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## **NATIONAL ELECTRONICS HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 213)**

### **Interim Results Announcement for the six months ended 30 September 2015**

#### **UNAUDITED INTERIM RESULTS**

The Board (the “Board”) of Directors (the “Directors”) of National Electronics Holdings Limited (the “Company”) would like to present the interim results of the Company and its subsidiaries (together, the “Group”) for the six months ended 30 September 2015.

#### **CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

*For the six months ended 30 September 2015*

		<b>Six months ended 30 September</b>	
		<b>2015</b>	<b>2014</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3	646,944	836,368
Cost of sales		<u>(539,215)</u>	<u>(686,580)</u>
Gross profit		107,729	149,788
Other income	4	9,336	21,630
Other losses	5	(6,912)	(3,162)
Increase in fair value of investment properties	11	4,486	16,305
Distribution costs		(4,319)	(4,094)
Administrative expenses		(49,497)	(72,822)
Finance costs	6	(30,195)	(28,234)
Share of results of associates		<u>(30)</u>	<u>2,321</u>
Profit before taxation	7	30,598	81,732
Income tax expense	8	<u>(7)</u>	<u>(406)</u>
<b>Profit for the period</b>		<b><u>30,591</u></b>	<b><u>81,326</u></b>
<b>Earnings per share</b>	<b>9</b>		<i>(Restated)</i>
Basic		<b><u>2.97 HK cents</u></b>	<b><u>7.88 HK cents</u></b>
Diluted		<b><u>2.95 HK cents</u></b>	<b><u>7.84 HK cents</u></b>

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the six months ended 30 September 2015*

	Six months ended 30 September	
	2015	2014
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
<b>Profit for the period</b>	<b>30,591</b>	<b>81,326</b>
Other comprehensive expense		
<i>Items that may be subsequently reclassified</i>		
<i>to profit or loss</i>		
Exchange differences arising on translation		
of foreign operations	<u>(20,995)</u>	<u>(898)</u>
Other comprehensive expense for the period	<u>(20,995)</u>	<u>(898)</u>
<b>Total comprehensive income for the period</b>	<b><u>9,596</u></b>	<b><u>80,428</u></b>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2015

		30 September 2015 (unaudited) HK\$'000	31 March 2015 (audited) HK\$'000
	Notes		
<b>NON-CURRENT ASSETS</b>			
Investment properties	11	2,646,354	2,657,048
Property, plant and equipment		555,506	568,771
Prepaid lease payments		2,743	2,777
Goodwill		1,270	1,270
Interests in associates		7,796	7,826
Interest in a joint venture		—	—
Available-for-sale investments		60,657	60,583
Held-to-maturity investments		3,033	3,033
Deferred tax assets		<u>7,388</u>	<u>7,736</u>
		<u>3,284,747</u>	<u>3,309,044</u>
<b>CURRENT ASSETS</b>			
Inventories		131,482	131,876
Prepaid lease payments		68	68
Held-to-maturity investments		—	7,529
Investment held for trading		24,412	8,224
Inventory of unsold properties		5,944	6,215
Properties under development for sale		1,566,532	1,179,532
Bills receivables	12	1,487	543
Trade receivables, deposits and prepayments	12	209,707	169,633
Amount due from a joint venture		29,650	21,600
Tax recoverable		112	112
Bank balances and cash		<u>547,266</u>	<u>439,995</u>
		<u>2,516,660</u>	<u>1,965,327</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(continued)

At 30 September 2015

		30 September 2015 (unaudited) HK\$'000	31 March 2015 (audited) HK\$'000
	Notes		
<b>CURRENT LIABILITIES</b>			
Trade payables, customers' deposits and accrued expenses	13	167,423	156,005
Bills payables	13	90,117	81,780
Amount due to an associate		46,816	46,816
Tax payable		9,909	4,960
Obligations under finance leases		4,413	4,825
Bank loans		<u>759,671</u>	<u>627,949</u>
		<u>1,078,349</u>	<u>922,335</u>
<b>NET CURRENT ASSETS</b>		<u>1,438,311</u>	<u>1,042,992</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,723,058</u>	<u>4,352,036</u>
<b>CAPITAL AND RESERVES</b>			
Share capital		102,656	93,557
Reserves		<u>1,620,230</u>	<u>1,650,050</u>
<b>TOTAL EQUITY</b>		<u>1,722,886</u>	<u>1,743,607</u>
<b>NON-CURRENT LIABILITIES</b>			
Provision for long service payments		6,072	6,072
Obligations under finance leases		26,297	28,471
Bank loans		2,896,379	2,497,813
Deferred tax liabilities		<u>71,424</u>	<u>76,073</u>
		<u>3,000,172</u>	<u>2,608,429</u>
		<u>4,723,058</u>	<u>4,352,036</u>

## **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

*For the six months ended 30 September 2015*

### **(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 (“Listing Rules”) and with the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

### **(2) PRINCIPAL ACCOUNTING POLICIES**

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values.

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

In the current interim period, the Group has applied, for the first time, certain amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are mandatorily effective for the current interim period.

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

### (3) SEGMENT INFORMATION

The following is an analysis of the Group's revenue and result by reportable and operating segment:

#### Six months ended 30 September 2015

	<b>Manufacture of watches and trading of watch movements</b> <i>HK\$'000</i>	<b>Property development and investment</b> <i>HK\$'000</i>	<b>Hotel operation</b> <i>HK\$'000</i>	<b>Consolidated</b> <i>HK\$'000</i>
<b>REVENUE</b>				
External sales	<u>599,217</u>	<u>4,161</u>	<u>43,566</u>	<u>646,944</u>
<b>RESULT</b>				
Segment result	<u>21,498</u>	<u>12,047</u>	<u>26,735</u>	60,280
Bank interest income				1,706
Unallocated other income				6,074
Unallocated other expenses				(7,237)
Finance costs				(30,195)
Share of results of associates				<u>(30)</u>
Profit before taxation				30,598
Income tax expense				<u>(7)</u>
Profit for the period				<u>30,591</u>

**(3) SEGMENT INFORMATION** (continued)

**Six months ended 30 September 2014**

	Manufacture of watches and trading of watch movements <i>HK\$'000</i>	Property development and investment <i>HK\$'000</i>	Hotel operation <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>REVENUE</b>				
External sales	<u>623,633</u>	<u>190,868</u>	<u>21,867</u>	<u>836,368</u>
<b>RESULT</b>				
Segment result	<u>22,890</u>	<u>50,485</u>	<u>14,613</u>	87,988
Bank interest income				1,909
Unallocated other income				18,927
Unallocated other expenses				(1,179)
Finance costs				(28,234)
Share of results of associates				<u>2,321</u>
Profit before taxation				81,732
Income tax expense				<u>(406)</u>
Profit for the period				<u>81,326</u>

Segment result represents the profit earned by each segment without allocation of central administration costs, share of results of associates, other income and finance costs. This is the measure reported to the Board for the purpose of resource allocation and performance assessment.

**(3) SEGMENT INFORMATION** (continued)

**Geographical information**

The Group's main operations are located in Hong Kong and other regions in the People's Republic of China (the "PRC"), North America and Europe.

The following is an analysis of the Group's revenue from external customers based on geographical location of the customers:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2015</b>	<b>2014</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong and the PRC	585,022	562,230
North America	30,233	243,128
Europe	18,789	17,747
Others	<u>12,900</u>	<u>13,263</u>
	<u>646,944</u>	<u>836,368</u>

**(4) OTHER INCOME**

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2015</b>	<b>2014</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Bank interest income	1,706	1,909
Interest income from held-to-maturity investments	224	—
Gain on disposal of property, plant and equipment	6,306	—
Sale of exclusive right	—	12,618
Agency fee income	—	6,309
Sundry income	<u>1,100</u>	<u>794</u>
	<u>9,336</u>	<u>21,630</u>



**(5) OTHER LOSSES**

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2015</b>	<b>2014</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss on fair value changes of investment held for trading	4,832	—
Loss on fair value changes of derivative financial instruments	36	118
Net foreign exchange loss	<u>2,044</u>	<u>3,044</u>
	<u>6,912</u>	<u>3,162</u>

**(6) FINANCE COSTS**

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2015</b>	<b>2014</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on:		
Bank loans and overdrafts		
- wholly repayable within five years	24,151	17,320
- not wholly repayable within five years	27,647	20,236
Obligations under finance leases	<u>668</u>	<u>780</u>
Total borrowing costs	52,466	38,336
Less: Amounts capitalised to investment properties and properties under development for sale	<u>(22,271)</u>	<u>(10,102)</u>
	<u>30,195</u>	<u>28,234</u>

**(7) PROFIT BEFORE TAXATION**

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2015</b>	<b>2014</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit before taxation has been arrived at after charging:		
Staff costs including directors' emoluments	59,496	58,573
Less: Amounts capitalised to properties under development for sale	<u>(8,883)</u>	<u>—</u>
	50,613	58,573
Depreciation of property, plant and equipment	15,846	16,471
Amortisation of prepaid lease payments	169	166
Cost of inventories recognised as an expense	473,090	617,776
Minimum lease payments for operating leases in respect of land and buildings	4,890	4,513
and after crediting:		
Gross rental income	47,727	22,868
Less: Outgoings	<u>(15,465)</u>	<u>(6,233)</u>
Net rental income	<u>32,262</u>	<u>16,635</u>

Minimum lease payments for operating leases in respect of staff quarters amounting to approximately HK\$4,055,000 (six months ended 30 September 2014: HK\$3,861,000) are included in staff costs.

**(8) INCOME TAX EXPENSE**

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2015</b>	<b>2014</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax		
- Hong Kong Profits Tax	—	500
- Other jurisdictions	<u>17</u>	<u>—</u>
	17	500
Deferred tax		
- Current year	<u>(10)</u>	<u>(94)</u>
	<u>7</u>	<u>406</u>

Hong Kong Profits Tax has been provided for at 16.5% (six months ended 30 September 2014: 16.5%) on the estimated assessable profits for the six months ended 30 September 2015.

## (9) EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2015</b>	<b>2014</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Earnings</b>		
Profit for the period attributable to owners of the Company for the purpose of basic and diluted earnings per share	<u>30,591</u>	<u>81,326</u>
		<i>(Restated)</i>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,028,579,944	1,031,779,740
Effect of dilutive potential ordinary shares - Share options	<u>7,925,744</u>	<u>5,713,283</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u><u>1,036,505,688</u></u>	<u><u>1,037,493,023</u></u>

The weighted average number of ordinary shares for the purpose of basic and diluted earnings per share has been adjusted for the bonus issue on 11 September 2015.

## (10) DIVIDENDS

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2015</b>	<b>2014</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Dividends recognised as distribution during the period:		
2015 final dividend of 3.0 HK cents (2014: 3.5 HK cents) per share	28,037	32,803
2014 special cash dividend of 1.0 HK cent per share	<u>—</u>	<u>9,372</u>
	<u><u>28,037</u></u>	<u><u>42,175</u></u>

Subsequent to the end of the reporting period, the Directors declared an interim dividend of 0.5 HK cent per share (2014: 0.5 HK cent per share) be paid to the shareholders of the Company whose names appear in the Register of Members on 16 December 2015.

## (11) INVESTMENT PROPERTIES

	<i>HK\$'000</i>
<b>FAIR VALUE</b>	
At 1 April 2014	887,577
Additions	685,984
Acquired on acquisition of subsidiaries	1,145,000
Increase in fair value recognised in profit or loss - unrealised	56,369
Disposal	(40,100)
Exchange realignment	<u>(77,782)</u>
 At 31 March 2015	 2,657,048
Additions	18,243
Increase in fair value recognised in profit or loss - unrealised	4,486
Exchange realignment	<u>(33,423)</u>
 <b>At 30 September 2015</b>	 <b><u>2,646,354</u></b>

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

The fair values of the investment properties located in Hong Kong at 30 September 2015 have been arrived at on the basis of a valuation carried out on that date by DTZ Debenham Tie Leung Limited, independent qualified professional valuer not connected with the Group.

The fair value of the investment property located in Canada at 30 September 2015 has been arrived at on the basis of a valuation carried out on that date by CBRE Limited, independent qualified professional valuer not connected with the Group.

The fair value of the investment property located in the PRC at 30 September 2015 has been arrived at on the basis of a valuation carried out on that date by Knight Frank Petty Limited, independent qualified professional valuer not connected with the Group.

**(11) INVESTMENT PROPERTIES** (continued)

The fair values of the completed investment properties located in Hong Kong and Canada were determined based on market comparison approach, where the values are assessed by reference to the comparable properties in close proximity and adjusted for differences in key attributes such as property size and location.

The fair value of the investment property under construction located in the PRC was determined by using depreciated replacement cost approach, which is based on an estimate of the market value for the existing use of the land plus the current gross replacement cost of improvements less allowances for physical deterioration and all relevant forms of obsolescence and optimisation.

There has been no change from the valuation technique used in the prior period.

**(12) BILLS RECEIVABLES, TRADE RECEIVABLES, DEPOSITS AND PREPAYMENTS**

Bills receivables of approximately HK\$1,487,000 (31 March 2015: HK\$543,000) are aged within 30 days.

The Group has a policy of allowing an average credit period of 30 days to its trade customers.

Included in trade receivables, deposits and prepayments are trade receivables net of allowance for doubtful debts of approximately HK\$64,917,000 (31 March 2015: HK\$38,616,000) with an aged analysis as follows:

	At 30 September 2015 HK\$'000	At 31 March 2015 HK\$'000
Within 30 days	51,890	30,519
31 to 90 days	3,818	2,845
91 to 180 days	3,135	1,176
Over 180 days	<u>6,074</u>	<u>4,076</u>
	<u>64,917</u>	<u>38,616</u>

**(13) BILLS PAYABLES, TRADE PAYABLES, CUSTOMERS' DEPOSITS AND ACCRUED EXPENSES**

Included in bills payables, trade payables, customers' deposits and accrued expenses are trade and bills payables of approximately HK\$112,143,000 (31 March 2015: HK\$98,679,000) with an aged analysis as follows:

	<b>At 30 September 2015 HK\$'000</b>	<b>At 31 March 2015 HK\$'000</b>
Within 30 days	73,436	71,904
31 to 90 days	32,933	22,031
91 to 180 days	3,778	3,043
Over 180 days	<u>1,996</u>	<u>1,701</u>
	<u>112,143</u>	<u>98,679</u>

**(14) CAPITAL COMMITMENTS**

	<b>At 30 September 2015 HK\$'000</b>	<b>At 31 March 2015 HK\$'000</b>
Contracted for but not provided:		
Construction and acquisition of properties	230,002	58,626
Acquisition of property, plant and equipment	2,691	—
Capital investment in available-for-sale investment	<u>3,802</u>	<u>3,877</u>
	<u>236,495</u>	<u>62,503</u>

## (15) RELATED PARTY TRANSACTIONS

- (1) Transaction with associates

	Six months ended	
	30 September	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Nature of transaction</b>		
Property management fee received by the Group	<u>—</u>	<u>1,454</u>

- (2) The Group's balances with related parties are set out in the condensed consolidated statement of financial position.
- (3) The remuneration of directors relating to short-term benefits, post-employment benefits and share-based payments during the period was approximately HK\$11,872,000 (six months ended 30 September 2014: HK\$13,220,000).

## **INTERIM DIVIDEND**

The Directors resolved to declare an interim dividend of 0.5 HK cent per share (2014: 0.5 HK cent per share).

## **BUSINESS REVIEW**

The Group's turnover and net profit for the six months ended 30 September 2015 were approximately HK\$646,944,000 and HK\$30,591,000 respectively as compared with HK\$836,368,000 and HK\$81,326,000 correspondingly over the same period last year.

During the period under review, the turnover of the Group's watch manufacturing and watch component trading division decreased slightly as compared with the same period in 2014 while maintaining its profit margin.

Due to the acquisition of 99 Bonham in June 2014 and The Jervois in October 2014, the sales revenue of the Group's hotel operation division increased by approximately 100% to HK\$43.6 million in 2015 as compared with the same period last year.

In respect of the property development and investment business, both the turnover and profit figures have decreased in this six months' period due to the lack of significant disposal of the Group's property.

## **PROSPECTS**

The European economic environment remains weak and the decrease of GDP growth in China, coupled with a slower than expected demand for analogue watches in the U.S. will pose challenges to sales in the coming year. The management will focus on further streamlining its production facilities to reduce cost and the marketing of smart watches and other outdoor electronics products with a more mass appeal.

The recent reduction in the number of tourists from China to Hong Kong has had an impact on most hotels in the region but the effect on the Group's boutique hotel business has been quite limited as the Group caters more to business and professional clients as well as international travellers and the Group expects our occupancy rate to remain satisfactory.

The construction work for the Group's luxury residential development at 45 Tai Tam Road, Hong Kong is progressing well and targeted to be completed by the end of 2016. The Group is planning for an exceptionally designed and luxurious interior fit out programme in the first half of 2017.

The boutique office building at 7 St Thomas, Toronto, Canada will be completed by the end of 2016.

The Group is working on the detailed architectural and interior design of the first phase residential tower at our 88 Queen Street East project in Toronto, Canada. Pre-sales preparation for this phase is underway and is anticipated to begin in the first half of 2016.



## **FINANCIAL REVIEW**

### **Liquidity and financial resources**

At 30 September 2015, the Group's total borrowings were approximately HK\$3,656 million. The maturity profile spreads over a period of 25 years, with approximately HK\$760 million repayable within one year, approximately HK\$2,260 million within two to five years and approximately HK\$636 million beyond five years.

At 30 September 2015, the Group's gearing ratio was 1.68 (31 March 2015: 1.43) which is calculated based on the Group's long-term bank borrowings of approximately HK\$2,896 million and shareholders' funds of approximately HK\$1,723 million.

At 30 September 2015, the Group's total bank balances and cash was approximately HK\$547 million (31 March 2015: HK\$440 million).

Similar to last period, the Group has maintained a reasonable level of cash resources and stand-by credit facilities to provide adequate liquid funds to finance its commitments and working capital requirements.

### **Treasury Policies**

At 30 September 2015, 81% of the Group's borrowings was in HK\$, 10% in CAD, 5% in JPY, and 4% in USD.

At 30 September 2015, 67% of the Group's bank balances and cash was in HK\$, 15% in JPY, 12% in RMB, 4% in USD and 2% in CAD.

All the Group's borrowings are variable-rate borrowings. The Group will carefully monitor its foreign exchange and interest rate exposures and utilise financial instruments such as forward contracts and interest rate swaps as necessary.

### **Future plans for material investments**

The Group currently has no other plans for material investments. All investments, if any, will be funded by bank borrowings and the internal resources of the Group.

### **Charges on assets**

At 30 September 2015, certain properties of the Group of approximately HK\$4,602 million (31 March 2015: HK\$4,232 million) were pledged to secure banking facilities for the Group.

## FINANCIAL REVIEW (continued)

### Employees

At 30 September 2015, the Group employed approximately 1,000 employees in Hong Kong, the PRC and other overseas countries. The staff costs for the period including directors' emoluments amounted to approximately HK\$51 million (six months ended 30 September 2014: HK\$59 million). Remuneration is determined by reference to market terms as well as the qualifications and experiences of the staff concerned. Salaries are reviewed annually and discretionary bonuses may be paid depending on individual performance and the profitability of the Group.

### PURCHASE, SALE OR REDEMPTION OF SHARES

Save for the Company's purchases of its own shares on the Stock Exchange as disclosed below, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities during the six months ended 30 September 2015.

Month of repurchase	Number of ordinary shares of HK\$0.1 each	Price per share		Aggregate consideration paid HK\$
		Highest HK\$	Lowest HK\$	
July 2015	1,002,000	1.00	0.94	983,245
September 2015	<u>1,464,000</u>	0.90	0.88	<u>1,296,348</u>
	<u>2,466,000</u>			<u>2,279,593</u>

### CORPORATE GOVERNANCE

The Company had complied throughout the six months ended 30 September 2015 with the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited except for the CG Code A.4.1 and A.4.2.

Pursuant to the CG Code A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. The Non-executive Directors of the Company were not appointed for a specific term, but are subject to retirement by rotation and re-election at the Company's Annual General Meetings in accordance with the Company's Bye-law 99. The Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code A.4.1.

## **CORPORATE GOVERNANCE (continued)**

Pursuant to the CG Code A.4.2, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. In the opinion of the Board, the Chairman and Managing Director play a pivotal role in charting of corporate strategies and direction of the Group and should not be subject to retirement by rotation in consideration of the stability and continuity development of the Group. As such, the Board believes that exempting the Chairman and Managing Director from retiring from office by rotation at Annual General Meeting in accordance with the Bye-law 99 of the Company is in the best interest of the Group.

## **AUDIT COMMITTEE**

The Company has established an Audit Committee and its members comprise Dr. Samson Sun, M.B.E., J.P., Mr. Chan Chak Cheung, William and Mr. Chan Kwok Wai who are all Independent Non-executive Directors. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed the auditing, internal control and financial reporting matters. The interim results for the six months ended 30 September 2015, which have not been audited, have been reviewed by the Audit Committee.

## **MODEL CODE**

The Company has adopted a code of conduct regarding the Directors' securities transactions ("Model Code") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules. The Company has made specific enquiries to all Directors who have confirmed that, during the period under review, they had complied with the required standard set out in the Model Code.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Monday, 14 December 2015 to Wednesday, 16 December 2015 (both days inclusive) during which no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrar and Transfer Office in Hong Kong, Tricor Standard Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 11 December 2015.

The interim dividend is expected to be paid on or about Wednesday, 30 December 2015.

## **PUBLICATION OF INTERIM REPORT**

The interim report of the Company for the six months ended 30 September 2015 containing all applicable information required by Appendix 16 of the Listing Rules will be published on the Stock Exchange's website (<http://www.hkexnews.hk>) and on the Company's website (<http://www.irasia.com/listco/hk/national/index.htm>) in due course.

By Order of the Board  
**LEE YUEN CHING JIMMY**  
*Chairman*

Hong Kong, 24 November 2015

*As at the date of this announcement, the Executive Directors are Mr. Lee Yuen Ching, Jimmy, Mr. Lee Bon Chi, Loewe, Mr. Lee Yuen Kui, James, Mr. Lee Yuen Cheor, Edward and Mr. Wai Kwong Yuen, Ricky, the Non-executive Director is Ms. Lee Yuen Yu, Dorathy and the Independent Non-executive Directors are Dr. Samson Sun, M.B.E., J.P., Mr. Chan Chak Cheung, William and Mr. Chan Kwok Wai.*