

Koradior Holdings Limited

珂萊蒂爾控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 3709)



*interim
report*
/ 2016

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Corporate Profile

ABOUT KORADIOR

We are one of the leading and fast growing high-end ladies-wear companies in the People's Republic of China (the "PRC"). We engage in the design, promotion, marketing and sales of our self-owned branded products, Koradior, La Koradior and Koradior elsewhere, that focus on affluent ladies between the ages of 30 and 45.

Our business was established in 2007 by Mr. Jin Ming, our chief executive officer, chairman and executive director. Our "Koradior" brand, which targets the highend stylish and smart-casual ladies-wear market, is positioned to offer our customers feminine, stylish, chic and young-looking designs for all seasons. In response to our customers' demand for high-end formal ladieswear, we launched "La Koradior" brand in September 2012 which is positioned to offer luxurious and elegant designs for all seasons and has a brand theme of "glamorous, distinctive and vibrant". "Koradior elsewhere" brand, which is positioned to offer simple yet feminine, stylish and modern relaxed designs, was launched by us in September 2014. Our products include dresses, skirts, trousers, shirts, knitwear, vests, jackets, overcoats, scarves and accessories.

Our products are sold across a nationwide sales network, majority of which consisted of self-operated retail stores, covering 29 provinces, autonomous regions and municipalities in the PRC. As at 30 June 2016, there were 482 retail stores of which 433 were operated by us and 49 were operated by our distributors.

We have started to sell our products through third party e-commerce platform in Tmall since 2011 under which we operate a flagship store and now are also the authorized merchant on third party e-commerce platforms including Dangdang and VIP.com.



Corporate Information

EXECUTIVE DIRECTORS

Mr. JIN Ming (*Chairman and Chief Executive Officer*)
Ms. HE Hongmei
Mr. DENG Shigang

NON-EXECUTIVE DIRECTOR

Mr. YANG Weiqiang

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. WONG Wai Kong
Mr. ZHOU Xiaoyu (appointed on 30 June 2016)
Mr. ZHONG Ming

REGISTERED OFFICE

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

7/F, B Block, Hongsong Building
Terra 9th Road
Futian District
Shenzhen, Guangdong Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit C, 17/F, OfficePlus @Mong Kok
No.998 Canton Road
Kowloon
Hong Kong

JOINT COMPANY SECRETARIES

Ms. WU Huiming
Mr. LEUNG Ka Wai

AUTHORISED REPRESENTATIVES

Mr. DENG Shigang
Mr. LEUNG Ka Wai

AUDIT COMMITTEE

Mr. WONG Wai Kong (*Chairman*)
Mr. ZHOU Xiaoyu
Mr. ZHONG Ming

REMUNERATION COMMITTEE

Mr. ZHOU Xiaoyu (*Chairman*)
Mr. WONG Wai Kong
Mr. DENG Shigang

NOMINATION COMMITTEE

Mr. JIN Ming (*Chairman*)
Mr. ZHOU Xiaoyu
Mr. WONG Wai Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited

Pingan Bank
Shenzhen branch, Jinsha sub-branch

China Merchants Bank
Shenzhen branch, Tairan Jingu sub-branch

COMPANY WEBSITE

www.koradior.com

STOCK CODE

3709

Financial Highlights

	Six months ended 30 June	
	2016 (Unaudited) RMB'000	2015 (Unaudited) RMB'000
Revenue	701,594	584,519
Gross profit	517,435	426,400
Operating profit	150,638	118,657
Net profit	120,544	91,121
Net cash flows from operating activities	155,046	103,855
Earnings per share ¹		
– Basic (RMB cents)	23.95	17.97
– Diluted (RMB cents)	23.69	17.79
Profitability Ratio		
Gross margin	73.75%	72.95%
Operating margin	21.47%	20.30%
Net margin	17.18%	15.59%
	At 30 June 2016	At 31 December 2015
Liquidity Ratio		
Current ratio ² (times)	3.09	3.44
Trade and bills receivables turnover days ³	42.56	47.04
Trade and bills payables turnover days ⁴	55.85	68.65
Inventory turnover days ⁵	246.32	248.78
Capital Ratio		
Gearing ratio ⁶	17.75%	9.82%
Interest coverage ratio ⁷ (times)	179.76	230.23

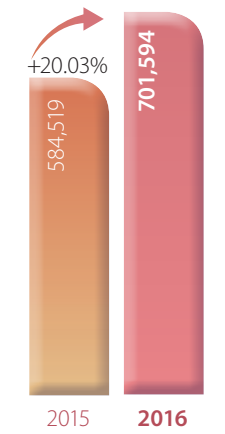
Notes:

- Basic earnings per share = Profit attributable to owners of the Company/Weighted average number of ordinary shares (the weighted average number of shares in the first six months of 2016 was 503,334,789 versus 506,948,000 in the same period of last year)

Diluted earnings per share = Profit attributable to owners of the Company/Weighted average number of ordinary shares after effect of deemed issue of shares under no consideration (the weighted average number of shares after the deemed issue in the first six months of 2016 was 508,789,653 versus 512,098,735 in the same period of last year)

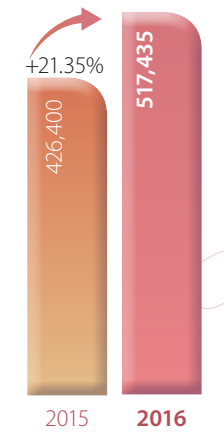
- Current ratio = Current assets/Current liabilities
- Trade and bills receivables turnover days = Average of opening and closing balances on trade and bills receivables/Revenue for the period x 180 days
- Trade and bills payables turnover days = Average of opening and closing balances on trade and bills payables/Cost of sales for the period x 180 days
- Inventory turnover days = Average of opening and closing balances on inventory/Cost of sales x 180 days
- Gearing ratio = Total bank borrowings/Total equity x 100%
- Interest coverage ratio = Profit before interest and tax/Interest expenses

Revenue
RMB'000



Six months ended 30 June

Gross Profit
RMB'000



Six months ended 30 June

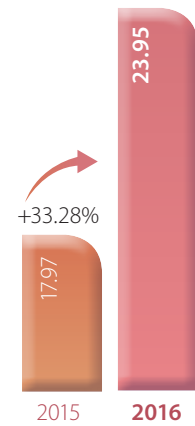


Net Profit
RMB'000



Six months ended 30 June

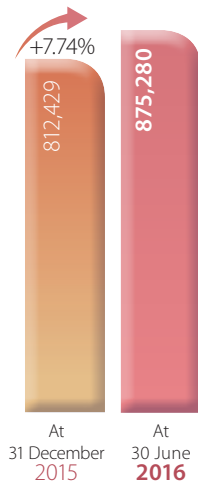
Earnings Per Share (Basic)
RMB Cents



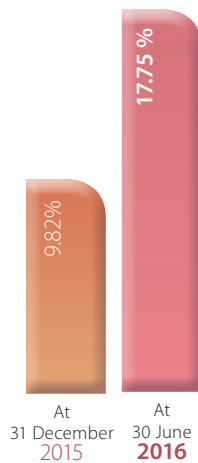
Six months ended 30 June



Net Assets
RMB'000



Gearing Ratio





*chairman's
statement*

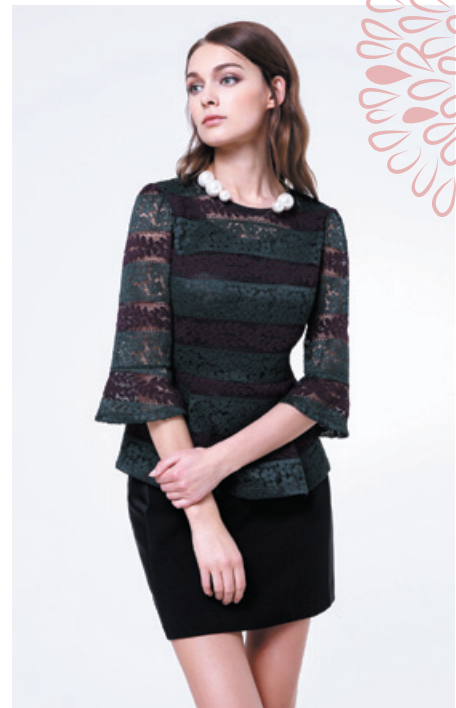
Chairman's Statement

Dear shareholders of Koradior Holdings Limited,

On behalf of the board of directors (the "Board") of Koradior Holdings Limited (the "Company" or "Koradior"), I am pleased to present the interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2016 (the "Reporting Period").

In the first half of 2016, the slow-down of global economic growth and the volatility of the stock and foreign exchange markets have resulted in an increasingly complex and uncertain business environment. According to a report published on People's Daily in May in relation to an interview with authorities, China's economic trend will be "L-shaped" in 2016 and even for a longer time, which means the situation of low aggregate demand but overcapacity can hardly have a fundamental change in the coming years, with economic growth under great pressure. In such a macro environment, through the joint efforts of all staff under the management philosophy of "driving by innovation, effective investment, efficient operation, efficient management", the Company achieved satisfactory result for the first half of 2016: an increase of 20.03% in revenue and an increase of 32.29% in net profit as compared to the same period of last year.

As a fashion company, the Group keeps a close eye on the changing of consumers' life style and consumer behavior. In the first half of this year, working with a globally well-known marketing research company Nielsen, the Group completed a market segmentation research on middle and high-end ladies' apparel consumer market. The Group will fully utilize the relevant research results to clarify the positioning of its brands and its brand portfolio strategy, and accordingly instruct its product designing to accommodate consumers' needs. In respect of brand promoting, in March 2016, our brand "Koradior elsewhere" impressed the market deeply when taking to the catwalk of A/W 2016 Shenzhen Fashion Week. In June, the Group became the sole apparel brand placed in Les interprètes (親愛的翻譯官), a TV drama starring by Yang Mi which started to be broadcast in the national famous Hunan Satellite TV in June, and ranked first among dramas shown in the same period. In July, the Group tried a new marketing promotion method through using an online live show platform named Huajiao Live, which was well received by customers with the number of online customers reaching a new high. The Group's outstanding performance was highly recognized by the industry, and one of its subsidiaries in Shenzhen was awarded "Top 10 Riser" in the first Shenzhen 100-China Corporate Globalization Innovation Forum, and our brand Koradior was awarded by China National Commercial Information Centre the "Top 5 Brands in Overall Market Share Among Similar Products 2015".



Chairman's Statement

Adhering to its multi-brand developing strategy, the Group is committed to becoming a leading corporate in the China middle and high-end ladies' apparel industry and present to the world the glamour of fashion from Chinese brand. During the reporting period, the Group took its first step in external expansion. We acquired 65% equity interests in Shenzhen Mondial Industrial Co., Ltd.* (深圳市蒙黛爾實業有限公司) ("Mondial") which is a high-end ladies' apparel corporate in Shenzhen. The "CADIDL" brand under the company has a history of nearly 20 years and targets business ladies between the ages of 30 and 40 who have higher artistic taste and quality requirement for their apparel in first and second tier cities in China. The Group and Mondial will make use of their own resource advantages to bring "CADIDL" high speed development. The Group will continue its multi-brand developing strategy and proactively explore potential development opportunities.

As a leading fashion company in the industry, we have been in pursuit of innovative design in an open and proactive manner. We are aware of the growing demands from the emerging Post-80s and the Post-90s generation consumers to speak for their personality, which indicated that diversification and personalization has been a general trend. Due to the "Reform of the Supply Side" strategy proposed by the PRC government, increasing traditional manufacturers start their business transformation, one sample of which is that some data-driven smart factories like Qingdao Kute Smart Co., Ltd (青島酷特智能股份有限公司) ("Kutesmart") have emerged in the industry, realizing efficient single-piece production in the true sense. Capitalizing on the growing market demand, feasible production technology and our offline channel resources and brand management experience, it is the appropriate time to develop our tailor-made business. Against such a background, we have established strategic cooperation relationship with Kutesmart and officially launched the new brand "DE KORA" for tailor-made fashion. DE KORA will adopt O2O and direct sales model to bring the general consumers with tailor-made fashion which was generally considered as high class in the past, through fully utilizing various resources and improving the performance-to-price ratio. Newly established by the Company, such business is operated independently from our existing mid- and high-end women's wear sector in terms of business model and operation strategies. We regard the development of this business as highly important and have great expectation for it.



* For identification purpose only

Looking forward into the second half of 2016, the Group will continue to implement the Company's multi-brand strategy to enrich our brand portfolio. In addition, the Group will continue to expand and optimize the channel network for our existing brands, thereby increasing our brand influence by diversified promotion. Meanwhile, the Group is continuously developing terminal services applications with advanced IT technologies, with the aim to provide more efficient and professional service to customers and optimize their shopping experience. As for our new brand DE KORA, the Group will increase investment to commence a brand new tailor-made business.

Last but not least, I would like to take this opportunity on behalf of the Board to offer my heartfelt thanks to all the shareholders, customers, business partners and our staff for their committed support and trust!

Jin Ming

Chairman of Board

26 August 2016



*management
discussion
and analysis*



Management Discussion and Analysis

REVENUE

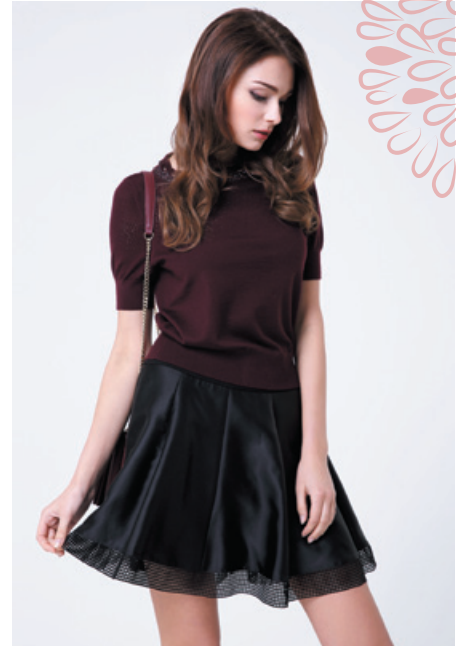
The principal activities of the Group are design, promotion, marketing and sales of self-owned branded ladies' wear products in the PRC. Revenue represents the sales value of goods sold less returns, discounts and value-added tax. Total revenue increased from RMB584.52 million for the first half of 2015 to RMB701.59 million for the first half of 2016, representing an increase of 20.03% or RMB117.07 million. Total retail stores increased from 458 as at 1 January 2016 to 482 as at 30 June 2016 (Note 1). Our self-operated retail stores revenue increased 20.60% from RMB491.05 million for the first half of 2015 to RMB592.20 million for the first half of 2016. Total revenue from distributors increased 31.36% from RMB41.07 million for the first half of 2015 to RMB53.95 million for the first half of 2016. Total revenue from e-commerce platforms increased 8.94% from RMB49.54 million for the first half of 2015 to RMB53.97 million for the first half of 2016. As at 30 June 2016, the revenue from e-commerce generated from Tmall increased from RMB26.17 million for the first half of 2015 to RMB43.82 million for the first half of 2016, representing an increase of 67.44% or RMB17.65 million and the revenue from e-commerce generated from VIP.com decreased from RMB22.62 million for the first half of 2015 to RMB10.14 million for the first half of 2016, representing a decrease of 55.17% or RMB12.48 million. The Group decided to reduce to sell products through the e-commerce platform in VIP.com due to the high commission fee and high stock return rate.

Note 1:

Retail stores breakdown by geographical region:

The following table illustrates the number of retail stores of our brands in the PRC as at 1 January 2016 and 30 June 2016 respectively including both self-operated retail stores and retail stores operated by our distributors:

Region	Number of retail stores			As at 30 June 2016
	As at 1 January 2016	Opened during the period	Closed during the period	
Central PRC ¹	45	7	(1)	51
Eastern PRC ²	179	17	(10)	186
North Eastern PRC ³	26	2	(1)	27
North Western PRC ⁴	26	4	(1)	29
Northern PRC ⁵	60	1	(4)	57
South Western PRC ⁶	78	9	(2)	85
Southern PRC ⁷	44	5	(2)	47
Total	458	45	(21)	482



Management Discussion and Analysis

REVENUE *(Continued)*

Notes:

- 1 Central PRC includes Henan, Hubei and Hunan.
- 2 Eastern PRC includes Shandong, Jiangsu, Zhejiang, Anhui, Shanghai, Jiangxi and Fujian.
- 3 North Eastern PRC includes Jilin, Heilongjiang and Liaoning.
- 4 North Western PRC includes Shaanxi, Ningxia, Qinghai, Gansu and Xinjiang.
- 5 Northern PRC includes Tianjin, Beijing, Inner Mongolia, Hebei and Shanxi.
- 6 South Western PRC includes Guizhou, Chongqing, Yunnan, Tibet and Sichuan.
- 7 Southern PRC includes Guangxi, Hainan and Guangdong.

During the first half of 2016, the Group opened 45 retail stores (comprising 41 self-operated stores and 4 stores operated by distributors) and closed 21 retail stores (comprising 18 self-operated stores and 3 stores operated by distributors). We are continuing to open new stores in the second half of 2016 as part of our business strategy.

COST OF SALES

Cost of sales increased from RMB158.12 million during the six months ended 30 June 2015 to RMB184.16 million during the same period in 2016, representing an increase of 16.47% or RMB26.04 million, mainly due to the increase in the cost of inventories sold as a result of the growth of our sales.

GROSS PROFIT AND GROSS MARGIN

Gross profit increased from RMB426.40 million for the six months ended 30 June 2015 to RMB517.44 million for the six months ended 30 June 2016, representing an increase of 21.35% or RMB91.04 million. Overall gross profit margin slightly increased from 72.95% for the first half of 2015 to 73.75% for the first half of 2016.

OPERATING EXPENSES

Operating expenses increased from RMB313.62 million for the six months ended 30 June 2015 to RMB375.12 million for the six months ended 30 June 2016, representing an increase of 19.61% or RMB61.5 million. Operating expenses include selling and distribution expenses, administrative expenses and other operating expenses, and details of them are listed below:

Selling and distribution expenses

Selling and distribution expenses increased by 20.70% to RMB345.10 million for the six months ended 30 June 2016 from RMB285.91 million for six months ended 30 June 2015, primarily due to (a) the increase in store concession fees as a result of the increase in sales; (b) the increase in salaries and staff benefits for sales and marketing staff due to the expansion of retail stores and improvement in remuneration; and (c) the increase in advertising and brand building and promotion expenses, which are in line with the expansion of our sales network as well as business growth.

Administrative and other operating expenses

Administrative and other operating expenses increased by 8.3% to RMB30.01 million for the six months ended 30 June 2016 from RMB27.71 million for the same period in 2015 primarily due to the increase in salaries and staff benefits for administrative staff due to the expansion of our business growth.

FINANCE COSTS

Finance cost increased by 121.05% to RMB0.84 million for the six months ended 30 June 2016 from RMB0.38 million for the same period in 2015, mainly due to the increase in bank borrowings in Hong Kong and the PRC.

INCOME TAX EXPENSES

Income tax expenses increased from RMB27.16 million for the first half of 2015 to RMB29.26 million for the first half of 2016, representing an increase of 7.73% or RMB2.1 million, mainly due to the increase in operating profit.

THE NET PROFIT AND PROFIT MARGIN

As the result of foregoing reasons, the net profit for the six months ended 30 June 2016 was RMB120.54 million, compared to RMB91.12 million for the first half of 2015, representing an increase of 32.29% or RMB29.42 million. Net profit margin increased from 15.59% for the first half of 2015 to 17.18% for the first half of 2016.



CAPITAL STRUCTURE

The Group requires working capital to support its design and development, retail and other business operations. As at 30 June 2016, the Group had total current assets of RMB1,048 million (30 June 2015: RMB876 million) and total current liabilities of RMB339.32 million (30 June 2015: RMB193.87 million) with a current ratio of 3.09. The Board believes that this healthy capital structure and the net cash inflow from operating activities are sufficient to support the operating activities of the Group.

As at 30 June 2016, the Group's interest bearing loans are bank loans denominated in Hong Kong dollars and Reminbi, amounting to HK\$147 million which will expire within two years, and RMB30 million which will expire within a year, respectively. All loans are interest-bearing at variable interest rates and guaranteed by the Company.

FINANCIAL POSITION, LIQUIDITY AND GEARING RATIO

The Group generally finances its operations with internally generated cash flow as well as banking facilities provided by its bankers.

As at 30 June 2016, the Group had cash and cash equivalents of RMB598 million (31 December 2015: RMB436.80 million), of which 98.39%, 0.12% and 1.49% were denominated in RMB, US dollars and Hong Kong dollars respectively. The net cash inflow from operating activities stood at RMB155.05 million during the six months ended 30 June 2016, up by 49.29% from RMB103.86 million for the six months ended 30 June 2015.

As at 30 June 2016, the Group's gearing ratio, i.e. the total outstanding bank loans divided by total equity, was 17.75% (31 December 2015: 9.82%).



EXPOSURES TO FLUCTUATION IN FOREIGN EXCHANGE

The Group mainly operates in the PRC with most of transactions settled by RMB. Hence, the Board considers that the risk exposure to foreign exchange rate fluctuation is not significant and no financial instrument of hedging has been employed to hedge against the currency risks.

HUMAN RESOURCES

To support the Group's development plan, the Group's number of employees has increased to 2,759 as at 30 June 2016 (30 June 2015: 2,290). The total staff costs for the period (including basic wages and salaries, commissions, bonuses, retirement benefits scheme contributions and share options expenses) amounted to RMB101.96 million (six months ended 30 June 2015: RMB80.81 million), representing 14.53% of our revenue (six months ended 30 June 2015: 13.83%).

The Group has a share option scheme in place for selected participants as incentive and reward for their contribution to the Group. A mandatory provident fund scheme and local retirement benefit schemes are also in effect. The Group encourages employees to seek training to strengthen their work skills and for personal development. The Group also provides workshops for staff at different levels to enhance their knowledge of work safety and to build team spirit. Staff are rewarded based on performance of the Group as well as on individual performance and contribution.

CHARGES ON ASSETS

As at 30 June 2016, the Group had no secured bank borrowings (31 December 2015: RMB69.82 million).

CONTINGENT LIABILITIES

As at 30 June 2016, the Group had no significant contingent liabilities.



MATERIAL ACQUISITION AND DISPOSAL

During the six months ended 30 June 2016, the Group announced the acquisition of 65% of the equity interests in Shenzhen Mondial Industrial Co. Ltd (“Shenzhen Mondial”) for a cash consideration of RMB76,700,000. Shenzhen Mondial was established in Shenzhen, PRC in 2000 and is principally engaged in the design, manufacturing and sale of high-end ladies wear in the PRC and has self owned brand “CADIDL” which target affluent ladies between the ages of 30 and 40. The completion of the acquisition took place on 13 July 2016. Further details of this acquisition were set out in the Company’s announcement dated 24 June 2016.

USE OF PROCEEDS

With the successful listing of the Company’s shares on the main board of the Stock Exchange on 27 June 2014, net proceeds of HK\$534.74 million have been raised, of which HK\$488.16 million had been utilised as at 30 June 2016.

Items	Amount (HK\$ million)
Establish new self-operated retail stores	243.28
Develop new brands of our Group	106.95
Further development of e-commerce business	53.47
Koradior brand promotion and marketing	53.47
Working capital and general corporate purposes	26.74
Upgrading ERP system	4.25
Total	488.16

PROSPECTS

Along with the slowdown of the economic growth, massive excess obsolete capacity and developing “new economy”, China’s economy has reached a crucial phase from a quantitative to a qualitative development, which reflects a severe unfavorable condition. With the increasing competition in the industry, crossover integration and industrial consolidation have become a trend of the industry. Despite the complicated and ever-changing economic environment, benefiting from the consumption upgrading, we remain prudently optimistic for the future and believe opportunities in the development of the industry prevail over challenges.

2016 is the first year to implement the new Five-year Plan for the Group. In the coming five years, we will develop mid- and high-end women’s wear business in different ways adhering to the policy and strategy of “Multiple Innovation-based Brands Makes Koradior Bigger and Stronger” and the philosophy of opening up and innovation and win-win cooperation. On the one hand, we will make innovation of products and mechanism to enhance the core competitiveness of our existing brands, thus making the Company stronger; on the other hand, we will build fashion platforms of multiple brands by various means to enlarge the business scale and increase the market share of the Company. In addition, we will develop tailor-made business in line with the personalized trends to enable the business to be a strong growth point of the Company in the future.

Other Information

INTERIM DIVIDEND

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

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance practices and the implementation of effective corporate governance commitments. The Company has met the relevant code provisions set out in the Corporate Governance Code based on the principles set out in appendix 14 to the Listing Rules during the six months ended 30 June 2016, except for code provision A.2.1 of the Corporate Governance Code which requires that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. Mr. Jin Ming currently performs these two roles in our Company. The Board believes that vesting the roles of both chairman and chief executive officer in Mr. Jin Ming has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning for our Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired considering the background and experience of our Directors and the number of independent non-executive Directors on the Board and this structure will enable our Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of our Board and chief executive officer of our Company at a time when it is appropriate and suitable by taking into account the circumstances of our Group as a whole.

Other Information

MODEL CODE FOR SECURITIES TRANSACTION BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings. Having made specific enquiry with all Directors, all Directors have confirmed with the Company that they have complied with the required standard set out in the Model Code and its code of conduct regarding any Directors' securities transactions during the six months ended 30 June 2016.

SHARE OPTION SCHEME

The Company adopted a Share Option Scheme pursuant to the resolutions of the shareholders of the Company passed on 6 June 2014 for selected participants as incentive and reward for their contribution to the Company.

As at 30 June 2016, there were 7,960,000 share options granted under the Share Option Scheme which were outstanding.

The following table shows the movements in the Company's share options outstanding during the period:

Name or category of grantee	Number of share options						At 30 June 2016	Exercise period (Note)	Exercise price per share	Closing price per share immediately before date of grant
	At 1 January 2016	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	At 30 June 2016				
Directors										
Mr. Deng Shigang	500,000	-	-	-	-	500,000	10 July 2014 to 9 July 2022	HK\$4.42	HK\$4.46	
Ms. He Hongmei	500,000	-	-	-	-	500,000	10 July 2014 to 9 July 2022	HK\$4.42	HK\$4.46	
Sub-total	1,000,000	-	-	-	-	1,000,000				
Employees (other than Directors) in aggregate	9,000,000	-	2,040,000	-	-	6,960,000	10 July 2014 to 9 July 2022	HK\$4.42	HK\$4.46	
Total	10,000,000	-	2,040,000	-	-	7,960,000				

Note: The share options are exercisable in the following manner: (i) no share option shall be exercisable from 10 July 2014 up to 9 July 2015; (ii) up to 25% of the share options granted shall be exercisable from 10 July 2015 to 31 December 2015; (iii) up to 50% of the share options granted shall be exercisable from 1 January 2016 to 31 December 2016; (iv) up to 75% of the share options granted shall be exercisable from 1 January 2017 to 31 December 2017; and (v) all the share options granted shall be exercisable from 1 January 2018 to 9 July 2022.

DISCLOSURE OF INTERESTS

- (a) Director's and chief executive's interests and short positions in the securities of the Company and its associated corporations

As at 30 June 2016, the following Directors or the chief executive of the Company had or were deemed to have interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong ("SFO")) (i) 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 or short positions which they were taken or deemed to have under such provision of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules:

Name of Director	Nature of interest	No. of Shares/ underlying shares held	Position	Approximate percentage of issued share capital
Mr. Jin Ming	Founder of a discretionary trust (Note)	300,450,500 (Note1)	Long	59.60%
Ms. He Hongmei	Beneficial owner	500,000 (Note 2)	Long	0.10%
Mr. Deng Shigang	Beneficial owner	500,000 (Note 2)	Long	0.10%

Note 1: These shares are held by Koradior Investments Limited. The entire issued share capital of Koradior Investments Limited is wholly-owned by Kingstun Holdings Limited, the entire issued share capital of which is in turn wholly-owned by Standard Chartered Trust (Singapore) Limited (through its nominee SCTS Capital Pte Ltd) as trustee of the Fiona Trust. The Fiona Trust is a discretionary trust set up by Mr. Jin Ming as settlor. The beneficiaries of Fiona Trust are Mr. Jin Ming, his spouse and his children. Mr. Jin Ming as founder of Fiona Trust is taken to be interested in the 300,450,500 Shares held by Koradior Investments Limited by virtue of Part XV of the SFO.

Note 2: These represent the share options granted to them.

Save as disclosed above, as at 30 June 2016, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) 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 or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

Other Information

DISCLOSURE OF INTERESTS *(Continued)*

- (b) Substantial shareholders' interests and/or short position in share and underlying shares of the Company

So far as is known to the Directors and the chief executive of the Company, as at 30 June 2016, the following persons (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange 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 Shareholder	Capacity	Number of Shares held	Position	Approximate percentage of issued share capital
Koradior Investments Limited (Note 1)	Beneficial owner	300,450,500	Long	59.60%
Standard Chartered Trust (Singapore) Limited (Note 2)	Trustee	300,450,500	Long	59.60%
Kingstun Holdings Limited (Note 2)	Interest in a controlled corporation	300,450,500	Long	59.60%
Chui Jinny (Note 3)	Interest in a controlled corporation	40,749,578	Long	8.08%
Sisu Holdings Limited (Note 3)	Beneficial owner	40,749,578	Long	8.08%
Fosun International Limited	Interest in a controlled corporation	25,800,000	Long	5.12%
Fosun International Holdings Ltd	Interest in a controlled corporation	25,800,000	Long	5.12%
Guo Guangchang	Interest in a controlled corporation	25,800,000	Long	5.12%

Notes:

- The entire issued share capital of Koradior Investments Limited is wholly-owned by Kingstun Holdings Limited, the entire issued share capital of which is in turn wholly-owned by Standard Chartered Trust (Singapore) Limited (through its nominee SCTS Capital Pte Ltd) as trustee of the Fiona Trust. The Fiona Trust is a discretionary trust set up by Mr. Jin Ming as settlor. The beneficiaries of Fiona Trust are Mr. Jin Ming, his spouse and his children. Mr. Jin Ming as founder of Fiona Trust is taken to be interested in the 300,450,500 Shares held by Koradior Investments Limited by virtue of Part XV of the SFO.
- Standard Chartered Trust (Singapore) Limited (through its nominee SCTS Capital Pte Ltd), as trustee of Fiona Trust, which was established by Mr. Jin Ming as settlor in favour of the beneficiaries of Fiona Trust, held 100% of the issued share capital of Kingstun Holdings Limited, which in turn held 100% of the issued share capital of Koradior Investments Limited.
- Sisu Holdings Limited is wholly owned by Ms. Jinny Chui, an independent third party.

Save as disclosed above, as at 30 June 2016, the Directors were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange 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.

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.

AUDIT COMMITTEE

The Audit Committee of the Company, comprising all the three independent non-executive Directors, namely Mr. Wong Wai Kong (as Chairman), Mr. Zhou Xiaoyu and Mr. Zhong Ming, is primarily responsible for reviewing and supervising the financial reporting, the internal control and risk management of the Group. The Audit Committee has discussed with management the accounting policies adopted by the Group and reviewed the unaudited interim financial statements of the Group for the six months ended 30 June 2016.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the six months ended 30 June 2016 (Expressed in Renminbi)

	Note	Six months ended 30 June	
		2016 RMB'000	2015 RMB'000
Revenue	5	701,594	584,519
Cost of sales		(184,159)	(158,119)
Gross profit		517,435	426,400
Other revenue	6	10,489	6,000
Other net loss		(2,169)	(124)
Selling and distribution expenses		(345,104)	(285,910)
Administrative and other operating expenses		(30,013)	(27,709)
Profit from operations		150,638	118,657
Finance costs		(838)	(376)
Profit before taxation	7	149,800	118,281
Income tax	8	(29,256)	(27,160)
Profit for the period		120,544	91,121
Other comprehensive income for the period, net of tax			
Item that may be reclassified subsequently to profit and loss:			
– Exchange differences on translation of financial statements of entities outside mainland China		(1,549)	69
Total comprehensive income for the period		118,995	91,190
Earnings per share (RMB cents)			
Basic	10	23.95	17.97
Diluted	10	23.69	17.79

Consolidated Statement of Financial Position

at 30 June 2016 (Expressed in Renminbi)

	Note	At 30 June 2016 (Unaudited) RMB'000	At 31 December 2015 (Audited) RMB'000
Non-current assets			
Property, plant and equipment	11	128,273	93,635
Deposit and prepayments		5,393	16,969
Other non-current assets		30,000	20,000
Deferred tax assets		3,435	3,063
Total non-current assets		167,101	133,667
Current assets			
Inventories	12	242,949	261,083
Trade and other receivables	13	206,558	216,773
Pledged bank deposits		–	41,890
Cash and cash equivalents		597,996	436,798
Total current assets		1,047,503	956,544
Current liabilities			
Bank loans	15	155,356	79,817
Trade and other payables	14	137,002	155,613
Current tax payable		46,966	42,352
Total current liabilities		339,324	277,782
Net current assets		708,179	678,762
Total assets less current liabilities		875,280	812,429
NET ASSETS		875,280	812,429
CAPITAL AND RESERVE			
Capital	16	4,014	3,997
Reserves	16	871,266	808,432
TOTAL EQUITY		875,280	812,429

Consolidated Statement of Changes in Equity

for the six months ended 30 June 2016 – unaudited (Expressed in Renminbi)

	Capital RMB'000	Share premium RMB'000	Capital redemption reserve RMB'000	Capital reserve RMB'000	Statutory reserve RMB'000	Exchange reserve RMB'000	Retained profits RMB'000	Total RMB'000
As at 1 January 2016	3,997	412,485	41	(19,740)	10,870	2,496	402,280	812,429
Changes in equity for the six months ended 30 June 2016:								
Profit for the period	-	-	-	-	-	-	120,544	120,544
Other comprehensive income	-	-	-	-	-	(1,549)	-	(1,549)
Total comprehensive income	-	-	-	-	-	(1,549)	120,544	118,995
Share issued under share option scheme	17	9,055	-	(1,506)	-	-	-	7,566
Dividend declared in the respect of the current period	-	-	-	-	-	-	(64,299)	(64,299)
Equity settled share-based transactions	-	-	-	589	-	-	-	589
As at 30 June 2016	4,014	421,540	41	(20,657)	10,870	947	458,525	875,280
As at 1 January 2015	4,038	453,538	-	(23,206)	7,628	(1,185)	241,501	682,314
Changes in equity for the six months ended 30 June 2015:								
Profit for the period	-	-	-	-	-	-	91,121	91,121
Other comprehensive income	-	-	-	-	-	69	-	69
Total comprehensive income	-	-	-	-	-	69	91,121	91,190
Dividend declared in the respect of the current period	-	-	-	-	-	-	(40,024)	(40,024)
Equity settled share-based transactions	-	-	-	2,015	-	-	-	2,015
As at 30 June 2015	4,038	453,538	-	(21,191)	7,628	(1,116)	292,598	735,495

Condensed Consolidated Cash Flow Statement

for the six months ended 30 June 2016 – unaudited (Expressed in Renminbi)

	Six months ended 30 June	
	2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
Operating activities		
Cash generated from operations	180,060	122,932
Income tax paid	(25,014)	(19,077)
Net cash generated from operating activities	155,046	103,855
Investing activities		
Payment for the purchase of property, plant and equipment	(18,356)	(60,579)
Other cash flows arising from investing activities	(4,479)	(45,838)
Net cash used in investing activities	(22,835)	(106,417)
Financing activities		
Dividends paid to equity shareholders of the company	(64,299)	(40,024)
Proceeds from bank loans	141,111	78,860
Repayment of bank loans	(66,980)	(50,000)
Other cash flows arising from financing activities	21,455	(376)
Net cash generated from financing activities	31,287	(11,540)
Net increase in cash and cash equivalents	163,498	(14,102)
Cash and cash equivalents at 1 January	436,798	427,868
Effect of foreign exchange rate changes	(2,300)	60
Cash and cash equivalents at 30 June	597,996	413,826

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

1 CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 23 March 2012 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681 Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is Unit C, 17/F, OfficePlus @Mong Kok, No. 998 Canton Road, Kowloon, Hong Kong.

2 BASIS OF PREPARATION

This interim financial statements of the Group have been prepared in accordance with the applicable disclosure provisions of the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), including compliance with International Accounting Standard ("IAS") 34, Interim financial reporting, issued by the International Accounting Standards Board ("IASB"). It was authorised for issue on 26 August 2016.

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2015 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2016 annual financial statements. Details of any changes in accounting policies are set out in note 3.

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

3 CHANGES IN ACCOUNTING POLICIES

The IASB has issued a number of amendments to International Financial Reporting Standards ("IFRSs") that are first effective for the current accounting period of the Group. Of these, the following amendments are relevant to the Group:

- Annual Improvements to IFRSs 2012-2014 Cycle
- Amendments to IAS 1, Presentation of financial statements: Disclosure initiative

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

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

4 SEGMENT REPORTING

Operating segments and the amounts of each segment item reported in the financial statement are identified from the financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources to, and assessing the performance of the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and similar in respect of the nature of products and services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

The Group operates in a single business, i.e. retailing and wholesaling of ladies' wear in the People's Republic of China ("PRC"). Accordingly, no segmental analysis is presented.

5 REVENUE

	Six months ended 30 June	
	2016 RMB'000	2015 RMB'000
Self-operated retail stores	592,201	491,053
Wholesales to distributors	53,946	41,066
E-commerce platform	53,974	49,543
Others	1,473	2,857
Total	701,594	584,519

6 OTHER REVENUE

	Six months ended 30 June	
	2016 RMB'000	2015 RMB'000
Interest income (note 1)	5,165	4,162
Government grants (note 2)	5,022	1,820
Others	302	18
Total	10,489	6,000

Note 1: Interest income as at 30 June 2016 represented interest income and gain from short term investment.

Note 2: Government grants as at 30 June 2015 and 30 June 2016 represented unconditional cash subsidies received from local government for the Group's achievement.

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

7 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Six months ended 30 June	
	2016 RMB'000	2015 RMB'000
(a) Finance costs		
Interest on bank loans	838	376
(b) Staff costs		
Contributions to defined contribution retirement plans	4,600	3,482
Equity settled share-based payment expenses	589	2,015
Salaries, wages and other benefits	96,766	75,312
	101,955	80,809
(c) Other items		
Depreciation	22,544	18,339
Operating lease payments		
– minimum lease payments	36,022	24,493
– contingent rentals	151,360	132,903
Cost of inventories sold	182,671	153,036

Notes to the Unaudited Interim Financial Report
(Expressed in Renminbi unless otherwise indicated)

8 INCOME TAX

	Six months ended 30 June	
	2016 RMB'000	2015 RMB'000
Current tax		
PRC Corporate Income Tax ("CIT")	26,079	24,569
Hong Kong Profits Tax	3,549	3,862
Deferred tax		
Origination of temporary differences	(372)	(1,271)
	29,256	27,160

Notes:

- (i) The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.
- (ii) The Company and its subsidiary incorporated in the British Virgin Islands and Cayman Islands are exempted from taxation.
- (iii) The provision for Hong Kong profits tax has been made as the Group had assessable profits derived from or earned in Hong Kong during six months ended 30 June 2016. The profit tax rate in Hong Kong is expected to be steady at about 16.5% on their respective taxable income for the six months ended 30 June 2016 and 2015. The reduction granted by the Hong Kong Special Administrative Region Government of 75% of the tax payable for the year of assessment 2015-16 is subject to a maximum reduction of HK\$20,000 for each company.
- (iv) In accordance with the relevant PRC income tax rules and regulations, the Company's subsidiaries incorporated/registered in the PRC are subject to Corporate Income Tax at a statutory rate of 25% on their respective taxable income for the six months ended 30 June 2016 and 2015 except for Dongfang Susu Creativity and Design (Shenzhen) Co., Ltd., which is entitled to reduced Corporate Income Tax rate of 15% under the preferential tax policy of Shenzhen-Hong Kong Modern Service Industry Cooperation Zone.
- (v) The PRC CIT Law and its implementation rules impose a withholding tax at 10%, unless reduced by a tax treaty or arrangement, for dividends distributed by PRC-resident enterprises to their non-PRC-resident corporate investors for profits earned since 1 January 2008. In addition, under the Sino-Hong Kong Double Tax Arrangement and its relevant regulations, a qualified Hong Kong tax resident is entitled to a reduced withholding tax rate of 5% for dividend income derived from the PRC if the Hong Kong tax resident is the "beneficial owner" and holds 25% or more of the equity interest of the PRC enterprise directly. As all of the Group's foreign-invested enterprises are directly and wholly owned by a Hong Kong incorporated subsidiary, a reduced rate of 5% is applicable in the calculation of this withholding tax.

9 DIVIDEND

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

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

10 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit for the period of RMB120,544,000 (30 June 2015: RMB91,121,000) and the weighted average number of 503,334,789 shares in issue for the six months ended 30 June 2016 (30 June 2015: 506,948,000 shares).

	For the six months ended 30 June 2016	For the six months ended 30 June 2015
Weighted average number of shares in issue	503,334,789	506,948,000
Basic earnings per share (RMB cents)	23.95	17.97

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit for the period of RMB120,544,000 (30 June 2015: RMB91,121,000) and the weighted average number of 508,789,653 shares in issue for the six months ended 30 June 2016 (30 June 2015: 512,098,735 shares) calculated as follows:

	For the six months ended 30 June 2016	For the six months ended 30 June 2015
Weighted average number of shares in issue	503,334,789	506,948,000
Effect of deemed issue of shares under Company's share option scheme for nil consideration	5,454,864	5,150,735
Weighted average number of shares in issue (diluted)	508,789,653	512,098,735
Diluted earnings per share (RMB cents)	23.69	17.79

11 PROPERTY, PLANT AND EQUIPMENT

	Buildings situated on leasehold land RMB'000	Leasehold improvements RMB'000	Motor vehicles RMB'000	Furniture, fixtures and equipment RMB'000	Total RMB'000
Cost:					
At 1 January 2016	64,841	118,004	4,706	8,815	196,366
Additions	40,424	16,192	–	566	57,182
Disposals	–	(5,207)	–	–	(5,207)
At 30 June 2016 (Unaudited)	105,265	128,989	4,706	9,381	248,341
Accumulated depreciation:					
At 1 January 2016	8,064	86,266	3,818	4,583	102,731
Charge for the period	2,405	19,031	209	899	22,544
Written back on disposals	–	(5,207)	–	–	(5,207)
At 30 June 2016 (Unaudited)	10,469	100,090	4,027	5,482	120,068
Cost:					
At 1 January 2015	22,728	71,153	4,428	6,912	105,221
Additions	42,113	50,653	278	1,903	94,947
Disposals	–	(3,802)	–	–	(3,802)
31 December 2015 (Audited)	64,841	118,004	4,706	8,815	196,366
Accumulated depreciation:					
At 1 January 2015	4,927	55,044	3,327	3,341	66,639
Charge for the year	3,137	35,024	491	1,242	39,894
Written back on disposals	–	(3,802)	–	–	(3,802)
31 December 2015 (Audited)	8,064	86,266	3,818	4,583	102,731
Net book value:					
At 30 June 2016 (Unaudited)	94,796	28,899	679	3,899	128,273
At 31 December 2015 (Audited)	56,777	31,738	888	4,232	93,635

(a) The buildings held for own use are located in the PRC under medium-term leases.

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

12 INVENTORIES

Inventories in the consolidated balance sheets comprise:

	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
Raw materials	22,235	24,274
Work in progress	2,450	2,188
Finished goods	218,264	234,621
	242,949	261,083

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	For the six months ended 30 June 2016 RMB'000	For the six months ended 30 June 2015 RMB'000
Cost of inventories sold	182,671	153,036
Write down of inventories	1,488	5,083
	184,159	158,119

13 TRADE AND OTHER RECEIVABLES

	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
Trade receivables	156,016	175,731
Deposits and prepayments and other receivables	51,704	55,737
Other receivables	4,231	2,274
	211,951	233,742
Less: Non-current deposits and prepayments	(5,393)	(16,969)
	206,558	216,773

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

13 TRADE AND OTHER RECEIVABLES *(Continued)*

(a) Aging analysis

Majority of the trade receivables are related to sales made through the Group's self-operated stores. The Group leased a number of retail stores within department stores and shopping malls in the PRC. Proceeds from the Group's sales made in these leased retail stores are mainly collected by the department stores and the shopping malls on the Group's behalf.

Following the completion of the reconciliation of the sales in the past month with the department stores and the shopping malls, the Group then issues invoices, the dates of which generally fall within 30 days from the date of revenue recognition. Settlement in respect of these concession sales was made net of the lease rental payable to the department stores and the shopping malls and was generally expected within 60 days from the date of revenue recognition.

The aging analysis of trade receivables based on date of revenue recognition is as follows:

	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
Within 1 month	96,083	112,407
1 to 2 months	39,301	45,196
2 to 3 months	11,082	12,008
Over 3 months	9,550	6,120
	156,016	175,731

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

13 TRADE AND OTHER RECEIVABLES (Continued)

(b) Trade receivables that are not impaired

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired is as follows:

	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
Neither past due nor impaired	144,007	157,603
Less than 1 month past due	2,459	12,008
1 to 3 months past due	7,625	5,293
Over 3 months past due	1,925	827
	12,009	18,128
	156,016	175,731

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default. Receivables that were past due but not impaired relate to a number of independent customers including wholesalers and owners of department stores and shopping malls that have a good track record with the Group. Based on experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

Notes to the Unaudited Interim Financial Report
(Expressed in Renminbi unless otherwise indicated)

14 TRADE AND OTHER PAYABLES

	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
Trade payables		
– third parties	47,521	47,473
– a related party	6,062	13,231
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Trade payables	53,583	60,704
Receipts in advance	10,600	17,287
Staff costs payables	18,732	19,575
VAT and other tax payables	45,399	45,253
Other payables	8,688	12,794
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	137,002	155,613
<hr/>	<hr/>	<hr/>

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

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

	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
Within 1 month	38,024	44,255
1 to 2 months	7,192	4,949
2 to 3 months	3,041	4,679
Over 3 months	5,326	6,821
<hr/>	<hr/>	<hr/>
	53,583	60,704
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Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

15 BANK LOANS

As at 31 December 2015 and 30 June 2016, bank loans are repayable as follows:

	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
Bank loans due for repayment within 1 year	99,502	10,000
Current portion of term loans due for repayment within 1 year	27,927	27,927
Non-current portion of term loans due for repayment after 1 year which contain a repayment on demand clause		
After 1 year but within 2 years	27,927	27,927
After 2 years but within 5 years	–	13,963
	55,854	69,817
	155,356	79,817

As at the balance sheet dates, the analysis of the carrying amount of bank loans is as follows:

	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
Secured	–	69,817
Unsecured	155,356	10,000
	155,356	79,817

The Group's interest bearing loans are bank loans denominated in Hong Kong dollars and Renminbi, amounting to HK\$147 million and will expire within two years and RMB30 million and will expire within a year respectively. All loans are interest-bearing at variable interest rates and guaranteed by the Company.

16 CAPITAL, RESERVE AND DIVIDEND

	No. of share		HK\$'000	RMB'000
	('000)			
(i) Authorised share capital				
Ordinary shares of HK\$0.01 each				
As at 31 December 2015 and				
30 June 2016				
	1,500,000		15,000	11,948
	As at 30 June 2016		As at 31 December 2015	
	No of shares		No of shares	
	('000)	RMB'000	('000)	RMB'000
(ii) Issued share capital				
Ordinary shares, issued and fully paid				
At 1 January				
	502,034	3,997	506,948	4,038
Repurchases and cancellation of share				
	–	–	(4,914)	(41)
Share issued share-based transactions				
	2,040	17	–	–
	504,074	4,014	502,034	3,997

Nature and purpose of reserves

(a) Share premium

The share premium represents the difference between the par value of the shares of the Company and proceeds received from the issuance of the shares of the Company.

Under the Companies Law of the Cayman Islands, the share premium account of the Company is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company would be in a position to pay off its debts as they fall due in the ordinary course of business.

(b) Capital reserve

On 15 November 2012, La Kordi Fashion (Shenzhen) Co., Ltd. acquired 100% equity interest in Shenzhen Koradior Fashion Co., Ltd. from Shenzhen Jinhxin Investment Development Co., Ltd., a company under the control of a controlling shareholder for a consideration of RMB40,155,000. The difference of RMB25,155,000 between the consideration and the paid up capital of Shenzhen Koradior was recorded as a capital reserve.

The portion of the grant date fair value of unexercised share options granted to employees of the Company that has been recognised during six months ended 30 June 2016 in accordance with the accounting policy adopted for share-based payments of RMB589,000 (31 December 2015: RMB3,466,000).

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

16 CAPITAL, RESERVE AND DIVIDEND *(Continued)*

(c) Shares issued pursuant to share option scheme

During the six months ended 30 June 2016, options were exercised to subscribe for a total of 2,040,000 (31 December 2015: Nil) ordinary shares in the Company at a consideration of RMB7,566,000 (31 December 2015: Nil), of which RMB17,000 (31 December 2015: Nil) and RMB9,055,000 (31 December 2015: Nil) were credited to share capital and the share premium account respectively. The amount of RMB1,506,000 (31 December 2015: Nil) has been transferred from the capital reserve to the share premium account.

(d) Statutory reserve

As stipulated by the PRC regulations, the Company's subsidiaries established and operated in the mainland China are required to appropriate 10% of their after-tax-profit (after offsetting prior year losses) as determined in accordance with the PRC accounting rules and regulations, to the statutory surplus reserve until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of profits to parent companies.

The statutory reserve can be utilised, upon approval by the relevant authorities, to offset accumulated losses or to increase capital of the subsidiary, provided that the balance after such issue is not less than 25% of its registered capital.

(e) Exchange reserve

Exchange reserve comprises all foreign exchange differences arising from the translation of financial statements of operations outside mainland China which are dealt with in accordance with the accounting policies.

(f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for its shareholders and benefits for other stakeholders, by pricing products commensurately with the level of risk and by securing access to finance at a reasonable cost. The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions. The Group monitors its capital structure with reference to its debt position. The Group's strategy is to maintain the equity and debt in a balanced position and ensure there are adequate working capital to service its debt obligations. The Group's debt to asset ratio, being the Group's total liabilities over its total assets, as at 31 December 2015 and 30 June 2016 was 25% and 28% respectively. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

17 COMMITMENTS

Operating leases commitments

As at 31 December 2015, and 30 June 2016, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
Within 1 year	60,979	46,221
After 1 year but within 5 years	75,599	63,296
After 5 years	11,989	12,769
	148,567	122,286

18 MATERIAL RELATED PARTY TRANSACTIONS

During the periods ended 30 June 2016 and 2015, the directors are of the view that the following are related parties of the Group:

Name of related party	Relationships
Mr. Jin Ming	A controlling shareholder of the Company
Mr. Wang Sumin	Brother in law of Mr. Jin Ming
Ms. Chen Lingmei	Mother of Mr. Jin Ming
Mr. Jin Jingquan	Father of Mr. Jin Ming
Shenzhen Yingjia Fashion Co., Ltd.* ("Yingjia Fashion") (深圳市贏家服飾有限公司)	53%, 47% owned by Ms. Chen Lingmei and Mr. Jin Jingquan respectively

* The English translation of the companies' names is for reference only. The official names of these companies are in Chinese.

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

18 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

In addition to the related party information disclosed elsewhere in this interim financial report, the Group entered into the following material related party transactions:

(a) Processing agreement

	Six months ended	
	30 June 2016 RMB'000	30 June 2015 RMB'000
Processing fees incurred		
– Yingjia Fashion	11,131	15,042
	11,131	15,042

(b) Lease agreement

	Six months ended	
	30 June 2016 RMB'000	30 June 2015 RMB'000
– A controlling shareholder	384	384
– Mr. Wang Sumin	307	307
	691	691

(c) Operating leases commitments

At 30 June 2016 and 31 December 2015, the total future minimum lease payments under non-cancellable operating leases are payable to Mr. Jin Ming and Mr. Wang Sumin as follows:

	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
Within 1 year	1,382	1,024
After 1 year but within 5 years	691	768
	2,073	1,792

19 NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

There is no non-adjusting event after Reporting Period.