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CHAMPION TECHNOLOGY HOLDINGS LIMITED

(Continued in Bermuda with limited liability)

Stock Code: 92

2015/2016 INTERIM RESULTS ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

- Turnover was HK\$2,348 million
- Profit for the period was HK\$45 million
- EBITDA was HK\$723 million
- Profit attributable to owners of the Company was HK\$37 million
- Earnings per share was HK0.58 cents
- The Group maintained a positive financial position

The board of directors (the “Board”) of Champion Technology Holdings Limited (the “Company”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 31 December 2015 (the “Period”) with comparative unaudited figures for the corresponding period in 2014 (the “Previous Period”) as follows:

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

For the six months ended 31 December 2015

		Six months ended	
		31 December	
		2015	2014
	<i>Notes</i>	HK\$'000	HK\$'000
Turnover	2	2,347,715	2,905,947
Direct operating expenses		(2,216,153)	(2,708,708)
Gross profit		131,562	197,239
Other income and gain		13,744	6,548
Gain on disposal of subsidiaries		-	167,704
Distribution costs		(9,478)	(20,438)
General and administrative expenses		(86,684)	(178,235)
Impairment losses recognised for deposits and prepaid development costs		-	(81,023)
Research and development costs expensed		(1,663)	(5,349)
Finance costs		(2,903)	(2,199)
Share of loss of a joint venture		(1)	(2)
Profit before taxation		44,577	84,245
Taxation	4	-	-
Profit for the period		44,577	84,245

	Six months ended	
	31 December	
	2015	2014
<i>Note</i>	HK\$'000	HK\$'000
Other comprehensive (expense) income:		
Items that will not be reclassified to profit or loss:		
Remeasurement of defined benefits pension plans	(19,999)	(1,211)
Items that may be reclassified subsequently to profit or loss:		
Exchange difference arising on translation of foreign operations	1,763	6,938
Other comprehensive (expense) income for the period	(18,236)	5,727
Total comprehensive income for the period	26,341	89,972
Profit for the period attributable to:		
Owners of the Company	36,879	80,924
Non-controlling interests	7,698	3,321
	44,577	84,245
Total comprehensive income for the period attributable to:		
Owners of the Company	25,612	84,145
Non-controlling interests	729	5,827
	26,341	89,972
Earnings per share - Basic	5 HK0.58 cents	HK1.28 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2015

		As at 31 December 2015 <i>HK\$'000</i> (Unaudited)	As at 30 June 2015 <i>HK\$'000</i> (Audited)
Non-current assets			
Property, plant and equipment	7	50,641	54,590
Development costs for systems and networks		2,239,047	2,908,879
Available-for-sale investments		628,148	628,148
Interest in a joint venture		466	467
Deposits and prepaid development costs		-	941,592
		2,918,302	4,533,676
Current assets			
Inventories		367,734	20,593
Trade and other receivables	8	5,899,822	4,624,467
Deposits, bank balances and cash		135,994	235,451
		6,403,550	4,880,511
Current liabilities			
Trade and other payables	9	60,781	161,929
Warranty provision		1,027	1,074
Customers' deposits		3,483	3,483
Bank borrowings - amount due within one year		168,061	191,720
		233,352	358,206
Net current assets		6,170,198	4,522,305
Total assets less current liabilities		9,088,500	9,055,981
Non-current liabilities			
Bank borrowings - amount due after one year		6,091	8,713
Retirement benefit obligations		89,411	80,611
		95,502	89,324
Net assets		8,992,998	8,966,657
Capital and reserves			
Share capital		633,179	633,179
Reserves		7,128,158	7,102,546
Equity attributable to owners of the Company		7,761,337	7,735,725
Non-controlling interests		1,231,661	1,230,932
		8,992,998	8,966,657

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 31 December 2015

	Attributable to owners of the Company								Non-controlling interests	Total equity	
	Share capital	Share premium	Capital redemption reserve	General reserve	Capital reserve	Merger reserve	Translation reserve	Retained profits			Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 July 2014 (audited)	633,179	2,096,276	50	1,366,003	125,036	8,358	(964)	3,248,171	7,476,109	1,464,939	8,941,048
Profit for the period	-	-	-	-	-	-	-	80,924	80,924	3,321	84,245
Remeasurement of defined benefits pension plans	-	-	-	-	-	-	-	(666)	(666)	(545)	(1,211)
Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	3,887	-	3,887	3,051	6,938
Total comprehensive income for the period	-	-	-	-	-	-	3,887	80,258	84,145	5,827	89,972
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	(818)	(818)
At 31 December 2014	633,179	2,096,276	50	1,366,003	125,036	8,358	2,923	3,328,429	7,560,254	1,469,948	9,030,202
At 1 July 2015 (audited)	633,179	2,096,276	50	1,366,003	125,036	8,358	2,206	3,504,617	7,735,725	1,230,932	8,966,657
Profit for the period	-	-	-	-	-	-	-	36,879	36,879	7,698	44,577
Remeasurement of defined benefits pension plans	-	-	-	-	-	-	-	(12,988)	(12,988)	(7,011)	(19,999)
Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	1,721	-	1,721	42	1,763
Total comprehensive income for the period	-	-	-	-	-	-	1,721	23,891	25,612	729	26,341
At 31 December 2015	633,179	2,096,276	50	1,366,003	125,036	8,358	3,927	3,528,508	7,761,337	1,231,661	8,992,998

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six months ended 31 December 2015

	Six months ended	
	2015	2014
	HK\$'000	HK\$'000
Net cash (used in) from operating activities	(1,012,191)	1,658,439
Net cash from (used in) investing activities	943,656	(1,362,796)
Net cash (used in) from financing activities	(28,567)	16,667
Net (decrease) increase in cash and cash equivalents	(97,102)	312,310
Cash and cash equivalents at the beginning of the period	235,451	78,319
Effect of foreign exchange rate changes	(2,355)	(2,548)
Cash and cash equivalents at the end of the period	135,994	388,081
Represented by:		
Deposits, bank balances and cash	135,994	388,081

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2015

1. Basis of preparation and accounting policies

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

The unaudited condensed consolidated financial statements have been prepared in accordance with the Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). In addition, the unaudited condensed consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies adopted are consistent with those followed in the preparation of the annual financial statements of the Group for the year ended 30 June 2015. There is no standard, amendment or interpretation that is effective for the first time for the period.

The Group has not early applied those new standards and amendments that have been issued but are not yet effective. The Group has commenced an assessment of the impact of these new standards and amendments, certain of which may have material impact on the Group’s consolidated financial statements. The Group is not yet in a position to ascertain their impact on its results of operations and financial position.

2. Turnover and segment information

(a) Turnover

Turnover represents the amounts received and receivable for goods sold and services provided by the Group to external customers, licensing fees and leasing income received and receivable, and dividends received and receivable from the Group’s strategic investments during the period.

The turnover of the Group comprises the following:

	Six months ended 31 December	
	2015	2014
	HK\$'000	HK\$'000
Sales of cultural products	1,084,418	1,623,804
Sales of systems and related products	864,987	740,071
Licensing fees	363,050	427,043
Rendering of services	16,397	95,885
Leasing of systems products	13,217	13,498
Dividend income	5,646	5,646
	<u>2,347,715</u>	<u>2,905,947</u>

(b) Segment information

Information regarding the Group's reportable segments for the purpose of resources allocation and performance assessment for the period is reported below:

	Systems sales and licensing <i>HK\$'000</i>	Sale of cultural products <i>HK\$'000</i>	Leasing of systems products <i>HK\$'000</i>	Strategic investments <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<u>Six months ended 31 December 2015</u>					
TURNOVER					
External and total revenue	1,244,434	1,084,418	13,217	5,646	2,347,715
RESULTS					
Segment result	(116,092)	163,676	1,831	4,297	53,712
Interest income					7,518
Finance costs					(2,903)
Unallocated expenses, net					(13,749)
Share of loss of a joint venture					(1)
Profit before taxation					44,577
<u>Six months ended 31 December 2014</u>					
TURNOVER					
External and total revenue	1,262,999	1,623,804	13,498	5,646	2,905,947
RESULTS					
Segment result	(140,910)	70,990	1,318	4,421	(64,181)
Interest income					4,939
Gain on disposal of subsidiaries					167,704
Finance costs					(2,199)
Unallocated expenses, net					(22,016)
Share of loss of a joint venture					(2)
Profit before taxation					84,245

3. Amortisation and depreciation

	Six months ended 31 December	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Amortisation on development costs for systems and networks, included in direct operating expenses	669,615	650,495
Depreciation of property, plant and equipment, included in general and administrative expenses	6,229	6,625
Total amortisation and depreciation	675,844	657,120

4. Taxation

Hong Kong Profits Tax is calculated at 16.5% (2014: 16.5%) on the estimated assessable profits derived from Hong Kong. There was no estimated assessable profit for Hong Kong Profits Tax for both periods.

The low effective tax rate is attributable to the fact that a substantial portion of the Group's profit neither arose in, nor was derived from, Hong Kong and was accordingly not subject to Hong Kong Profits Tax and such profit was either exempt from Macau Income Tax or not subject to taxation in any other jurisdictions.

5. Earnings per share

The calculation of the basic earnings per share is based on the profit for the period attributable to owners of the Company of HK\$36,879,000 (2014: HK\$80,924,000) and on the weighted average number of shares of 6,331,789,000 shares (2014: 6,331,789,000 shares) in issue.

No dilutive earnings per share is presented for the six month ended 31 December 2015 and 2014 as there were no potential ordinary shares in issue during both periods.

6. Dividend

The Board has resolved not to pay any interim dividend for the six months ended 31 December 2015 (2014: nil).

7. Property, plant and equipment

	Amount HK\$'000
Carrying value at 1 July 2015	54,590
Currency realignment	(2,456)
Additions	5,455
Disposals	(719)
Depreciation	(6,229)
Carrying value at 31 December 2015	50,641

8. Trade and other receivables

	As at 31 December 2015 HK\$'000 (Unaudited)	As at 30 June 2015 HK\$'000 (Audited)
Trade receivables	611,860	838,419
Advances to suppliers	5,113,977	3,757,921
Other receivables	173,985	28,127
	5,899,822	4,624,467

The Group maintains a well-defined credit policy regarding its trade customers depending on their credit worthiness, nature of services and products, industry practice and condition of the market with credit period ranging from 30 days to 180 days. The advances to suppliers and other receivables are unsecured, non-interest bearing and refundable, and are expected to be realised in the next twelve months from the end of the reporting period. The aged analysis of trade receivables presented based on the invoice date at the end of the reporting period is as follows:

	As at 31 December 2015 HK\$'000 (Unaudited)	As at 30 June 2015 HK\$'000 (Audited)
0 - 60 days	198,832	342,819
61 - 90 days	307,851	265,084
91 - 180 days	51,476	230,516
> 180 days	53,701	-
	611,860	838,419

9. Trade and other payables

As at 31 December 2015, the balance of trade and other payables included trade payables of HK\$3,640,000 (30 June 2015: HK\$72,117,000). The aged analysis of trade payables presented based on the invoice date at the end of the reporting period is as follows:

	As at 31 December 2015 <i>HK\$'000</i> (Unaudited)	As at 30 June 2015 <i>HK\$'000</i> (Audited)
0 - 60 days	3,241	24,146
61 - 90 days	-	6,440
91 - 180 days	-	40,635
> 180 days	399	896
	<u>3,640</u>	<u>72,117</u>

The credit period for purchases of goods ranged from 30 days to 60 days. Other payables mainly represented receipts in advance and accruals.

10. Operating lease arrangements

The Group as lessee

At the end of the reporting period, the Group had future minimum lease payments payable under non-cancellable operating leases in respect of rented premises and motor vehicles which fall due as follows:

	As at 31 December 2015		As at 30 June 2015	
	Land and buildings <i>HK\$'000</i> (Unaudited)	Motor vehicles <i>HK\$'000</i> (Unaudited)	Land and buildings <i>HK\$'000</i> (Audited)	Motor vehicles <i>HK\$'000</i> (Audited)
Operating leases which expire:				
Within one year	2,972	1,782	2,990	2,440
In the second to fourth year inclusive	2,602	2,076	3,540	2,108
	<u>5,574</u>	<u>3,858</u>	<u>6,530</u>	<u>4,548</u>

Leases are negotiated for terms of one to four years and rentals are fixed for terms of one to four years.

The Group as lessor

At the end of the reporting period, the Group contracted with lessees in respect of leasing of premises and certain equipment which is included in plant and machinery and communications networks, which fall due as follows:

	As at 31 December 2015 <i>HK\$'000</i> (Unaudited)	As at 30 June 2015 <i>HK\$'000</i> (Audited)
Within one year	1,773	800
In the second to fifth year inclusive	9,244	8,443
Over five years	991	4,104
	<u>12,008</u>	<u>13,347</u>

DIVIDEND

As a precaution against further economic and financial turbulence, and to strengthen the Group's liquidity position ahead of continuing market uncertainties, the Board does not recommend the payment of any interim dividend for the Period (2014: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

The Group reported a turnover of HK\$2,348 million for the Period. Profit for the Period was HK\$45 million while profit attributable to owners of the Company was HK\$37 million. Earnings per share for the Period was HK0.58 cents. In the absence of impairment charges and disposal gain as applied to the Previous Period, adjusted EBITDA was HK\$723 million for the Period (2014: HK\$657 million).

Continued economic downturn in the China market led to a 33 percent reduction in the sales of cultural products to HK\$1,084 million while the overall sales from systems sales and licensing maintained momentum, with sales of systems and related products growing 17 percent to HK\$865 million. This was offset by the drop of 83 percent in income from rendering of services to HK\$16 million due to suspension of online lottery sales in Mainland China, as well as a decrease in licensing fees of 15 percent to HK\$363 million.

Continuing efforts in cost control measures and the decline in sales resulted in a drop of 54 percent in distribution costs to HK\$9 million (2014: HK\$20 million); while general and administrative expenses dropped 51 percent to HK\$87 million (2014: HK\$178 million) as a result of decrease in expenses for the sales of cultural products. Research and development costs were lower at HK\$1.7 million (2014: HK\$5.3 million). Amortisation and depreciation expenses increased slightly to HK\$676 million (2014: HK\$657 million) due to the faster roll-out of development projects. Finance costs for the Period was HK\$2.9 million (2014: HK\$2.2 million).

Review of Operations

The global economic environment remained sluggish during the Period, with Mainland China recording its slowest pace of growth in a quarter of century as it grappled with a difficult transition to consumer-led expansion. In the markets in which the Group operated, tight controls continued to be exercised in both public and private sector spending, thereby putting more pressure on the demand for the Group's products and services. In response to the less than favourable market conditions, and in order to stay competitive, the Group had to engage in sales of lower profit margin products to maintain momentum.

The Group's various investments were affected by the uncertain economic environment around the world which slowed down the Group's global business plans for these projects. To address the market challenges, and to strengthen our foundation for the future, the Group looked into different options of a business realignment plan aiming at improving the overall return.

In Mainland China, the Group continued its marketing and sales activities for customised solutions and products, including those for the sales of cultural products. Spending cuts by our customers resulted in lower volume of sales.

Europe saw a continuing demand for the Group's personal security and unified communications products which were capable of embracing a broad range of communications devices, and therefore were able to command higher gross profit margins. However, sales were affected by the weak economic conditions. In the UK, the length of customer contracts was reduced as customers evaluated new technologies and were reluctant to commit; in the Eurozone, demand was adversely affected by the weak Euro.

Kantone Holdings Limited (“Kantone”)

Turnover for Kantone was HK\$1,056 million, as compared with HK\$1,299 million for the Previous Period. Profit for the Period was HK\$26 million, as compared with HK\$4 million for the Previous Period.

Sales in Mainland China where Kantone continued to focus on customised solutions and services were in line with the country’s economic conditions.

In Europe, Kantone maintained its market share in the public sector, supported by continued spending within the Healthcare and Emergency Services sectors. However, margins came under pressure due to increased costs of components priced in US dollars.

During the Period, Kantone continued to invest in new product development and added new features and functionalities to its i-Message platform, which enabled a range of customised bespoke solutions to be delivered over smart phones. These smart applications have helped open up new opportunities in healthcare, retail and nursing home sectors.

OUTLOOK

Recent financial market volatilities, sharp drop in commodity prices, and various political developments in the international arena have highlighted the unstable economic conditions. Against the backdrop of these unstable conditions and the unclear prospects of Mainland China’s economy, we remain cautious in our business approach. Going forward, we will deploy resources to build on our competitive strengths, and continue our prudent approach in investing in complementary businesses that have growth prospects. In particular, the Group will pursue sectors which are supported by government policies, including healthcare, innovation and technology, cyber security, cultural and creative industries, energy conservation and green technologies, smart living, and information-based services for the community and consumers. The Group will also embark on a streamlining of operations and realignment of business activities aimed at achieving a more efficient cost structure and supply chain, which in turn may help improvement in sustainable profitability and create better value for our shareholders.

LIQUIDITY AND FINANCIAL RESOURCES

Financial Position and Gearing

The Group’s financial position remained positive with a low gearing throughout the Period. As at 31 December 2015, the Group had HK\$136 million (30 June 2015: HK\$235 million) liquid assets made up of deposits, bank balances and cash. Current assets were approximately HK\$6,404 million (30 June 2015: HK\$4,881 million) and current liabilities amounted to approximately HK\$233 million (30 June 2015: HK\$358 million). With net current assets of HK\$6,170 million (30 June 2015: HK\$4,522 million), the Group maintained a high level of financial liquidity. The gearing ratio of the Group, which calculation was based on the Group’s total borrowings of HK\$174 million (30 June 2015: HK\$200 million) and equity attributable to owners of the Company of HK\$7,761 million (30 June 2015: HK\$7,736 million), was 0.022 (30 June 2015: 0.026).

As at 31 December 2015, the Group's total borrowings comprised bank loans of HK\$174 million (30 June 2015: HK\$200 million), with HK\$168 million (30 June 2015: HK\$192 million) repayable within one year, HK\$4 million (30 June 2015: HK\$4 million) repayable in the second year and remaining balance of HK\$2 million (30 June 2015: HK\$4 million) repayable in the third to fifth year. Finance costs for the Period amounted to HK\$2.9 million compared with HK\$2.2 million for Previous Period.

Treasury Policy

The Group is committed to financial prudence and maintains a positive financial position with low gearing. The Group finances its operation and business development by a combination of internally generated resources, capital markets instruments and banking facilities.

All the borrowings were used by subsidiaries of the Company bearing interest at floating rates. As all the Group's borrowings were denominated in their local currencies, the currency risk exposure associated with them was insignificant.

The Group does not engage in any speculative derivatives or structured product transactions, interest rate or foreign exchange speculative activities. It is the Group's policy to manage foreign exchange risk through matching foreign exchange income with expense, and where exposure to foreign exchange is anticipated, appropriate hedging instruments will be used.

Capital Commitments

As at 31 December 2015, the Group's capital commitments authorised but not contracted were approximately HK\$50 million (30 June 2015: HK\$52 million). These commitments were set aside for the acquisition of property, plant and equipment, and development of systems and networks.

HUMAN RESOURCES AND REMUNERATION POLICY

As at 31 December 2015, the Group employed about 1,200 staff around the globe. Remuneration is determined with reference to market terms and the performance, qualifications and experience of the individual employee. Remuneration includes monthly salaries, performance-linked bonuses, retirement benefits schemes and other benefits such as medical scheme.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 31 December 2015, the interests of the directors of the Company in the shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Rules Governing the Listing of Securities on the Exchange (the "Listing Rules") were as follows:

Name of director	Capacity	Number of shares	Approximate percentage of the issued share capital
<i>Securities of the Company</i>			
Prof. Paul Kan Man Lok	Corporate interest	<i>Note 1</i>	27.90%
<i>Securities of Kantone</i>			
Prof. Paul Kan Man Lok	Corporate interest	<i>Note 2</i>	64.94%

Notes:

- 1,766,860,957 shares of the Company were held by Lawnside International Limited ("Lawnside"). Lawnside is beneficially wholly owned by Prof. Paul Kan Man Lok. As at 31 December 2015, Lawnside had interests in approximately 27.90% of the entire issued share capital of the Company. Prof. Paul Kan Man Lok was deemed to have corporate interest in the shares of the Company held by Lawnside.
- 640,689,792 shares of Kantone were held by the Company. Prof. Paul Kan Man Lok was deemed to have corporate interest in the shares of Kantone held by the Company.

Save as disclosed above, none of the directors or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO) as at 31 December 2015 as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Exchange pursuant to the Model Code.

SHARE OPTIONS AND DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Each of the Company and Kantone has a share option scheme under which eligible persons, including directors of the Company and Kantone or any of their subsidiaries may be granted options to subscribe for shares of the Company and Kantone respectively.

Other than the share option schemes of the Company and Kantone aforementioned, at no time during the Period was the Company or any of its subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

During the Period, no option had been granted, exercised, cancelled, lapsed or outstanding under the share option schemes of the Company and Kantone aforementioned.

SUBSTANTIAL SHAREHOLDER

As at 31 December 2015, the following person (other than the directors or chief executive of the Company) had interests in the share capital of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of shareholder	Capacity	Number of shares	Approximate percentage of the issued share capital
Lawnside	Beneficial owner	1,766,860,957	27.90%

Save as disclosed above, no person had any interest or short position in the shares or underlying shares of the Company according to the register required to be kept by the Company under Section 336 of the SFO as at 31 December 2015.

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

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE CODE

During the Period, the Company complied with the code provisions of the Corporate Governance Code set out in Appendix 14 to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding directors' securities transactions on the terms of the Model Code. The Company has made specific enquiry of all directors of the Company, result of which indicates that the directors had complied with such code of conduct throughout the Period.

AUDIT COMMITTEE

The audit committee of the Company has reviewed with the management of the Group the financial and accounting policies and practices adopted by the Group, its internal controls and financial reporting matters and the above interim results.

By Order of the Board
Paul KAN Man Lok
Chairman

Hong Kong, 25 February 2016

As at the date of this announcement, the executive directors of the Company are Prof. Paul Kan Man Lok, Mr. Leo Kan Kin Leung and Mr. Lai Yat Kwong; the non-executive director is Ms. Shirley Ha Suk Ling; and the independent non-executive directors are Mr. Terry John Miller, Mr. Frank Bleackley and Mr. Lee Chi Wah.