



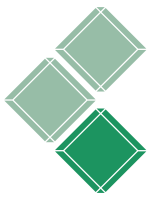
LOUDONG GENERAL NICE RESOURCES (CHINA) HOLDINGS LIMITED
樓東俊安資源(中國)控股有限公司

(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)

Interim Report ◆ 中期報告 2016

Stock Code 股份代號 : 00988





Corporate Information

EXECUTIVE DIRECTORS

Cai Sui Xin (*Chairman*)
Zhao Cheng Shu (*Deputy Chairman*)
Lau Yu (*Chief Executive Officer*)
Ng Tze For

INDEPENDENT NON-EXECUTIVE DIRECTORS

Choy So Yuk, *BBS, JP*
Gao Wen Ping
Leung Yuen Wing
Wu Zhao

AUDIT COMMITTEE

Leung Yuen Wing (*Chairman*)
Choy So Yuk, *BBS, JP*
Gao Wen Ping
Wu Zhao

REMUNERATION COMMITTEE

Choy So Yuk, *BBS, JP* (*Chairman*)
Gao Wen Ping
Leung Yuen Wing
Wu Zhao

NOMINATION COMMITTEE

Cai Sui Xin (*Chairman*)
Zhao Cheng Shu
Choy So Yuk, *BBS, JP*
Gao Wen Ping
Leung Yuen Wing
Wu Zhao

EXECUTIVE COMMITTEE

Lau Yu (*Chairman*)
Zhao Cheng Shu
Ng Tze For

AUTHORISED REPRESENTATIVES

Ng Tze For
Chiu Yuk Ching

COMPANY SECRETARY

Chiu Yuk Ching

AUDITOR

Ascenda Cachet CPA Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit B, 12th Floor
Lippo Leighton Tower
103 Leighton Road
Causeway Bay
Hong Kong
Website: <http://www.ldgnr.com>
E-mail: enquiry@ldgnr.com

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANKERS

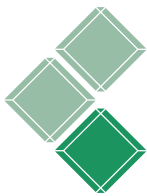
Bank of Communications Co., Ltd.,
Hong Kong Branch
Citic Bank International Limited
DBS Bank (Hong Kong) Limited
The Bank of East Asia, Limited
OCBC Wing Hang Bank Limited
Fubon Bank (Hong Kong) Limited



Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2016

		Six months ended 30 June	
		2016	2015
	Notes	(unaudited) HK\$'000	(unaudited) HK\$'000
REVENUE	4	446,465	629,514
Cost of sales	5	(425,380)	(556,558)
Gross Profits		21,085	72,956
Other income and gains	4	5,213	5,691
Selling and distribution expenses		(27,390)	(58,224)
Administrative expenses		(35,514)	(27,069)
Other operating expenses		-	(910)
Impairment of trade receivables	12	(51,512)	(174,616)
Share of profit and losses of associates		(3,643)	-
OPERATING LOSS		(91,761)	(182,172)
Finance costs		(78,060)	(48,505)
LOSS BEFORE TAX	5	(169,821)	(230,677)
Income tax expense	6	(17,142)	(25,842)
LOSS FOR THE PERIOD		(186,963)	(256,519)
OTHER COMPREHENSIVE INCOME			
To be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(1,390)	(683)
Total comprehensive income for the period		(188,353)	(257,202)



Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

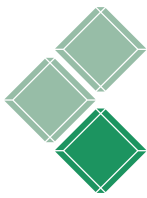
For the six months ended 30 June 2016

	Six months ended 30 June	
	2016	2015
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Notes		
Loss attributable to:		
Owners of the Company	(179,912)	(244,144)
Non-controlling interests	(7,051)	(12,375)
	(186,963)	(256,519)
Total comprehensive income for the period attributable to:		
Owners of the Company	(182,103)	(244,799)
Non-controlling interests	(6,250)	(12,403)
	(188,353)	(257,202)
LOSS PER SHARE		
ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	8	
Basic	(4.549 cents)	(8.539 cents)
Diluted	(4.549 cents)	(8.539 cents)

Condensed Consolidated Statement of Financial Position

At 30 June 2016

	Notes	30 June 2016 (unaudited) HK\$'000	31 December 2015 (audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	425,771	250,790
Construction in progress		7,904	–
Investment property		13,007	13,007
Prepaid land premiums		30,955	32,128
Interests in associates	10	908,475	320,904
Available-for-sale investment		7,382	7,548
Goodwill	11	220,982	115,740
Oil properties		230,532	231,261
Total non-current assets		1,845,008	971,378
CURRENT ASSETS			
Inventories		43,183	50,427
Prepaid land premiums		932	953
Trade and bills receivables	12	2,112,046	890,209
Prepayments, deposits and other receivables		495,821	1,596,646
Equity investments at fair value through profit or loss		584	597
Due from related companies		47,061	47,455
Pledged deposits		34,424	35,199
Tax recoverable		70	–
Cash and cash equivalents		10,189	457,123
Total current assets		2,744,310	3,078,609
CURRENT LIABILITIES			
Trade and bills payables	13	457,587	339,422
Other payables and accruals		355,354	298,512
Interest-bearing bank and other borrowings		1,486,701	1,105,663
Promissory note		–	3,100
Due to related companies		24,698	17,902
Tax payable		407,990	403,474
Total current liabilities		2,732,330	2,168,073
NET CURRENT ASSETS		11,980	910,536
TOTAL ASSETS LESS CURRENT LIABILITIES		1,856,988	1,881,914



Condensed Consolidated Statement of Financial Position

At 30 June 2016

		30 June 2016 (unaudited) HK\$'000	31 December 2015 (audited) HK\$'000
	Notes		
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		503,001	798,346
Loan from related companies		854	873
Assets retirement obligations		12,057	12,183
Promissory note		47,091	45,538
Convertible bonds		646,849	636,388
Long-term payables		3,452	–
Deferred tax liabilities		90,107	87,082
Total non-current liabilities		1,303,411	1,580,410
Net assets		553,577	301,504
EQUITY			
Equity attributable to owners of the Company			
Issued capital	14	39,917	34,292
Exchange fluctuation reserve		105,049	107,240
Reserves		388,148	191,185
		533,114	332,717
Non-controlling interests		20,463	(31,213)
Total equity		553,577	301,504

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2016

	Attributable to owners of the Company										
	Issued capital	Share option reserve	Equity Component of Convertible bonds	Exchange fluctuation reserve	Share premium account	Capital reserve	Contribution surplus	Accumulated losses	Total	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2015 (audited)	28,592	1,534	-	93,101	913,334	688,569	1,742,526	(2,494,346)	973,310	13,829	987,139
Loss for the period	-	-	-	-	-	-	-	(244,144)	(244,144)	(12,375)	(256,519)
Other comprehensive loss for the period:											
Exchange differences on transaction of foreign operations	-	-	-	(655)	-	-	-	-	(655)	(28)	(683)
Total comprehensive loss for the period	-	-	-	(655)	-	-	-	(244,144)	(244,799)	(12,403)	(257,202)
Cancellation of share premium	-	-	-	-	(913,334)	-	(969,436)	1,882,770	-	-	-
Lapse of share options	-	(47)	-	-	-	-	-	47	-	-	-
Balance at 30 June 2015 (unaudited)	28,592	1,487	-	92,446	-	688,569	773,090	(855,673)	728,511	1,426	729,937
Balance at 1 January 2016 (audited)	34,292	1,941	66,356	107,240	564,700	688,569	773,090	(1,903,471)	332,717	(31,213)	301,504
Loss for the period	-	-	-	-	-	-	-	(179,912)	(179,912)	(7,051)	(186,963)
Other comprehensive loss for the period:											
Exchange differences on transaction of foreign operations	-	-	-	(2,191)	-	-	-	-	(2,191)	801	(1,390)
Total comprehensive loss for the period	-	-	-	(2,191)	-	-	-	(179,912)	(182,103)	(6,250)	(188,353)
Fair value of new shares issued as consideration for the acquisition of associates	5,825	-	-	-	376,875	-	-	-	382,500	-	382,500
Non-controlling interests from the acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	57,926	57,926
Balance at 30 June 2016 (unaudited)	39,917	1,941	66,356	105,049	941,575	688,569	773,090	(2,083,383)	533,114	20,463	553,577



Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2016

	Notes	Six months ended 30 June	
		2016 (unaudited) HK\$'000	2015 (unaudited) HK\$'000
Cash flows from/(used in) operating activities			
Cash from/(used in) operations		86,014	(57,751)
Income tax paid		(5)	(94,507)
Net cash flows from/(used) in operating activities		86,009	(152,258)
Additions to property, plant and equipment, and oil property		(481)	(632)
Decrease in pledge deposits		1,549	219,043
Acquisition of a subsidiary	15	(240,402)	–
Acquisition of an associate	10	(190,000)	–
Net cash flows (used in)/from investing activities		(429,334)	218,411
New bank loans raised		150,754	363,886
Repayments of bank loans		(211,816)	(387,455)
Repayment of promissory notes		(3,117)	(12,652)
Proceed from disposal of equity investment at fair value through profit or loss		–	13,996
Other financing activities		(45,144)	(46,968)
Net cash flows used in financing activities		(109,323)	(69,193)
Net decrease in cash and cash equivalents		(452,648)	(3,040)
Cash and cash equivalents at 1 January		457,123	22,521
Effect of foreign exchange rate changes		5,714	(431)
Cash and cash equivalents at 30 June		10,189	19,050
Analysis of the balances of cash and cash equivalents			
Cash and bank balances as stated in the condensed consolidated statement of financial position		10,189	19,050



Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

1. BASIS OF PREPARATION

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

This unaudited condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2015, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

2. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments and an investment property, which are measured at revalued amounts or fair values as appropriate.

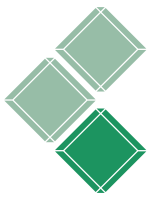
Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2016 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2015.

In the current interim period, the Group has applied, for the first time, the following amendments to the Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA.

HKFRS 14	Regulatory Deferral Accounts
Amendment to HKFRS 11	Accounting for acquisitions of interests in joint operations
Amendments to HKAS 16 and 38	Clarification of acceptable methods of depreciation and amortisation
Amendments to HKAS 27	Equity method in separate financial statements
Amendments to HKFRS 10, 12 and HKAS 28	Investment entities: applying the consolidation exception
Amendments to HKAS 1	Disclosure initiative
Annual improvements 2012-2014	Amendments to a number of HKFRSs issued in October 2014

The application of these amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

The Group has not early applied any new or revised standards, amendments to standards or interpretation that have been issued at the date of these condensed consolidated financial statements are authorised for issuance but are not yet effective.



Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

3. OPERATING SEGMENT INFORMATION

The directors of the Company (the "Directors") determine its operating segments 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 review of these components' performance.

The Group is organised into business units based on their products and services and has four reportable operating segments as follow:

- (a) The coke manufacturing segment is engaged in the production and sales of metallurgical coke from the coke plant;
- (b) The commodities trading segment is engaged in the trading of commodities purchased from external parties;
- (c) The oil segment is engaged in exploration and production of oil as well as the provision of well drilling services; and
- (d) The logistics segment is engaged in the provision of transportation and warehousing services.

The logistics segment was commenced during the second half of year 2015 by the acquisition of the entire equity interests in a subsidiary and 39% effective equity interests in an associate.

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/(loss) before tax except that interest income, finance costs, as well as head office and corporate expenses are excluded from such measurement.

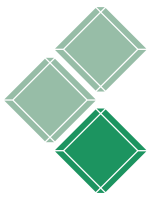
Segment assets exclude available-for-sale investments, amounts due from related companies, equity investments at fair value through profit and loss, deferred tax assets, pledged deposits, and other unallocated head office and corporate assets as these assets are managed on a group basis. Segment liabilities exclude amounts due to related companies, promissory notes, convertible bonds, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

3. OPERATING SEGMENT INFORMATION (continued) Six months ended 30 June 2016

	Commodities trading segment HK\$'000	Coke Manufacturing segment HK\$'000	Oil segment HK\$'000	Logistics segment HK\$'000	Total HK\$'000
Segment revenue					
Sales to external customers	240,276	203,357	1,633	1,199	446,465
Segment results	(366)	(68,856)	(9,196)	(800)	(79,218)
Reconciliation:					
Unallocated income and expense, net					(90,603)
Loss before tax					(169,821)
Segment assets	246,404	2,431,580	489,393	1,218,508	4,385,885
Reconciliation:					
Unallocated assets					203,433
Total assets					4,589,318
Segment liabilities	(184,230)	(2,718,090)	(14,395)	(269,670)	(3,186,385)
Reconciliation:					
Unallocated liabilities					(849,356)
Total liabilities					(4,035,741)
Other segment information					
Capital expenditure	-	-	481	194,994	195,475
Depreciation and amortisation	-	8,717	3,257	1,234	13,208
Unallocated depreciation and amortisation	-	-	-	-	13
Impairment loss recognised	-	51,512	-	-	51,512



Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

3. OPERATING SEGMENT INFORMATION (continued) Six months ended 30 June 2015

	Commodities trading segment HK\$'000	Coke Manufacturing segment HK\$'000	Oil segment HK\$'000	Total HK\$'000
Segment revenue				
Sales to external customers	113,251	510,568	5,695	629,514
Segment results	7,600	(181,193)	(5,600)	(179,193)
Reconciliation:				
Unallocated income and expense, net				(51,484)
Loss before tax				(230,677)
Segment assets	96,421	3,149,540	329,358	3,575,319
Reconciliation:				
Unallocated assets				193,657
Total assets				3,768,976
Segment liabilities	(111,563)	(1,849,644)	(114,137)	(2,075,344)
Reconciliation:				
Unallocated liabilities				(963,695)
Total liabilities				(3,039,039)
Other segment information				
Capital expenditure	-	-	632	632
Depreciation and amortisation	-	9,262	3,860	13,122
Unallocated depreciation and amortisation	-	-	-	11
Impairment loss recognised	-	174,616	-	174,616



Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

3. OPERATING SEGMENT INFORMATION (continued)

Geographical information

(a) Revenue from external customers

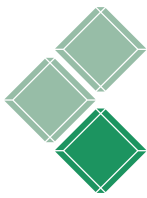
	Six months ended	
	30 June 2016 (unaudited) HK\$'000	30 June 2015 (unaudited) HK\$'000
PRC	204,556	623,819
Hong Kong	124,902	–
Singapore	115,374	–
Other countries	1,633	5,695
	446,465	629,514

The revenue information above is based on the location of the customers.

(b) Non-current assets

	30 June 2016	31 December 2015
	(unaudited) HK\$'000	(audited) HK\$'000
PRC	1,225,914	415,689
USA	259,171	261,653
Other countries	138,941	178,296
	1,624,026	855,638

The non-current asset information above is based on the location of the assets and exclude goodwill of approximately HK\$220,982,000.



Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

4. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold after allowances for trade discounts during the period.

An analysis of revenue, other income and gains is as follows:

	Six months ended 30 June	
	2016 (unaudited) HK\$'000	2015 (unaudited) HK\$'000
Revenue		
Sales of goods	445,266	629,514
Rendering of services	1,199	–
	446,465	629,514
Other income and gains		
Bank interest income	42	3,787
Government grants	3,543	1,445
Investment income	189	–
Gain on disposal of items of property, plant and equipment	581	–
Sundry income	196	459
Exchange gain	662	–
	5,213	5,691

5. LOSS BEFORE TAX

The Group's loss before tax for the period is arrived at after charging the followings:

	Six months ended 30 June	
	2016 (unaudited) HK\$'000	2015 (unaudited) HK\$'000
Cost of inventories sold	425,380	556,558
Staff costs (including directors' remuneration)	19,551	29,768
Depreciation	10,765	12,096
Amortisation of prepaid land premiums	987	1,037
Amortisation of oil properties	1,469	–
Impairment of trade receivables	51,512	174,616
Convertible bonds interest expenses	31,346	–
Promissory note interest expenses	1,570	1,537
Bank charges	22	195

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

6. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2015: Nil) on the estimated assessable profits arising in Hong Kong for the period ended 30 June 2016. Under the Corporate Income Tax Law, the corporate income tax is calculated at a rate of 25% (2015: 25%) on the Group's estimated assessable profits arising in the PRC for the period ended 30 June 2016. Tax on the assessable profits arising in the USA is calculated at a rate of 34% for the period ended 30 June 2016.

The major components of income tax expense for the period are as follows:

	For the six months ended 30 June	
	2016 (unaudited) HK\$'000	2015 (unaudited) HK\$'000
Group:		
Charge for the period – HK	212	–
Charge for the period – PRC	13,722	26,410
Overprovision in prior year	–	(568)
	13,934	25,842
Deferred tax – USA	3,208	–
Total tax charge for the period	17,142	25,842

7. DIVIDENDS

No dividends have been paid or declared by the Company during the six months ended 30 June 2016 (six months ended 30 June 2015: Nil).

8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic loss per share amounts is based on the loss for the period attributable to ordinary equity holders of the Company of approximately HK\$179,912,000 (six months ended 30 June 2015: HK\$244,144,000) and the weighted average number of ordinary shares of 3,954,634,000 (six months ended 30 June 2015: 2,859,223,000) in issue during the period.

No adjustments has been made to the basic loss per share amounts presented for the six months ended 30 June 2016 in respect of a dilution as the impact of the share options and convertible bonds outstanding had an anti-dilutive effect on the basic loss per share amounts presented (six months ended 30 June 2015: the impact of the share options outstanding had an anti-dilutive effect).



Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

9. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired items of property, plant and equipment with a cost of approximately HK\$187,095,000 (for the six months ended 30 June 2015: approximately HK\$632,000). Depreciation for items of property, plant and equipment was approximately HK\$10,765,000 during the period (for the six months ended 30 June 2015: approximately HK\$12,096,000).

During the period, the Group has disposed of property, plant and equipment amounted to approximately HK\$433,000 (for the six months period ended 30 June 2015: nil).

10. INTERESTS IN ASSOCIATES

On 13 January 2016, the Group acquired 40% equity interests in Wulanchabu Integrated Logistics Park Company Limited ("WILP") through the acquisition of 100% equity interest of Pride Logic Limited at a consideration of HK\$640,000,000, among which, (i) as to HK\$190,000,000 was settled by cash; and (ii) the balance was settled by way of allotment and issue of 562,500,000 ordinary shares of HK\$0.01 each. WILP is principally engaged in railway construction investment and coal storage in the PRC. As Pride Logic Limited and its wholly-owned subsidiaries are investment companies for holding 40% equity interests in WILP and the Group is in a position to exercise significant influence over WILP, the acquisition was treated as an acquisition of an associate and WILP is classified as an associate of the Group.

11. GOODWILL

	HK\$'000
At 1 January 2015	
Cost	1,022,403
Accumulated impairment	(957,622)
	64,781
Goodwill arising from acquisition of subsidiaries in 2015	50,959
At 31 December 2015 and 1 January 2016	115,740
Goodwill arising from acquisition of subsidiaries in 2016	105,242
At 30 June 2016	220,982
At 30 June 2016	
Cost	1,178,604
Accumulated impairment	(957,622)
	220,982

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

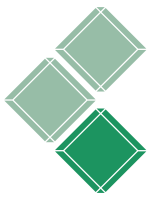
12. TRADE AND BILLS RECEIVABLES

	30 June 2016 (unaudited) HK\$'000	31 December 2015 (audited) HK\$'000
Trade receivables	1,406,634	1,558,295
Impairment	(710,053)	(673,874)
	696,581	884,421
Bills receivable	1,415,465	5,788
	2,112,046	890,209

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 period is generally three months for the customers in the Coke Manufacturing Segment, Commodities Trading Segment and Logistics Segment; and one month for the customers in the Oil Segment. Each customer has a maximum credit limit. Overdue balances are reviewed regularly by senior management. The Group's customers are concentrated in steel making industry for customers in the Coke Manufacturing Segment and Commodities Trading Segment. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at the end of the reporting period, based on the date of invoice, is as follows:

	30 June 2016 (unaudited) HK\$'000	31 December 2015 (audited) HK\$'000
Current	19,918	24,516
31-60 days	15,234	161,597
61-90 days	32,725	63,812
91-365 days	345,666	430,832
Over 1 year	993,091	877,538
	1,406,634	1,558,295



Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

12. TRADE AND BILLS RECEIVABLES (continued)

The movements in the provision for impairment of trade receivables are as follows:

	Group 30 June 2016 (unaudited) HK\$'000	31 December 2015 (audited) HK\$'000
At 1 January	673,874	313,411
Acquisition of subsidiaries	–	34,175
Impairment losses recognised	51,512	351,211
Exchange realignment	(15,333)	(24,923)
	710,053	673,874

13. TRADE AND BILLS PAYABLES

	30 June 2016 (unaudited) HK\$'000	31 December 2015 (audited) HK\$'000
Trade payable	457,587	323,222
Bills payable	–	16,200
	457,587	339,422

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

	30 June 2016 (unaudited) HK\$'000	31 December 2015 (audited) HK\$'000
Current	17,036	14,506
31-60 days	5,260	166,689
61-90 days	125,316	5,664
91-365 days	237,456	62,996
Over 1 year	72,519	73,367
	457,587	323,222

The trade payables are non-interest-bearing and are normally settled on 90-day terms.



Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

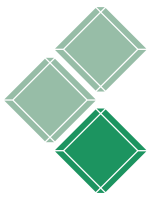
14. SHARE CAPITAL

	Number of ordinary shares of HK\$0.01 each	HK\$'000
<i>Authorised</i>		
At 31 December 2015 and 30 June 2016	200,000,000,000	2,000,000
<i>Issued and fully paid</i>		
At 31 December 2015 and 1 January 2016	3,429,222,370	34,292
New shares issued as part of the consideration for the acquisition of an associate	562,500,000	5,625
At 30 June 2016	3,991,722,370	39,917

15. BUSINESS COMBINATION

The Group acquired from Tewoo Import and Export Trade Co., Ltd. ("Tewoo Import and Export"), an independent third party, the 100% registered and paid up capital of Tianjin Ruiqi Enterprise Management Company Limited which in turn holds 70% interest in Tianjin Property Qian'an Logistics Company Limited (the "Tianjin Ruiqi Acquisition") for an aggregate consideration of RMB200,000,000 (equivalent to approximately HK\$240,402,000), which was paid in cash. The Tianjin Ruiqi Acquisition was completed on 20 June 2016 (the "Completion Date").

Tianjin Ruiqi Enterprise Management Company Limited and its subsidiaries the ("Tianjin Ruiqi Group") were principally engaged in investment holding and provision of logistics and warehousing services in the PRC.



Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

15. BUSINESS COMBINATION (continued)

The fair values of the identifiable assets and liabilities of the Tianjin Ruiqi Group as at the Completion Date were as follows:

	Fair value recognised on acquisition HK\$'000
Property, plant and equipment	187,090
Construction in progress	7,904
Investment in an associate	22,582
Cash and bank balances	2,614
Trade and bills receivables	12,784
Prepayments, deposits and other receivables	200,199
Tax recoverable	70
Trade and bills payables	(120,686)
Accruals and other payables	(10,984)
Interest-bearing bank borrowing	(105,035)
Long term payables	(3,452)
Total identifiable net assets at fair value	193,086
Non-controlling interests	(57,926)
Goodwill on acquisition	135,160
	105,242
	240,402
Satisfied by:	
Cash	240,402

The Group engaged an independent appraiser to assist with the identification and determination of fair values to be assigned to the assets and liabilities of the Tianjin Ruiqi Group as disclosed above. However, the valuation was not finalised and hence the initial accounting for the business combination of the Tianjin Ruiqi Group was incomplete by the date of this report. Therefore, these amounts recognised in the Group's interim financial statements for the six months ended 30 June 2016 in relation to the Tianjin Ruiqi Acquisition was on a provisional basis.

16. EVENTS AFTER THE END OF THE INTERIM PERIOD

On 31 August 2016, 河北寶利滙豐實業集團有限公司, (transliterated as Hebei Baoli Huifeng Shiye Group Company Limited, "Purchaser"), a company established in the PRC, and wholly-owned by Mr. Zhao Wen Bao and his associate and 天津物產遷安物流有限公司 (transliterated as Tianjin Property Qian'an Logistics Company Limited), a company established in the PRC, and indirectly owned as to 70% by the Company and directly owned as to 30% by the Purchaser ("Supplier"), entered into the supply agreement pursuant to which the Purchaser and its subsidiaries or associates had agreed to acquire, and the Supplier and its subsidiaries or associates had agreed to supply the coal, coke and iron ores ("Goods") for a term of three years with effect from the date of the supply agreement. The maximum aggregated amount of the Goods to be delivered for the four years ending 31 December 2019 are 300,000 tonnes, 460,000 tonnes, 520,000 tonnes and 450,000 tonnes respectively. The annual caps for the supply of the Goods the four years ending 31 December 2019 are RMB246,000,000, RMB365,000,000, RMB418,000,000, and RMB366,000,000 respectively. For details, please refer to the announcement of the Company dated 31 August 2016.

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

17. CAPITAL COMMITMENTS

	30 June 2016 (unaudited) HK\$'000	31 December 2015 (audited) HK\$'000
Contracted, but not provided for, in respect of:		
Acquisition of subsidiaries	–	640,000

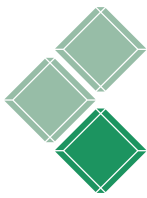
18. RELATED PARTY TRANSACTIONS

Outstanding balances with related companies

The balances with related companies are unsecured, interest-free and have no fixed terms of repayment. The non-current balances represented cash advances to or from those related companies and were non-trade in nature. The detailed breakdown of amounts with related companies is as follows:

(i) Current portion

	30 June 2016 (unaudited) HK\$'000	31 December 2015 (audited) HK\$'000
Due from related companies		
GNT	29,564	29,564
山西平型關鐵礦有限公司 (literally translated as "Shanxi Ping Xing Guan Iron Ore Company Limited")	523	535
山西新海峰能源有限公司 (literally translated as "Shanxi Xin Energy Company Limited")	5,574	5,700
深圳市新海能投資有限公司 (literally translated as "Shenzhen Xin Hai Neng Investment Company Limited")	11,400	11,656
	47,061	47,455
Due to related companies		
Hing Lou Resources Limited	17	17
繁峙縣平型關鐵礦有限公司 (literally translated as "Fan Zhi Xian Ping Xing Guan Iron Ore Company Limited")	24,681	17,885
	24,698	17,902



Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

18. RELATED PARTY TRANSACTIONS (continued)
Outstanding balances with related companies (Continued)
(ii) Non-current portion

	30 June 2016 (unaudited) HK\$'000	31 December 2015 (audited) HK\$'000
Loans from related companies GNR*	854	873
	854	873

* GNR directly held the Company's equity interest of 8.37% as at 30 June 2016 and 9.74% as at 31 December 2015.

Compensation of key management personnel of the Group

The remuneration of directors and other members of key management during the period was as follow:

	For the six months ended 30 June	
	2016 (unaudited) HK\$'000	2015 (unaudited) HK\$'000
Short term employee benefits	1,392	1,145
Post-employment benefits	69	79
Total compensation paid to key management personnel	1,461	1,224

The remuneration of Directors and key executives is recommended by the remuneration committee of the Company and determined by the Board having regard to the performance of individuals and market trends.



General Information

MANAGEMENT DISCUSSION AND ANALYSIS FINANCIAL RESULTS

For the period ended 30 June 2016, the Group recorded revenue at approximately HK\$446,465,000 (2015: approximately HK\$629,514,000), represent a 29% decrease compare to the corresponding period. Gross profit is HK\$21,085,000 (2015: HK\$72,956,000), represent a 71% decrease compare to the corresponding period.

As at 30 June 2016, loss attributable to owners of the Company was approximately HK\$179,912,000 while the loss attributable to owners of the Company was approximately HK\$244,144,000 in the corresponding period in 2015.

BUSINESS REVIEW

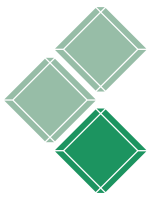
In the first half year of 2016, the Group continued making progress to diversify and invest in higher return businesses by completing the acquisition of two logistics-warehousing operations. Before these newly acquired assets deliver, the Group's 2016 interim results remained negative as our coking and oil businesses faced more difficulties and challenges than ever before in the early months of 2016. The price of metallurgical coke remained low and that of crude oil hit its lowest level in recent history at the beginning of 2016.

The Group's coke manufacturing facilities, located in Shanxi province, composed of a coke manufacturing plant and an electricity-generating unit, which generated electricity for self-utilization with surplus power sold to third parties and local government. Our coking business was badly squeezed along the steel-making value chain due to low operating rate under strict environmental control, slowing demand from steel mills as steel prices slumped and high input cost from a tight supply of coking coal.

Yet, the income tax expenses was mainly contributed by the reason that, our suppliers did not provide sufficient valued-added tax invoices for the purchases by the Group, these purchases were not allowed to be deductible in corporate income tax thus contributed a substantial portion to the income tax expenses.

As of 30 June 2016, the Group's total equity increased by about 84% to approximately HK\$553,577,000 from approximately HK\$301,504,000 recorded on 31 December 2015.

The debtor's turnover day of the Group in June 2016 was 323 days compared with 307 days in June 2015. The Company has extended credit period to long-term established customers in line with coke industry practice in Shanxi. Debtors turnover day was lengthened in the year due to continued slowing economy and depressed steel and coking industry. In general, the management of the Group adopts a prudent credit policy to its customers by closely monitoring their repayment status and consistently reviews their credit terms. If there are any irregularities in repayment, credit terms granted to debtors will be adjusted accordingly. If the balance due from debtors becomes doubtful, appropriate doubtful debt provision will be provided for.



General Information

In order to further develop in logistic and warehouse business, on 30 December 2015, the Group entered into a sale and purchase agreement with an independent third party (the “WILP Vendor”), pursuant to which the Group agreed to purchase 100% of the issued share capital of Pride Logic Limited from the WILP Vendor. Pride Logic Limited, through its wholly-owned subsidiary, holds 40% equity interests in Wulanchabu Integrated Logistics Park Company Limited (“WILP”), which is principally engaged in railway construction investment and coal storage in the PRC (the “WILP Acquisition”). The consideration for the WILP Acquisition is HK\$640,000,000 (the “WILP Consideration”), among which, (i) as to HK\$190,000,000 was settled by cash; and (ii) the balance of HK\$450,000,000 was settled by way of allotment and issue a total of 562,500,000 new shares (the “WILP Consideration Share(s)”) of the Company at an issue price of HK\$0.80 per each WILP Consideration Share to the WILP Vendor at completion. The WILP Acquisition was completed on 13 January 2016.

Further, the Group has succeeded in the open tender bidding in relation to the acquisition of the entire equity interest of Tianjin Ruiqi Enterprise Management Company Limited which in turn holds 70% interest of Tianjin Property Qian’an Logistics Company Limited (天津物產遷安物流有限公司, “Qian’an Logistics”) from Tewoo Import and Export Trade Co., Ltd for a consideration of RMB200,000,000 in April 2016. The vendor has agreed to undertake to the Group that the net profit after taxation of Qian’an Logistics for each of the 4 year ending 31 December 2019 shall not be less than RMB25,000,000. Completion of the acquisition was taken place in June 2016. Qian’an Logistics was established in the PRC with limited liability and principally engaged in warehousing services, general cargo, trading of minerals, coal and coke. It holds two parcels of land (the “Land”) which located at Qian’an City, Hebei Province, the PRC. (中國河北省遷安市) with an aggregate gross floor area of approximately 59,713 sq.m. and 22,636 sq.m. respectively. The Land is developed into a regional logistics services centre for the provision of comprehensive logistics services such as warehousing, trading and delivery of coke, commodities and chemicals to companies located in the region. The Board believes the acquisition would help to develop its logistic-warehousing business, broaden the business base of the Group and increase its long-term sustainable profitability.

OUTLOOK

Looking forward, as we continue to transition, the Company aims to complete our asset re-positioning initiatives in the next few quarters to deliver positive results and annual earnings growth to shareholders. Building on the recently acquired resources and logistics-warehousing business units, the Group will focus on similar and higher return assets to build up a solid franchise.

While we are mindful that the underlying commodities and Chinese economy continue to be volatile, the Group is highly alert and adopts a flexible business strategy to cope with the increasing challenges. The Group will continue to maintain a diversified portfolio, adding stable income stream businesses, expand those existing higher return businesses, as well as certain assets disposal or exit negative return assets.

China’s logistics-warehouse industry is a high potential segment, which is benefited from government policy such as increasing infrastructure investment, reduction of toll fee and one-belt one road policy. These enlightened the prospect for the development of logistics industry in China. The Group will exploit these opportunities to develop the business of logistics and warehousing, to acquire potential business, to expand our market share in logistics industry, so as to bring new source of income to the Group.



General Information

On the other hand, international crude oil price has picked up to USD45-50 after hitting recent lows in early 2016. As the current crude oil price is far from its historical high, the Group will closely monitor any oil opportunities with low operating and investment costs..

CAPITAL STRUCTURE, LIQUIDITY, FINANCIAL RESOURCES AND DEBT MATURITY PROFILE

As at 30 June 2016, the Group had total interest bearing bank and other borrowings in the amount of approximately HK\$1,989,702,000 (31 December 2015: HK\$1,904,009,000), representing an increase of HK\$85,693,000. The maturity profile of the Group's interest bearing bank and other borrowings of HK\$1,989,702,000 was spread with approximately HK\$1,486,701,000 repayable within 1 year and approximately HK\$503,001,000 repayable in the second year to fifth year.

The Group's total interest bearing bank and other borrowings of approximately HK\$1,989,702,000 were 99% denominated in Renminbi ("RMB") and 1% denominated in HK\$ in which, as to 60% bears at fixed interest rate and as to 40% bears at a floating rate. The Group's cash and bank balances of approximately HK\$10,189,000 were 84% denominated in RMB, 3% in USD and 13% in HK\$.

As at 30 June 2016, the Group had total convertible bonds in the aggregate amount of approximately HK\$646,849,000 (31 December 2015: HK\$636,388,000), which are redeemable in the 2018. The convertible bonds are denominated in HK\$ and bear interest at fixed interest rate of 6%.

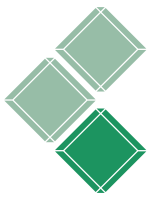
In addition, the Group had promissory note amount of approximately HK\$47,091,000 (31 December 2015: in the aggregate amount of approximately HK\$48,638,000), which is repayable in December 2017. This is denominated in HK\$ and bear no interest.

TREASURY POLICY

The Group adopts a conservative approach towards its treasury policy. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluation of the financial condition of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES

On 30 December 2015, the Group entered into a sale and purchase agreement to purchase 40% equity interests in WILP through the acquisition of 100% equity interest of Pride Logic Limited for a consideration HK\$640,000,000. WILP is principally engaged in railway construction investment and coal storage in the PRC. Completion of the acquisition was taken place on 13 January 2016. For more details, please refer to the announcements of the Company dated 30 December 2015 and 13 January 2016.



General Information

On 29 March 2016, the Group made a submission of an irrevocable bid in an open tender process at Tianjin Property Rights Exchange for the acquisition of 70% of the equity interest of Qian'an Logistics from Tewoo Import and Export Trade Co., Ltd. for a total consideration of RMB200,000,000. The Group has succeeded in the opened tender bidding and the acquisition was completed on 20 June 2016. Qian'an Logistics is principally engaged in warehousing services, general cargo, trading of minerals, coal and coke. For more details, please refer to the announcements of the Company dated 30 March 2016, 6 April 2016, 8 April 2016 and 28 June 2016.

EMPLOYEES

As at 30 June 2016, the total number of employees of the Group was approximately 780 (31 December 2015: 720). Apart from the basic remuneration, discretionary bonus may be granted to eligible employees by reference to the Group's performance as well as the individual's performance. The Group also has adopted a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operation. As at 30 June 2016, there were 4,214,351 (31 December 2015: 4,214,351) outstanding share options granted under such scheme.

CHARGE OF GROUP ASSETS

As at 30 June 2016, the pledged bank deposits of approximately HK\$34,424,000 (31 December 2015: HK\$35,199,000) and a property with a carrying value of approximately HK\$13,543,000 (31 December 2015: HK\$13,715,000) as securities for the Group's banking facilities of the Disposal Group.

GEARING RATIO

As at 30 June 2016, the gearing ratio of the Group, (being the ratio of net debt divided by total capital plus net debt) was approximately 83% (31 December 2015: approximately 61%). Net debt represents the aggregate amount of the Group's interest-bearing bank and other borrowings, the non-current portion of the amount loans due to related parties and promissory note less cash and cash equivalents of the Group. Total capital represents total equity of the Company.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND ANY RELATED HEDGES

The Group's reporting currency is denominated in HK\$. The Group's monetary assets, loans and transactions were principally denominated in RMB, USD and HK\$. The Group had a net exchange exposure to RMB as the Group's assets were principally located in China and the revenues were in RMB.

The Group does not have any derivative financial instruments or hedging instruments. The Group will constantly review the economic situation and its foreign currency risk profile, and will consider appropriate hedging measures in future as may be necessary.



General Information

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 June 2016 (31 December 2015: Nil).

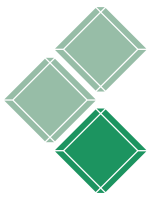
USE OF NET PROCEEDS FROM THE ISSUE OF CONVERTIBLE BONDS

In August 2015, the Group completed the issue of a 3-year convertible bonds in an aggregate principal amount of HK\$400,000,000 with a coupon rate of 6% at an initial conversion price of HK\$0.331 per conversion share to China Huarong Investment Management Limited ("Huarong CB"). The conversion price was subsequently adjusted to HK\$0.29 per share due to the issue of the Tewoo CB (as defined below). In December 2015, the Group completed the issue of a 3-year convertible bonds in an aggregate principal amount of HK\$300,000,000 with a coupon rate of 6% at an initial conversion price of HK\$0.376 per conversion share to Xinya Global Limited ("Tewoo CB").

As to the Huarong CB, in the circular for the issue of the Huarong CB ("Huarong CB Circular"), the Company announced that (i) approximately HK\$150 million to HK\$200 million of the net proceeds of the Huarong CB would be used in acquisition of 39% equity interest in 內蒙古亞歐大陸橋物流有限責任公司 (Inner Mongolia Eurasian Continent Bridge Logistics Limited Liability Company, "Eurasian Continent Bridge Acquisition"); (ii) approximately HK\$250 million to HK\$280 million of the net proceeds of the Huarong CB would be used in acquisition of 100% equity interest in logistics and warehouse businesses in Tianjin ("Tianjin Project"); and (iii) the remaining would be used as the general working capital of the Company. In the Huarong CB Circular, the Board further announced that if the aforesaid acquisitions do not materialise, the Company would explore other investment opportunities and apply the net proceeds from the Huarong CB to other potential acquisitions. In the circular of the Tewoo CB, the Company announced that the Eurasian Continent Bridge Acquisition has materialized while the negotiation in respect of the Tianjin Project has not been proceeded any further.

Given the Tianjin Project did not materialize, the Company subsequently applied part of the proceeds of the Huarong CB for other acquisition as disclosed in the Huarong CB Circular.

The actual use of net proceeds of approximately HK\$394.5 million from the Huarong CB: (i) HK\$150 million was used as the consideration to acquire Eurasian Continent Bridge in October 2015 as disclosed in the Huarong CB Circular dated 17 June 2015; (ii) HK\$190 million was used as part of the consideration for the WILP Acquisition as announced by the Company on 30 December 2015; and (iii) the remaining balance, after net of cost, was used as general working capital.



General Information

The net proceeds of approximately HK\$295.5 million from the Tewoo CB were applied as to (i) HK\$240 million as the consideration to acquire 70% interest of Qian'an Logistics; and (ii) the remaining balance, after net of cost, was used as general working capital.

During the year 2015 and the six months ended 30 June 2016, none of the conversion rights attached to the Huarong CB and the Tewoo CB respectively were exercised. The outstanding amounts for both the Huarong CB and the Tewoo CB remained unchanged as at 30 June 2016.

DIVIDENDS

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

PURCHASE, SALE OR REDEMPTION OF SHARES

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

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at 30 June 2016, the following Directors and chief executive of the Company were interested, or were deemed to be interested in the following long and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of the Securities and Futures Ordinance (the "SFO")) which (a) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein (the "Register"); or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules, to be notified to the Company and the Stock Exchange:

General Information

Long positions in the shares and underlying shares of the Company

Name of Director	Number of ordinary shares		Number of underlying shares subject to the outstanding share options	Total	Approximate percentage of the issued share capital
	Personal interests	Corporate interests			
Mr. Cai Sui Xin	7,205,545(L)	334,051,660(L) (Note 1)	–	341,257,205(L)	8.55%
		302,114,803(S) (Note 2)		302,114,803(S)	7.57%
Mr. Zhao Cheng Shu	5,438,150(L)	–	–	5,438,150(L)	0.14%
Mr. Lau Yu	21,448,550(L)	–	–	21,448,550(L)	0.54%
Mr. Ng Tze For	–	–	3,942,457(L)	3,942,457(L)	0.10%
Ms. Choy So Yuk	271,908(L)	–	–	271,908(L)	0.01%
Mr. Leung Yuen Wing	224,213(L)	–	–	224,213(L)	0.01%

(L) – Long position
(S) – Short position

Notes:

- These shares are beneficially owned by General Nice Resources (Hong Kong) Limited (“GNR”) and Mr. Cai Sui Xin is deemed to be interested in such shares under the SFO by virtue of the fact that each of General Nice Development Limited (“GND”) and General Nice Investment (China) Limited (“GNI”) holds 40% equity interest in GNR while General Nice Group Holdings Limited (“GNG”) and Mr. Cai Sui Xin hold 50% and 5% equity interests in each of GND and GNI respectively. GNG is in turn wholly owned by Mr. Cai Sui Xin.
- Pursuant to the exchangeable bonds subscription agreement dated 18 May 2015 entered into between GNR and China Huarong International Holdings Limited, GNR has agreed to issue to China Huarong International Holdings Limited a 3-year exchangeable bonds (the “Exchangeable Bonds”) in the aggregate principal amount of HK\$100 million with an initial exchange price of HK\$0.331 per share. Upon full exercise of the Exchangeable Bonds, a total of 302,114,803 shares will be transferred from GNR to the holders of the Exchangeable Bonds.

Save as disclosed above, as at 30 June 2016, none of the Directors and chief executive of the Company was interested, or was deemed to be interested in the long and short positions in the shares, underlying shares and debentures of the Company or any associated corporation which were required to be notified to the Company and the Stock Exchange or recorded in the Register as aforesaid.



General Information

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the sections headed "Interests of Directors and chief executive" and "Share options" in this report, at no time during the period under review, was the Company or any of its subsidiaries a party to any arrangement to enable a director of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SHARE OPTIONS

The Company adopted a share option scheme on 25 June 2007. As at 30 June 2016, there were 4,214,351 share options outstanding. The movements in the share options of the Company during the period were set out as follows:—

Name or category of participants	Outstanding at 01/01/2016	Outstanding at 30/06/2016	Exercise period of the outstanding share options
Director			
Ng Tze For	3,942,457	3,942,457	09/01/2010 to 24/06/2017
Sub-total	3,942,457	3,942,457	
Other employee	271,894	271,894	09/01/2010 to 24/06/2017
Total	4,214,351	4,214,351	

Notes:

1. These share options were granted on 9 July 2009 at an exercise price of HK\$0.886 per share. The vesting period of these share options is from the date of grant until the commencement of the exercise period. As a result of completion of the open offer by the Company in July 2009, the exercise price of the share options was adjusted from HK\$0.886 to HK\$0.782 per share and the number of share options was adjusted accordingly.

Upon completion of the bonus issue on 29 June 2012, the exercise price of the share options was further adjusted from HK\$0.782 per share to HK\$0.6517 per share and the number of outstanding share options was further adjusted.

2. During the period, no share options were granted, exercised, lapsed or cancelled.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS

Save as disclosed under the section headed "Interests of Directors and chief executive" above, as at 30 June 2016, the following persons had an interest in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

General Information

Long positions in the shares/underlying shares of the Company

Name	Capacity	Nature of Interest	No. of shares/ underlying shares	Approximate percentage of the issued share capital
GNR	Beneficial owner	Corporate interests	334,051,660(L) (Note 1)	8.37%
			302,114,803(S) (Note 2)	7.57%
GND	Interest of controlled corporation	Corporate interests	334,051,660(L) (Note 1)	8.37%
			302,114,803(S) (Note 2)	7.57%
GNI	Interest of controlled corporation	Corporate interests	334,051,660(L) (Note 1)	8.37%
			302,114,803(S) (Note 2)	7.57%
GNG	Interest of controlled corporation	Corporate interests	334,051,660(L) (Note 1)	8.37%
			302,114,803(S) (Note 2)	7.57%
Tsoi Ming Chi	Interest of controlled corporation	Corporate interests	334,051,660(L) (Note 1)	8.37%
			302,114,803(S) (Note 2)	7.57%
Xin Lou Resources (Hong Kong) Limited ("Xin Lou")	Beneficial owner	Corporate interests	321,858,177(L)	8.06%
Shanxi Loudong Industry & Trading Group Company. (formerly known as Xiaoyi Loudong Industry & Trading Group Company) ("Loudong Trading")	Interest of controlled corporation	Corporate interests	321,858,177(L) (Note 3)	8.06%
Chen Hua Jun	Interest of Controlled Corporation	Corporate interests	3,734,241	
	Beneficial owner	Personal interests	262,500,000	
			<hr/> 266,234,241	6.67%
Wise Perfection Limited	Beneficial owner	Corporate interests	250,000,000(L)	6.26%
Rong De Investments Limited	Interest of controlled corporation	Corporate interests	250,000,000(L) (Note 4)	6.26%



General Information

Name	Capacity	Nature of Interest	No. of shares/ underlying shares	Approximate percentage of the issued share capital
Chu Hing Tsung	Interest of controlled corporation	Corporate interests	250,000,000(L) (Note 4)	6.26%
Liao Tengjia	Interest of controlled corporation	Corporate interests	250,000,000(L) (Note 4)	6.26%
Xinya Global Limited	Beneficial owner	Corporate interests	1,186,096,460(L) (Note 5)	29.71%
Tewoo Import & Export (HK) Limited	Interest of controlled corporation	Corporate interests	1,186,096,460(L) (Note 5)	29.71%
Tewoo Import and Export Trade Co., Limited* (天津物產進出口貿易有限公司)	Interest of controlled corporation	Corporate interests	1,186,096,460(L) (Note 5)	29.71%
Tewoo Group (Hong Kong) Limited	Interest of controlled corporation	Corporate interests	1,186,096,460(L) (Note 5)	29.71%
Tewoo Group Co., Ltd* (天津物產集團有限公司)	Interest of controlled corporation	Corporate interests	1,186,096,460(L) (Note 5)	29.71%
Tianjin Tian Yuen Investment Limited* (天津天源投資有限公司)	Interest of controlled corporation	Corporate interests	1,186,096,460(L) (Note 5)	29.71%
Tianjin Guo Wang Asset Management Limited* (天津國旺資產管理有限公司)	Interest of controlled corporation	Corporate interests	1,186,096,460(L) (Note 5)	29.71%
Bohai Steel Group (Tianjin) Investment Limited* (渤海鋼鐵集團(天津)投資有限公司)	Interest of controlled corporation	Corporate interests	1,186,096,460(L) (Note 5)	29.71%
Bohai Steel Group Co., Ltd* (渤海鋼鐵集團有限公司)	Interest of controlled corporation	Corporate interests	1,186,096,460(L) (Note 5)	29.71%
Tianjin Guo Xing Asset Operation Limited* (天津國興資本運營有限公司)	Interest of controlled corporation	Corporate interests	1,186,096,460(L) (Note 5)	29.71%
China Huarong Investment Management Limited	Beneficial interest	Corporate interests	1,681,425,147(L) (Note 6)	42.12%

* The English translation of the Chinese names are for identification purpose only.

General Information

Name	Capacity	Nature of Interest	No. of shares/ underlying shares	Approximate percentage of the issued share capital
China Huarong International Holdings Limited	Interest of controlled corporation	Corporate interests	1,681,425,147(L) (Note 6)	42.12%

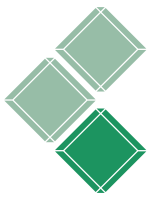
(L) – Long position

(S) – Short position

Notes:

- These shares are beneficially owned by GNR. Each of GND and GNI holds 40% equity interest in GNR while GNG and Mr. Tsui Ming Chi hold 50% and 35% equity interests in each of GND and GNI respectively. Accordingly each of GND, GNI, GNG and Mr. Tsui Ming Chi is deemed to be interested in such shares held by GNR under the SFO.
- Pursuant to the exchangeable bonds subscription agreement dated 18 May 2015 entered into between GNR and China Huarong International Holdings Limited, GNR has agreed to issue to China Huarong International Holdings Limited the Exchangeable Bonds. Upon full exercise of the Exchangeable Bonds, a total of 302,114,803 shares will be transferred from GNR to the holder(s) of the Exchangeable Bonds.
- Loudong Trading is deemed to be interested in the shares held by Xin Lou by virtue of the fact that Xin Lou is its wholly owned subsidiary.
- Wise Perfection Limited is wholly owned by Rong De Investments Limited. Rong De Investments Limited is owned as to 34.06% by Chu Hing Tsung and 36% by Liao Tengjia. Accordingly each of Rong De Investments Limited, Chu Hing Tsung and Liao Tengjia is deemed to be interested in the shares held by Wise Perfection Limited.
- These interests comprise 388,224,120 issued shares of the Company beneficially owned by Xinya Global Limited and 797,872,340 underlying shares which may be allotted and issued to Xinya Global Limited upon full exercise of the conversion rights attaching to the convertible bonds with the principal amount of HK\$300,000,000 at a conversion price of HK\$0.376 per share. Xinya Global Limited is wholly owned by Tewoo Import & Export (HK) Limited. Tewoo Import & Export (HK) Limited is owned as to 49% by Tewoo Import And Export Trade Co., Limited and 51% by Tewoo Group (Hong Kong) Limited. Tewoo Import And Export Trade Co., Limited is owned as to 49% by Tianjin Tian Yuen Investment Limited and 51% by Tewoo Group Co. Limited. Tianjin Tian Yuen Investment Limited is wholly owned by Tiajin Guo Wang Asset Management Limited. Each of Bohai Steel Group (Tianjin) Investment Limited and Tianjin Guo Xing Asset Operation Limited owns 50% of Tianjin Guo Wang Asset Management Limited. Bohai Steel Group (Tianjin) Investment Limited is wholly owned by Bohai Steel Group Co., Limited. Tewoo Group (Hong Kong) Limited is wholly owned by Tewoo Group Co., Limited. Accordingly, each of Tewoo Import & Export (HK) Limited, Tewoo Import And Export Trade Co., Limited, Tewoo Group (Hong Kong) Limited, Tewoo Group Co., Limited, Tianjin Tian Yuen Investment Limited, Tianjin Guo Wang Asset Management Limited, Bohai Steel Group (Tianjin) Investment Limited, Bohai Steel Group Co., Limited and Tianjin Guo Xing Asset Operation Limited is deemed to be interested in the shares held by Xinya Global Limited.
- According to the records of the Company, China Huarong Investment Management Limited is interested in 1,681,425,147 underlying shares (of which 1,379,310,344 shares (as adjusted subsequent to the adjustment of the conversion price from HK\$0.331 to HK\$0.29 per shares) may be allotted and issued upon the exercise of the conversion rights attaching to the convertible bonds with the principal amount of HK\$400,000,000 at conversion price of HK\$0.29 (as adjusted) per conversion share and 302,114,803 shares may be transferred from GNR to it upon exercise of the conversion rights attached to the Exchangeable Bonds). China Huarong International Holdings Limited owns 100% of China Huarong Investment Management Limited and is deemed to be interested in 1,681,425,147 underlying shares held by China Huarong Investment Management Limited, China Huarong International Holdings Limited is owned as to 88.1% by Huarong Real Estate Co., Ltd. and as to 11.9% by Huarong Zhiyuan Investment & Management Co., Ltd. Each of Huarong Real Estate Co., Ltd. and Huarong Zhiyuan Investment & Management Co., Ltd. is wholly-owned by China Huarong Asset Management Co., Ltd.

Save as disclosed above, the Directors are not aware of any other persons who, at 30 June 2016, had interests or short positions in the shares or underlying shares of the Company which are recorded in the register and required to be kept under Section 336 of the SFO.



General Information

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board is committed to raising the standard of corporate governance within the Group in order to enhance the transparency in disclosure of material information. In the opinion of the Directors, the Company has complied with the code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2016, except the following deviations:-

Code Provision A.4.1

Under code provision A.4.1, non-executive directors should be appointed for a specific term and be subject to re-election. Three independent non-executive Directors, namely Ms. Choy So Yuk, Mr. Leung Yuen Wing and Mr. Gao Wen Ping were not appointed for a specific term. However, all Directors are subject to the retirement provisions in the Bye-laws of the Company which provides that one-third of the Directors for the time being shall retire from office by rotation and every Director shall be subject to retirement at least once every three years.

Code Provisions A.6.7 and E.1.2

Under code provision A.6.7, independent non-executive directors and other non-executive directors should attend general meetings. The independent non-executive Directors, Mr. Gao Wen Ping was unable to attend the annual general meeting of the Company held on 30 May 2016 ("2016 AGM") as he was not in Hong Kong.

Under code provision E.1.2, the chairman of the Board should attend the annual general meeting. Due to other commitments which must be attended to by the chairman of the Company (the "Chairman"), the Chairman was unable to attend the 2016 AGM. Mr. Lau Yu, an executive Director and the chief executive officer of the Company acted as the chairman of the 2016 AGM, Ms. Choy So Yuk, an independent non-executive Director, the chairman of the remuneration committee, a member of the audit committee and the nomination committee and Mr. Leung Yuen Wing, an independent non-executive Director, the chairman of the audit committee, a member of the remuneration committee and the nomination committee attended the 2016 AGM.

Code Provision A.7.1

Under code provision A.7.1, for regular board meetings, and as far as practicable in all other cases, an agenda and accompanying board papers should be sent, in full, to all directors at least 3 days before the intended date of a board meeting or board committee meeting. As additional time was required to prepare the board papers, the board papers were not sent to all Directors 3 days before the meeting.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding directors' securities transactions set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules (the "Model Code"). Following specific enquiry by the Company, all Directors have confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2016.



General Information

CHANGE IN INFORMATION OF DIRECTORS

On 16 June 2016, Mr. Wu Zhao Wao ("Mr. Wu") was appointed an independent non-executive Director, a member of the audit committee, the remuneration committee and the nomination committee of the Company.

Mr. Wu, aged 38, obtained a bachelor degree in Engineering (Chemical) from the University of Queensland, Australia. He also obtained a master of commerce in applied finance and a master of information technology from the University of Queensland, Australia. He has approximately 11 years of experience in finance, information technology, investment and funds management. He is currently a director of a funds management company and is also licensed to carry out Type 1 (Dealings in Securities) and Type 4 (Advising on Securities) regulated activities under the SFO. He is also an independent non-executive director of Kate China Holdings Limited (stock code: 8125), a company listed on the Growth Enterprise Market of the Stock Exchange.

Save as disclosed, Mr. Wu has not held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years preceding the date of this Interim Report.

Mr. Wu and the Company have entered into a letter of appointment for a term of three years, he is subject to retirement by rotation in accordance with the Bye-Laws of the Company and the Listing Rules. Mr. Wu will hold office until the first general meeting of the shareholders of the Company after his appointment and will then be eligible for re-election at such meeting. Mr. Wu will receive remuneration of HK\$150,000 per annum, which is determined with reference to his duties and responsibilities within the Company, the Company's remuneration policy and the prevailing market conditions. Mr. Wu is not entitled to any bonus payment by the Company.

Mr. Wu does not hold any other positions in the Company and its subsidiaries and does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

On 28 June 2016, Mr. Ng Tze For, an executive Director, was appointed as the alternate of Mr. Cai Sui Xin, a non-executive director of IRC Limited, a company listed on the Stock Exchange.

REVIEW BY THE AUDIT COMMITTEE

The Audit Committee comprises four independent non-executive Directors, namely, Mr. Leung Yuen Wing (chairman), Ms. Choy So Yuk, Mr. Gao Wen Ping and Mr. Wu Zhao. The Interim Report of the Group for the six months ended 30 June 2016 has not been audited or reviewed by the Company's auditors but has been reviewed by the Audit Committee.

On behalf of the Board

Cai Sui Xin

Chairman

Hong Kong, 30 August 2016