

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

(Incorporated in Bermuda with limited liability)

(Stock code: 1196)

**2015 INTERIM RESULTS ANNOUNCEMENT**

The Board of Directors (the “Board”) of Realord Group Holdings Limited (the “Company”) is pleased to present the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2015 as follows:

**CONDENSED CONSOLIDATED INCOME STATEMENT**

*for the six months ended 30 June 2015*

		<b>For the six months ended</b>	
		<b>30 June</b>	<b>30 September</b>
		<b>2015</b>	<b>2014</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Continuing operations</b>			
<b>Revenue</b>	3	<b>74,362</b>	51,050
Cost of sales		<b>(45,423)</b>	(17,118)
<b>Gross profit</b>		<b>28,939</b>	33,932
Other income	5	<b>13,409</b>	2,592
Selling and distribution expenses		<b>(1,617)</b>	(1,237)
Administrative expenses		<b>(44,601)</b>	(36,726)
Other operating expenses		<b>(4,492)</b>	(273)
Finance costs	6	<b>(939)</b>	(101)
<b>Loss before income tax</b>	7	<b>(9,301)</b>	(1,813)
Income tax expense	9	<b>(572)</b>	(1,070)
<b>Loss for the period from continuing operations</b>		<b>(9,873)</b>	(2,883)
<b>Discontinued operations</b>			
<b>Loss for the period from discontinued operations</b>	8	<b>—</b>	(3,743)
<b>Loss for the period</b>		<b>(9,873)</b>	(6,626)

# CONDENSED CONSOLIDATED INCOME STATEMENT (Continued)

for the six months ended 30 June 2015

		For the six months ended	
		30 June	30 September
		2015	2014
		(Unaudited)	(Unaudited)
	Note	HK\$'000	HK\$'000
<b>Loss attributable to:</b>			
<b>Equity holders of the Company</b>			
Loss for the period from continuing operations		(10,085)	(2,831)
Loss for the period from discontinued operations		—	(3,743)
		<u>          </u>	<u>          </u>
Loss for the period attributable to equity holders of the Company		(10,085)	(6,574)
<b>Non-controlling interest</b>			
Profit/(loss) for the period from continuing operations		212	(52)
		<u>          </u>	<u>          </u>
<b>Loss for the period</b>		<u><u>(9,873)</u></u>	<u><u>(6,626)</u></u>
<b>Loss per share for the period</b>			
– Basic and diluted	11	<u><u>(HK1.03 cents)</u></u>	<u><u>(HK0.98 cents)</u></u>
<b>Loss per share from continuing operations</b>			
– Basic and diluted	11	<u><u>(HK1.03 cents)</u></u>	<u><u>(HK0.42 cents)</u></u>

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
*for the six months ended 30 June 2015*

	<b>For the six months ended</b>	
	<b>30 June</b>	<b>30 September</b>
	<b>2015</b>	<b>2014</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Loss for the period</b>	<b>(9,873)</b>	<b>(6,626)</b>
<b>Other comprehensive income</b>		
Items that may be reclassified subsequently to profit or loss:		
Exchange difference released upon disposal of subsidiaries	–	68
Exchange gain on translation of financial statements of foreign operations	<b>92</b>	855
Items that will not be reclassified to profit or loss:		
Revaluation surplus on leasehold land and buildings	–	1,022
Deferred tax charge arising from revaluation surplus on leasehold land and buildings	–	(224)
	<hr/>	<hr/>
Other comprehensive income for the period, net of tax	<b>92</b>	1,721
	<hr/>	<hr/>
<b>Total comprehensive loss for the period</b>	<b>(9,781)</b>	<b>(4,905)</b>
	<hr/>	<hr/>
<b>Total comprehensive income/(loss) attributable to:</b>		
Equity holders of the Company	<b>(9,993)</b>	(4,853)
Non-controlling interest	<b>212</b>	(52)
	<hr/>	<hr/>
	<b>(9,781)</b>	<b>(4,905)</b>
	<hr/>	<hr/>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2015

		As at 30 June 2015 (Unaudited) HK\$'000	As at 31 December 2014 (Audited) HK\$'000
	Notes		
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		18,955	9,820
Investment properties	12	360,730	135,730
Intangible asset	13	4,400	–
Goodwill	24	2,100	–
Other deposits	14	275	–
Available-for-sale financial assets		7,344	7,344
Deferred tax assets		–	137
		<b>393,804</b>	<b>153,031</b>
<b>Current assets</b>			
Inventories		442	3,602
Accounts receivable	15	53,550	31,934
Prepayments, deposits and other receivables		22,137	14,216
Financial assets at fair value through profit or loss	16	22,326	–
Bank balances-trust and segregated accounts		9,808	–
Cash and cash equivalents	17	483,847	281,488
Tax recoverable		728	594
		<b>592,838</b>	<b>331,834</b>
<b>Current liabilities</b>			
Accounts payable	18	21,175	5,192
Accrued liabilities and other payables		17,848	14,153
Interest-bearing borrowings	20	100,000	100,000
Tax payable		553	1,117
		<b>139,576</b>	<b>120,462</b>
<b>Net current assets</b>		<b>453,262</b>	<b>211,372</b>
<b>Total assets less current liabilities</b>		<b>847,066</b>	<b>364,403</b>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**(Continued)**

*as at 30 June 2015*

		<b>As at 30 June 2015 (Unaudited) HK\$'000</b>	<b>As at 31 December 2014 (Audited) HK\$'000</b>
	<i>Note</i>		
<b>Non-current liabilities</b>			
Deferred tax liabilities		<u>32,769</u>	<u>32,939</u>
<b>Net assets</b>		<u><b>814,297</b></u>	<u><b>331,464</b></u>
<b>EQUITY</b>			
<b>Equity attributable to the equity holders of the Company</b>			
Share capital	19	<b>115,419</b>	79,419
Reserves		<u><b>698,878</b></u>	<u>239,589</u>
		<u><b>814,297</b></u>	<u>319,008</u>
Non-controlling interest		<u>–</u>	<u>12,456</u>
<b>Total equity</b>		<u><b>814,297</b></u>	<u><b>331,464</b></u>

## NOTES TO THE INTERIM FINANCIAL INFORMATION

*for the six months ended 30 June 2015*

### 1. GENERAL INFORMATION AND BASIS OF PREPARATION

Realord Group Holdings Limited (the “Company”) has changed its financial year-end date from 31 March to 31 December with effect from 2014. The financial statements for the current period cover a six-month period from 1 January 2015 to 30 June 2015, while the comparative amounts for the financial statements and the related notes cover a six-month period from 1 April 2014 to 30 September 2014, and therefore they are not entirely comparable.

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

The unaudited condensed consolidated interim financial information has been prepared in accordance with the same accounting policies adopted in the annual financial statements for the nine months ended 31 December 2014, except for the adoption of the new standards and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by HKICPA, as disclosed in note 2 to this interim financial information.

This interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the nine months ended 31 December 2014.

The unaudited condensed interim financial information for the six months ended 30 June 2015 was approved by the board of directors on 24 August 2015.

## 2. IMPACT OF NEW HONG KONG FINANCIAL REPORTING STANDARDS

### Adoption of new or amended HKFRSs effective on or after 1 January 2015

In the current period, the Group has applied, for the first time, the following new or amended HKFRSs issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on or after 1 January 2015.

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle

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

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

## 3. REVENUE

Revenue, which is also the Group's turnover, represents the invoiced value of goods sold, after allowances for returns and trade discounts, and services rendered arising from the principal activities of the Group during the period after eliminations of all significant intra-group transactions.

	<b>For the six months ended</b>	
	<b>30 June 2015 (Unaudited) HK\$'000</b>	<b>30 September 2014 (Unaudited) HK\$'000</b>
<b>Continuing operations</b>		
Sales of goods	<b>36,856</b>	9,985
Rendering of services	<b>37,506</b>	41,065
	<hr/>	<hr/>
	<b>74,362</b>	51,050
	<hr/> <hr/>	<hr/> <hr/>

#### 4. SEGMENT INFORMATION

The Group identifies its operating segments and prepares segment information based on the regular internal financial information reported to the Group's executive directors for their decisions about resources allocation to the Group's business components and for their review of these components' performance. The business components in the internal reporting to the executive directors are determined following the Group's major business lines. The Group has identified the following reportable segments from its continuing operations:

- (a) provision of financial printing, digital printing and other related services ("Commercial Printing Segment");
- (b) manufacture and sale of hangtags, labels, shirt paper boards and plastic bags principally to manufacturers of consumer products ("Hangtag Segment");
- (c) distribution and sales of motor vehicle parts ("Motor Vehicle Parts Segment");
- (d) provision of securities brokerage services and margin financing ("Securities Brokerage Segment"); and
- (e) trading of electronic products and computer components ("Trading Segment").

Each of these operating segments is managed separately as each of the business lines requires different resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

The executive directors assess segment reporting as those used in its HKFRSs financial statements, except that certain items are not included in arriving at the operating results of the operating segments (expenses relating to finance costs, income tax and corporate income and expenses).

Segment assets include all assets with the exception of corporate assets, including investment properties, financial assets at fair value through profit or loss, cash and bank balances, tax recoverable, and deferred tax assets which are not directly attributable to the business activities of operating segments as these assets are managed on a group basis.

Segment liabilities exclude corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment. Segment liabilities comprise accounts payable, accrued liabilities and other payables.

As described in more detail in note 8, the Group discontinued two reportable and operating segments regarding the manufacture and sale of paper cartons, packaging boxes and children's novelty books segment produces paper cartons, packaging boxes and children's novelty books (the "Packaging Segment") and the food and beverage segment (the "Food and Beverage Segment") during the six months ended 30 September 2014. Accordingly, the segment information below does not include any amounts for the discontinued operations, details of which are set out in note 8.



#### 4. SEGMENT INFORMATION (Continued)

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

	Commercial Printing Segment		Hangtag Segment		Motor Vehicles Parts Segment		Securities Brokerage Segment		Trading Segment		Eliminations		Consolidated	
	For the six months ended		For the six months ended		For the six months ended		For the six months ended		For the six months ended		For the six months ended		For the six months ended	
	30 June 2015	30 September 2014	30 June 2015	30 September 2014	30 June 2015	30 September 2014	30 June 2015	30 September 2014	30 June 2015	30 September 2014	30 June 2015	30 September 2014	30 June 2015	30 September 2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Reportable segment revenue:														
Sales to external customers	37,103	41,065	4,682	9,985	22,421	-	403	-	9,753	-	-	-	74,362	51,050
Intersegment sales	266	375	-	820	-	-	66	-	-	-	(332)	(1,195)	-	-
Total	37,369	41,440	4,682	10,805	22,421	-	469	-	9,753	-	(332)	(1,195)	74,362	51,050
Reportable segment results	2,416	4,631	(2,295)	894	920	-	(679)	-	(317)	-	-	-	45	5,525
Unallocated income/(expenses):														
Interest income													2,206	106
Rental income													2,973	2,289
Fair value gain on financial assets at fair value through profit or loss													7,603	-
Loss on disposal of financial assets at fair value through profit or loss													(4,492)	-
Unallocated expenses													(16,697)	(9,632)
Loss from operations													(8,362)	(1,712)
Finance costs													(939)	(101)
Loss before income tax													(9,301)	(1,813)
Income tax expense													(572)	(1,070)
Loss for the period													(9,873)	(2,883)

#### 4. SEGMENT INFORMATION (CONTINUED)

	Commercial		Hangtag Segment		Motor Vehicles		Securities Brokerage		Trading Segment		Total	
	Printing Segment				Parts Segment		Segment					
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Reportable segment assets	20,289	17,193	4,361	4,146	40,378	25,933	27,632	-	127	-	92,787	47,272
Unallocated assets:												
Investment properties											360,730	135,730
Available-for-sale financial assets											7,344	7,344
Financial assets at fair value through profit or loss											22,326	-
Cash and cash equivalents											483,847	281,488
Deferred tax assets											-	137
Tax recoverable											728	594
Unallocated corporate assets											18,880	12,300
Total consolidated assets											986,642	484,865
Reportable segment liabilities	13,917	12,040	3,134	2,401	2	41	15,618	-	-	-	32,671	14,482
Unallocated liabilities:												
Interest-bearing borrowings											100,000	100,000
Deferred tax liabilities											32,769	32,939
Tax payable											553	1,117
Unallocated corporate liabilities											6,352	4,863
Total consolidated liabilities											172,345	153,401

#### 5. OTHER INCOME

	For the six months ended	
	30 June	30 September
	2015	2014
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Continuing operations		
Interest income	2,206	106
Rental income	2,973	2,289
Fair value gain on financial assets at fair value through profit or loss	7,603	-
Exchange gain, net	613	-
Others	14	197
	13,409	2,592

## 6. FINANCE COSTS

**For the six months ended**  
**30 June**      30 September  
**2015**                      2014  
**(Unaudited)**              (Unaudited)  
**HK\$'000**                      **HK\$'000**

### Continuing operations

Interest charges on bank loans, overdrafts and  
other borrowings repayable within five years

	<b>939</b>	<b>101</b>
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

## 7. LOSS BEFORE INCOME TAX

**For the six months ended**  
**30 June**      30 September  
**2015**                      2014  
**(Unaudited)**              (Unaudited)  
**HK\$'000**                      **HK\$'000**

### Continuing operations

Loss before income tax is arrived

at after charging/(crediting):

Depreciation of property, plant and equipment

**2,249**                      445

Loss on disposal of property, plant and equipment

**–**                      83

Loss on disposal of financial assets at

fair value through profit or loss

**4,492**                      –

Fair value gain on financial assets at

fair value through profit or loss

**(7,603)**                      –

Staff costs (including directors' emoluments)

**23,083**                      23,994

Equity-settled share option expenses

**1,233**                      –

Rental expenses

**11,547**                      6,160

Exchange (gain)/loss, net

**(613)**                      375

	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
--	---	---

## 8. DISCONTINUED OPERATIONS

On 27 February 2014, the Company and Harmony Link Corporation ("Harmony Link") entered into a sale and purchase agreement (the "Asset Reorganisation Agreement") pursuant to which the Company conditionally agreed to sell and Harmony Link conditionally agreed to purchase the entire issued share capital of Brilliant Stage Holdings Limited ("Brilliant Stage") together with its subsidiaries (collectively referred to as "Brilliant Stage Group") for a cash consideration of HK\$180,000,000. Brilliant Stage Group is principally engaged in manufacturing and sale of paper cartons, packaging boxes and printing of children's novelty books; and food and beverage business which are classified as discontinued operations of the Group as a result of the disposal. Details of the transaction are set out in the Company's circular dated 26 May 2014. The disposal was completed on 20 June 2014. The carrying amounts of assets and liabilities of Brilliant Stage Group at the date of disposal are disclosed in note 25.

## 8. DISCONTINUED OPERATIONS (Continued)

The results of the discontinued operation for the period from 1 April 2014 to 30 September 2014, which have been included in the condensed consolidated income statement, were as follows:

	For the six months ended 30 September 2014 (Unaudited) HK\$'000
Loss of discontinued operations for the period	(2,516)
Loss on disposal of discontinued operations ( <i>note 25</i> )	(1,227)
	<hr/>
	(3,743)
	<hr/>
	For the six months ended 30 September 2014 (Unaudited) HK\$'000
<b>Revenue</b>	118,232
Cost of sales	(105,567)
	<hr/>
<b>Gross profit</b>	12,665
Other income	2,805
Selling and distribution costs	(2,427)
Administrative expenses	(13,441)
Other operating expenses	(310)
	<hr/>
Loss from discontinued operations	(708)
Finance costs	(22)
	<hr/>
<b>Loss before income tax</b>	(730)
Income tax expense	(1,786)
	<hr/>
Loss for the period from discontinued operations	(2,516)
	<hr/>
Operating cash inflow	73,532
Investing cash outflow	(190,858)
Financing cash inflow	10,000
	<hr/>
<b>Total cash outflow</b>	(107,326)
	<hr/>

## 9. INCOME TAX EXPENSE

	For the six months ended	
	30 June 2015 (Unaudited) HK\$'000	30 September 2014 (Unaudited) HK\$'000
<b>Continuing operations</b>		
The tax charge comprises:		
Current tax – Hong Kong	588	1,003
Current tax – overseas	17	–
	<hr/>	<hr/>
	605	1,003
Deferred tax (credit)/expense	(33)	67
	<hr/>	<hr/>
	572	1,070
	<hr/>	<hr/>

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits for the six months ended 30 June 2015. Taxes on overseas profits have been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the jurisdictions in which the group entities operate.

## 10. DIVIDENDS

### (a) Dividends attributable to the period

	For the six months ended	
	30 June 2015 (Unaudited) HK\$'000	30 September 2014 (Unaudited) HK\$'000
Special dividend of nil (2014: HK\$0.50) per ordinary share	–	317,677
	<hr/>	<hr/>

The directors do not recommend the payment of an interim dividend for the period (2014: Nil).

### (b) There was no dividend attributable to the previous financial year, approved and paid during the period (2014: nil)

## 11. LOSS PER SHARE

### Basic loss per share

The calculation of basic loss per share attributable to the equity holders of the Company is based on the following data:

	<b>For the six months ended</b>	
	<b>30 June</b>	<b>30 September</b>
	<b>2015</b>	<b>2014</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Continuing and discontinued operations</b>		
Loss for the purpose of calculating		
basic loss per share	<b>(10,085)</b>	<b>(6,574)</b>
	<b>_____</b>	<b>_____</b>
	<b>For the six months ended</b>	
	<b>30 June</b>	<b>30 September</b>
	<b>2015</b>	<b>2014</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Restated)</b>
Weighted average number of ordinary shares for the purpose		
of calculating basic loss per share	<b>975,186</b>	<b>677,399</b>
	<b>_____</b>	<b>_____</b>

The weighted average number of ordinary shares for the purpose of calculating basic loss per share for the period ended 30 June 2015 is adjusted to reflect the share subscription completed on 1 April 2015.

The weighted average number of ordinary shares for the purpose of calculating basic loss per share for the period ended 30 September 2014 is adjusted to reflect the rights issue completed on 15 October 2014 as if the event had occurred at the beginning of the period reported.

### Diluted loss per share

The amounts of diluted loss per share are the same as basic loss per share for the period ended 30 June 2015 because the dilutive potential ordinary shares outstanding during the period had an anti-dilution effect on the loss from continuing operations attributable to the equity holders of the Company. No diluted loss per share has been presented for the period ended 30 September 2014 as there had been no dilutive potential ordinary shares in that period.

## 11. LOSS PER SHARE (Continued)

### Continuing operations

	For the six months ended	
	30 June 2015 (Unaudited) HK\$'000	30 September 2014 (Unaudited) HK\$'000
<b>Loss for the purposes of calculating basic loss per share:</b>		
Loss for the period attributable to equity holders of the Company	(10,085)	(6,574)
Less: Loss for the period from discontinued operations	—	3,743
	<hr/>	<hr/>
Loss for the purpose of calculating basic loss per share from continuing operations	<b>(10,085)</b>	<b>(2,831)</b>
	<hr/>	<hr/>

The number of ordinary shares used is the same as above for basic loss per share.

### Discontinued operations

Basic loss per share for the discontinued operation is HK0.56 cent per share (restated) for the discontinued operations for the period ended 30 September 2014, based on the loss for the period from the discontinued operations of HK\$3,743,000 and the number of ordinary shares above for basic loss per share.

## 12. INVESTMENT PROPERTIES

	As at 30 June 2015 (Unaudited) HK\$'000	As at 31 December 2014 (Audited) HK\$'000
Fair value		
At beginning of period/year	135,730	123,040
Addition	225,000	—
Change in fair value	—	12,690
	<hr/>	<hr/>
At end of period/year	<b>360,730</b>	<b>135,730</b>
	<hr/>	<hr/>

On 9 April 2015, the Group entered into an acquisition agreement to conditionally acquire the entire equity interest in Concept Star Corporation Limited (“Concept Star”), which holds the property of House No. 25, Villa Bel-air, Bel-air on the Peak, Island South, No. 25 Bel-Air Peak Rise, Hong Kong (“Bel-Air”), at a cash consideration of HK\$225,000,000. The acquisition was completed on 5 June 2015. The initial recognition of the acquisition was accounted for as asset acquisition since Concept Star is a property holding company, holding a single property of Bel-Air with no operation at the date of completion.

### 13. INTANGIBLE ASSET

	As at 30 June 2015 (Unaudited) HK\$'000	As at 31 December 2014 (Audited) HK\$'000
Trading right	<u>4,400</u>	<u>–</u>

The intangible asset represents trading right that confers eligibility of the Group to trade on The Stock Exchange of Hong Kong Limited. The trading right has no foreseeable limit to the period over which the Group can use to generate net cash flow. As a result, the trading right was considered by the management as having an indefinite useful life because it is expected to contribute to net cash flow indefinitely. The intangible asset was arisen from the acquisition of Manureen Securities Limited. Details of the transaction are disclosed in note 24.

### 14. OTHER DEPOSITS

	As at 30 June 2015 (Unaudited) HK\$'000	As at 31 December 2014 (Audited) HK\$'000
Deposits	<u>275</u>	<u>–</u>

### 15. ACCOUNTS RECEIVABLE

	As at 30 June 2015 (Unaudited) HK\$'000	As at 31 December 2014 (Audited) HK\$'000
Accounts receivable		
– other than securities brokerage segment	43,611	32,533
Less: Allowances for impairment of receivables	(599)	(599)
	<u>43,012</u>	<u>31,934</u>
– securities brokerage segment	10,538	–
	<u>53,550</u>	<u>31,934</u>

Accounts receivable (other than securities brokerage segment) generally have credit terms of 30 to 90 days (31 December 2014: 30 to 90 days).



# 15. ACCOUNTS RECEIVABLE (Continued)

Accounts receivable arising from securities brokerage segment included advances to customers in margin financing amounted to approximately HK\$8,090,000, which were repayable on demand and were interest bearing at prime rate plus 3% per annum. The remaining amount was arising from the settlement terms of accounts receivable which are two days after trade date.

At 30 June 2015, the aging analysis of the accounts receivable based on invoice date and net of allowances, is as follows:

	As at 30 June 2015 (Unaudited) HK\$'000	As at 31 December 2014 (Audited) HK\$'000
Current to 30 days	26,542	21,770
31 to 60 days	7,719	7,881
61 to 90 days	9,105	859
Over 90 days	10,184	1,424
	<u>53,550</u>	<u>31,934</u>

# 16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2015 (Unaudited) HK\$'000	As at 31 December 2014 (Audited) HK\$'000
Hong Kong listed equity investments	<u>22,326</u>	<u>—</u>

# 17. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

	As at 30 June 2015 (Unaudited) HK\$'000	As at 31 December 2014 (Audited) HK\$'000
Cash in hand, bank balances, and time deposits with original maturity of less than three months	479,245	261,488
Cash placed at a securities brokerage firm	<u>4,602</u>	<u>20,000</u>
Cash and cash equivalents per condensed consolidated statement of financial position	483,847	281,488
Less: Pledged bank deposit	<u>(105,700)</u>	<u>(105,500)</u>
Cash and cash equivalents per condensed consolidated statement of cash flow	<u>378,147</u>	<u>175,988</u>

At 30 June 2015, pledged bank deposit of RMB84,623,000 (equivalent to HK\$105,700,000) held by the Group carried fixed interest rate of 2.1% per annum. The deposit was pledged to secure bank borrowing which were repayable within three months from 30 June 2015 and accordingly, the pledged deposit was classified as current asset as at 30 June 2015.

## 18. ACCOUNTS PAYABLE

	As at 30 June 2015 (Unaudited) HK\$'000	As at 31 December 2014 (Audited) HK\$'000
Accounts payable		
– other than securities brokerage segment	5,651	5,192
– securities brokerage segment	15,524	–
	<u>21,175</u>	<u>5,192</u>

The settlement terms of accounts payable arising from securities brokerage segment are two days after trade date.

At 30 June 2015, the aging analysis of the accounts payable based on invoice date, is as follows:

	As at 30 June 2015 (Unaudited) HK\$'000	As at 31 December 2014 (Audited) HK\$'000
Current to 30 days	17,601	1,586
31 to 60 days	760	1,750
61 to 90 days	1,920	836
Over 90 days	894	1,020
	<u>21,175</u>	<u>5,192</u>

## 19. SHARE CAPITAL

	Number of shares	HK\$'000
Authorised:		
Ordinary shares of HK\$0.10 each at 31 December 2014 and 30 June 2015	<u>20,000,000,000</u>	<u>2,000,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.10 each at 31 December 2014	794,191,398	79,419
Share subscription ( <i>Note</i> )	<u>360,000,000</u>	<u>36,000</u>
Ordinary shares of HK\$0.10 each at 30 June 2015	<u>1,154,191,398</u>	<u>115,419</u>

There was an increase in authorised ordinary shares of HK\$0.10 each from 800,000,000 as at 31 March 2014 to 20,000,000,000 as at 30 September 2014. There was no change in issued and fully paid ordinary shares during the period from 1 April 2014 to 30 September 2014.

*Note:* On 1 April 2015, the Company had announced the completion of the subscription of 360,000,000 new shares at subscription price of HK\$1.4 per share by Manureen Holdings Limited. Details of the subscription are set out in the Company's circular dated 12 March 2015.

## 20. INTEREST-BEARING BORROWINGS

	As at 30 June 2015 (Unaudited) HK\$'000	As at 31 December 2014 (Audited) HK\$'000
<b>Current liabilities</b>		
Bank loans, secured	<b>100,000</b>	100,000

At 30 June 2015, the general banking facilities available to the Group amounted to HK\$100,000,000 (31 December 2014: HK\$100,000,000). The banking facilities utilised by the Group amounted to HK\$100,000,000 as at 30 June 2015 (31 December 2014: HK\$100,000,000).

The Group's general banking facilities were secured by the time deposit of RMB84,623,000 (equivalent to HK\$105,700,000) as at 30 June 2015. The Group's general banking facilities were secured by the time deposit of RMB84,623,000 (equivalent to HK\$105,500,000) as at 31 December 2014.

## 21. OPERATING LEASE COMMITMENTS

	As at 30 June 2015			As at 31 December 2014		
	Land and buildings (Unaudited) HK\$'000	Other assets (Unaudited) HK\$'000	Total (Unaudited) HK\$'000	Land and buildings (Audited) HK\$'000	Other assets (Audited) HK\$'000	Total (Audited) HK\$'000
Within one year	19,066	489	19,555	18,863	489	19,352
In the second to fifth year, inclusive	40,125	588	40,713	48,339	943	49,282
After five years	–	–	–	–	–	–
	<b>59,191</b>	<b>1,077</b>	<b>60,268</b>	<b>67,202</b>	<b>1,432</b>	<b>68,634</b>

## 22. CAPITAL COMMITMENTS

	As at 30 June 2015 (Unaudited) HK\$'000	As at 31 December 2014 (Audited) HK\$'000
Contracted for but not provided:		
– Renovation of office premises	–	343
– Acquisition of office equipment	–	2,340
	<b>–</b>	<b>2,683</b>

## 23. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in this financial statements, the Group has the following material related party transactions:

	<b>For the six months ended</b>	
	<b>30 June</b>	<b>30 September</b>
	<b>2015</b>	<b>2014</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
(a) Compensation of the directors of the Company:		
Salaries and allowances	<b>2,940</b>	3,231
Pension scheme contribution	<b>18</b>	239
Equity-settled share option expenses	<b>500</b>	–
	<b>3,458</b>	3,470

Compensation of a director's spouse:

Salaries and allowances	–	170
Pension scheme contribution	–	5
	–	175

The above compensation was paid to a spouse of a director who resigned on 18 July 2014.

- (b) Mr. Lui Shing Ming, Brian, a director of the Company who had resigned on 18 July 2014, held approximately 28% of the entire issued share capital in a company which supplied food ingredient to an indirect wholly-owned subsidiary under Brilliant Stage Group which has been disposed of as described in notes 8 and 25. The transactions were carried out at arm-length with the terms mutually agreed between the relevant parties.

	<b>For the six months ended</b>	
	<b>30 June</b>	<b>30 September</b>
	<b>2015</b>	<b>2014</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Purchases from a related party	–	1,066
(c) The Company has disposed of Brilliant Stage Group for a cash consideration of HK\$180,000,000 as mentioned in note 8 to Harmony Link, in which the directors of the Company, Mr. Lui Shing Ming, Brian, Mr. Lui Shing Cheong and Mr. Lui Shing Chung, Victor who have resigned on 18 July 2014, have beneficial interest.		

### **23. RELATED PARTY TRANSACTIONS (Continued)**

- (d) The Company has acquired Lake King Holdings Limited (“Lake King”) at a cash consideration of HK\$2,000,000 from Mr. Lin Jingming, being the father of Mr. Lin Xiaohui and Mr. Lin Xiaodong (both are directors of the Company). The acquisition was completed on 17 March 2015. The acquisition was accounted for as an asset acquisition since Lake King is a holding company with no operation. The major assets held by Lake King included motor vehicle, other receivables and cash and cash equivalents as at the date of completion. The consideration was determined with reference to the audited net assets value as at 31 December 2014 and the prevailing market price of respective assets.
- (e) The Company has acquired Manureen Securities Limited at an adjusted cash consideration of approximately HK\$18,812,000 as mentioned in note 24 from Madam Su Jiaohua, being the director of the Company.

## 24. BUSINESS COMBINATION

On 12 November 2014, the Group entered into an agreement with Madam Su Jiaohua to acquire the entire interest in Manureen Securities Limited (the “Manureen Securities”) at a cash consideration of HK\$21,000,000 (the “Consideration”). Manureen Securities is principally engaged in the provision of securities brokerage services. Pursuant to the Agreement, in the event that the net asset value of Manureen Securities as shown in the Completion Accounts is less than HK\$15,000,000, the Consideration shall be adjusted downward accordingly. The acquisition was completed on 8 May 2015, and the net asset value of Manureen Securities as shown in the Completion Accounts at the date of completion, amounted to approximately HK\$12,812,000, so the Consideration was adjusted downward to HK\$18,812,000 accordingly. The net assets of Manureen Securities at the date of completion were as follows:

	As at 8 May 2015 (Unaudited) <i>HK\$'000</i>
Assets and liabilities acquired:	
Property, plant and equipment	475
Intangible asset	500
Other assets	275
Accounts receivable	12,806
Prepayments, deposits and other receivables	71
Bank balances – trust and segregated accounts	10,663
Cash and cash equivalents	10,196
Accounts payable	(21,564)
Accrued liabilities and other payables	(610)
	<hr/>
Net assets as shown in the Completion Accounts	12,812
Fair value adjustment on intangible asset	3,900
	<hr/>
Fair value of asset and liabilities acquired	16,712
Goodwill	2,100
	<hr/>
	18,812
	<hr/> <hr/>
Total consideration satisfied by:	
Cash consideration	18,812
	<hr/> <hr/>
Net cash outflow arising on acquisition:	
Cash consideration	(18,812)
Cash and cash equivalents acquired	10,196
	<hr/>
	(8,616)
	<hr/> <hr/>

## 25. DISPOSAL OF SUBSIDIARIES

As disclosed in note 8, the Company and Harmony Link had entered into the Asset Reorganisation Agreement pursuant to which the Company conditionally agreed to sell and Harmony Link conditionally agreed to purchase the entire equity interest of Brilliant Stage Group. The net assets of Brilliant Stage Group at the date of the disposal were as follows:

	As at 20 June 2014 (Audited) HK\$'000
<b>Net assets disposed of:</b>	
Property, plant and equipment	139,032
Prepaid lease payments	2,624
Other asset	1,100
Inventories	27,261
Trade receivables	128,485
Prepayments, deposits and other receivables	13,800
Cash and cash equivalents	23,348
Tax recoverable	250
Trade payables	(81,414)
Accrued liabilities and other payables	(42,188)
Financial liabilities at fair value through profit or loss	(1,835)
Interest-bearing borrowings	(13,200)
Tax payable	(8,417)
Deferred tax liabilities	(7,687)
	<hr/>
	181,159
Exchange reserve released on disposal	68
Loss on disposal of subsidiaries included in loss for the period from discontinued operations in the condensed consolidated income statement ( <i>note 8</i> )	(1,227)
	<hr/>
Total consideration	180,000
	<hr/> <hr/>
Satisfied by:	
Cash	180,000
	<hr/> <hr/>
Net cash inflow arising on disposal:	
Cash consideration	180,000
Cash and cash equivalents disposed of	(23,348)
	<hr/>
	156,652
	<hr/> <hr/>

## 26. SUMMARY OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

- (a) Set out below is an overview of the carrying amount and fair value of financial assets and liabilities held by the Group:

	As at 30 June 2015 (Unaudited) HK\$'000	As at 31 December 2014 (Audited) HK\$'000
<b>Financial assets</b>		
Available-for-sale financial assets	7,344	7,344
Financial assets at fair value through profit or loss	22,326	–
Loans and receivables:		
– Other deposits	275	–
– Accounts receivable	53,550	31,934
– Deposits and other receivables	20,099	9,146
– Bank balances – trust and segregated accounts	9,808	–
– Cash and cash equivalents	483,847	281,488
	<u>597,249</u>	<u>329,912</u>
	<b>As at 30 June 2015 (Unaudited) HK\$'000</b>	<b>As at 31 December 2014 (Audited) HK\$'000</b>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost:		
– Accounts payable	21,175	5,192
– Accrued liabilities and other payables	16,392	11,243
– Interest-bearing borrowings	100,000	100,000
	<u>137,567</u>	<u>116,435</u>

The carrying amount of the Group's financial assets and liabilities carried at cost or amortised cost are not materially different from their fair value as at 31 December 2014 and 30 June 2015.



## 26. SUMMARY OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORY (Continued)

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

The following table presents financial assets and liabilities measured at fair value in the condensed consolidated statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets and liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: Quoted price (unadjusted) in active markets for identical assets and liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable of the assets and liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

The financial assets and liabilities measured at fair value in the condensed consolidated statement of financial position are grouped into the fair value hierarchy as follows:

	Group							
	Level 1		Level 2		Level 3		Total	
	As at 30 June 2015 (Unaudited) HK\$'000	As at 31 December 2014 (Audited) HK\$'000	As at 30 June 2015 (Unaudited) HK\$'000	As at 31 December 2014 (Audited) HK\$'000	As at 30 June 2015 (Unaudited) HK\$'000	As at 31 December 2014 (Audited) HK\$'000	As at 30 June 2015 (Unaudited) HK\$'000	As at 31 December 2014 (Audited) HK\$'000
<b>Assets</b>								
Listed securities								
held for trading	22,326	–	–	–	–	–	22,326	–
<b>Available-for-sale financial assets</b>								
Club debentures	–	–	4,844	4,844	–	–	4,844	4,844
School debenture	–	–	2,500	2,500	–	–	2,500	2,500
Total fair values	22,326	–	7,344	7,344	–	–	29,670	7,344

**26. SUMMARY OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORY (Continued)**

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

The fair values of the listed investments were determined based on the quoted bid prices on regulated exchange markets.

The Group holds certain club and school debentures, which are classified as available-for-sale financial assets and are measured at fair value at each reporting date. The fair values of the club and school debentures are determined by reference to prices published by the clubs and school, and certain agents. Due to the price quotation for the club and school debentures are not regularly available and relevant information publicly available is limited, these instruments are included in Level 2.

There were no transfers between Levels 1 and 2 in the reporting period. The methods and valuation techniques used for the purpose of measuring fair value were unchanged compared to the previous year.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

#### **General Review**

Realord Group Holdings Limited (the “Company”) has changed its financial year-end date from 31 March to 31 December with effect from 2014. The financial statements for current period cover a six-month period from 1 January 2015 to 30 June 2015, while the comparative amounts for the financial statements and the related notes cover a six-month period from 1 April 2014 to 30 September 2014, and therefore they are not entirely comparable.

Subsequent to the disposal of business segments of manufacture and sale of paper cartons, packaging boxes and children’s novelty books (“Packaging Segment”) and food and beverage (“Food and Beverage Segment”) of the Group on 20 June 2014, the principal activities of the Group include (i) provision of financial printing, digital printing and other related services (“Commercial Printing Segment”), (ii) manufacture and sale of hangtags, labels, shirt paper boards and plastic bags (“Hangtag Segment”), and (iii) distribution and sales of motor vehicle parts (“Motor Vehicle Parts Segment”).

As disclosed in the announcement of the Company dated 18 April 2015, the Group intended to commence e-commerce business for motor vehicle parts, electronic products and computer components with a view to broadening the Group’s business portfolio as well as income stream. During the period, the Group has set up a business-to-business (B2B) e-commerce platform for online purchase of motor vehicle parts – [www.1196.com](http://www.1196.com), however, the business-to-customer (B2C) e-commerce platform is still under development. Instead the Group has sourced certain electronic products suppliers and commenced trading of electronic products during the period (“Trading Segment”). Once the e-commerce platform has been fully developed, the Group shall conduct the trading business through the e-commerce platform.

In order to expand the e-commerce business for motor vehicle parts, the collaboration from the Realord Vehicle Parts Limited and additional funding for enhancement of the e-commerce platform are required. However, the business partner, International Treasure Holdings Limited, is not willing to provide additional funding for such enhancement. As announced on 29 May 2015, the Group has entered into a sales and purchase agreement with International Treasure Holdings Limited and its sole shareholder, Mr. Zhan, to acquire the 40% equity interest, together with the shareholder loan, from International Treasure Holdings Limited at a cash consideration of HK\$12,668,000. Upon completion of the transaction on 29 May 2015, Realord Vehicle Parts Limited became an indirect wholly owned subsidiary of the Company. The Directors believed that the acquisition of the 40% equity interest of Realord Vehicle Parts Limited would further consolidate the Group’s control in Realord Vehicle Parts Limited and facilitates the collaboration between the e-commerce business and sale and distribution of motor vehicle parts, which would enhance the operating efficiency of the Group.

As announced on 8 May 2015, the Group has completed the acquisition of the entire equity interest in Manureen Securities Limited which is engaged in provision of securities brokerage services. The Board believe that the acquisition of Manureen Securities Limited allowed the Group to participate in the securities trading industry and diversify from its existing businesses. After the acquisition, the Group has also commenced margin financing business. The Board believe that the margin financing business is an additional type of financial service provided to customers which can further strengthen the market position of Manureen Securities Limited.

For the period under review, the Group recorded a turnover from continuing operations of approximately HK\$74.4 million for the six months ended 30 June 2015, representing a significant increase by 45.7% compared with the turnover from continuing operations of approximately HK\$51.1 million recorded for the six months ended 30 September 2014. Gross profit margin of the continuing operations of the Group decreased from approximately 66.5% for the six months ended 30 September 2014 to approximately 38.9% for the period under review. The Group's loss from continuing operations was increased from approximately HK\$2.9 million for the six months ended 30 September 2014 to approximately of HK\$9.9 million for the period under review.

The increase in revenue was primarily due to the new business segments including Motor Vehicle Parts Segment, Securities Brokerage Segment and Trading Segment, which generated additional revenue to the Group amounted to HK\$22.4 million, HK\$0.4 million and HK\$9.8 million respectively. Motor Vehicle Parts Segment and the Trading Segment, both generated a relatively low gross profit margin as compared to the other business segments of the Group and thus resulted in a drop in overall gross profit margin to approximately 38.9% as compared with gross profit margin of approximately 66.5% for the period from 1 April 2014 to 30 September 2014. The increase in loss attributable to equity holders from continuing operation was mainly due to the operating loss of the Hangtag Segment of approximately HK\$2.3 million and the increase in corporate expenses by approximately HK\$7.1 million, including the legal and professional fees incurred for the acquisition and development of new businesses, increase in rental expenses for the new head office in Hong Kong, depreciation charges and the equity-settled share option expenses.

### **Business Operation**

The Commercial Printing Segment recorded a revenue of approximately HK\$37.1 million and profit from operation of approximately HK\$2.4 million during the period under review.

The Hangtag Segment recorded revenue of approximately HK\$4.7 million and recorded a loss of approximately HK\$2.3 million during the period under review. The loss was mainly due to decrease in sales order from customers.

The Motor Vehicle Parts Segment commenced operations in October 2014. This segment contributed revenue of approximately HK\$22.4 million to the Group representing approximately 30.2% of the Group's total revenue during the period under review. The profit from this segment amounted to approximately HK\$0.9 million.

The Securities Brokerage Segment generated revenue of approximately HK\$0.4 million and operating loss of HK\$0.7 million to the Group during the period under review.

During the period under review, the Trading Segment generated revenue of approximately HK\$9.8 million and a loss of HK\$0.3 million to the Group. The loss was mainly due to the startup cost incurred in this segment.

As disclosed in the announcement of the Company dated 9 April 2015, the Group entered into an acquisition agreement to conditionally acquire the entire equity interest in Concept Star Corporation Limited ("Concept Star"), which hold the property of House No. 25, Villa Bel-air, Bel-air on the Peak, Island South, No. 25 Bel-Air Peak Rise, Hong Kong ("Bel-Air"), at a cash consideration of HK\$225,000,000. The acquisition was completed on 5 June 2015.

The Group has invested in listed securities in Hong Kong for investment purpose. The financial assets of the Group recorded a net gain of HK\$3.1 million for the period under review. As at 30 June 2015, the fair value of the financial assets amounted to approximately HK\$22.3 million.

#### **Updates on Use of proceeds from Rights Issue and Subscription of new shares**

On 14 October 2014, the Company had announced the results of Rights Issue of 158,838,279 rights shares at subscription price of HK\$1.00 each on the basis of one rights share for every four existing shares ("2014 Rights Issue"). As stated in the circular of the Company in relation to the 2014 Rights Issue dated 18 September 2014, the net proceeds from 2014 Rights Issue of approximately HK\$155.8 million would be applied (i) as to approximately HK\$10 million for the funding and further development of the Group's existing businesses; (ii) as to approximately HK\$90 million for funding and development of the Group's future businesses; and (iii) as to approximately HK\$55.8 million as the general working capital of the Group. Up to the date of this announcement, (i) approximately HK\$10 million has been used for funding and further development of the Group's existing business including capital expenditure incurred for new corporate office and new office for commercial printing business; (ii) approximately HK\$90.0 million has been utilized for funding and development of the Group's securities brokerage business; and (iii) as to approximately HK\$55.8 million been utilized as the general working capital of the Group.

On 1 April 2015, the Company had announced the completion of the subscription of 360,000,000 new shares at subscription price of HK\$1.4 per share by Manureen Holdings Limited (“2015 Subscription”). As stated in the circular of the Company in relation to the 2015 Subscription dated 12 March 2015, the net proceeds of approximately HK\$503 million would be applied to finance the potential real estate projects. Up to the date of this announcement, approximately HK\$225 million has been used for the acquisition of a property in Hong Kong as announced on 9 April 2015; and approximately HK\$278 million has not yet been utilized. The Group was still negotiating the terms of the potential real estate projects. In the event that none of the potential projects materialize, the Group will explore other investment opportunities and make further announcement(s) as and when appropriate.

### **Liquidity and financial resources**

The Group generally finances its operations with internally generated cashflow and banking facilities provided by its principal bankers in Hong Kong. During the period under review, the Group was financially sound with healthy cash position. The Group’s cash and bank balances and short term bank deposits as at 30 June 2015 amounted to approximately HK\$483.8 million (31 December 2014: HK\$281.5 million). Its gearing ratio as at 30 June 2015 was 12.3% (31 December 2014: 30.2%), based on the interest-bearing borrowings of approximately HK\$100.0 million (31 December 2014: HK\$100.0 million) and the total equity of HK\$814.3 million (31 December 2014: HK\$331.5 million).

The Board believes that the Group’s cash holding, liquid asset value, future revenue will be sufficient to meet its working capital requirement of the Group.

## **FINANCIAL REVIEW**

### **Exchange rate exposure**

Most of the transactions of the Group were denominated in Hong Kong dollars, Renminbi, and US dollars. For the six months ended 30 June 2015, the Group did not exposed to any material exchange risk on transactions denominated in US dollars as the exchange rate of Hong Kong dollars and US dollars were relatively stable under the currently peg system. The Group has cash of approximately RMB99 million reserved for operating and treasury purpose as at 30 June 2015. The management has continuously monitored the level of exchange rate exposure of Renminbi and should adopted financial hedging instruments for hedging purpose when necessary. The Group did not use any financial instruments for hedging purpose as at 30 June 2015.

### **Financial guarantees and charges on assets**

As at 30 June 2015, general banking facilities were granted to one of the wholly owned subsidiary of the Group, which were secured by legal charges on certain deposits hold by the Group with a total book value of approximately HK\$105.7 million (31 December 2014: HK\$105.5 million).

## **CONTINGENT LIABILITIES**

As at 30 June 2015, the Group had no contingent liabilities.

## **PROSPECTS**

The operating environment of the commercial printing and hangtag business segments in the second half of the financial year will continue to be competitive. The intense competition in the commercial printing business limits the Group to pass the inflating cost to customers. The operating environment of Hangtag segment is even more challenging. In order to achieve sales growth, the Group will enlarge its customer base through strengthening its business development teams and implement stringent cost control strategies. For the newly developed business segments, including Motor Vehicle Parts Segment, Securities Brokerage Segment and Trading Segment, the Group will regularly review the operations and formulate suitable business strategies to develop the businesses.

The Group is in the process to set up the operations of Motor Vehicle Parts Segment in Guangzhou, PRC. It is expected that the set up of PRC operations would facilitate the business expansion of the sales and distribution of motor vehicle parts business. Besides, the Group is exploring the source of suppliers for different brands of motor vehicle parts in order to broaden the varieties of products offered to customers.

The e-commerce development in China is full of challenge. As disclosed in the announcement of the Company dated 6 May 2015, the Company entered into a strategic cooperation framework agreement (the “Strategic Cooperation Framework Agreement”) with Shenzhen Zhongxing Supply Chain Company Limited (“Zhongxing Supply Chain”) pursuant to which the Company and Zhongxing Supply Chain agreed to establish long term strategic cooperation relationship to enhance e-commerce business development.

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

To further develop the Securities Brokerage Segment. The Group is also exploring the potential business opportunities for the provision of underwriting and placing financial services.

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



## **DIVIDENDS**

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2015 (2014: Nil).

## **DIRECTORS' INTERESTS IN CONTRACTS**

Saved as disclosed in note 23 to the interim financial information, no other directors had a material interest in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the six months ended 30 June 2015.

## **DIRECTORS' INTERESTS IN COMPETING BUSINESSES**

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

## **CORPORATE GOVERNANCE**

The Company is committed to maintaining high standards of corporate governance practices. In the opinion of the directors, the Company has compiled all code provisions (the "Code Provisions") in the Code on Corporate Governance Practices (the "Code") set out in Appendix 14 of the Listing Rules for the six months ended 30 June 2015.

## **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES**

For the six months ended 30 June 2015, the Company has not redeemed any of its listed securities. Neither the Company, nor any of its subsidiaries purchased or sold any of the Company's listed securities during the period.

## **EMPLOYMENT AND REMUNERATION POLICIES**

As at 30 June 2015, the Group had an available workforce of approximately 133, of which around 16 were based in the PRC. Remuneration packages are generally structured by reference to market terms and individual merits. Salaries are normally reviewed on an annual basis and bonuses paid, if any, will also be based on performance appraisals and other relevant factors. Staff benefit plans maintained by the Group include mandatory provident fund scheme, share option scheme and medical insurance. The Group has established a Remuneration Committee with written terms of reference in compliance with the Code as set out in Appendix 14 to the Listing Rules. The Remuneration Committee has reviewed and determined the Group's remuneration policy, including the policy for the remuneration of executive directors, the levels of remuneration paid to executive directors and senior management of the Group. The Remuneration Committee comprises 3 members, namely Dr. Li Jue, Mr. Lin Xiaohui, and Mr. Yu Leung Fai. This Committee is chaired by Dr. Li Jue.



## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

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

## **AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS**

The Group has established an Audit Committee with written terms of reference in accordance with the Listing Rules. The Audit Committee comprises 3 members, whom are independent non-executive directors, namely Mr. Yu Leung Fai, Mr. Fang Jixin and Dr. Li Jue. This Committee is chaired by Mr. Yu Leung Fai. The Audit Committee has reviewed with management about the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the unaudited interim results for the six months ended 30 June 2015.

## **PUBLICATION OF THE INTERIM RESULTS AND 2015 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

This interim results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<http://www.realord.com.hk>), and the 2015 interim report containing all the information required by the Listing Rules will be despatched to the shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

## **APPRECIATION**

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

By Order of the Board  
**Lin Xiaohui**  
Chairman

Hong Kong, 24 August 2015

*As at the date of this announcement, the executive Directors of the Company are Mr. Lin Xiaohui, Madam Su Jiaohua and Mr. Lin Xiaodong and the independent non-executive Directors are Mr. Yu Leung Fai, Mr. Fang Jixin and Dr. Li Jue.*