was partly offset by the related deferred taxation of the fair value gain of approximately HK\$84.9 million and also the increase in corporate expenses.

Business Operation

The Commercial Printing Segment recorded a revenue of approximately HK\$38.4 million during the period under review, representing 41.4% of the total revenue of the Group. There was a slight increase in segment revenue of 3.6% to approximately HK\$38.4 million as compared to approximately HK\$37.1 million in the last corresponding period. However, the inflating operating cost resulted in a decrease in operating profit from approximately HK\$2.4 million to approximately HK\$0.4 million as compared to the last corresponding period.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

BUSINESS REVIEW (Continued)

Business Operation (Continued)

The Hangtag Segment recorded a revenue of approximately HK\$4.8 million during the period under review, representing 5.2% of the total revenue of the Group. The segment revenue remained in similar level as the last corresponding period of approximately HK\$4.7 million. Through implementation of cost control measures, including outsourcing part of manufacturing processes, the loss from this segment decreased from approximately HK\$2.3 million in the last corresponding period to approximately HK\$0.4 million during the period under review.

The Motor Vehicle Parts Segment recorded a revenue of approximately HK\$38.8 million during the period under review, representing 41.8% of the total revenue of the Group. The segment revenue noted a significant increase by 73.2% to approximately HK\$38.8 million as compared to approximately HK\$22.4 million in the last corresponding period. The profit from this segment increased from approximately HK\$0.9 million in the last corresponding period to approximately HK\$1.7 million during the period under review.

The Financial Service Segment recorded a revenue of approximately HK\$5.3 million during the period under review, representing 5.7% of the total revenue of the Group. The Financial Services Segment commenced its operation since the acquisition of Manureen Securities Limited completed on 8 May 2015. The revenue from this segment increased from approximately HK\$0.4 million in the last corresponding period to approximately HK\$5.3 million during the period under review. The segment results increased from loss of approximately HK\$0.7 million in the last corresponding period to profit of approximately HK\$1.1 million during the period under review.

As a result of the thin margin in this segment, the Group did not generate any revenue from the Trading Segment, while the segment revenue from the Trading Segment recorded approximately HK\$9.8 million in the last corresponding period. Instead, the Group was in the progress to source some products with better margin and returns. The loss from this segment increased from approximately HK\$0.3 million in the last corresponding period to approximately HK\$0.4 million during the period under review.

The Property Investment Segment recorded a revenue of approximately HK\$5.5 million during the period under review, representing 5.9% of the total revenue of the Group. The revenue from this segment recorded approximately HK\$5.5 million as compared to approximately HK\$3.0 million (restated) in the last corresponding period. The profit from this segment increased from approximately HK\$2.6 million (restated) in the last corresponding period to approximately HK\$179.1 million during the period under review. The increase was mainly due to the fair value gain on investment properties recorded during period amounted to approximately HK\$176.0 million.

The Group has invested in listed securities in Hong Kong for investment purpose. The financial assets of the Group recorded a net gain of HK\$8.5 million for the period under review. As at 30 June 2016, the fair value of the financial assets amounted to approximately HK\$23.2 million.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW

Liquidity and financial resources

The Group generally finances its operations with internally generated cashflow, cash reserve and banking facilities. During the period under review, the Group was financially sound with healthy cash position. The Group's cash and bank balances and pledged time deposits amounted to approximately HK\$82.1 million as at 30 June 2016 (31 December 2015: HK\$210.6 million). Its gearing ratio as at 30 June 2016 was 44.2% (31 December 2015: 21.9%), based on the interest-bearing borrowings of approximately HK\$413.6 million (31 December 2015: HK\$186.8 million) and the total equity of approximately HK\$935.7 million (31 December 2015: HK\$854.4 million).

The Board believes that the Group's cash holding, liquid assets, future revenue and available banking facilities will be sufficient to meet the present working capital requirement of the Group.

Exchange rate exposure

Most of the transactions of the Group were denominated in Hong Kong dollars, US dollars, Euro and Renminbi. For the six months ended 30 June 2016, the Group is exposed to foreign exchange risk arising from exposure in the US dollars, Euro and Renminbi against Hong Kong dollars. The management has continuously monitored the level of exchange rate exposure and will adopted financial hedging instruments for hedging purpose when necessary. The Group did not use any financial instruments for hedging purpose as at 30 June 2016.

Financial guarantees and charges on assets

As at 30 June 2016, corporate guarantees amounting to approximately HK\$291.5 million (31 December 2015: HK\$220.0 million) were given to banks by the Company for the provision of general banking facilities granted to its subsidiaries. Besides, the general banking facilities were secured by legal charges and certain properties owned by the Group with a total net book value of approximately HK\$356.4 million (31 December 2015: HK\$288.0 million).

LITIGATION

During the period under review, 深圳市新有序規劃設計有限公司 (Shenzhen Xin You Xu Planning and Design Company Limited*) (the "Plaintiff") issued a civil writ dated 22 June 2016 against, among others, (i) Citibest Global Limited ("Citibest"), a company incorporated in British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company, (ii) Ms. Hung Hsin-Hui ("Ms. Hung"), being the sole shareholder of Citibest prior to the completion of the acquisition by the Company of the entire issued share capital of Citibest as announced by the Company on 24 March 2016 (the "Acquisition") which took place on 24 June 2016, and (iii) 冠彰電器(深圳)有限公司 (Guan Zhang Electrical Appliances (Shenzhen) Limited*) ("Guan Zhang"), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Citibest, claiming for allegedly outstanding payment in the amount of RMB30,000,000 and interest accrued thereon from 25 March 2016 up to the actual date of payment at the prevailing rate of the PRC, under an agency agreement dated 29 January 2015 and entered into among the Plaintiff, Citibest, Guan Zhang and its legal representative (which was entered into prior to the entering into of the Acquisition) pursuant to which Citibest agreed to appoint the Plaintiff as its agent to liaise with potential purchaser for the disposal by Citibest of its equity interest in Guan Zhang and the land use rights and properties held by Guan Zhang. The Company is in the course of consulting legal advice in relation to the claim raised by the Plaintiff. Ms. Hung has put RMB23,800,000 in an escrow account for covering the claim, such amount would be otherwise released to Ms. Hung, pending the results of the aforesaid litigation. The directors of the Company considered the possibility of any cash outflow in settling the legal claims is remote after due consideration of the fact with reference to legal advice.

CONTINGENT LIABILITIES

Saved as disclosed in the "Litigation" section, the Group had no contingent liabilities.

PROSPECTS

The operating environment of the commercial printing and hangtag businesses will continue to be competitive in the coming years. The Group shall strengthen its business development team to achieve sales growth and increase market share, however, the intense competition in the Commercial Printing Segment shall limit the Group to pass the inflating operating cost to customers. Due to the slowdown of economic growth, the operating environment of Hangtag Segment is even more challenging and we foresee that customers' demand of hangtags labels, shirt paper boards and plastic bags would remain sluggish.

The Group is in the process to set up the PRC operations of Motor Vehicle Parts Segment in Guangzhou. We expect that the PRC operations will effectively contribute to the business expansion of the sales and distribution of motor vehicle parts business. Besides, the Group is sourcing different brands of motor vehicle parts suppliers in order to broaden the variety of products offered to our customers.

* For identification only



PROSPECTS (CONTINUED)

The e-commerce development in China is full of challenges and opportunities. The Group is in the process to develop the business-to-customer (B2C) e-commerce platform which involve the evaluation of the knit point between the e-commerce and traditional economy. The development is an ongoing process and through the strategic cooperation with Zhongxing Supply Chain, we believe that the cooperation will allow us to take advantage of each other's business platforms and procurement network, thereby enhancing customers' value by providing high quality products and services, highly efficient supply chain integrated services and lowering relevant costs to customers.

The Group is in the process to develop the Financial Services Business, which would provide financial services including securities brokerage, margin financing, money lending and financial leasing services.

As mentioned in "Recent Development" section, the Group had entered into an agreement with 5 other independent third parties to set up a the Security Company to carry out securities businesses in the PRC. Through the Security Company, the Group could tap into the securities business in the PRC, which was considered as a strictly regulated industry. We believe the set-up of the Security Company, when materialised, represents a valuable investment opportunity for the Group to expand its securities services business and to enable the Group to exchange its business network and relationship in the PRC, and hence to gain a foothold in the PRC market.

The stock market was highly volatile in 2016 and was exceptionally challenging to us. With the upcoming launch of the Shenzhen-Hong Kong Stock Connect Scheme, the preferential government policies and the establishment of the Security Company, we believe the Group would sustain a long term growth in the Financial Services Business.

On June 2016, the Group completed the acquisition of the properties situated at Qiankeng Industrial Zone, Fumin Community, Guanlan Town, Baoan District, Shenzhen, the PRC, which is a paramount step of the Group to evolve the real estate development business.

Looking forward, the Group will strike to explore for any potential real estate development or property investment opportunities. For the purpose of sustaining long term growth, we will also keep on exploring all potential opportunity to develop its businesses.

For the purpose of sustaining long term growth, the directors will also keep on exploring all potential opportunities to develop its businesses.

DIVIDENDS

The directors do not recommend the payment of interim dividend for the six months ended 30 June 2016 (2015: Nil).

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 30 June 2016, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance "SFO"(Chapter 571 of the Laws of Hong Kong)) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") and which were required to be entered in the register kept by the Company pursuant to Section 352 of the SFO were as follows:

Directors' interests in shares – Long position in the Shares of the Company

Name of Directors	Number of Shares held				Total interests as % of the issued share capital
	Spouse interests	Corporate interests	Interest from options granted under share option scheme	Total interests	
Dr. Lin Xiaohui	1,080,000 (Note 3)	783,337,518 (Note 1)	1,080,000	785,497,518	68.10%
Madam Su Jiaohua	784,417,518 (Note 2)	–	1,080,000	785,497,518	68.10%
Mr. Lin Xiaodong	–	–	1,000,000	1,000,000	0.09%
Mr. Yu Leung Fai	–	–	500,000	500,000	0.04%
Mr. Fang Jixin	–	–	500,000	500,000	0.04%
Dr. Li Jue	–	–	500,000	500,000	0.04%

Notes:

- As at 30 June 2016, Manureen Holdings Limited ("MHL") was the legal and beneficial owner of 783,337,518 Shares. Since Dr. Lin Xiaohui owned 70% of the issued share capital of MHL, he was deemed to be interested in 783,337,518 Shares.
- Madam Su Jiaohua, the spouse of Dr. Lin Xiaohui, was deemed to be interested in 784,417,518 Shares which Dr. Lin Xiaohui was deemed to be interested under the SFO as at 30 June 2016.
- Dr. Lin Xiaohui, the spouse of Madam Su Jiaohua, was deemed to be interested in all the shares interested by his spouse under the SFO as at 30 June 2016.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS (CONTINUED)

Save as disclosed above, as at 30 June 2016, none of the directors or chief executives of the Company had any interests and short positions in the shares, underlying shares or debentures of the Company or any associated corporation (with the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), the Model Code and which were required to be entered into the register required to be kept under section 352 of the SFO.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2016, the following persons (other than a director or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of Shareholders	Long/ Short position	Capacity	Number of Shares/ underlying Shares held	Percentage of issued capital
Manureen Holdings Limited	Long	Beneficial owner	783,337,518	67.91%

Note:

As at 30 June 2016, MHL was the legal and beneficial owner of 783,337,518 Shares. MHL was owned as to 70% by Dr. Lin Xiaohui and as to 30% by Madam Su Jiaohua.

Save as disclosed above, as at 30 June 2016, the directors are not aware that there is any party (not being a Director) who had any interests or short positions in the shares or underlying shares, which would fall to be disclosed to the Company under the Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or any options in respect of such shares.



SHARE OPTION SCHEMES

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Company's directors and full time employees of the Group. The Scheme became effective on 10 August 2012 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at the date of approval of the Scheme on 10 August 2012. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a vesting period of two years and ends on a date which is not later than ten years from the date of the grant of the option but subject to the provisions for early termination of the Scheme. Unless otherwise determined by the directors at their sole discretion, there is no requirement of a minimum period for which an option must be held before it can be exercised.

The exercise price of share options is determinable by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; and (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer.

Share options do not confer rights to the holders to dividends or to vote at shareholders' meetings.

At the end of the reporting period, the Company had 11,660,000 share options outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 11,660,000 additional ordinary shares of the Company and additional share capital and share premium of HK\$1,166,000 and HK\$46,756,600 (before issue expenses).

SHARE OPTION SCHEMES (CONTINUED)

At the date of approval of the interim report, the Company had 11,660,000 share options outstanding under the Scheme, which represented approximately 1.01% of the Company's shares in issue as at that date. The total number of shares of the Company available for issue under the Scheme is 63,535,311, representing approximately 5.5% of the Company's shares in issue.

Movements of the share options under the share option scheme during the period are as follows:

Name of Grantee	Date of Grant	Exercise Period	Exercise price per share (HK\$)	Outstanding as at 1 January 2016	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding as at 30 June 2016
Directors								
Lin Xiaohui	20/5/2015	20/5/2017 – 19/5/2025	4.11	1,080,000	-	-	-	1,080,000
Su Jiaohua	20/5/2015	20/5/2017 – 19/5/2025	4.11	1,080,000	-	-	-	1,080,000
Lin Xiaodong	20/5/2015	20/5/2017 – 19/5/2025	4.11	1,000,000	-	-	-	1,000,000
Yu Leung Fai	20/5/2015	20/5/2017 – 19/5/2025	4.11	500,000	-	-	-	500,000
Fang Jixin	20/5/2015	20/5/2017 – 19/5/2025	4.11	500,000	-	-	-	500,000
Li Jue	20/5/2015	20/5/2017 – 19/5/2025	4.11	500,000	-	-	-	500,000
				4,660,000	-	-	-	4,660,000
Directors' associates								
Lin Xiaohong	20/5/2015	20/5/2017 – 19/5/2025	4.11	1,000,000	-	-	-	1,000,000
Su Jiawen	20/5/2015	20/5/2017 – 19/5/2025	4.11	1,000,000	-	-	-	1,000,000
Lin Yixin	20/5/2015	20/5/2017 – 19/5/2025	4.11	300,000	-	-	-	300,000
Lin Jingming	20/5/2015	20/5/2017 – 19/5/2025	4.11	1,000,000	-	-	-	1,000,000
				3,300,000	-	-	-	3,300,000
Other employees								
In aggregate	20/5/2015	20/5/2017 – 19/5/2025	4.11	3,700,000	-	-	-	3,700,000
				3,700,000	-	-	-	3,700,000
				11,660,000	-	-	-	11,660,000

There was no participants with options granted in excess of the individual limit.



DIRECTORS' INTERESTS IN CONTRACTS

Saved as disclosed in note 23 to the interim financial information, no other directors had a material interest in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the six months ended 30 June 2016.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

None of the directors or any of their respective associates has interest in any business that competes or is likely to compete, either directly or indirectly, with the business of the Group, or has any other conflict of interest with the Group.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance practices. In the opinion of the directors, the Company has compiled all code provisions (the "Code Provisions") in the Code on Corporate Governance Practices (the "Code") set out in Appendix 14 of the Listing Rules for the six months ended 30 June 2016.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

For the six months ended 30 June 2016, the Company has not redeemed any of its listed securities. Neither the Company, nor any of its subsidiaries purchased or sold any of the Company's listed securities during the period.

EMPLOYMENT AND REMUNERATION POLICIES

As at 30 June 2016, the Group had an available workforce of approximately 127, of which around 17 were based in the PRC. Remuneration packages are generally structured by reference to market terms and individual merits. Salaries are normally reviewed on an annual basis and bonuses paid, if any, will also be based on performance appraisals and other relevant factors. Staff benefit plans maintained by the Group include mandatory provident fund scheme, share option scheme and medical insurance. The Group has established a Remuneration Committee with written terms of reference in compliance with the Code as set out in Appendix 14 to the Listing Rules. The Remuneration Committee has reviewed and determined the Group's remuneration policy, including the policy for the remuneration of executive directors, the levels of remuneration paid to executive directors and senior management of the Group. The Remuneration Committee comprises 3 members, namely Dr. Li Jue, Dr. Lin Xiaohui, and Mr. Yu Leung Fai. This Committee is chaired by Dr. Li Jue.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the directors. All directors have confirmed, following a specific enquiry by the Company, that they have fully complied with the required standard as set out in the Model Code throughout the period under review.



AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The Group has established an Audit Committee with written terms of reference in accordance with the Listing Rules. The Audit Committee comprises 3 members, whom are independent non-executive directors, namely Mr. Yu Leung Fai, Mr. Fang Jixin and Dr. Li Jue. This Committee is chaired by Mr. Yu Leung Fai. The Audit Committee has reviewed with management about the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal controls and financial reporting matters including a review of the unaudited interim results for the six months ended 30 June 2016.

APPRECIATION

On behalf of the Board, I would like to express its sincere gratitude to all our staff for their dedication and contribution, as well as to all our customers, suppliers, business associates and shareholders for their continuous support to the Group over the period.

By Order of the Board

Lin Xiaohui

Chairman

Hong Kong, 29 August 2016