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SUNWAY INTERNATIONAL HOLDINGS LIMITED

新威國際控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock code : 58)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015

The Board of Directors (the “Board”) of Sunway International Holdings Limited (the “Company”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2015, together with the comparative amounts for the previous six months ended 31 March 2014, as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended	
		30 June	31 March
		2015	2014
	Notes	HK\$'000	HK\$'000
		(Unaudited)	(Restated)
CONTINUING OPERATIONS			
REVENUE	3	179,552	–
Cost of sales		<u>(160,340)</u>	<u>–</u>
Gross profit		19,212	–
Other income		319	22
Other gains and losses		(68,594)	(255)
Selling and distribution expenses		(10,697)	–
Administrative expenses		(12,528)	(5,237)
Other expenses		(2,450)	–
Finance costs		<u>(7,178)</u>	<u>–</u>
LOSS BEFORE TAX	4	<u>(81,916)</u>	<u>(5,470)</u>

* For identification purposes only

CONDENSED CONSOLIDATED INCOME STATEMENT *(continued)*

		Six months ended	
		30 June	31 March
		2015	2014
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Restated)
LOSS BEFORE TAX	4	(81,916)	(5,470)
Income tax expenses	5	<u>(4,982)</u>	<u>–</u>
Loss for the period from continuing operations		(86,898)	(5,470)
DISCONTINUED OPERATIONS			
Profit/(loss) for the period from discontinued operations	6	<u>484,073</u>	<u>(114,137)</u>
PROFIT/(LOSS) FOR THE PERIOD		<u>397,175</u>	<u>(119,607)</u>
Profit/(loss) for the period attributable to:			
Owners of the Company			
– continuing operations		(86,352)	(5,470)
– discontinued operations		<u>484,073</u>	<u>(114,137)</u>
		397,721	(119,607)
Non-controlling interests			
– continuing operations		<u>(546)</u>	<u>–</u>
		<u>397,175</u>	<u>(119,607)</u>
Earning/(loss) per share from continuing and discontinued operations attributable to owners of the Company for the period			
Basic and diluted			
– continuing operations	8	HK(6 cents)	HK(1 cents)
– discontinued operations		<u>HK34 cents</u>	<u>HK(11 cents)</u>
		<u>HK28 cents</u>	<u>HK(12 cents)</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended	
	30 June	31 March
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Restated)
PROFIT/(LOSS) FOR THE PERIOD	397,175	(119,607)
OTHER COMPREHENSIVE INCOME		
Items that will be reclassified to the consolidated income statement in subsequent periods:		
Changes in fair value of available-for-sale financial assets, net of tax	30,279	(43)
Reclassification adjustment for (gain)/loss on disposal of available-for-sale financial assets included in the consolidated income statement, net of tax	(2,685)	255
Exchange differences on translation of foreign operations	477	(570)
Reclassification adjustment for exchange fluctuation reserve upon disposal of subsidiaries	(249,713)	–
	(221,642)	(358)
Items that will not to be reclassified to the consolidated income statement in subsequent periods:		
Revaluation of items of property, plant and equipment, net of tax	3,342	–
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	(218,300)	(358)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	178,875	(119,965)
Total comprehensive income for the period attributable to:		
Owners of the Company		
– continuing operations	(58,394)	(5,258)
– discontinued operations	237,702	(114,707)
	179,308	(119,965)
Non-controlling interests		
– continuing operations	(433)	–
	178,875	(119,965)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 June	31 December
	2015	2014
<i>Notes</i>	HK\$'000	HK\$'000
	(Restated)	(Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	157,917	167,555
Intangible assets	58	80
Prepaid land lease payments	33,869	34,217
Goodwill	84,421	84,421
Available-for-sale financial assets	73,713	44,489
Deposits paid for acquisition of non-current assets	10,753	10,719
Deferred tax assets	5,651	4,220
	<hr/>	<hr/>
Total non-current assets	366,382	345,701
CURRENT ASSETS		
Inventories	20,756	22,235
Trade and bill receivables	134,366	171,596
Prepayments, deposits and other receivables	86,074	132,672
Pledged bank deposits	418	7,485
Cash and bank balances	47,265	20,529
	<hr/>	<hr/>
	288,879	354,517
Assets classified as held-for-sale	–	958,525
	<hr/>	<hr/>
Total current assets	288,879	1,313,042

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*continued*)

		30 June 2015	31 December 2014
	<i>Notes</i>	HK\$'000 (Restated)	<i>HK\$'000</i> <i>(Audited)</i>
CURRENT LIABILITIES			
Trade and bill payables	10	69,234	104,831
Other payables, accruals and deposit received		17,987	28,876
Amount due to a non-controlling shareholder		111,900	80,399
Interest-bearing borrowings		92,585	112,216
Tax payable		8,127	9,316
		299,833	335,638
Liabilities classified as held-for-sale		–	892,135
Total current liabilities		299,833	1,227,773
NET CURRENT (LIABILITIES)/ASSETS		(10,954)	85,269
TOTAL ASSETS LESS CURRENT LIABILITIES		355,428	430,970
NON-CURRENT LIABILITIES			
Deferred tax liabilities		5,826	6,216
Provision for long service payment		25	210
Interest-bearing borrowings		13,915	29,003
Other payable		–	129,089
Promissory note		–	78,559
Total non-current liabilities		19,766	243,077
NET ASSETS		335,662	187,893
EQUITY			
Issued capital		145,480	143,430
Convertible notes		54,597	75,595
Reserves		83,014	(84,618)
Equity attributable to owners of the Company		283,091	134,407
Non-controlling interests		52,571	53,486
Total equity		335,662	187,893

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Sunway International Holdings Limited (the “Company”) is a limited liability company incorporated in Bermuda and the issued shares of which are listed on main board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is Unit 1902, Cheung Kong Center, 2 Queen’s Road Central, Central, Hong Kong. During the period, the Company’s principal activity is investment holding.

The Group is principally engaged in manufacturing and trading of pre-stressed steel bar, pre-stressed high strength concrete pile, ready-mixed concrete, sand-lime bricks, aerated concrete products and eco-concrete products.

As stated in the announcement dated 30 January 2015, the Company had completed the disposal of the electronic business. Upon completion, the Group ceased to be engaged in design, development, manufacture and sale of a wide range of (1) electronics and related components and parts (including principally quartz crystals, liquid crystal displays, printed circuit boards and watch movements); and (2) consumer electronic products (including principally electronic calculators, telecommunication phones, electronic watches and clocks and digital products).

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

2.1. Basis of presentation

The unaudited condensed consolidated financial statements for the six months ended 30 June 2015 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by The Hong Kong Institution of Certified Public Accountants (“HKICPA”).

As disclosed in the Group’s Annual Report for the fifteen months ended 31 December 2014 (“Annual Report 2014”), the financial year of the Company has been changed from 30 September to 31 December. Accordingly, these condensed consolidated financial statements now presented cover a period of six months from 1 January 2015 to 30 June 2015. The comparative figures presented for the condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows and related notes cover the financial period from 1 October 2013 to 31 March 2014.

The condensed consolidated financial statements have been prepared under the historical cost convention, except for certain property, plant and equipment and available-for-sale financial assets which are measured at fair value.

The accounting policies used in preparation of these financial statements are consistent with those adopted in the Annual Report 2014, except for adoption of the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) (which also include HKASs and Interpretations) which are first effective for the current accounting period.

The Group had net current liabilities of approximately HK\$10,954,000 as at 30 June 2015 of which current liabilities of approximately HK\$92,585,000 were attributable to bank borrowings due within one year. Taking into account the financial resources of the Group, the Directors of the Company are of the opinion that the Group has sufficient working capital to meet in full its financial obligations they fall due for at least the next twelve months from the end of the reporting period and accordingly, these condensed consolidated financial statements have been prepared on a going concern basis.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (continued)

2.2 Application of new and revised HKFRSs

The Group has adopted the following new and revised HKFRSs for the first time for the current period's condensed consolidated financial statements.

HKAS 32 Amendments	Offsetting Financial Assets and Financial Liabilities
HKAS 39 Amendments	Novation of Derivatives and Continuation of Hedge Accounting
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Investment Entities
HK (IFRIC) – Int 21	Levies
HKAS 19 (2011) Amendments	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 above new and revised HKFRSs has no material impact on the Group's results and financial position for the current period and prior years have been prepared and presented.

2.3 New and revised HKFRSs and new disclosure requirements under the Hong Kong Company Ordinance not yet adopted

The Group has not applied the following new and revised HKFRSs, which have been issued but are not yet effective in these condensed consolidated financial statements.

		Effective for annual reporting periods beginning on or after
HKAS 1	Disclosure initiative	1 January 2016
HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
HKAS 16 and HKAS 41 Amendments	Agriculture: Bearer Plants	1 January 2016
HKAS 27 (2011) Amendments	Equity Method in Separate Financial Statements	1 January 2016
HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception	1 January 2016
HKFRS10 and HKAS 28 (2011) Amendments	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
HKFRS 11 Amendments	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES *(continued)*

2.3 New and revised HKFRSs and new disclosure requirements under the Hong Kong Company Ordinance not yet adopted *(continued)*

		Effective for annual reporting periods beginning on or after
HKFRS 14*	Regulatory Deferral Accounts	1 January 2016
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle	1 January 2016
HKFRS 15	Revenue from Contracts with Customers	1 January 2017
HKFRS 9 (2014)	Financial Instruments	1 January 2018

* HKFRS 14 applies to first annual HKFRS financial statements for a period beginning on or after 1 January 2016 and therefore is not applicable to the Group.

The Group has already commenced an assessment of the related impact of adopting the above new and revised HKFRSs. So far, it has concluded that the above new and revised HKFRSs will be adopted at the respective effective dates and the adoption of them is unlikely to have a significant impact on the condensed consolidated financial statements of the Group except for the following:

HKFRS 9 *Financial Instruments*

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The group expects to adopt HKFRS 9 from 1 January 2018. The group expects that the adoption of HKFRS 9 will have an impact on the classification and measurement of the group's financial assets. Further information about the impact will be available nearer the implementation date of the standard.

HKFRS 15 *Revenue from Contracts with Customers*

HKFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. The group expects to adopt HKFRS 15 on 1 January 2017 and is currently assessing the impact of HKFRS 15 upon adoption.

3. OPERATING SEGMENT INFORMATION

For management purpose, the Group is organised into business units based on their products and has four reportable operating segments as follows:

Continuing operations

- (a) the pre-stressed (“PC”) steel bars consists of the manufacture and sale of PC steel bars;
- (b) the pre-stressed high-strength concrete (“PHC”) piles and others consists of the manufacture and sale of PHC piles, ready mixed concrete, sand-lime bricks, aerated concrete products and eco-concrete products;

Discontinued operations

- (c) the electronic components and parts segment consists of the design, development, manufacture and sale of electronic components and parts; and
- (d) the consumer electronic products segment consists of the design, development, manufacture and sale of consumer electronic products.

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reporting segment loss, which is a measure of adjusted loss before tax. The adjusted loss before tax is measured consistently with the Group’s loss before tax except that head office and corporate expenses, share of result of a joint venture, bank and other interest income, other income, other gains and losses, finance costs are excluded from such measurement. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

Segment assets exclude goodwill, available-for-sale financial assets, pledged bank deposits, cash and bank balances, deferred tax assets and unallocated head office and corporate assets as these assets are managed on a group basis. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

Segment liabilities exclude promissory note, other payable, tax payable, deferred tax liabilities, interest-bearing borrowings and unallocated head office and corporate liabilities, as these liabilities are managed on a group basis. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

3. OPERATING SEGMENT INFORMATION *(continued)*

(a) *Segment results, segment assets and liabilities*

For the six months ended 30 June 2015	Continuing operations			Discontinued operations				
	PC steel bar HK\$'000 (Unaudited)	PHC piles and others HK\$'000 (Unaudited)	Elimination HK\$'000 (Unaudited)	Sub-total HK\$'000 (Unaudited)	Electronic components and parts HK\$'000 (Unaudited)	Consumer electronic products HK\$'000 (Unaudited)	Sub-total HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Segment revenue								
Revenue from external customers	<u>15,429</u>	<u>165,797</u>	<u>(1,674)</u>	<u>179,552</u>	<u>33,022</u>	<u>30,571</u>	<u>63,593</u>	<u>243,145</u>
Reportable segment profit/(loss) from operations	<u>(72,649)</u>	<u>16,904</u>	<u>-</u>	<u>(55,745)</u>	<u>(8,699)</u>	<u>(6,696)</u>	<u>(15,395)</u>	<u>(71,140)</u>
Reconciliation:								
Bank and other interest income				297			1	298
Other income, gains and losses				(14,381)			2,570	(11,811)
Finance costs				(7,178)			(1,839)	(9,017)
Unallocated head office and corporate expenses				<u>(4,909)</u>			<u>(3)</u>	<u>(4,912)</u>
Loss before tax				<u>(81,916)</u>			<u>(14,666)</u>	<u>(96,582)</u>
Other segment information:								
Capital expenditure [#]	(19)	(24)	-	(43)	(686)	(478)	(1,164)	(1,207)
Depreciation	(1,301)	(8,962)	-	(10,263)	(3,254)	(2,246)	(5,500)	(15,763)
Amortisation of prepaid land lease payments	(135)	(302)	-	(437)	(105)	(69)	(174)	(611)
Amortisation of intangible asset	-	(23)	-	(23)	-	-	-	(23)
(Provision for)/Reversal of impairment on trade receivables, net	(4,475)	(6,044)	-	(10,519)	53	-	53	(10,466)
Provision for impairment on other receivables	<u>(43,672)</u>	<u>-</u>	<u>-</u>	<u>(43,672)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(43,672)</u>
As at 30 June 2015								
Segment assets	<u>52,169</u>	<u>389,685</u>	<u>-</u>	<u>441,854</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>441,854</u>
Segment liabilities	<u>75,147</u>	<u>238,221</u>	<u>-</u>	<u>313,368</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>313,368</u>

[#] *Capital expenditure consists of additions to property, plant and equipment*

3. OPERATING SEGMENT INFORMATION *(continued)*

(b) Geographical information

The geographical location of revenue information is based on the locations of customers at which the goods delivered.

(i) Revenue from external customers

	Continuing operations		Discontinued operations	
	Six months ended		Six months ended	
	30 June	31 March	30 June	31 March
	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	-	-	670	11,817
The PRC	179,552	-	50,429	73,473
Other Asian countries*	-	-	1,973	73,959
American countries**	-	-	9,519	169,333
European countries***	-	-	310	14,228
African countries****	-	-	692	7,014
	<u>-</u>	<u>-</u>	<u>692</u>	<u>7,014</u>
Consolidated	<u>179,552</u>	<u>-</u>	<u>63,593</u>	<u>349,824</u>

* Other Asian countries principally included Indonesia, Japan, Korea, Taiwan and Pakistan.

** American countries principally included the United States, Chile, Peru, Argentina, Mexico and Brazil.

*** European countries principally included Poland, Spain, France, Germany and England.

**** African countries principally included Lagos, Nigeria, Kenya and Egypt.

The Group's non-current assets are located in China, including Hong Kong.

(c) Information about major customers

There was no single customer individually contributed over 10% of the Group's total revenue during the period (six months ended 31 March 2014: Nil).

4. LOSS BEFORE TAX

The Group's loss before tax from continuing operations is arrived at after charging/(crediting):

	Six months ended	
	30 June	31 March
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Restated)
Amortisation of prepaid land lease payments*	437	–
Amortisation of intangible asset#	23	–
Depreciation	10,263	–
Cost of inventories sold*	148,270	–
Minimum lease payments under operating leases in respect of land and buildings	30	–
Employee benefit expenses (including directors' and chief executive's remuneration):		
Wages and salaries	13,709	3,049
Pension scheme contributions^	930	23
Reversal of provision for long service payment, net	(186)	(30)
Equity-settled share option expenses	–	1,619
	<u>14,453</u>	<u>4,661</u>

* These items are included in "cost of sales" in the condensed consolidated income statement.

These items are included in "administrative expenses" in the condensed consolidated income statement.

^ As at 30 June 2015, the Group had no forfeited contribution available reduce its contributions to pension scheme in future years (six months ended 31 March 2014: Nil).

5. INCOME TAX

No provision for Hong Kong profits tax had been made during the period (six months ended 31 March 2014: Nil) as the Group did not generate any assessable profits arising in Hong Kong. Subsidiaries established in the PRC are subject to the PRC enterprise income tax at the standard rate of 25% (six months ended 31 March 2014: 25%).

	Six months ended	
	30 June	31 March
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Restated)
Current tax – PRC Enterprises		
– Current tax for the period	6,461	–
– Under-provision in prior years	327	–
	<u>6,788</u>	–
Deferred tax	<u>(1,806)</u>	–
	<u>4,982</u>	–

6. DISCONTINUED OPERATIONS

On 17 November 2014, the Group entered into a sale and purchase agreement with Feng Hao Holdings Limited (the “Purchaser”), pursuant to which, the Group agrees to dispose its 100% entire interests in Sunway International (BVI) Holdings Limited and Sunway International Investment Holdings Limited and its subsidiaries (collectively referred to the “Disposal Group”) at a consideration of HK\$180,000,000. On 15 December 2014, the Group and the Purchaser have agreed to enter into the supplemental Agreement to increase the consideration to HK\$300,000,000. The Disposal Group was engaged in the design, development, manufacture and sale of a wide range of electronics and related components and parts and consumer electronic products in the PRC. The disposal of the Disposal Group was completed on 30 January 2015. The Disposal Group were classified as a disposal group held-for-sale and presented as a discontinued operations. The results and net cash flows of the Disposal Group for the period from 1 January 2015 to the date of disposal (i.e. 30 January 2015) as follows:

	Six months ended	
	30 June	31 March
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Restated)
Revenue	63,593	349,824
Expenses	(78,259)	(461,074)
Loss before tax	(14,666)	(111,250)
Income tax expense	(756)	(2,887)
Loss after tax	(15,422)	(114,137)
Gain on disposal	499,495	–
Profit/(loss) for the period from discontinued operations	484,073	(114,137)
Operating cash (outflow)/inflow	(59,826)	9,653
Investing cash inflow/(outflow)	3,634	(16,581)
Financing cash inflow/(outflow)	62,238	(36,289)
Net cash inflow/(outflow)	6,046	(43,217)

For the purpose of presenting discontinued operation, the comparative condensed consolidated income statement and the related notes have been restated as if the operation discontinued had been discontinued at the beginning of the comparative period.

6. DISCONTINUED OPERATIONS (continued)

Analysis of assets and liabilities at the date of disposal were as follows:

	HK\$'000
Property, plant and equipment	367,907
Investment properties	90,277
Prepaid land lease payments	73,843
Deposits paid for acquisition of property, plant and equipment	731
Inventories	148,481
Trade receivables	149,361
Prepayments, deposits and other receivables	112,382
Pledged time deposits	30,003
Cash and cash equivalents	55,028
Trade payables	(154,185)
Other payables, accruals and deposit received	(138,664)
Due to a director	(72,050)
Due to the Group's companies	(363,972)
Interest-bearing bank borrowings	(522,804)
Tax payable	(26,437)
Deferred tax liabilities	(63,231)
Provision for long service payment	(424)
	<hr/>
Net liabilities disposed of	(313,754)

HK\$'000

Gain on disposal of subsidiaries:

Total consideration satisfied by cash	300,000
Net liabilities disposed of	313,754
Waiver of receivables from the Disposal Group	(363,972)
Release of exchange fluctuation reserve	249,713
	<hr/>
	499,495

HK\$'000

Net cash inflow arising on disposal:

Cash consideration	300,000
Less: Bank balances and cash disposed of	(55,028)
	<hr/>
	244,972

7. DIVIDENDS

No dividend was paid or proposed during the period, nor has any dividend been proposed since the end of the reporting period (six months ended 31 March 2014: Nil).

8. LOSS PER SHARE

The calculation of basic loss per share amount is based on the loss for the period attributable to equity holder of the parent and the weighted average number of ordinary shares in issue throughout the period.

	Six months ended	
	30 June	31 March
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Restated)
Earning/(loss):		
Earning/(loss) for the period attributable to equity holders of the parent used in the basic and diluted loss per share calculation:		
– continuing operations	(86,898)	(5,470)
– discontinued operations	484,073	(114,137)
	397,175	(119,607)
	<i>'000</i>	<i>'000</i>
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basis and diluted loss per share	1,439,948	1,016,001

For the six months period ended 30 June 2015 and 31 March 2014, no adjustment has been made to the basic loss per share amounts presented, as the conversion of the Company's outstanding convertible notes and exercise of outstanding share options had an anti-dilutive effect on the basic loss per share calculation.

9. TRADE AND BILL RECEIVABLES

The Group's trading terms with its customers are mainly on credit except for new customers, where payment in advance is normally required. The credit period is generally for a period of one to three (31 December 2014: one to three) months from the date of billing, except for certain well-established customers, where the terms are extended to six months. The Group seeks to maintain strict control over its receivables to minimise credit risk. Trade receivables are non-interest-bearing.

	30 June	31 December
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Trade receivables, gross	172,310	193,874
Less: provision for impairment	(37,944)	(27,322)
Trade receivables, net	134,366	166,552
Bill receivables	–	5,044
	134,366	171,596

9. TRADE AND BILL RECEIVABLES *(continued)*

Ageing analysis

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provision, is as follows:

	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Within 3 months	65,097	111,978
4 to 6 months	31,472	26,053
Over 6 months	37,797	28,521
	<u>134,366</u>	<u>166,552</u>

10. TRADE AND BILL PAYABLES

	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Trade payables	66,387	68,768
Bill payables	2,847	36,063
	<u>69,234</u>	<u>104,831</u>

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

	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Within 3 months	39,630	43,461
4 to 6 months	4,654	7,993
7 to 12 months	7,519	9,044
Over 1 year	14,584	8,270
	<u>66,387</u>	<u>68,768</u>

The trade payables are non-interest bearing and the average credit terms received from suppliers of the Group is 30 days (31 December 2014: 30 days). The group has finance risk management policies in place to ensure that all payable are paid within the credit timeframe.

11. SUBSEQUENT EVENTS

As disclosed in the Company's announcement dated 28 July 2015, an aggregate of 290,960,000 Placing Shares have been successfully placed by the Placing Agent to not less than six Placees at the Placing Price of HK\$0.335 per Placing Share pursuant to the terms and conditions of the Placing Agreement. Accordingly, the Company issued 290,960,000 ordinary shares to the Placees. After completion of placing, the number of ordinary shares issued is 1,745,761,299.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF RESULTS AND OPERATION

CONTINUING OPERATIONS

Pre-stressed steel bar (“PC steel bar”) business

Revenue represents sales of pre-stressed steel bars. Revenue for the six months period was HK\$15,429,000 in compare with HK\$69,967,000 reported in last financial period. The significant drop of turnover was affected by the business interruption in its production capacity as a result of the litigations claims from banks against certain subsidiaries of the Group as disclosed in the Annual Report 2014 and the Company’s announcements dated 14 May 2015, 5 June 2015 and 6 August 2015 as well as the possible non-recoverable prepayments and other receivables (“**Non-recoverable Prepayments**”) of approximately HK\$43,445,000 due from certain suppliers of Zhuhai Hoston Special Materials Co., Limited (“**Zhuhai Hoston**”), a Group’s subsidiary, as disclosed in the Annual Report 2014.

The Company had engaged an external professional adviser to conduct an investigation regarding the Non-recoverable Prepayments and concluded that such Non-recoverable Prepayments may involve possible commercial crimes committed by two former directors of Zhuhai Hoston. One of them is also an executive director of the Company. Zhuhai Hoston had filed a report to Zhuhai Province Public Security Bureau (the “**Bureau**”) against these two former directors on 30 July 2015 and was informed by the Bureau that it may take up to 60 days to decide whether to accept the reported case. The Company will update the Shareholders on the development in relation to the above matter.

In consideration of the above, the Non-recoverable Prepayments of approximately HK\$43,445,000 have been full impaired for the six months ended 30 June 2015.

As a result of the business interruption, segment loss for the period increased to HK\$72,649,000 in compare with HK\$59,397,000 over last financial period. Segment loss was mainly attributable to the provision for impairment of other receivables of HK\$43,672,000 (including the Non-recoverable Prepayments) and the provision for impairment of trade receivables of HK\$4,475,000 and various fixed manufacturing costs and administrative costs further deteriorate the performance.

Pre-stressed high-strength concrete piles (“PHC piles”) business

Revenue mainly represents sales of pre-stressed high strength concrete pile, ready-mixed concrete and bricks. Revenue for the six months period was HK\$165,797,000 in compare with HK\$243,943,000 reported in last financial period. Other than the seasonal factor of the industry which attribute comparatively higher turnover in the last quarter of the year and lower turnover in month of the Chinese New Year, the revenue remained stable.

Segment profit for the period was HK\$16,904,000 in compare with HK\$31,904,000 over last financial period. Drop of segment profit was mainly attributable to the decrease in revenue and the provision for impairment of trade receivables of HK\$6,044,000.

Selling and distribution expenses for the period were mainly transportation costs and salaries for the sale-persons.

Administrative expenses mainly comprised of salaries for the directors and administrative staff, legal and professional fees, various taxes and levies paid to the PRC Government.

Finance costs were interest expenses for the bank borrowings and imputed interest expenses on other payable and promissory note.

Loss for the period was HK\$81,916,000 in compared with HK\$5,470,000 report in last financial period. It was mainly attributable by the provision for impairment of other receivables of HK\$43,672,000, provision for impairment of trade receivables of HK\$10,519,000 and loss on extinguishment of other payable of HK\$19,575,000.

DISCONTINUED OPERATIONS

Revenue mainly represented sales of electronic calculators, chip on glass and liquid crystal display amounted to HK\$63,593,000 for the period from 1 January 2015 to 30 January 2015. Loss attributable by the discontinued operations of HK\$15,422,000 for the period.

On the date of completion of disposal, the net liabilities from the disposal group of HK\$313,754,000 were disposed, receivables from the disposal group of HK\$363,972,000 were waived, contributed surplus, PRC statutory reserve, exchange fluctuation reserve and assets revaluation reserve from the disposal group of HK\$56,471,000, HK\$12,928,000, HK\$249,713,000 and HK\$182,411,000 were released respectively.

The gain on disposal of subsidiaries of HK\$499,495,000 was arising from the total consideration satisfied by cash of HK\$300,000,000 add the release of exchange fluctuation reserve and less the net liabilities disposed of and the receivables waived.

LIQUIDITY AND FINANCIAL RESOURCES

The Group normally finances its operations with internally generated cash flow and banking facilities provided by its principal bankers in both Hong Kong and the PRC. As at 30 June 2015, the total shareholders' equity of the Group was approximately HK\$335,662,000, representing an increase of 79% over last period. As at 30 June 2015, the Group's cash and bank balances and pledged time deposits stood at HK\$47,683,000 whereas interest-bearing borrowings were HK\$106,500,000. During the period, the Group did not use any financial instruments for any hedging purposes. The gearing ratio, which was computed by dividing the current liabilities and long term liabilities by shareholders' equity, was 95% as at 30 June 2015.

SIGNIFICANT INVESTMENTS AND ACQUISITION

On 30 January 2015, the Company completed the disposal of electronic business as disclosed in the Note 6 for a total consideration of HK\$300,000,000 satisfied by cash.

The Group has no other significant investment and acquisition during the period.

CAPITAL STRUCTURE

No repurchases of shares were made during the period. On 2 November 2009, the Company granted options to certain directors and employees of the Group to subscribe for a total of 90,600,000 ordinary shares of HK\$0.1 per share each on or before 1 November 2019. As at 30 June 2015, the number of shares in respect of which options had been granted and exercisable was Nil. 30,500,000 share options were lapsed and 20,500,000 share options were exercised during the period.

During the period, the convertible notes with an aggregate principal amount of HK\$50,000,000 were redeemed.

PLEDGE OF ASSETS

The Group's certain leasehold land and buildings of HK\$66,043,000, certain prepaid land lease payments of HK\$34,414,000, certain plant and machinery of HK\$17,553,000, bank deposits of HK\$418,000, and certain other receivables of HK\$2,506,000 are used to secure banking facilities for the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2015, the Group has approximately 530 full time management, administrative, technical and production staff in the PRC and Hong Kong. Their remuneration, promotion and salary review are assessed based on job responsibilities, work performance, professional experiences and the prevailing industry practice. The Group's Directors and employees in Hong Kong joined the Mandatory Provident Fund Scheme. Other staff benefit includes share options granted or to be granted under the share option scheme.

FOREIGN EXCHANGE AND CURRENCY RISKS

The Group's monetary assets, liabilities and transactions are principally denominated in Renminbi ("RMB") and Hong Kong Dollars ("HKD"). The Group, with HKD as its presentation currency, is exposed to foreign currency risk arising from the exposure of HKD against RMB. The Group has a net exchange exposure to RMB as the Group's assets are principally located in the PRC. The Group manages and monitors foreign exchange exposures to ensure appropriate measures are implemented on a timely and effective manner.

COMMITMENT

As at 30 June 2015, the Group has contracted commitments of HK\$9,757,000 (31 December 2014: HK\$9,726,000) for acquisition of land use rights and Nil (31 December 2014: HK\$2,735,000) for acquisition of property, plant and equipment.

CONTINGENT LIABILITIES

The Company had released the corporate guarantees executed by the Company in favour of banks for general banking facilities granted to subsidiaries of the Company during the period. As at 30 June 2015, the Company does not have any material contingent liabilities (31 December 2014: HK\$100,000,000). The general banking facilities were utilised to the extent of HK\$62,339,000 as at 31 December 2014.

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

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period.

PROSPECT

After completion of disposal of the electronic business, the principal activities of the Group changed to manufacturing and trading of construction materials. The Group therefore dedicates all efforts to focus on newly acquired construction materials business.

For the PC steel bars business, we remain cautious and will continue to implement cost control measures and improve the operational efficiency in order to improve the financial performance.

We are still confident in the PHC piles business. The management will closely monitor the market situation and take timely measures and strategies to maintain its competitiveness. We will strive to maintain a stable growth in the business.

The Group is proactively seeking other business opportunities and investment in order to diversify the business and capture new opportunities. We believe that the Group will achieve better results and hence optimize return for shareholders.

LITIGATION

As disclosed in the Company's announcement dated 23 June 2015, a writ of summons endorsed with an indorsement of claim was issued in the High Court of The Hong Kong Special Administrative Region by First Billion Global Limited, a wholly owned subsidiary of the Company, as the 1st Plaintiff and the Company as the 2nd Plaintiff on 23 June 2015 claiming against Mr. Xiao Guang Kevin, the vendor of the Acquisition as the 1st Defendant and Mr. Wang Zhining (王志寧), the guarantor of the Acquisition as the 2nd Defendant, for, amongst others, a breach of the fundamental terms and conditions of the Sale and Purchase Agreement.

On 19 August 2015, a statement of claim setting out the full particulars of the Plaintiffs' claims and the Defendants' breaches of the Sale and Purchase Agreement under the same action was filed.

The Company will keep the Shareholders and potential investors informed of any further material development in connection with the above action by way of further announcement as and when appropriate.

AUDIT COMMITTEE

The Company's Audit Committee was established on 6 August 1999 in accordance with the requirements of the Code of Best Practice (the "Code") for the purposes of reviewing and providing supervision over the financial reporting process and internal controls of the Group. Members of the Audit Committee at the date of this announcement comprised Mr. Cong Yongyian, Ms. Deng Chunmei, Mr. Lam Kai Yeung and Mr. Liu Chenli, the four Independent Non-executive Directors of the Company. The Group's financial statements for the six months ended 30 June 2015 have been reviewed by the Audit Committee, who are of the opinion that such statements comply with the applicable accounting standards, the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and legal requirements, and that adequate disclosures have been made.

REMUNERATION COMMITTEE

The Remuneration Committee, comprises the four Independent Non-executive Directors of the Company, the Chairman, Mr. Huang Weidong and Mr. Leung Chi Fai, the Finance Director of the Company, is responsible for reviewing and evaluating the remuneration packages of the Executive Directors and making recommendations to the Board from time to time.

NOMINATION COMMITTEE

The Nomination Committee, comprises the two Executive Directors, Mr. Huang Weidong and Mr. Leung Chi Fai and the four Independent Non-executive Directors of the Company. It is responsible for the appointment of new directors. To maintain the quality of the Board with a balance of skills and experience, the Committee will identify individuals suitably qualified to become directors when necessary. In evaluating whether an appointee is suitable to act as a director, the Committee will consider the experience, qualification and other relevant factors.

CORPORATE GOVERNANCE

Code On Corporate Governance Practices

The Company has complied with the code provisions as set out in the "Code On Corporate Governance Practices" contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the six months ended 30 June 2015, except for the following deviations:

Code Provision A.2.1

Under Code Provision A.2.1, the roles of Chairman and Chief Executive Officer should be separated and should not be performed by the same individual.

Up to 10 June 2015, Ms. Wong King Ching, Helen holds both positions of the Chairman and the Chief Executive Officer of the Company. The Board is of the opinion that it is appropriate and in the best interests of the Company at the present stage for Ms. Wong to hold both positions as it helps to maintain the continuity of the Company's policies and the stability of the Company's operations.

Code Provision A.4.1 and A.4.2

Under Code Provision A.4.1, the Non-executive Directors should be appointed for a specific term, subject to re-election. The Independent Non-executive Directors of the Company are not appointed for specific terms. According to the Company's Bye-Law 111(A), one third of the Directors shall retire from the office by rotation at each Annual General Meeting and their appointments will be reviewed when they are due for re-election. In the opinion of the Board, this meets the same objectives and is no less exacting than those in the Code.

Under Code Provision 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. The Company's Bye-Law 111(A) states that the Chairman is not subject to retirement by rotation and shall not be counted in determining the number of directors to retire. In the opinion of the Board, the continuity of leadership role of the Chairman is important for the stability of the Company and is considered beneficial to the growth of the Company. The Board is of the view that the Chairman should not be subject to retirement by rotation at the present time.

Model Code for Securities Transactions

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company. Having made specific enquiry of all directors of the Company, the Company confirms that all directors of the Company have complied with required standard set out in the Model Code throughout the period.

PUBLICATION OF UNAUDITED INTERIM REPORT ON THE STOCK EXCHANGE'S WEBSITE

The unaudited Interim Report 2015 of the Company continuing all the information required by the Listing Rules will be published on the Company's website at <http://www.irasia.com/listco/hk/sunway/index.htm> and the website of the Stock Exchange in due course.

By order of the Board
Sunway International Holdings Limited
Huang Weidong
Chairman

Hong Kong, 31 August 2015

As at the date of this announcement, the Board comprises six Executive Directors, namely, Mr. Huang Weidong (Chairman), Ms. Fang Jing, Mr. Leung Chi Fai, Mr. Li Chongyang, Ms. Qi Jiao and Mr. Wang Tian, and four Independent Non-executive Directors, namely, Mr. Cong Yongjian, Ms. Deng Chunmei, Mr. Lam Kai Yeung and Mr. Liu Chenli.