BOSHIWA INTERNATIONAL HOLDING LIMITED
博士蛙國際控股有限公司

(Provisional Liquidators Appointed)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1698)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2016

Boshiwa International Holding Limited (Provisional Liquidators Appointed) (the "**Company**") announces the condensed consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2016 and consolidated financial position as at 30 June 2016 with comparative figures as at 31 December 2015 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2016

		Six months ended 30 June	
		2016	2015
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	**4,010**	647
Cost of sales		**(2,332)**	(482)
Gross profit		**1,678**	165
Other gains and losses		**1,183**	(99,421)
Distribution and selling expenses		**(913)**	(378)
Administrative and general expenses		**(3,933)**	(158)
Loss before tax		**(1,985)**	(99,792)
Income tax expense	*4*	**–**	–
Loss and total comprehensive loss for the period attributable to owners of the Company	*5*	**(1,985)**	(99,792)
Loss per share			
– Basic and diluted (RMB cents per share)	*7*	**(0.10)**	(4.81)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

	Notes	**As at 30 June 2016** ***RMB'000*** **(Unaudited)**	As at 31 December 2015 *RMB'000* (Audited)
Current assets			
Bank and cash balances		**14**	14
Current liabilities			
Other payables		**66,329**	64,344
NET LIABILITIES		**(66,315)**	(64,330)
Capital and reserves			
Share capital	*8*	**904**	904
Reserves		**(67,219)**	(65,234)
TOTAL DEFICIT		**(66,315)**	(64,330)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2016

	(Unaudited)								
	Attributable to equity holders of the Company								
	Share capital	**Share premium**	**Capital reserves**	**Statutory surplus reserve**	**Share options reserve**	**Accumulated losses**	**Total**	**Non–controlling interests**	**Total equity**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2015	904	2,357,072	331,325	46,077	48,214	(2,647,971)	135,621	(1,979)	133,642
Total comprehensive loss for the period	–	–	–	–	–	(99,792)	(99,792)	–	(99,792)
De-consolidation of subsidiaries	–	–	(19,546)	(46,077)	–	–	(65,623)	1,979	(63,644)
Change in equity for the period	–	–	(19,546)	(46,077)	–	(99,792)	(165,415)	1,979	(163,436)
At 30 June 2015	904	2,357,072	311,779	–	48,214	(2,747,763)	(29,794)	–	(29,794)
At 1 January 2016	**904**	**2,357,072**	**311,779**	**–**	**48,214**	**(2,782,299)**	**(64,330)**	**–**	**(64,330)**
Total comprehensive loss for the period	**–**	**–**	**–**	**–**	**–**	**(1,985)**	**(1,985)**	**–**	**(1,985)**
Change in equity for the period	**–**	**–**	**–**	**–**	**–**	**(1,985)**	**(1,985)**	**–**	**(1,985)**
At 30 June 2016	**904**	**2,357,072**	**311,779**	**–**	**48,214**	**(2,784,284)**	**(66,315)**	**–**	**(66,315)**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
NET CASH GENERATED FROM OPERATING ACTIVITIES	**–**	311
Net cash outflow arising on deconsolidation of subsidiaries	–	(3,067)
NET CASH USED IN FINANCING ACTIVITIES	**–**	(3,067)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**–**	(2,756)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**14**	3,231
CASH AND CASH EQUIVALENTS AT ENDED OF PERIOD, REPRESENTED BY	**14**	475
Bank and cash balances	**14**	475

1. BASIS OF PREPARATION

These condensed financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

These condensed financial statements should be read in conjunction with the 2015 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2015.

Suspension of trading in shares of the Company

References are made to the Company's announcements dated 15 March 2012 in relation to, among other things, resignation of auditor and delay in publication of annual results and despatch of annual report of the Group for the year ended 31 December 2011. At the request of the Company, trading in shares of the Company has been suspended since 15 March 2012.

Appointment of the Provisional Liquidators (the "Provisional Liquidators")

On 30 January 2015, Ritch & Conolly (as Cayman attorneys-at-Law) on behalf of TB International Limited and Trustbridge Partners II L.P. (as petitioners) filed a winding up petition in the Grand Court of the Cayman Islands ("**Cayman Islands Court**") against the Company. The petition alleges, amongst other things, that the petitioners have concerns that the board of directors of the Company is not acting in the best interests of the Company and is seeking to have it wound up. On 11 February 2015, on the application of Ritch & Conolly, the Cayman Islands Court granted an Order appointing (i) Mr. Stephen Liu Yiu Keung and Mr. David Yen Ching Wai of Ernst & Young Transactions Limited, Hong Kong and (ii) Mr. Keiran Hutchison of Ernst & Young Ltd., Cayman Islands, jointly and severally as the Provisional Liquidators of the Company (the "**Provisional Liquidators**"). The Cayman Islands Court has provided the Provisional Liquidators with restricted powers, which include, among other things, preserve the assets of the Company, take charge of the Company's subsidiaries, access and review the records, books and documents of the Company and convene meetings of shareholders.

On 3 March 2015, the Cayman Islands Court ordered that, among other things, (1) the winding-up petition against the Company be set down for trial at the first available date after and including 18 September 2015 with a time estimate of 10 days and (2) the Provisional Liquidators be granted leave to seek recognition in proceedings in the Courts of Hong Kong and in particular recognition of the Orders dated 11 February 2015 and 3 March 2015 (the "**Hong Kong Recognition**"). On 4 June 2015, the Provisional Liquidators were informed that the High Court of Hong Kong approved the Hong Kong Recognition on 21 May 2015. A consent order to adjourning the trial of the winding-up petition against the Company was granted by the Cayman Islands Court on 10 November 2015, among other things, ordering that the said trial of the winding-up petition be adjourned to a date to be fixed.

Restructuring of the Group

After the appointment of the Provisional Liquidators, a potential investor was introduced to the Group regarding the restructuring, and an exclusivity agreement was executed between the potential investor and the Provisional Liquidators on 26 August 2016. Special purpose vehicles of the Group, namely Gold Topper Development Limited (incorporated in Hong Kong) and Golden Stream Enterprises Limited (incorporated in the British Virgin Islands) were later set up in September 2016 to support the restructuring. On 5 December 2016, a facility agreement was entered into between the potential investor and Gold Topper Development Limited, where the potential investor has agreed to make available to Gold Topper Development Limited a loan facility of up to HK$10 million upon the terms and conditions (the "**Facility**"). On 16 October 2017, the parties entered into a supplemental loan agreement whereby the total facility amount was increased to up to HK$20 million. In consideration of the potential investor agreeing to continue to make the Facility available to Gold Topper Development Limited upon the terms and conditions of the facility agreement, it was a condition precedent under the facility agreement (as supplemented) that Golden Stream Enterprises Limited, being the sole shareholder of Gold Topper Development Limited, as beneficial owner mortgages, charges and assigns by way of a first legal charge over the shares of Gold Topper Development Limited to the potential investor as a continuing security.

The initial HK$10 million and a further HK$10 million loan facility were drawn down in full in mid December 2016 and mid October 2017 by the Gold Topper Development Limited and such amount has been put into use for the recovery and development of the Company's business operation in the People's Republic of China (the "**PRC**").

Listing status of the Company

On 27 January 2016, the Stock Exchange placed the Company in the first delisting stage under Practice Note 17 to the Listing Rules and that the Company was required to submit a viable resumption proposal at least 10 business days before 26 July 2016.

On 28 July 2016, as the Company had not submitted any resumption proposal before the expiry of the first delisting stage, the Stock Exchange decided to place the Company into the second delisting stage under Practice Note 17 to the Listing Rules.

On 27 January 2017, the Company did not provide any resumption proposal. Therefore, the Stock Exchange decided on 10 February 2017 to place the Company into the third delisting stage under Practice Note 17 to the Listing Rules.

The Company is required to submit a viable resumption proposal to demonstrate sufficient operations or assets at least 10 business days before the third delisting stage expires (i.e. 4 August 2017) and the Company must:

i. address the matters raised in the resignation letter of the resigned auditors of the Company, dated 13 March 2012 as extracted and disclosed in the announcement of the Company dated 15 March 2012;

ii. demonstrate that there is no regulatory concern about management integrity, which will pose a risk to investors and damage market confidence;

iii. publish all outstanding financial results and address any audit qualifications; and

iv. demonstrate that it has put in place adequate financial reporting procedures and internal control systems to meet obligations under the Listing Rules.

Deconsolidation of subsidiaries

The consolidated financial statements have been prepared based on the books and records maintained by the Group. The Provisional Liquidators were informed that a significant portion of such books and records were maintained in the Group's main building situated in Shanghai. However, access to such books and records was limited because the building has been seized and sealed up by the local court since October 2014 due to a legal proceeding initiated by a secured creditor of the Group. As a result of the resignation of an experienced finance manager and other accounting personnel and limited accounting documents preserved by the Group, the Provisional Liquidators considered that the control over the following subsidiaries had been lost since January 2015. The results, assets, liabilities and cash flows of these subsidiaries were deconsolidated from the consolidated financial statements of the Group since January 2015. The major subsidiaries were deconsolidated as follows:

(1) Kingman Holdings Limited

(2) Pacific Leader International Holdings Limited

(3) Shanghai Rongchen Boshiwa (Group) Co., Ltd.

(4) Boshiwa Enterprise Development Co., Ltd.

(5) Shanghai Rongchen Information & Consulting Co., Ltd.

(6) Shanghai Desheng Information Technology Limited

(7) 北京博士蛙商貿有限公司

(8) 博士蛙(上海)國際貿易有限公司

(9) 浙江博士蛙企業發展有限公司

(10) 博士蛙(上海)物流發展有限公司

(11) 上海歐紀源健康管理咨詢有限公司

(12) 上海博士蛙貿易有限公司

Going concern basis

The Group incurred a loss attributable to owners of the Company of approximately RMB1,985,000 for the six months ended 30 June 2016. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The condensed consolidated financial statements have been prepared on a going concern basis on the basis that the proposed restructuring of the Group will be successfully completed, and that, following the restructuring, the Group will continue to meet in full its financial obligations as they fall due in the foreseeable future.

Should the Group be unable to achieve a successful restructuring and to continue its business as a going concern, adjustments would have to be made to the condensed consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board that are relevant to its operations and effective for its accounting year beginning on 1 January 2016. IFRSs comprise International Financial Reporting Standards; International Accounting Standards; and Interpretations. The adoption of these new and revised IFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current period and prior periods.

The Group has not applied the new and revised IFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised IFRSs but is not yet in a position to state whether these new and revised IFRSs would have a material impact on its results of operations and financial position.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents the net amounts received and receivable for goods sold and services provided to outside customers during the period.

The chairman and chief operating decision maker of the Group, regularly reviews revenue analysis by major products and the Group's profit for the period based on management accounts prepared in accordance with the relevant accounting principles and financial regulations applicable to enterprises registered in the PRC and which also conform, in material respects, to the IFRSs, to make decisions about resource allocation and performance assessment. No segment information is presented other than entity-wide disclosures as no other discrete financial information is available for the assessment of performance and resources allocation of different business activities.

Substantially all the Group's revenue from external customers is derived from the PRC and the Group's non-current assets are also substantially located in the PRC, the place of domicile of the Group's operating entities.

Revenue analysed by major products categories are as follows:

	Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from:		
Children's apparel and accessories	**3,930**	615
Other children's products	**80**	32
Total revenue	**4,010**	647

Information about major customer

No individual customer contributed over 10% of the total revenue of the Group during both periods.

4. INCOME TAX EXPENSE

	Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Income tax expense	**–**	–

The applicable income tax rate for the Group was 25% for both periods ended 30 June 2016 and 2015.

5. LOSS FOR THE PERIOD

The Group's loss for the period is stated after charging the following:

	Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of inventories	**2,332**	482

6. DIVIDENDS

During the periods ended 30 June 2016 and 2015, no dividend was declared to the owners of the Company.

7. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the followings:

	Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss		
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	**(1,985)**	(99,792)

	Six months ended 30 June	
	2016	2015
	'000	*'000*
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**2,075,000**	2,075,000

The effect of all potential ordinary shares is anti-dilutive for the periods ended 30 June 2016 and 2015.

8. SHARE CAPITAL

Movements of the share capital of the Company are as follows:

	Number of shares	**Share capital**
	'000	*HKD*
Ordinary shares of HK$0.0005 each		
Authorised:		
At 1 January 2015, 31 December 2015 and 30 June 2016	200,000,000	100,000,000
Issued and fully paid:		
At 1 January 2015, 31 December 2015 and 30 June 2016	2,075,000	1,037,500

	As at 30 June 2016	As at 31 December 2015
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Presented in RMB		
Share capital	**904**	904

9. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, there are certain updates on the Group's business and financial restructuring in progress, and further details of which are stated in note 1 to these condensed consolidated financial statements.

10. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved and authorised for issue by the Board of Directors on 16 November 2017.

RESULT FOR THE SIX MONTHS ENDED 30 JUNE 2016

BUSINESS AND FINANCIAL REVIEW

Business Review

Appointment of the Provisional Liquidators and the Winding-Up Hearing

On 30 January 2015, Ritch & Conolly (as Cayman attorneys-at-Law) on behalf of TB International and Trustbridge Partners II L.P. (as petitioners) filed a winding-up petition in the Grand Court of the Cayman Islands (the "**Cayman Islands Court**") against the Company. The petition alleges, amongst other things, that the petitioners have concerns that the Board is not acting in the best interests of the Company, and are seeking to have it wound up.

On 11 February 2015, under the application of Ritch & Conolly on behalf of TB International and Trustbridge Partners II L.P., the Cayman Islands Court granted an Order appointing (i) Mr. Stephen Liu Yiu Keung and Mr. David Yen Ching Wai of Ernst & Young Transactions Limited, Hong Kong and (ii) Mr. Keiran Hutchison of Ernst & Young Ltd, Cayman Islands jointly and severally as the Provisional Liquidators of the Company (the "**Provisional Liquidators**"). The Cayman Islands Court provided the Provisional Liquidators with restricted powers, which include, among other things, to preserve the assets of the Company, take charge of the Company's subsidiaries, access and review the records, books and documents of the Company and convene meetings of shareholders.

On 3 March 2015, the Cayman Islands Court ordered that, among other things, (1) the winding-up petition against the Company be set down for trial at the first available date after and including 18 September 2015 with a time estimate of 10 days and (2) the Provisional Liquidators be granted leave to seek recognition of proceedings in the Hong Kong Court and in particular recognition of the Orders dated 11 February 2015 and 3 March 2015.

On 21 May 2015, the High Court of Hong Kong (the "**Hong Kong Court**") approved the recognition of the Company's winding-up proceedings in the Hong Kong Court and the Orders dated 11 February 2015 and 3 March 2015.

The consent order to adjourn the trial of the winding-up petition against the Company was granted by the Cayman Islands Court on 10 November 2015, among other things, ordering that the said trial of the winding-up petition be adjourned to a date to be fixed.

Upon the appointment of the Provisional Liquidators and pursuant to the powers conferred to the Provisional Liquidators in the Order, the Provisional Liquidators have sought to obtain information, books and records of the Company from relevant parties including the directors and key employees of the Company, banks and auditors as well as from site visits to the offices and operations in Hong Kong and the PRC. The Provisional Liquidators have sought to identify and secure any assets of the Company including securing the Hong Kong office premises, taking possession of limited books and records in Hong Kong, requesting statements of affairs from the directors and seeking to transfer bank balances to the Provisional Liquidators' designated accounts.

Suspension of trading in shares of the Company

Trading in the shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") has been suspended with effect from 1:38 p.m. on 15 March 2012.

Resumption conditions

On 31 October 2012, on the basis that the Company has suspended its share trading since 15 March 2012 due to auditors' resignation and delay in publication of its results for the year ended 31 December 2011, the Listing Division of the Stock Exchange issued a letter to the Company illustrating the requirement on the Company to submit a viable resumption proposal and to satisfy the following resumption conditions:

(i) the Company must conduct an independent forensic investigation on the matters pervasive to the Company's financial statements raised by Deloitte Touche Tohmatsu, the auditors of the Company, in its resignation letter dated 13 March 2012 (the "**Matters**");

(ii) the Company must inform the market of all information about the Matters that is necessary for it to appraise the Group's position, including their implications to the Group's asset, financial and operational position;

(iii) the Company must demonstrate that there is no reasonable regulatory concern about management integrity which will pose a risk to investors and damage market confidence;

(iv) the Company must publish all outstanding financial results and reports, and address any concerns raised by the Company's auditors in their report; and

(v) the Company must demonstrate that it has put in place adequate financial reporting procedures and internal control system to meet obligations under the Listing Rules.

The Company is also required to comply with the Listing Rules and all applicable laws and regulations in Hong Kong and its place of incorporation before resumption. The Stock Exchange may modify any of the above and/or impose further conditions if the situation changes.

First delisting stage

On 27 January 2016, on the basis that the financial position of the Company has been deteriorated, certain premises of the Company have been frozen by the PRC court and the Provisional Liquidators considered that the Group appears to be insolvent (all of which have in turn adversely affected the Group's operations), the Listing Division issued a letter to the Company informing the Company that it has been placed in the first stage of delisting pursuant to Practice Note 17 to the Listing Rules and that the Company was required to submit a viable resumption proposal to demonstrate its compliance with Rule 13.24 of the Listing Rules and to fulfill the resumption conditions previously set out in the letter dated 31 October 2012. The first stage of delisting pursuant to Practice Note 17 expired on 26 July 2016.

Second delisting stage

On 28 July 2016, as the Company had not submitted a resumption proposal before the expiry of the first stage of delisting, the Listing Division issued a further letter to the Company informing that the Listing Division has decided to place the Company in the second stage of delisting under Practice Note 17 to the Listing Rules and that the Company is required to submit a viable resumption proposal as well as to satisfy the following conditions.

(i) the Company must conduct an independent forensic investigation on the Matters;

(ii) the Company must inform the market of all information about the Matters that is necessary for it to appraise the Group's position, including their implications to the Group's asset, financial and operational position;

(iii) the Company must demonstrate that there is no regulatory concern about management integrity, which will pose a risk to investors and damage market confidence;

(iv) the Company must publish all outstanding financial results and address any audit qualifications; and

(v) the Company must demonstrate that the Company has put in place adequate financial reporting procedures and internal control system to meet obligations under the Listing Rules.

Third delisting stage

On 10 February 2017, the Listing Division issued a letter to the Company informing the Company that they have decided to place the Company in the third stage of delisting under Practice Note 17 to the Listing Rules. The third stage of delisting will expire on 21 August 2017 and the Company is required to submit a viable resumption proposal to the Stock Exchange at least 10 business days before the third stage of delisting expires (i.e. 4 August 2017) to address the following resumption conditions:

(i) the Company must address the findings of the investigation into the Matters as defined in the letter dated 31 October 2012;

(ii) the Company must demonstrate that there is no regulatory concern about management integrity, which will pose a risk to investors and damage market confidence;

(iii) the Company must publish all outstanding financial results and address any audit qualifications; and

(iv) the Company must demonstrate that the Company has put in place adequate financial reporting procedures and internal control system to meet obligations under the Listing Rules.

Restructuring of the Group

On 26 August 2016, the Company, the Provisional Liquidators of the Company and the potential investor entered into the exclusivity agreement regarding the restructuring of the Group (the "**Restructuring**"). Upon the completion of the Restructuring, the Company will wholly own a newly formed PRC subsidiary company named Shanghai Jinchengtongbo International Trade co., Ltd., ("**Shanghai Jincheng**") through two intermediate companies, Golden Stream Enterprises Limited ("**Golden Stream**") which is a BVI incorporated company and Gold Topper Development Limited ("**Gold Topper**") which is a subsidiary of Golden Stream and incorporated in HK. The Company together with its new operating subsidiaries form the base for re-building the business of the Group.

On 5 December 2016, Gold Topper and the potential investor entered into the facility agreement, pursuant to which the potential investor agreed to advance the facility of up to HK$10 million to Gold Topper for the purpose of providing short term financing to Shanghai Jincheng as general working capital for re-building the business of the Group. The facility was fully utilised on 12 December 2016. On 16 October 2017, the parties entered into a supplemental loan agreement to increase the total facility amount to up to HK$20 million and pursuant to which a further HK$10 million was drawn down by Gold Topper in mid October 2017.

The Company has submitted a resumption proposal to the Stock Exchange on 3 August 2017. In relation to the resumption proposal, the Company has also entered into certain agreements in relation to its business development, debt restructuring and arrangement.

The Company plans to undergo the Restructuring which includes the debt restructuring, the capital reorganisation, the share subscription and the open offer. Further announcement(s) will be made by the Company to update the shareholders of the Company on the development of the Company as and when appropriate pursuant to the requirements of the Listing Rules.

Please note that the above-mentioned resumption proposal submission and Restructuring do not necessarily indicate that trading in the Company's shares will be resumed.

Financial Review

After the suspension of trading in the shares of the Company in March 2012 (the "**Suspension**"), the Group has been facing financial difficulties and had difficulties in finding new capital (including banking facilities) to operate its business. As such, the Group (i) was unable to develop new products; (ii) was unable to expand its self-operated retail outlets and closed down some of the self-operated retail outlets to reduce its operational cost; (iii) lost the opportunities to continue to use the licensed brands (cartoon brands such as Thomas and Friends, Bob the Builder and sports brands such as Manchester United, Barcelona and Juventus etc.) as these licensors look for new partners who has better financials. In addition, given that the retail outlets third-party operators noted the financial difficulties being faced by the Group, they started to terminate the cooperation with the Group which further worsen the operations of the Group. The occurrence of such has significantly affected the normal operations of the Group.

A significant portion of books and records were maintained in the Company's office building that located at Shanghai. However, the access to such books and records was limited because the building has been seized and sealed up by the local court since October 2014. The seized up of the office building was caused by a legal proceeding that initiated by a secured creditor of the Group. Furthermore, the resignation of an experienced finance manager and other accounting staff of the Group caused the limited accounting documents and information that could be located and preserved by the management of the Group. Hence, the Provisional Liquidators considered that the control over the following subsidiaries had been lost since January 2015. The consolidated financial statements have been prepared based on the books and records of the Company and the remaining subsidiary companies that could be maintained by the Group. The results, assets, liabilities and cash flows of these subsidiaries were deconsolidated from the consolidated financial statements of the Group since January 2015.

The major subsidiaries were deconsolidated as follows:

i. Kingman Holdings Limited

ii. Pacific Leader International Holdings Limited

iii. Shanghai Rongchen Boshiwa (Group) Co., Ltd.

iv. Boshiwa Enterprise Development Co., Ltd.

v. Shanghai Rongchen Information & Consulting Co., Ltd

vi. Shanghai Desheng Information Technology Limited

vii. 北京博士蛙商貿有限公司

viii. 博士蛙(上海)國際貿易有限公司

ix. 浙江博士蛙企業發展有限公司

x. 博士蛙(上海)物流發展有限公司

xi. 上海歐紀源健康管理咨詢有限公司

xii. 上海博士蛙貿易有限公司

Revenue

The Group's revenue for the six months ended 30 June 2016 was approximately RMB4.0 million (30 June 2015: approximately RMB0.6 million) that contributed by the sales of both children's apparel, footwear and accessories.

Gross Profit and Gross Profit Margin

Gross Profit for the six months ended 30 June 2016 of approximately RMB1.7 million (30 June 2015: approximately RMB0.2 million) with gross profit margin of approximately 41.8% (2015: approximately 25.5%).

Loss for the Period

The loss attributable to owners of the Company of approximately RMB2.0 million for the six months ended 30 June 2016, representing the basic and diluted loss per share of RMB0.1 cent (30 June 2015: loss of approximately RMB99.8 million, representing RMB4.8 cent basic and diluted loss per share).

The weighted average number of 2,075,000,000 ordinary shares was in issue as at 30 June 2016 (30 June 2015: 2,075,000,000 ordinary shares).

Dividends

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

Other Gains and Losses

During the period under review, the Group had other gains of approximately RMB1.2 million (30 June 2015: other losses of approximately RMB99.4 million).

As at 30 June 2015, the other losses comprise of the loss on deconsolidation of subsidiaries of approximately RMB71.7 million.

Distribution and Selling Expenses

Distribution and selling expenses for the six months ended 30 June 2016 were approximately RMB0.9 million (30 June 2015: approximately RMB0.4 million) whilst the distribution and selling expenses to revenue ratio was approximately 22.8% (30 June 2015: approximately 58.4%).

Administrative and General Expenses

Administrative and general expenses were approximately RMB3.9 million for the six months ended 30 June 2016 (30 June 2015: approximately RMB0.2 million) whilst the administrative and general expenses to revenue ratio was approximately 98.1% (30 June 2015: approximately 24.4%).

The Group's administrative and general expenses for the period were mainly comprise of the exchange loss on translation of trade and other payables to RMB.

Finance Costs

No finance costs were recorded for the six months ended 30 June 2016 and 2015.

Liquidity, Financial Resources and Gearing Ratio

As at 30 June 2016, the Group had total assets of approximately RMB14,000 (31 December 2015: approximately RMB14,000). It comprises of the current assets of bank and cash balance for both period.

As at 30 June 2016, the current liabilities of the Group were approximately RMB66.3 million (31 December 2015: approximately RMB64.3 million) which were attributable to trade and other payables for both period.

The net liabilities per share of the Company was approximately RMB0.032 as at 30 June 2016 (31 December 2015: approximately RMB0.031 per share).

The weighted average number of ordinary shares of 2,075,000,000 in issue during the period ended 30 June 2016. (31 December 2015: 2,075,000,000 ordinary shares).

As at 30 June 2016 and 31 December 2015, no gearing ratio was computed as the Group did not have interest-bearing indebtedness for both period.

Contingent Liabilities

As at 30 June 2016 and 31 December 2015, the Group had insufficient information to disclose its contingent liabilities due to loss control of subsidiary companies.

Capital Commitments

The Group did not have any significant capital as at 30 June 2016 and 31 December 2015.

Pledge of Assets

As at 30 June 2016 and 31 December 2015, the Group's buildings were sealed and preserved by an order of the PRC court of Jinan District of Shanghai.

Exposure to fluctuations in exchange and interest rates and related hedge

Most business transactions of the Group are settled in Renminbi ("**RMB**") since the operations of the Group are mainly carried out in the PRC. The reporting currency of the Group is RMB.

The Group's cash and bank deposits are predominantly in RMB. Based on the aforesaid, the Group does not enter into any agreement to hedge against the foreign exchange risk. The Company will pay dividends in Hong Kong Dollars if dividends are declared and it will continue to monitor the fluctuation of RMB closely and will introduce suitable measures as and when appropriate.

The fair value interest rate risk relates primarily to the Group's fixed-rate bank borrowings and fixed-rate loan receivables. The cash flow interest rate risk relates primarily to the variable-rate bank deposits. The Group currently has not entered into interest rate swaps to hedge against the exposure for changing in the fair values of the borrowings. Currently, the Group does not have a specific policy to manage the interest rate risk, but the Group intends to closely monitor the interest rate risk exposure in the future. In the opinion of the Directors, the Group did not have significant exposure to cash flow interest rate risk as of 30 June 2016 and 31 December 2015, as a 100-basis point change in the variable rate of bank deposits as of those dates would not have had any significant financial impact of the Group.

Prospect

The Board of Directors of the Company is in the process of identifying suitable target investor for business cooperation and/or acquisition for restructuring the Group (the "**Restructuring**"). Hence, the Company will put all efforts to speed up the process of the Restructuring and cooperate with the engaged professional parties to submit a viable resumption proposal to the Stock Exchange for the purpose of resumption of trading in the shares of the Company on the Stock Exchange (the "**Resumption**").

Further announcement(s) will be published to shareholders of the Company to update the latest development of the Restructuring as well the Resumption in due course.

CODE ON CORPORATE GOVERNANCE PRACTICE

To the best knowledge of the Provisional Liquidators and based on limited available information due to prolonged suspension in trading of the shares of the Company on the Stock Exchange and certain books and records of the Company could not be located, the Company has not complied with the code provisions as set out in the Corporate Governance Code and Corporate Governance Report in Appendix 14 of the Listing Rules (the "**CG Code**") throughout the reporting period. For the purpose of maintaining good corporate governance and to ensure future compliance with the requirements of the CG Code and the Listing Rules, the Company has engaged an internal control consultant to review the internal control systems and procedures of the Group. The Group will continue to monitor, review and improve its corporate governance practices and standards to ensure that its business activities and decision making processes, financial reporting procedures, systems and controls are regulated in a proper and prudent manner.

DIRECTORS' SECURITIES TRANSACTIONS

Due to the limitation of incomplete books and records, the Provisional Liquidators were unable to ascertain whether the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Listing Rules for securities transactions during the reporting period.

Based on the information made available to the Provisional Liquidators, the Provisional Liquidators were not able to confirm whether all directors of the Company have complied with, or whether there has been any non-compliance with, the required standards set out in the Model Code.

AUDIT COMMITTEE

The Audit Committee (the "**AC**") was vacant as at 30 June 2016.

With reference to the List of Directors and their Roles and Functions published by the Company on 8 October 2014, the AC comprised of three Independent Non-Executive Directors, namely Mr. Chong Cha Hwa ("**Mr. Chong**"), Dr. Jiang Chang Jian ("**Dr. Jiang**") and Mr. Li Zhi Qiang ("**Mr. Li**"). Mr. Chong, Dr. Jiang and Mr. Li subsequently resigned as Independent Non-Executive Directors on 27 October 2014, 11 October 2014 and 13 October 2014 respectively and ceased to act as members of the AC with effect from the same dates. As a result, the AC is vacant since 27 October 2014. Therefore, this report was not reviewed by the AC and this did not comply with the requirements of the CG Code and Listing Rules.

Due to the limitation of incomplete books and records, the above information was disclosed based on the information available to the Provisional Liquidators. The Provisional Liquidators were unable to ascertain the accuracy and completeness of such information.

PURCHASE, SALE AND REDEMPTION OF THE SHARES

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

REVIEW OF THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The board of directors of the Company has reviewed with the Management the accounting principles and policies as adopted by the Company, the practices of the Group and the unaudited condensed consolidated financial statements for the six months ended 30 June 2016.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This Results Announcement is available for viewing on the website of the Stock Exchange at http://www.hkexnews.hk. The 2016 Interim Report will be available on the website of the Stock Exchange at the earliest practicable opportunity.

The Provisional Liquidators have presented in these financial statements the financial information prepared by the Company's management and based on all available information to the extent provided to them in their capacity as Provisional Liquidators subsequent to their appointment on 11 February 2015. The Provisional Liquidators note that the historical information in respect of the Company prior to such appointment date as provided to them may not be complete and sufficient to establish an accurate and reliable view of the historical transactions, trading and financial position and may contain errors. The Provisional Liquidators provide no assurance for the financial statements, financial position and results contained herein which are presented solely for the purpose of meeting the listing requirements. The Provisional Liquidators do not accept or assume responsibility for these financial statements for any purpose or to any person to whom these financial statements are shown or into whose hands they may come.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange will remain suspended until further notice.

Further announcement(s) will be made by the Company to update the shareholders of the Company on the development of the Company as and when appropriate pursuant to the requirements of the Listing Rules.

For and on behalf of
Boshiwa International Holding Limited
(Provisional Liquidators Appointed)
Stephen Liu Yiu Keung
David Yen Ching Wai
Keiran Hutchison
Joint Provisional Liquidators
who act without personal liabilities

Hong Kong, 16 November 2017

As at the date of this announcement, the executive directors of the Company are Mr. Zhong Zheng Yong, Ms. Chen Li Ping and Mr. Chen Pei Qi.