Koradior Holdings Limited
珂萊蒂爾控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3709)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015

SUMMARY

- Our revenue increased from RMB445.92 million for the six months ended 30 June 2014 to RMB584.52 million for the six months ended 30 June 2015, representing an increase of 31.08% or RMB138.6 million.

- Net profit for the six months ended 30 June 2015 was RMB91.12 million, representing an increase of 81.41% or RMB40.89 million as compared to RMB50.23 million for the six months ended 30 June 2014. Net profit margin increased from 11.26% for the first half of 2014 to 15.59% for the first half of 2015.

- Net cash inflow from operating activities increased to RMB103.86 million for the six months ended 30 June 2015 (six months ended 30 June 2014: RMB43.43 million).

- Basic earnings per share for the six months ended 30 June 2015 was RMB0.18 (six months ended 30 June 2014: RMB0.13).

- No interim dividend is proposed by the Board for the six months ended 30 June 2015 (six months ended 30 June 2014: HK6 cents per share).

The board of directors (the "Board") of Koradior Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (together the "Group") for the six months ended 30 June 2015, together with the comparative figures for the corresponding period in 2014. These unaudited interim financial statements have been reviewed by the audit committee of the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2015 – unaudited

		Six months ended 30 June	
		2015	2014
	Note	***RMB'000***	*RMB'000*
Turnover	*5*	**584,519**	445,924
Cost of sales		**(158,119)**	(121,161)
Gross profit		**426,400**	324,763
Other revenue		**6,000**	2,011
Other net loss		**(124)**	–
Selling and distribution expenses		**(285,910)**	(217,935)
Administrative and other operating expenses		**(27,709)**	(35,787)
Profit from operations		**118,657**	73,052
Finance costs		**(376)**	(2,118)
Profit before taxation	*6*	**118,281**	70,934
Income tax	*7*	**(27,160)**	(20,706)
Profit for the period		**91,121**	50,228
Other comprehensive income for the period, net of tax			
Item that may be reclassified subsequently to profit and loss:			
– Exchange differences on translation of financial statements of entities outside mainland China		**69**	206
Total comprehensive income for the period		**91,190**	50,434
Earnings per share (RMB cents)			
Basic	*8(a)*	**17.97**	13.30
Diluted	*8(b)*	**17.79**	13.30

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2015 – unaudited

	Note	At 30 June 2015 (Unaudited) *RMB'000*	At 31 December 2014 (Audited) *RMB'000*
Non-current assets			
Property, plant and equipment		**94,153**	38,582
Other non-current assets		**9,636**	10,913
Deferred tax assets		**2,152**	882
Total non-current assets		**105,941**	50,377
Current assets			
Inventories		**220,358**	200,266
Trade and other receivables	*9*	**241,815**	211,851
Cash and cash equivalents		**413,826**	427,868
Total current assets		**875,999**	839,985
Current liabilities			
Trade and other payables	*10*	**134,873**	134,689
Bank loans		**26,287**	50,000
Current tax payable		**32,712**	23,359
Total current liabilities		**193,872**	208,048
Net current assets		**682,127**	631,937
Total assets less current liabilities		**788,068**	682,314
Non-current liabilities			
Bank Loan		**52,573**	–
		52,573	–
NET ASSETS		**735,495**	682,314
CAPITAL AND RESERVE			
Capital		**4,038**	4,038
Reserves		**731,457**	678,276
TOTAL EQUITY		**735,495**	682,314

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 23 March 2012 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office of the Company is Cricket Square, Hutchins Drive, P.O Box 2681 Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is Unit C, 17/F, OfficePlus @Mong Kok, No. 998 Canton Road, Kowloon, Hong Kong.

2 BASIS OF PREPARATION

This interim financial statements of the Group have been prepared in accordance with the applicable disclosure provisions of the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), including compliance with International Accounting Standard ("IAS") 34, *Interim financial reporting*, issued by the International Accounting Standards Board ("IASB"). It was authorised for issue on 25 August 2015.

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2014 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2015 annual financial statements. Details of any changes in accounting policies are set out in note 3.

The preparation of an interim financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

3 CHANGES IN ACCOUNTING POLICIES

The IASB has issued the following amendments to International Financial Reporting Standards ("IFRSs") that are first effective for the current accounting period of the Group and the Company.

– Annual Improvements to IFRSs 2010-2012 Cycle

– Annual Improvements to IFRSs 2011-2013 Cycle

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 SEGMENT REPORTING

Operating segments and the amounts of each segment item reported in the financial statement are identified from the financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources to, and assessing the performance of the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and similar in respect of the nature of products and services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

The Group operates in a single business, i.e. retailing and wholesaling of ladies' wear in the People's Republic of China ("PRC"). Accordingly, no segmental analysis is presented.

5 TURNOVER

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Self-operated retail stores	**491,053**	406,531
Wholesales to distributors	**41,066**	17,946
E-commerce platform	**49,543**	19,509
Others	**2,857**	1,938
Total	**584,519**	445,924

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

		Six months ended 30 June	
		2015	2014
		RMB'000	*RMB'000*
(a)	**Finance costs**		
	Interest on bank loan	**376**	2,118
(b)	**Staff costs**		
	Contributions to defined contribution retirement plans	**3,482**	2,764
	Equity settled share-based payment expenses	**2,015**	–
	Salaries, wages and other benefits	**75,312**	62,885
		80,809	65,649
(c)	**Other items**		
	Depreciation	**18,339**	9,892
	Operating lease payments		
	– minimum lease payments	**24,493**	15,075
	– contingent rentals	**132,903**	110,553
	Cost of inventories sold	**153,036**	120,601

7 INCOME TAX

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Current tax		
PRC Corporate Income Tax ("CIT")	**24,569**	20,706
Hong Kong Profits Tax	**3,862**	–
Deferred Tax		
Origination of temporary differences	**(1,271)**	–
	27,160	20,706

Notes:

(i) The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

(ii) The Company and its subsidiary incorporated in the British Virgin Islands and Cayman Islands are exempted from taxation.

(iii) The provision for Hong Kong profits tax has been made as the Group had assessable profits derived from or earned in Hong Kong during the period ended 30 June 2015 (30 June 2014: no provision for profit tax). The income tax rate for the Hong Kong business is expected to be steady at about 16.5% on their respective taxable income for the periods ended 30 June 2015 and 2014.

(iv) In accordance with the relevant PRC income tax rules and regulations, the Group's subsidiaries incorporated/registered in the PRC are subject to Corporate Income Tax at a statutory rate of 25% on their respective taxable income for the periods ended 30 June 2015 and 2014 except for Dongfang Susu Fashion Design and Management Consulting (Shenzhen) Co., Ltd., which is entitled to reduced Corporate Income Tax rate of 15% under the preferential tax policy of Shenhzen-Hong Kong Modern Service Industry Cooperation Zone.

(v) The PRC CIT Law and its implementation rules impose a withholding tax at 10%, unless reduced by a tax treaty or arrangement, for dividends distributed by PRC-resident enterprises to their non-PRC-resident corporate investors for profits earned since 1 January 2008. Under the Sino-Hong Kong Double Tax Arrangement, a qualified Hong Kong tax resident is entitled to a reduced withholding tax rate of 5% if the Hong Kong tax resident is the "beneficial owner" and holds 25% or more of the equity interest of the PRC enterprise directly.

8 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit for the period of RMB91,121,000 (30 June 2014: RMB50,228,000) and the weighted average number of shares for the respective periods and the weighted average number of 506,948,000 shares for the six months ended 30 June 2015 (30 June 2014: 377,777,778 shares).

	Number of shares for the six months ended 30 June 2015	Number of shares for the six months ended 30 June 2014
Weighted average number of shares	**506,948,000**	377,777,778
Basic earnings per share *(RMB cents)*	**17.97**	13.30

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit for the period of RMB91,121,000 (30 June 2014: RMB50,228,000) and the weighted average number of 512,098,735 shares for the six months ended 30 June 2015 (30 June 2014: 377,777,778 shares) calculated as follows:

	Number of shares for the six months ended 30 June 2015	Number of shares for the six months ended 30 June 2014
Weighted average number of shares	**506,948,000**	377,777,778
Effect of deemed issue of shares under Company share option number of ordinary shares(diluted)	**5,150,735**	–
Weighted average number of shares (diluted)	**512,098,735**	377,777,778
Diluted earnings per share *(RMB cents)*	**17.79**	13.30

There were no dilutive potential ordinary shares during the period ended 30 June 2014 and, therefore, diluted earnings per share was the same as the basic earnings per share.

9 TRADE AND OTHER RECEIVABLES

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Trade receivables	**127,918**	155,430
Deposits and prepayments and other receivables	**43,533**	36,369
Investment in wealth management products	**80,000**	30,000
Other receivables	**–**	965
	251,451	222,764
Less: Non-current deposits and prepayments	**(9,636)**	(10,913)
	241,815	211,851

(a) Aging analysis

Majority of the trade receivables are related to sales made through the Group's self-operated stores. The Group leased a number of retail stores within department stores and shopping malls in the PRC. Proceeds from the Group's sales made in these leased retail stores are mainly collected by the department stores and the shopping malls on the Group's behalf.

Following the completion of the reconciliation of the sales in the past month with the department stores and the shopping malls, the Group then issues invoices, the dates of which generally fall within 30 days from the date of revenue recognition. Settlement in respect of these concession sales was made net of the lease rental payable to the department stores and the shopping malls and was generally expected within 60 days from the date of revenue recognition.

The aging analysis of trade receivables based on date of revenue recognition is as follows:

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Within 1 month	**73,775**	103,559
1 to 2 months	**36,224**	36,725
2 to 3 months	**9,761**	7,646
Over 3 months	**8,158**	7,500
	127,918	155,430

(b) Trade receivables that are not impaired

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired is as follows:

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Neither past due nor impaired	**117,051**	140,284
Less than 1 month past due	**2,710**	7,646
1 to 3 months past due	**5,213**	5,848
Over 3 months past due	**2,944**	1,652
	10,867	15,146
	127,918	155,430

As at 30 June 2015, the Group held two investments in a wealth management product of RMB30,000,000 and an asset management plan of RMB50,000,000 issued by financial institutions in the PRC, maturing on 9 and 15 December 2015 respectively. Both of the investments are with guaranteed principals, the fixed returns of the former is 7.6% per annum and the estimated returns of the latter is 8% per annum.

10 TRADE AND OTHER PAYABLES

	At 30 June 2015 *RMB'000*	At 31 December 2014 *RMB'000*
Trade payables		
– third parties	**45,679**	41,391
– a related party	**6,343**	25,205
Trade payables	**52,022**	66,596
Receipts in advance	**12,056**	14,238
Staff costs payables	**16,594**	16,044
VAT and other tax payables	**29,899**	26,596
Other payables	**24,302**	11,215
	134,873	134,689

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand. As at 31 December 2014 and 30 June 2015, amounts due to related parties and amount due to a controlling shareholder were non-trade related, unsecured, interest-free and repayable on demand. All such non-traded related payable have been already settled.

An ageing analysis of the trade payables based on the invoice date is as follows:

	At 30 June 2015 *RMB'000*	At 31 December 2014 *RMB'000*
Within 1 month	**35,883**	40,551
1 to 2 months	**6,508**	6,719
2 to 3 months	**8,041**	4,591
Over 3 months	**1,590**	14,735
	52,022	66,596

11 DIVIDEND

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2015 (2014: HK$0.06 per share).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Despite the fact that China's gross domestic product has maintained a relatively steady growth, the complex and ever-changing business environment still presents the Company with more uncertainty. For the first half of this year, we continued to develop our brands, Koradior and La Koradior, and at the same time vigorously promoted the new brand Koradior elsewhere. We also seize the opportunity of high-speed development of China's e-commerce industry to expand the Company's e-commerce business. Through the joint efforts of all staff, the Company achieved good results in the first half of 2015: an increase of 31.08% in revenue and an increase of 81.41% in net profit as compared to the same period in 2014.

To fully capitalize on market potential and appeal to its target demographic, the Company executed its market strategies and actively enriched its promotional channels. We participated in several fashion shows and clothing trade fairs to enhance our brand awareness and promote our market status. One of our self-owned brands – Koradior elsewhere – was a participant at the 15th China International Fashion Brand Fair-Shenzhen and the 23rd China International Fashion Fair in Shanghai during the period under review. At the Shenzhen Fashion Week, the Company also held a fashion show for its autumn and winter collections. The collections exuded European elegance and romance with creative designs and colors, fully presenting the fashion concepts that the brand aims to deliver to the public, and were highly commented upon by media and widely recognized by the market. As a fashion company, the Company spares no effort in updating its designs and closely keeps up with the latest international fashion trends as well as devotes itself to introduce more SKU[1] to the market. In 2015, the Company was awarded "The Most Influential Brand" ("最具行業影響力品牌獎") by Shenzhen Garment Industry Association.

Looking forward to the second half of 2015, the Company will continue to take a proactive development strategy to expand sales channels, to use the modern information tools to enhance the level of professional services of the Company in the fashion industry and to provide more value-added services to our customers. In addition, we will continue to increase our investment in e-commerce and continue to maintain a high growth in the channel.

1. SKU: Stock keeping unit with products that are exactly the same except to their different colours deemed as different stock-keeping units, and products that are exactly the same except for their different size deemed as one stock keeping unit.

FINANCIAL REVIEW

Turnover

The principal activities of the Group are design, promotion, marketing and sales of self-owned branded ladies' wear products in PRC. Turnover represents the sales value of goods sold less returns, discounts and value-added tax. Total revenue increased from RMB445.92 million for the first half of 2014 to RMB584.52 million for the first half of 2015, representing an increase of 31.08% or RMB138.6 million. Total retails stores increased from 338 as at 1 January 2015 to 383 as at 30 June 2015 *(Note 1)*. Our self-operated retails stores revenue increased 20.79% from RMB406.53 million for the first half of 2014 to RMB491.05 million for the first half of 2015. Total revenue from distributors increased 128.80% from RMB17.95 million for the first half of 2014 to RMB41.07 million for the first half of 2015. Total revenue from e-commerce platforms increased 153.92% from RMB19.51 million for the first half of 2014 to RMB49.54 million for the first half of 2015.

Note 1:

Retail stores breakdown by geographical region:

The following table illustrates the number of retail stores of our brands in the PRC as at 1 January 2015 and 30 June 2015 respectively including both self-operated retail stores and retail stores operated by our distributors:

	Number of retail stores			
Region	**As at 1 January 2015**	**Opened during the period**	**Closed during the period**	**As at 30 June 2015**
Central PRC[1]	37	5	(1)	**41**
Eastern PRC[2]	123	19	(3)	**139**
North Eastern PRC[3]	20	2	(1)	**21**
North Western PRC[4]	17	6	–	**23**
Northern PRC[5]	45	4	–	**49**
South Western PRC[6]	62	9	(1)	**70**
Southern PRC[7]	34	7	(1)	**40**
Total	338	52	(7)	**383**

Notes:

[1] Central PRC includes Henan, Hubei and Hunan.

[2] Eastern PRC includes Shandong, Jiangsu, Zhejiang, Anhui, Shanghai and Fujian.

[3] North Eastern PRC includes Jilin, Heilongjiang and Liaoning.

[4] North Western PRC includes Shaanxi, Ningxia, Qinghai, Gansu and Xinjiang.

[5] Northern PRC includes Tianjin, Beijing, Inner Mongolia, Hebei and Shanxi.

[6] South Western PRC includes Guizhou, Chongqing, Yunnan, Tibet and Sichuan.

[7] Southern PRC includes Guangxi, Hainan and Guangdong.

During the first half of 2015, the Group opened 52 retail stores (comprising 45 self-operated stores and 7 stores operated by distributors) and closed 7 retail stores (comprising 5 self-operated stores and 2 stores operated by distributors). We are continuing to open new stores in the second half of 2015 to meet our business strategy.

Cost of sales

Cost of sales increased from RMB121.16 million during the six months ended 30 June 2014 to RMB158.12 million during the same period in 2015, representing an increase of 30.51% or RMB36.96 million, mainly due to the increase in the cost of inventories sold as a result of the growth of our sales.

Gross profit and gross margin

Gross profit increased from RMB324.76 million for the six months ended 30 June 2014 to RMB426.40 million for the six months ended 30 June 2015, representing an increase of 31.30% or RMB101.64 million. Overall gross profit margin slightly increased from 72.83% for the first half of 2014 to 72.95% for the first half of 2015.

Operating expenses

Operating expenses increased from RMB253.72 million for the six months ended 30 June 2014 to RMB313.62 million for the six months ended 30 June 2015, representing an increase of 23.61% or RMB59.90 million. Operating expenses include selling and distribution expenses, administrative expenses and other operating expenses, and details of them are listed below:

Selling and distribution expenses

Selling and distribution expenses increased by 31.19% to RMB285.91 million for the six months ended 30 June 2015 from RMB217.93 million for six months ended 30 June 2014, primarily due to (a) the increase in store concession fees as a result of the increase in sales; (b) the increase in salaries and staff benefits for sales and marketing staff due to the expansion of retails stores and improvement in remuneration; and (c) the increase in advertising and brand building and promotion expenses, which are in line with the expansion of our sales network as well as business growth.

Administrative and other operating expenses

Administrative and other operating expenses decreased by 22.58% to RMB27.71 million for the six months ended 30 June 2015 from RMB35.79 million for the same period in 2014. Higher administrative and other operating expenses last year was primarily due to the legal and professional fee incurred for the initial public offering ("IPO") of the Company's shares in 2014. If the one-off IPO expenses of RMB13.86 million in the first half of 2014 were excluded, the administrative and other operating expenses would be increased by 26.36% from RMB21.93 million in the first half of 2014 to RMB27.71 million in the first half of 2015.

Finance costs

Finance cost decreased by 82.08% to RMB0.38 million for the six months ended 30 June 2015 from RMB2.12 million for the same period in 2014, mainly due to the repayment of bank borrowings in PRC and the increase in the bank borrowings in Hong Kong for lower loan interest rate.

Income tax expenses

Income tax expenses increased from RMB20.71 million for the first half of 2014 to RMB27.16 million for the first half of 2015, representing an increase of 31.14% or RMB6.45 million, mainly due to the increase in operating profit.

The net profit and profit margin

As the result of foregoing reasons, the net profit for the six months ended 30 June 2015 was RMB91.12 million, compared to RMB50.23 million for the first half of 2014, representing an increase of 81.41% or RMB40.89 million. Net profit margin increased from 11.26% to 15.59% for the first half of 2015.

Capital structure

The Group requires working capital to support its design and development, retail and other business operations. As at 30 June 2015, the Group had total current assets of RMB876 million (30 June 2014: RMB754.48 million) and total current liabilities of RMB193.87 million (30 June 2014: RMB196.68 million) with the current ratio of 4.52. The Board believes that this healthy capital structure and the net cash inflow from operating activities are sufficient to support the operating activities of the Group.

As at 30 June 2015, the Group's interest bearing loans are bank loans denominated in Hong Kong dollars, amounting to HK$100 million and will expire in three years. All loans are interest-bearing at variable interest rates, of which a bank loan of HK$100 million is guaranteed by the Company.

Financial position, liquidity and gearing ratio

The Group generally finances its operations with internally generated cash flow as well as banking facilities provided by its bankers.

As at 30 June 2015, the Group had cash and cash equivalents of RMB413.83 million (31 December 2014: RMB427.87 million), of which 83.76%, 0.18% and 16.06% were denominated in RMB, US dollars and Hong Kong dollars respectively. The net cash inflow from operating activities stood at RMB103.86 million during the six months ended 30 June 2015, up by 139.14% from RMB43.43 million for the six months ended 30 June 2014.

As at 30 June 2015, the Group's gearing ratio, i.e. the total outstanding bank loans divided by total equity, was 10.72% (31 December 2014: 7.33%).

Exposures to fluctuation in foreign exchange

The Group mainly operates in PRC with most of transactions settled by RMB. Hence, the Board considers that the risk exposure to foreign exchange rate fluctuation is not significant and no financial instrument of hedging has been employed to hedge against the currency risks.

Human resources

To support the Group's development plan, the Group's number of employees has increased to 2,290 as at 30 June 2015 (30 June 2014: 1,856). The total staff costs for the period (including basic wages and salaries, commissions, bonuses, retirement benefits scheme contributions and share options expenses) amounted to RMB80.81 million (six months ended 30 June 2014: RMB65.65 million), representing 13.83% of our revenue (six months ended 30 June 2014: 14.72%).

The Group has a share option scheme in place for selected participants as incentive and reward for their contribution to the Group. A mandatory provident fund scheme and local retirement benefit schemes are also in effect. The Group encourages employees to seek training to strengthen their work skills and for personal development. The Group also provides workshops for staff at different levels to enhance their knowledge of work safety and to build team spirit. Staff are rewarded based on performance of the Group as well as on individual performance and contribution.

Charges of assets

As at 30 June 2015, the Group had no secured bank borrowings (31 December 2014: Nil).

Contingent liabilities

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

Material acquisition and disposal

During the six months ended 30 June 2015, the Group had no acquisition or disposal of subsidiaries or associated companies.

Use of proceeds

With the successful listing of the Company's shares on the main board of the Stock Exchange on 27 June 2014, net proceeds of HK$534.74 million have been raised, of which HK$274.66 million had been utilised as at 30 June 2015.

Items	**Amount** *(HK$ million)*
Establish new self-operated retail stores	134.52
Develop new brands of our Group	41.42
Further development of e-commerce business	28.99
Koradior brand promotion and marketing	42.99
Working capital and general corporate purposes	26.74
Total	274.66

PROSPECTS

Although China's economy is experiencing a restructuring and under transition, it is generally believed that a positive performance in high-end ladieswear industry over the long term will still persist.

Therefore, the Board is optimistic about the future development of the Group. We will continue to apply sophisticated strategies, enriching our advertising channels and creative designs, as well as expand our retail store networks, enrich product mix on e-commerce platforms to enhance our leading brand status in the market. The Group will continue to endeavor to promote sustainable business growth and pursue long-term financial returns to our shareholders.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2015 (2014: HK6 cents per share).

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance practices and the implementation of effective corporate governance commitments. The Company has met the relevant code provisions set out in the Corporate Governance Code based on the principles set out in appendix 14 to the Listing Rules during the six months ended 30 June 2015, except for code provision A.2.1 of the Corporate Governance Code which requires that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. Mr. Jin Ming currently performs these two roles in our Company. The Board believes that vesting the roles of both chairman and chief executive officer in Mr. Jin Ming has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning for our Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired considering the background and experience of our Directors and the number of independent non-executive Directors on the Board and this structure will enable our Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of our Board and chief executive officer of our Company at a time when it is appropriate and suitable by taking into account the circumstances of our Group as a whole.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2015.

AUDIT COMMITTEE

The Audit Committee of the Company, comprising all the three independent non-executive Directors, namely Mr. Wong Wai Kong (as Chairman), Mr. Hung Man Sing and Mr. Zhong Ming, is primarily responsible for reviewing and supervising the financial reporting and the internal control of the Group. The Audit Committee has discussed with management the accounting policies adopted by the Group and reviewed the unaudited interim financial statements of the Group for the six months ended 30 June 2015.

By order of the Board
Koradior Holdings Limited
JIN MING
Chairman

Hong Kong, 25 August 2015

As at the date of this announcement, the directors of the Company are:

Executive Directors:
Mr. JIN Ming
Ms. He Hongmei
Mr. DENG Shigang

Independent Non-Executive Directors:
Mr. WONG Wai Kong
Mr. HUNG Man Sing
Mr. ZHONG Ming