Sunlit

無錫盛力達科技股份有限公司

Wuxi Sunlit Science and Technology Company Limited

(A joint stock company established in the People's Republic of China with limited liability)

(Stock Code: 1289)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015, RE-DESIGNATION OF DIRECTOR, PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND PROPOSED CHANGE OF THE HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Financial Highlights	**Six months ended 30 June**		
	2015	2014	**Change**
Revenue (RMB million)	**44.6**	140.3	-68.2%
Gross profit (RMB million)	**10.2**	81.4	-87.5%
(Loss)/Profit before income tax (RMB million)	**(77.4)**	69.8	N/A
(Loss)/Profit for the period (RMB million)	**(59.7)**	55.5	N/A
(Loss)/Profit attributable to shareholders of the Company (RMB million)	**(59.7)**	55.5	N/A
Basic earnings per share (RMB)	**(0.47)**	0.58	N/A

INTERIM RESULTS

The board (the "Board") of directors (the "Directors") of Wuxi Sunlit Science and Technology Company Limited (the "Company") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2015.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

(All amounts in RMB thousands unless otherwise stated)

	Note	Six months ended 30 June	
		2015	2014
		Unaudited	Audited
Revenue	*3*	**44,628**	140,295
Cost of sales		**(34,444)**	(58,853)
Gross profit		**10,184**	81,442
Selling expenses		**(1,906)**	(3,274)
Administrative expenses		**(94,392)**	(11,612)
Other income	*5*	**3,080**	3,062
Other gains-net	*6*	**2,456**	52
Operating (losses)/profit		**(80,578)**	69,670
Finance income	*7*	**3,399**	1,051
Finance expense	*7*	**(257)**	(910)
Finance income-net	*7*	**3,142**	141
(Loss)/profit before income tax		**(77,436)**	69,811
Credit/(charge) to income tax expense	*8*	**17,721**	(14,360)
(Loss)/profit for the period		**(59,715)**	55,451
(Loss)/profit attributable to shareholders of the Company		**(59,715)**	55,451
Earnings per share attributable to shareholders of the Company for the year (expressed in RMB per share)			
– Basic and diluted	*9*	**(0.47)**	0.58
Dividends		**–**	120,000

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(All amounts in RMB thousands unless otherwise stated)

	Six months ended 30 June	
	2015	2014
	Unaudited	Audited
(Loss)/profit for the period	**(59,715)**	55,451
Other comprehensive income	**–**	–
Total comprehensive income for the period	**(59,715)**	55,451
Total comprehensive income attributable to shareholders of the Company	**(59,715)**	55,451

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

(All amounts in RMB thousands unless otherwise stated)

	Note	**As at 30 June 2015**	As at 31 December 2014
		Unaudited	Audited
ASSETS			
Non-current assets			
Land use rights		**26,242**	34,251
Property, plant and equipment		**105,777**	104,555
Investment property		**20,222**	–
Intangible assets		**273**	347
Trade receivables	*10*	**26,770**	27,000
Deferred income tax assets		**24,039**	5,581
		203,323	171,734
Current assets			
Inventories	*11*	**62,602**	78,693
Prepaid income tax		**–**	1,661
Prepayments		**9,241**	12,027
Trade and other receivables	*10*	**206,258**	304,925
Restricted cash		**10,199**	10,123
Cash and cash equivalents		**168,087**	239,557
		456,387	646,986
Total assets		**659,710**	818,720
EQUITY			
Share capital		**128,000**	128,000
Share premium		**311,464**	311,464
Reserves		**57,466**	56,767
Retained earnings			
– Proposed final dividend		**–**	19,200
– Others		**66,627**	127,041
Total equity		**563,557**	642,472

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)
(All amounts in RMB thousands unless otherwise stated)

	Note	**As at 30 June 2015**	As at 31 December 2014
		Unaudited	Audited
LIABILITIES			
Current liabilities			
Trade and other payables	*12*	**49,915**	56,968
Advances from customers		**26,306**	42,117
Current income tax liabilities		**732**	1,913
Borrowings		**–**	75,250
Dividend payable		**19,200**	–
		96,153	176,248
Non-current liabilities		**–**	–
Total liabilities		**96,153**	176,248
Total equity and liabilities		**659,710**	818,720
Net current assets		**360,234**	470,738
Total assets less current liabilities		**563,557**	642,472

Notes:
(All amounts in RMB thousands unless otherwise stated)

1 BASIS OF PREPARATION

(All amounts in RMB thousands unless otherwise stated)

This interim condensed consolidated financial statements for the six months ended 30 June 2015 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, 'Interim financial reporting'. The interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

2 ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2014, as described in those annual financial statements.

(a) New and amended standards adopted by the Group

The following standards have been adopted by the Group for the first time for the financial year beginning on 1 January 2015. The adoption of these new and amended standards and interpretations does not have any significant impact to the Group's consolidated financial statements.

Standards/Amendments/Interpretation	**Subject of amendment**
Annual improvements 2012	2010-2012 cycle of the annual improvements
Annual improvements 2013	2011-2013 cycle of the annual improvements
Amendment to HKAS 19	Defined benefit plans: employee contributions

3 REVENUE

The Group is principally engaged in manufacturing and sale of a range of equipment for manufacturing steel wire products. Revenues from sales of goods for the six months ended 30 June 2015 and 2014 are as follows:

	Six months ended 30 June	
	2015	2014
Production lines		
– Brass electroplating wire production lines	**12,179**	96,876
– Other production lines	**1,856**	3,590
Standalone machines	**25,402**	28,513
Other mould repairing equipment, components parts and accessories	**5,191**	11,316
	44,628	140,295

The chief operating decision-maker ("CODM") has been identified as the executive directors of the Company. The CODM regards the Group's business as a single operating segment and reviews the financial statements accordingly. Also, the Group operates its business only within mainland China. Therefore, no business/geographical segment information is presented.

The Group's revenues were derived from the following external customers that individually contributed more than 10% of the Group's revenues for the six months ended either 30 June 2015 or 30 June 2014:

	Six months ended 30 June	
	2015	2014
Company A	**20,360**	221
Company B	**12,179**	4
Company C	**5,118**	30,182
Company D	**3,434**	68,623
Company E	**314**	21,757
	41,405	120,787

4 DEPRECIATION AND AMORTISATION

	Six months ended 30 June	
	2015	2014
Depreciation and amortisation	**3,727**	2,224

5 OTHER INCOME

	Six months ended 30 June	
	2015	2014
Government subsidies *(note(a))*	**2,010**	1,269
Value-added tax("VAT") refunds *(note(b))*	**497**	1,793
Rental income from investment property	**573**	–
	3,080	3,062

Notes:

(a) Government subsidies mainly represented subsidies for the Group's technical research projects and for corporate development.

(b) According to the relevant tax regulations, the sales of self-developed software products of the Company and a wholly-owned subsidiary, Wuxi Haisheng Software Technology Co., Ltd. ("Haisheng Software"), are entitled to VAT refunds from July 2010 until June 2015 and from December 2011 until October 2016, respectively.

6 OTHER GAINS – NET

	Six months ended 30 June	
	2015	2014
Gains on disposal of land use right, plant and equipment, net	**2,413**	52
Foreign exchange gains	**43**	–
	2,456	52

7 FINANCE INCOME – NET

	Six months ended 30 June	
	2015	2014
Interest expense:		
– Bank borrowings wholly repayable within 5 years	**(429)**	(1,558)
Less: amounts capitalised on qualifying assets	**172**	648
Total finance expense	**(257)**	(910)
Finance income:		
– Bank interest income	**1,145**	1,051
– Foreign exchange gains	**2,254**	–
	3,399	1,051
Net finance income	**3,142**	141

8 (CREDIT)/CHARGE TO INCOME TAX EXPENSE

	Six months ended 30 June	
	2015	2014
Current income tax – PRC corporate income tax	**737**	7,235
Deferred income tax	**(18,458)**	7,125
(Credit)/charge to income tax expense	**(17,721)**	14,360

Except for the PRC corporate income tax described below, the Group is not subject to income tax of other jurisdictions.

PRC corporate income tax ("CIT")

CIT is provided on the assessable income of entities within the Group established in the PRC.

Pursuant to the PRC Corporate Income Tax Law (the "New CIT Law"), the CIT is unified at 25% for all types of entities, effective from 1 January 2008.

(a) The Company's applicable CIT rate is 25% according to the New CIT Law. Under the relevant regulations of the New CIT Law, the Company is qualified as High/New Tech Enterprise for three years from 2013 to 2015. Therefore, the Company has applied a reduced CIT rate of 15% for the six months ended 30 June 2015 (six months ended 30 June 2014: 15%).

(b) Haisheng Software, a subsidiary of the Company qualified as a newly established software enterprise under the New CIT Law in 2012. According to the relevant tax regulations, Haisheng Software is exempt from CIT for two years, followed by a 50% reduction in the applicable tax rates for the next three years, commencing either from the first year of commercial operations or from the first year of profitable operation after offsetting tax losses incurred in prior years. For the six months ended 30 June 2015, the applicable CIT rate is 12.5% (six months ended 30 June 2014: 12.5%).

9 EARNING PER SHARE

The basic earnings per share is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares in during the year.

	Six months ended 30 June	
	2015	2014
	RMB	*RMB*
Profit attributable to owners of the Company (RMB'000)	**(59,715)**	55,451
Weighted average number of ordinary shares in issue(thousand)	**128,000**	96,000
Basic earnings per share (RMB/share)	**(0.47)**	0.58

As the Company did not have any dilutive potential ordinary shares outstanding as at 30 June 2015 and 2014, diluted earnings per share is equal to basic earnings per share.

10 TRADE AND OTHER RECEIVABLES

	30 June 2015	31 December 2014
Trade receivables *(note (a))*		
– Related parties	**–**	1,543
– Third parties	**300,439**	251,996
	300,439	253,539
Less: allowance for impairment of trade receivables	**(97,621)**	(23,324)
Trade receivables – net	**202,818**	230,215
Notes receivable	**29,125**	101,357
Interest receivable	**651**	–
Other receivables – third parties	**434**	353
Less: non-current portion – trade receivables	**(26,770)**	(27,000)
	206,258	304,925

Note:

(a) Apart from a portion of the contract sum retained by customers to cover the Group's quality warranty, the Group does not grant credit terms to customers in the sale contract. Included in trade receivables are such retained sums of approximately RMB82,893,000 (31 December 2014: RMB80,498,000) representing 27.6% of trade receivables as at 30 June 2015 (31 December 2014: 31.7%). These are due for collection upon the expiry of quality warranty period (which is usually 12 months from the acceptance by the customer of the equipment).

Aging analysis based on recognition date of the gross trade receivables at the respective balance sheet dates is as follows:

	30 June 2015	31 December 2014
Up to 1 year	**149,233**	132,678
1-2 years	**71,627**	67,153
2-3 years	**39,084**	21,605
Over 3 years	**40,495**	32,103
	300,439	253,539

Movements of allowance for impairment of trade receivables are as follows:

	Six months ended 30 June	
	2015	2014
At the beginning of period	**23,324**	45,201
Additional allowance for impairment	**75,137**	20,495
Reversal of allowance for impairment	**–**	(31,990)
Receivables written off as uncollectible	**(840)**	(120)
At the end of period	**97,621**	33,586

11 INVENTORIES

	30 June 2015	31 December 2014
Raw materials	**24,334**	21,959
Work in progress	**38,857**	39,203
Finished goods	**166**	17,531
	63,357	78,693
Less: allowance for impairment	**(755)**	–
	62,602	78,693

12 TRADE AND OTHER PAYABLES

	30 June 2015	31 December 2014
Trade payables *(note (a))*	**13,740**	12,870
Notes payable	**12,923**	19,886
Payables for property, plant and equipment	**14,564**	5,350
Other taxes payable	**560**	2,085
Employee benefits payable	**1,690**	2,548
Quality warranty deposits from suppliers	**3,870**	4,070
Listing expenses payable	**–**	6,146
Others	**2,568**	4,013
	49,915	56,968

Note:

(a) The ageing analysis of the trade payables was as follows:

	30 June 2015	31 December 2014
Up to 1 year	**10,956**	9,833
1-2 years	**731**	957
2-3 years	**353**	692
Over 3 years	**1,700**	1,388
	13,740	12,870

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group is principally engaged in manufacturing and sales of a range of equipment for manufacturing steel wire products. As an integrated production solution provider of steel wire products in the PRC, the activities of the Group include research and development, design, manufacturing, equipment supply, installation, testing, repairs and maintenance of production lines for manufacturing steel wire products. Under the difficult conditions of in-depth adjustment in the global economy and the continuous slowdown of growth of the Chinese economy in the first half of 2015, the export of the tyre industry and the steel cord industry in the PRC was affected, with the problem of continued production overcapacity. Coupled with the increasing intense competition in the market, all these issues affected the profitability of the Group to a certain extent. At the same time, subject to the restriction on the number of vehicles on the road, the vehicle purchase limit and the slowdown in the growth of automobiles in large cities, it is difficult to boost the domestic demand of tyres. Also, affected by factors including the "anti-dumping and anti-subsidy measures" imposed by the US, the demand of overseas market demonstrated a pessimistic situation. The tyre industry was gloomy and therefore the steel cord industry was affected. Affected by the market conditions and the industrial factors, the turnover of the Group decreased as compared to the corresponding period of last year. Also, the Group made allowance for impairment for trade receivables. As a result, the revenue dropped to RMB44,628,000 for the six months ended 30 June 2015 from RMB140,295,000 in the corresponding period in 2014, and recorded a loss of RMB59,715,000 for the period.

Revenue

	For the six months ended 30 June					
	2015			2014		
	Unit(s) sold	***RMB'000***	***%***	*Unit(s) sold*	*RMB'000*	*%*
Brass electroplating wire production lines	**1**	**12,179**	**27.3**	5	96,876	69.0
Other production lines	**2**	**1,856**	**4.2**	4	3,590	2.6
Standalone machines	**172**	**25,402**	**56.9**	176	28,513	20.3
Mould repairing equipment, component parts and accessories	**N/A**	**5,191**	**11.6**	N/A	11,316	8.1
		44,628	**100.0**		140,295	100.0

Our revenue decreased by RMB95.7 million, or approximately 68.2%, to RMB44.6 million for the six months ended 30 June 2015 from RMB140.3 million in the corresponding period in 2014. The decrease is mainly due to our customers' delay payment and acceptance checking as (i) the slowdown of the growth of downstream industries; (ii) the overproduction capacity of steel cord industry; and (iii) more intense market competition leading to the slowdown of the pace of the original expansion plan of our customers.

Brass electroplating wire production lines. Revenue from sales of brass electroplating wire production lines decreased by 87.4% to RMB12.2 million for the six months ended 30 June 2015 from RMB96.9 million in the corresponding period in 2014. Only one set of brass electroplating wire production lines was accepted by the customer for the six months ended 30 June 2015 when five sets was accepted by the customers in the corresponding period in 2014. As the slowdown of the growth of downstream industries, our customers delayed their original expansion plan.

Other production lines. Revenue from sales of other production lines decreased by 47.2% to RMB1.9 million for the six months ended 30 June 2015 from RMB3.6 million in the corresponding period in 2014. The decrease was mainly due to a decrease in the number of other production lines adopted by our customers after testing from four sets for the first half of 2014 to two sets for the first half of 2015.

Standalone machines. Revenue from sales of standalone machines decreased by 10.9% to RMB25.4 million for the six months ended 30 June 2015 from RMB28.5 million in the corresponding period in 2014. The decrease was primarily due to the decrease in sale prices in the standalone machines. As standalone machines sold in six months ended 30 June 2015 were of a simpler product type so with lower prices than those in the corresponding period in 2014. In addition, we endeavour to grow our market share by reducing the average selling price of our standalone machines.

Mould repairing equipment, component parts, and accessories. Revenue from sales of mould repairing equipment, component parts, and accessories decreased by 54.0% to RMB5.2 million for the six months ended 30 June 2015 from RMB11.3 million in the corresponding period in 2014. The decrease was primarily due to decease in equipment modification services provided to customers. As the financial constraints, one of our customers delayer payment and acceptance checking for an equipment modification service of RMB6.7 million during the six months ended 30 June 2015.

Gross profit and gross profit margin

Gross profit decreased by 87.5% to RMB10.2 million for the six months ended 30 June 2015 from RMB81.4 million in the corresponding period in 2014. The overall gross profit margin decreased to 22.8% for the six months ended 30 June 2015 from 58.1% in the corresponding period in 2014 due to different product mix. During the six months ended 30 June 2015, there was an increase in the sales proportion of the standalone machines, which have a relatively lower gross profit margin as compared to brass electroplating wire production lines. In addition, we have endeavoured to grow our market share by reducing the average selling price of our products, which also lead to the decrease in our profit margin.

Other income

Other income mainly represented the value-added tax refunds and government subsidies received by the Group. During the six months ended 30 June 2015, the rental income amounting to RMB0.6 million represented the income from renting a property to an independent third party. No material fluctuation of other income was noted for the six months ended 30 June 2015.

Selling expenses

Our selling expenses decreased by 42.4% to RMB1.9 million for the six months ended 30 June 2015 from RMB3.3 million in the corresponding period in 2014, primarily due to the decrease in transportation expenses.

Administrative expenses

Our administrative expenses increased from RMB11.6 million for the six months ended 30 June 2014 to RMB94.4 million in the corresponding period in 2015. This is primarily because during the six months ended 30 June 2014, there was a net reversal of impairment of receivables of RMB11.4 million resulting from subsequent collection of long-aged trade receivables under the continuing effort of the Group. During the six months ended 30 June 2015, based on our estimation, we made an additional allowance amounting to RMB75.1 million for impairment of receivables for the following reasons: (i) From 2015, the weak demand for capacity expansion in our high-end downstream automobile industry has led to a decreasing demand for products by our direct downstream customers such as those in the steel cords producing industry, and also the continuous decrease in sales price of steel cords due to the intense competition in the industry. These have caused our downstream customers to preserve their liquidity funds through deferring production capacity plan or delaying payments; (ii) failure by certain customers to adhere to the agreed repayment schedule since the second quarter of 2015, and the collection of receivables has not been improved in the subsequent period. Furthermore, the impact of the additional allowance for the receivables was partially offset by a decrease in research and development expenses.

Other gains-net

The Group recorded net other gains of RMB2.5 million for the six months ended 30 June 2015, compared with the net other gain of RMB0.1 million in the corresponding period in 2014. The increase mainly represented an increase in gains on disposal of land use right, plant and equipment due to one of our subsidiaries, Jiangyin Sanzhi Gongkong Machinery Co., Ltd., was relocated to the new manufacturing facility in Wuxi and its land use right was expropriated by the government.

Finance income-net

The Group recorded a net finance income of RMB3.1 million for the six months ended 30 June 2015, compared with the net finance income of RMB0.1 million in the corresponding period in 2014. The increase mainly represented a foreign currency exchange gain generated from the settlement of exchange of the proceeds from the IPO during the six months ended 30 June 2015.

Income tax expense

The Group recorded a credit to income tax expense of RMB17.7 million for the six months ended 30 June 2015, compared with the income tax expense of RMB14.4 million in the corresponding period in 2014. The effective tax rates increase to 22.9% for the six months ended 30 June 2015 from 20.6% in the corresponding period in 2014.

Trade receivables

Our gross trade receivables increased by 18.5% from RMB253.5 million at 31 December 2014 to RMB300.4 million as at 30 June 2015, primarily due to the weak market demand and the declining industry which increased difficulties in collecting receivables from downstream customers.

Inventories

Our inventories decreased by 20.4% from RMB78.7 million as at 31 December 2014 to RMB62.6 million as at 30 June 2015 as a result of a decrease in finished goods.

The finished goods decreased from RMB17.5 million as at 31 December 2014 to RMB0.2 million as at 30 June 2015. The decrease was primarily because most of the standalone machines on hand being accepted by the customers during the six months ended 30 June 2015. Meanwhile, according to production schedule, some standalone machines were in the progress of production as at 30 June 2015, and were not completed for transfer to finished goods.

Trade payables

Our trade payables slightly increased by 6.2% from RMB12.9 million as at 31 December 2014 to RMB13.7 million as at 30 June 2015, primarily due to an increase in our purchase of raw materials near the period ended, in line with an increase in the balance of raw material at 30 June 2015.

Liquidity and financial resources

Cash position and fund available

During six months ended 30 June 2015, the Group maintained a healthy liquidity position, with working capital being financed by our operating cash flows.

As at 30 June 2015, the total cash and bank balances of the Group were RMB178.3 million (31 December 2014: RMB249.7 million), comprising cash and cash equivalents of RMB168.1 million (31 December 2014: RMB239.6 million) and restricted cash of RMB10.2 million (31 December 2014: RMB10.1 million).

As at 30 June 2015, the current ratio of the Group was 4.7 (31 December 2014: 3.7).

Bank borrowings

As at 30 June 2015, there was no outstanding bank borrowings. All the bank borrowings of RMB75.3 million as at 31 December 2014 were repaid during the six months ended 30 June 2015.

Capital expenditures

During six months ended 30 June 2015, the Group's capital expenditures amounted to RMB21.0 million (six months ended 30 June 2014: RMB17.3 million) which has mainly related to the construction of the new manufacturing facility and new research and development centre located in Wuxi (the "New Wuxi Facility" and "New Research & Development Centre").

Capital commitments

As at 30 June 2015, the Group's capital commitments in relation to the construction of New Wuxi Facility and New Research & Development Centre amounted to RMB4.7 million (31 December 2014: RMB19.4 million).

Foreign currency risk

The Group operates only within the PRC and virtually all its revenues and expenses are denominated and settled in RMB with the exception of export sales (approximately 3.0% for six months ended 30 June 2015 and no export sales for the six months ended 30 June 2014) that were denominated in USD. The Group has negligible foreign exchange risk exposure and does not use any financial instrument for hedging.

USE OF NET PROCEEDS FROM THE IPO

The Company's ordinary shares were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 11 November 2014. The net proceeds from the IPO after deduction of underwriting commissions, fees and listing related expenses payables amounted to approximately HK$209.5 million (equivalent to approximately RMB165.3 million). During the six months ended 30 June 2015, we used approximately HK$46.2 million, HK$3.2 million and HK$20.1 million for funding the construction of the New Wuxi Facility and New Research & Development Centre, developing certain targeted research and development projects and general working capital and other general corporate purposes, respectively. As at 30 June 2015, the unused proceeds of approximately HK$140.0 million were deposited in licensed banks in PRC.

BUSINESS PROSPECTS

2015 is full of challenges and opportunities for the Group. As a leading company in industry of manufacturers of steel wire products successfully listed in Hong Kong, the Group believes that a decrease of the RMB central parity rate imposed by People's Bank of China this month is expected to stimulate export. Under this macro environment, the Company will face more opportunities. In the future, the Group will enhance technology development, train talents on technology management and technology innovation, and commence new projects and the research and development of new products based on the market demand in order to stabilize and extend the market share. Meanwhile, the Group is committed to expanding the international market and will develop advanced products for overseas markets. The Group will continue to monitor industry trend and regularly review the business expansion plan in order to adopt the necessary measures which are in the best interests of the Group. The Group believes that the it will obtain further support from more domestic and overseas customers in the future, and that the Group will not only maintain the leading position in the domestic market but also keep on working towards the goal of being a leading manufacturer of steel wire products internationally in order to achieve better results.

EMPLOYEE AND REMUNERATION INFORMATION

As at 30 June 2015, the Group employed a total of 168 fulltime employees, which included management, finance, internal audit, research and development, technical application, quality control, manufacturing, procurement, sales and marketing staff. For the six months ended 30 June 2015, our Group's total employee remuneration was RMB10.8 million, representing 24.2% of the Group's total revenue.

The Group places great emphasis on recruiting and training quality personnel by providing introduction training programs to the new employees and on-going internal training to the existing employees to enhance their industrial, technical and product knowledge, their work ethic as well as their knowledge of industry quality standards and work safety standards. Furthermore, the Group encourages its employees to take advanced courses and obtain professional certifications.

The Group is confident that its employees will continue to provide a firm foundation for the success of the Group and will maintain high standard of service to the clients.

CONTINGENT LIABILITIES

As at 30 June 2015, the Group did not have any significant contingent liabilities (2014: Nil).

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE (THE "CG CODE")

For the six months ended 30 June 2015, the Company has complied with all code provisions of the CG Code contained in Appendix 14 to the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange (the "Listing Rules").

MODEL CODE FOR SECURITIES TRANSACTIONS OF DIRECTORS OF LISTED ISSUERS ("MODEL CODE")

The Company has adopted the Model Code as the code of conduct regarding securities transactions by the Directors and supervisors of our Company set out in Appendix 10 to the Listing Rules. Upon making specific enquiries of all of the Directors and supervisors of the Company, all Directors and supervisors of the Company confirmed that each of them had fully complied with the required standards set out in the Model Code for the six months ended 30 June 2015.

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

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

DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2015.

AUDIT COMMITTEE

The audit committee of the Board has held meetings to discuss the internal controls and financial reporting matters of the Company, including the review of the interim results and the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2015.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this interim results announcement, the Company has maintained the prescribed minimum public float under the Listing Rules since the Listing Date up to the date of this annual results announcement.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.wxsunlit.com). The interim report for the six months ended 30 June 2015 containing all relevant information required by Appendix 16 to the Listing Rules will be dispatched to the shareholders of our Company and available on the above websites in due course.

RE-DESIGNATION OF DIRECTOR

The Board announces that Ms. Zhang Jinghua ("Ms. Zhang"), an executive Director, has tendered her resignation as the vice-general manager with effect from 28 August 2015. She is re-designated as a non-executive Director after her resignation. Ms. Zhang confirms that her re-designation as a non-executive Director is due to her personal health issue and she does not have any disagreement with the Board and the Company. Ms. Zhang further confirms that there is no matter relating to her resignation and re-designation which needs to be brought to the attention of the shareholders of the Company and the Stock Exchange.

Ms. Zhang Jinghua

Ms. Zhang aged 53, joined our Group in April 2009 as the director of Jiangyin Sanzhi Gongkong Company Limited* (江陰三知工控有限公司), and in December 2011, she was appointed as its general manager. Since July 2012, she has acted as the vice-general manager until her resignation on 28 August 2015. She had served as an executive Director since August 2013 until her re-designation as a non-executive Director with effect from 28 August 2015. Ms. Zhang is the sister of Mr. Zhang Degang and Mr. Zhang Deqiang.

Ms. Zhang graduated from high school in July 1978. In February 2012 and February 2013, respectively, she was recognised by 中國共產黨江陰市委 (Jiangyin Municipal Committee of the Communist Party of China*) and 江陰市人民政府 (People's Government of the Jiangyin City*) as "優秀總經理" (outstanding general manager*).

From March 1979 to November 1991, Ms. Zhang Jinghua worked as a teacher in 江陰市要塞中學 (Jiangyin City Yaosai Secondary School*). From October 1991 to October 2002, she worked in 江陰聯通實業有限公司 (Jiangyin Liantong Industrial Company Limited*). Ms. Zhang obtained a qualification certificate of speciality and technology in statistics (elementary level) approved and issued by the Ministry of Personnel of the PRC (中華人民共和國人事部) and conferred by the National Bureau of Statistics of the PRC (國家統計局) in October 1998. From October 2002 to November 2005, she acted as the director and manager of Jiangyin Sanzhi, which was principally engaged in the installation, modification, repair and maintenance of industrial automatic control equipment. From March 2004 to November 2009, she acted as the director and general manager of 江陰三佳工控機械有限公司 (Jiangyin Sanjia Gongkong Machinery Company Limited*), which was principally engaged in the design, sale and manufacture of industrial automation control system. In order to allow Ms. Zhang to focus on the business of our Group, 江陰三佳工控機械有限公司 (Jiangyin Sanjia Gongkong Machinery Company Limited*) has been deregistered in July 2012.

As Ms. Zhang has been re-designated as a non-executive Director of the Company, the service contract for executive Director entered into between the Company and. Ms. Zhang was terminated on 28 August 2015. The Company has entered into a service contract for non-executive Director with Ms. Zhang for an appointment term commencing on 28 August 2015 and expiring upon the end of the second session of the Board, subject to retirement by rotation and re-election at the general meetings of the Company in accordance with the Articles of Association. Ms. Zhang does and will not receive director's fee as a non-executive Director.

* *For identification purpose only*

Ms. Zhang Jinghua had the following interest in the Company within the meaning of Part XV of the SFO as at the date of announcement:

Capacity	No. of issued ordinary shares (domestic shares) held	No. of underlying shares held
Beneficial owner	4,027,392	–
Interest held jointly with another person *(Note 1)*	77,620,608	–

Notes:

(1) Mr. Zhang Degang, Mr. Zhang Deqiang and Ms. Zhang Jinghua are persons acting in concert and accordingly each of them is deemed to be interested in the Shares held by each other. By the Acting in Concert Agreement dated 26 July 2013, each of Mr. Zhang Degang, Mr. Zhang Deqiang and Ms. Zhang Jinghua confirmed that they have exercised their voting rights at the meetings of the shareholders and/or directors of the members of our Group in unanimity since the establishment of Sanzhi Gongkong on 17 April 2009, and will continue to do so.

Save as disclosed above, Ms. Zhang Jinghua has not held any other directorships in the last three years in any public companies the securities of which are listed on any securities market in Hong Kong or overseas and Ms. Zhang does not hold other positions in the Group. Ms. Zhang does not have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company and Ms. Zhang does not have any interest in the Shares within the meaning of Part XV of the SFO as at the date of announcement.

There is no information that should be disclosed in respect of Ms. Zhang Jinghua pursuant to the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters that need to be brought to the attention of the shareholders of the Company.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Board proposes to make certain amendments to the articles of association of the Company (the "Articles of Association") in order to meet the needs of the Company's development. Specific amendments are as follows:

1. Amend Article 1.3 of the Articles of Association

Original:

Article 1.3 The registered address of the Company: B15, Standard Plant District A, Huishan Economic Development Zone, Wuxi City

Postal Code: 214174

Telephone number: (86) 510 83760568
Facsimile number: (86) 510 83760060

Amended to:

Article 1.3 The registered address of the Company: 1 Yanxin Road East, Huishan Economic Development Zone, Wuxi City

Postal Code: 214174

Telephone number: (86) 510 83760568
Facsimile number: (86) 510 83760060

2. Amend Article 2.2 of the Articles of Association

Original:

Article 2.2 The Company's scope of business includes: the design, installation, debugging and sale of the automation control equipment; the sale of standard machinery and parts, electronic machinery and appliance, hardware and electrical equipment, instrument and meter; the manufacturing, processing and sale of automation and control equipment, machinery parts and stainless steel trough. (if any of the above business requires administrative permit, the business shall only be conducted after the acquisition of such permit).

The business scope as approved by the registration authorities will be final and valid. The Company can adjust its business scope and practices and set up subsidiaries, branches and offices in China and abroad (whether or not wholly owned) according to the changes in the market and its own business needs.

Amended to:

Article 2.2 The Company's scope of business includes: the design, installation and debugging of the automation control equipment; the manufacturing and processing of automation and control equipment, machinery parts and stainless steel trough; the wholesale of standard machinery and parts, electronic machinery and appliance, hardware and electrical equipment, instrument and meter; the import and export business of the above products (the above import and export business excludes products under state-run trade and management, while the application for products under quota and permit shall be made according to the relevant state requirements) (if any of the above business requires an administrative permit, the business shall only be conducted after the acquisition of such permit).

The business scope as approved by the registration authorities will be final and valid. The Company can adjust its business scope and practice and sets up subsidiaries, branches and offices in China and abroad (whether or not it is wholly owned) according to the changes of the market and its own business needs.

3. Amend Article 10.1 of the Articles of Association

Original:

Article 10.1 The Company shall have a board of directors which is accountable to and report its work to the shareholders' general meeting. The board of directors consists of 7 directors, of which 3 of them are executive directors, 1 is non-executive director and 3 are independent non-executive directors. The board of directors shall have one chairman of the board of directors, but no vice chairman.

Amended to:

Article 10.1 The Company shall have a board of directors which is accountable to and report its work to the shareholders' general meeting. The board of directors consists of 7 directors, of which 2 of them are executive directors, 2 are non-executive directors and 3 are independent non-executive directors. The board of directors shall have one chairman of the board of directors, but no vice chairman.

Save and except for the aforesaid amendments, other terms of the Articles of Association shall remain unchanged.

The proposed amendments to the Articles of Association are subject to the approval of the shareholders of the Company by way of a special resolution at the forthcoming extraordinary general meeting of the Company (the "EGM").

A circular containing the details of the proposed amendments to the Articles of Association as well as a notice of the EGM will be despatched to the shareholders of the Company in due course.

PROPOSED CHANGE OF THE HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

The headquarters and principal place of business of the Company in the PRC will be changed from B15, Standard Plant District A, Huishan Economic Development Zone, Wuxi City to 1 Yanxin Road East, Huishan Economic Development Zone, Wuxi City upon the approval of Wuxi Administration for Industry and Commerce. Details of the approval will be announced in due course.

By order of the Board
Wuxi Sunlit Science and Technology Company Limited
Zhang Degang
Chairman

Hong Kong, 28 August 2015

As at the date of this announcement, the executive Directors of the Company are Mr. Zhang Degang and Mr. Zhang Deqiang, the non-executive Director of the Company are Mr. Gao Feng and Ms. Zhang Jinghua, and the independent non-executive Directors of the Company are Mr. Liu Chaojian, Mr. Gao Fuping and Mr. Ho Yuk Ming, Hugo.