德泰新能源集團有限公司
DeTai New Energy Group Limited

(formerly known as Guocang Group Limited)
(Incorporated in Bermuda with limited liability)
(Stock Code: 559)

2015/2016 INTERIM RESULTS ANNOUNCEMENT

The board (the "Board") of directors (the "Directors") of DeTai New Energy Group Limited (the "Company") hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 31 December 2015 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2015

		For the six months ended 31 December	
	Notes	**2015** ***HK$'000*** **(Unaudited)**	2014 *HK$'000* (Unaudited)
Continuing operations			
Turnover	*3*	**10,366**	39,970
Cost of sales		**(4,149)**	(20,922)
Gross profit		**6,217**	19,048
Interest income		**20**	2,305
Other income		**3**	173
General and administrative expenses		**(99,265)**	(33,471)
Selling and distribution expenses		**(1,497)**	(1,540)
Finance costs	*4*	**(8,148)**	(8,478)
Reversal of impairment loss on loans receivable		**300**	300
Impairment loss on goodwill	*10*	**(132,199)**	–
Change in fair value of financial assets at fair value through profit or loss	*14*	**(4,978)**	(66,249)
Change in fair value of financial liabilities at fair value through profit or loss		**–**	(1,249)
Loss before taxation	*5*	**(239,547)**	(89,161)
Taxation	*6*	**–**	–
Loss after income tax from continuing operations		**(239,547)**	(89,161)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Continued)
For the six months ended 31 December 2015

	Notes	For the six months ended 31 December 2015 HK$'000 (Unaudited)	2014 HK$'000 (Unaudited)
Discontinued operations			
Profit for the period from discontinued operations		**–**	40,445
Loss for the period		**(239,547)**	(48,716)
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Exchange differences arising on translation of financial statements of foreign operations		**(399)**	(4,819)
Release of exchange reserve to profit or loss upon disposal of subsidiaries		**–**	(35,890)
Other comprehensive income for the period		**(399)**	(40,709)
Total comprehensive income for the period		**(239,946)**	(89,425)
Loss for the period attributable to:			
Owners of the Company		**(234,596)**	(48,716)
Non-controlling interests		**(4,951)**	–
		(239,547)	(48,716)
Total comprehensive income for the period attributable to:			
Owners of the Company		**(234,992)**	(89,425)
Non-controlling interests		**(4,954)**	–
		(239,946)	(89,425)
Loss per share from continuing and discontinued operations:	*8*		
— Basic		**(5.23) HK cents**	(1.36) HK cents
— Diluted		**N/A**	N/A
Loss per share from continuing operations:	*8*		
— Basic		**(5.23) HK cents**	(2.49) HK cents
— Diluted		**N/A**	N/A
Earnings per share from discontinued operations:	*8*		
— Basic		**N/A**	1.13 HK cents
— Diluted		**N/A**	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	Notes	**31 December 2015** *HK$'000* **(Unaudited)**	30 June 2015 *HK$'000* (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	*9*	**36,246**	26,648
Intangible asset		**107,292**	116,112
Goodwill	*10*	**256,567**	388,766
Prepayments		**9,033**	12,880
Available-for-sale investment	*11*	**222,410**	–
Derivative financial instrument	*11*	**165,590**	–
Total non-current assets		**797,138**	544,406
Current assets			
Inventories		**89,375**	97,286
Trade receivables, other receivables, deposits and prepayments	*12*	**139,321**	300,412
Loans receivable	*13*	**71,431**	200,164
Financial assets at fair value through profit or loss	*14*	**185,540**	215,519
Bank balances and cash		**80,454**	179,585
Total current assets		**566,121**	992,966

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Continued)
As at 31 December 2015

	Notes	31 December 2015 HK$'000 (Unaudited)	30 June 2015 HK$'000 (Audited)
Current liabilities			
Trade payables, other advances and accruals	*15*	**48,699**	21,756
Tax payable		**2,859**	10,413
Total current liabilities		**51,558**	32,169
Net current assets		**514,563**	960,797
Total assets less current liabilities		**1,311,701**	1,505,203
Non-current liabilities			
Corporate bonds		**181,271**	179,704
Deferred tax liabilities		**25,817**	25,817
Total non-current liabilities		**207,088**	205,521
Net assets		**1,104,613**	1,299,682
EQUITY			
Share capital	*16*	**224,156**	223,856
Reserves		**845,523**	1,035,938
Equity attributable to owners of the Company		**1,069,679**	1,259,794
Non-controlling interests		**34,934**	39,888
Total equity		**1,104,613**	1,299,682

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2015

	Equity attributable to owners of the Company										
	Share capital *HK$'000*	Share premium *HK$'000*	Contributed surplus *HK$'000*	Exchange reserve *HK$'000*	Statutory reserve fund *HK$'000*	Special reserve *HK$'000*	Share option reserve *HK$'000*	Accumulated losses *HK$'000*	Total *HK$'000*	Non-controlling interests *HK$'000*	Total equity *HK$'000*
At 1 July 2014 (Audited)	179,721	610,635	340,932	37,527	16,900	(43,246)	78,038	(473,189)	747,318	113	747,431
Comprehensive income											
Loss for the period	–	–	–	–	–	–	–	(48,716)	(48,716)	–	(48,716)
Other comprehensive income											
Exchange differences arising on translation of foreign operations	–	–	–	(4,819)	–	–	–	–	(4,819)	–	(4,819)
Release of exchange reserve upon disposal of subsidiaries	–	–	–	(35,890)	–	–	–	–	(35,890)	–	(35,890)
Total comprehensive income for the period	–	–	–	(40,709)	–	–	–	(48,716)	(89,425)	–	(89,425)
Lapse of share options	–	–	–	–	–	–	(25)	25	–	–	–
Release of statutory reserve fund upon disposal of subsidiaries	–	–	–	–	(14,005)	–	–	14,005	–	–	–
Share issued upon exercise of share options	10	100	–	–	–	–	(25)	–	85	–	85
At 31 December 2014 (Unaudited)	179,731	610,735	340,932	(3,182)	2,895	(43,246)	77,988	(507,875)	657,978	113	658,091
At 1 July 2015 (Audited)	**223,856**	**1,091,005**	**340,932**	**(2,999)**	**2,895**	**(43,246)**	**88,028**	**(440,677)**	**1,259,794**	**39,888**	**1,299,682**
Comprehensive income											
Loss for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(234,596)**	**(234,596)**	**(4,951)**	**(239,547)**
Other comprehensive income											
Exchange differences arising on translation of foreign operations	**–**	**–**	**–**	**(396)**	**–**	**–**	**–**	**–**	**(396)**	**(3)**	**(399)**
Total comprehensive income for the period	**–**	**–**	**–**	**(396)**	**–**	**–**	**–**	**(234,596)**	**(234,992)**	**(4,954)**	**(239,946)**
Lapse of share options	**–**	**–**	**–**	**–**	**–**	**–**	**(32,382)**	**32,382**	**–**	**–**	**–**
Share issued upon exercise of share options	**300**	**2,141**	**–**	**–**	**–**	**–**	**(589)**	**–**	**1,852**	**–**	**1,852**
Recognition of equity-settled share-based payments expenses	**–**	**–**	**–**	**–**	**–**	**–**	**43,025**	**–**	**43,025**	**–**	**43,025**
At 31 December 2015 (Unaudited)	**224,156**	**1,093,146**	**340,932**	**(3,395)**	**2,895**	**(43,246)**	**98,082**	**(642,891)**	**1,069,679**	**34,934**	**1,104,613**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2015

	For the six months ended 31 December	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Net cash generated from/(used in) operating activities of continuing and discontinued operations	**127,767**	(305,214)
Net cash (used in)/generated from investing activities of continuing and discontinued operations	**(219,038)**	105,919
Net cash (used in)/generated from financing activities of continuing and discontinued operations	**(6,296)**	17,104
Net decrease in cash and cash equivalents	**(97,567)**	(182,191)
Effect of foreign exchange rate changes	**(1,564)**	819
Cash and cash equivalents at the beginning of the period	**179,585**	406,578
Cash and cash equivalents at the end of the period	**80,454**	225,206
Analysis of the balances of cash and cash equivalents:		
Bank balances and cash	**80,454**	225,206

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2015

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements of the Group have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The unaudited condensed consolidated interim financial statements have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair value.

These unaudited condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 30 June 2015. The accounting policies used in the unaudited condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 30 June 2015.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new/revised HKFRSs

There are no new standard or interpretation issued by the HKICPA that are first effective for the current accounting period of the Group.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group:

Amendments to HKAS 1	Disclosure Initiative[1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[1]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
HKFRS 9 (2014)	Financial Instruments[2]
HKFRS 15	Revenue from Contracts with Customers[2]

[1] Effective for annual periods beginning on or after 1 January 2016
[2] Effective for annual periods beginning on or after 1 January 2018

Amendments to HKAS 1 — Disclosure Initiative

The amendments are designed to encourage entities to use judgement in the application of HKAS 1 when considering the layout and content of their financial statements.

Amendments to HKAS 16 and HKAS 38 — Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to HKAS 16 prohibit the use of a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that amortisation based on revenue is not appropriate for intangible assets. This presumption can be rebutted if either the intangible asset is expressed as a measure of revenue or revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

Amendments to HKAS 27 — Equity Method in Separate Financial Statements

The amendments allow an entity to apply the equity method in accounting for its investments in subsidiaries, joint ventures and associates in its separate financial statements.

HKFRS 9 (2014) — Financial Instruments

HKFRS 9 (2014) introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income ("FVTOCI") if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss ("FVTPL").

HKFRS 9 (2014) includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 (2014) carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

HKFRS 15 — Revenue from Contracts with Customers

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. The five steps are as follows:

1. Identify the contract with the customer

2. Identify the performance obligations in the contract

3. Determine the transaction price

4. Allocate the transaction price to the performance obligations

5. Recognise revenue when (or as) the entity satisfies a performance obligation

HKFRS 15 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing an uncertainty of revenue and cash flows arising from contracts with customers. An entity may adopt HKFRS 15 on a full retrospective basis. Alternatively, it may choose to adopt it prospectively from the date of initial application.

3. TURNOVER AND SEGMENT INFORMATION

Turnover, which is also revenue, represents the amounts received and receivable for goods sold to outside customers, net of returns and discounts and sales related taxes, interest income from loans receivable and dividend income on listed securities during the period.

(a) Reportable segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision-makers that are used to make strategic decisions. The chief operating decision-maker has been identified as the Company's executive directors.

The Group currently has four reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies as follows:

(i) manufacturing and trading of electric cycles;

(ii) trading and distribution of liquor and wine;

(iii) provision of money lending services; and

(iv) investments in listed securities.

There were no inter-segment transactions between different operating segments for the period. Central revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' results that are used by the chief operating decision-makers for assessment of segment performance.

For the six months ended 31 December 2015

	Electric cycles *HK$'000* (Unaudited)	Liquor and wine *HK$'000* (Unaudited)	Money lending services *HK$'000* (Unaudited)	Investments in listed securities *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Segment revenue	760	981	8,495	130	10,366
Segment (loss)/profit	(146,204)	(7,662)	8,491	(67,505)	(212,880)
Unallocated corporate income and expenses, net					(37,979)
Finance costs					(8,148)
Share-based payment expenses					(43,025)
Change in fair value of contingent consideration receivable					62,485
Loss before taxation					(239,547)

For the six months ended 31 December 2014

	Liquor and wine *HK$'000* (Unaudited)	Money lending services *HK$'000* (Unaudited)	Investments in listed securities *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Segment revenue	32,757	5,179	2,034	39,970
Segment (loss)/profit	(13,705)	4,835	(64,234)	(73,104)
Unallocated corporate income and expenses, net				(6,330)
Finance costs				(8,478)
Change in fair value of financial liabilities at fair value through profit or loss				(1,249)
Loss before taxation				(89,161)

As at 31 December 2015

	Electric cycles ***HK$'000*** **(Unaudited)**	**Liquor and wine** ***HK$'000*** **(Unaudited)**	**Money lending services** ***HK$'000*** **(Unaudited)**	**Investments in listed securities** ***HK$'000*** **(Unaudited)**	**Total** ***HK$'000*** **(Unaudited)**
Reportable segment assets	**378,899**	**222,192**	**102,999**	**151,393**	**855,483**
Reportable segment liabilities	**7,614**	**6,891**	**163**	**222**	**14,890**

As at 30 June 2015

	Electric cycles *HK$'000* (Audited)	Liquor and wine *HK$'000* (Audited)	Money lending services *HK$'000* (Audited)	Investments in listed securities *HK$'000* (Audited)	Total *HK$'000* (Audited)
Reportable segment assets	520,424	223,929	293,131	215,705	1,253,189
Reportable segment liabilities	8,618	7,609	3,025	144	19,396

(b) Geographical segments

The Group's operations are located in Hong Kong (place of domicile) and the People's Republic of China (the "PRC"). The Group's revenue from external customers (including continuing and discontinued operations) and information about its non-current assets (other than financial instruments) by geographical markets are detailed as below:

	Revenue from external customers (including continuing and discontinued operations)		**Non-current assets**	
	For the six months ended 31 December			
			31 December	30 June
	2015	2014	**2015**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)
Hong Kong (place of domicile)	**8,625**	7,213	**26,141**	20,568
PRC	**1,741**	167,923	**382,997**	523,838
	10,366	175,136	**409,138**	544,406

4. FINANCE COSTS

	For the six months ended 31 December	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Continuing operations		
Interest on bank loans wholly repayable within one year	**–**	3,708
Interest on corporate bonds	**7,961**	4,770
Interest on other advance	**187**	–
	8,148	8,478

5. LOSS BEFORE TAXATION

	For the six months ended 31 December	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Continuing operations		
Loss before taxation is arrived at after charging:		
Amortisation of intangible assets	**8,820**	–
Depreciation of property, plant and equipment	**2,950**	698
Share-based payments expenses	**43,025**	–

6. TAXATION

Hong Kong profit tax was provided at the rate of 16.5% on the estimated assessable profit arising in Hong Kong for both the six months ended 31 December 2015 and 2014. No provision for Hong Kong profits tax has been made for the current and prior periods as the Group has no assessable profits arising in Hong Kong.

The subsidiaries established in the PRC are subject to enterprise income tax ("EIT") at tax rates of 25% for both the six months ended 31 December 2015 and 2014. No provision for PRC EIT has been made for the current and prior periods as the Group has no assessable profits arising in the PRC.

7. DIVIDEND

The Directors do not recommend the payment of any interim dividend for the six months ended 31 December 2015 (six months ended 31 December 2014: Nil).

8. LOSS PER SHARE

The calculation of basic loss per share amount is based on the loss for the period attributable to owners of the Company and the weighted average number of ordinary shares in issue during the period.

The calculation of diluted loss per share amount is based on the loss for the period attributable to owners of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic loss per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculation of the basic and diluted loss per share is based on the following data:

	For the six months ended 31 December	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
(Loss)/profit attributable to owners of the Company for the purpose of basic and diluted (loss)/earnings per share:		
— from continuing operations	**(234,596)**	(89,161)
— from discontinued operations	**–**	40,445
Total loss from continuing and discontinued operations	**(234,596)**	(48,716)

The weighted average number of ordinary shares for the purpose of basic loss per share for the six months ended 31 December 2015 was 4,482,217,000 (six months ended 31 December 2014: 3,594,447,000). Diluted loss per share amount for the six months ended 31 December 2015 was not presented because the impact of the exercise of the share options and convertible preference shares (six months ended 31 December 2014: share options and convertible preference shares) was anti-dilutive. Potential ordinary shares are dilutive when and only when their conversion into ordinary shares would increase loss per share attributable to owners of the Company.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2015, the Group purchased property, plant and equipment of HK$13,994,000 (six months ended 31 December 2014: Nil).

During the six months ended 31 December 2014, the Group has disposed of the property, plant and equipment through the disposal of Hua Yi Copper (BVI) Company Limited and its subsidiaries, which carried out copper rods and cable and wires businesses, that with an aggregate carrying amount of HK$77,218,000. For continuing operations, the Group did not acquire any property, plant and equipment during the six months ended 31 December 2014.

As at 31 December 2015, the Group did not pledge any building to secure banking facilities of the Group (30 June 2015: Nil).

10. GOODWILL

The goodwill was arising from the acquisition of Delta Prestige Holdings Limited and its subsidiaries (the "Delta Prestige Group") in May 2015. The Delta Prestige Group is principally engaged in the manufacturing and trading of electric cycles business. The goodwill with the gross carrying amount of HK$388,766,000 (30 June 2015: HK$388,766,000) is allocated to the cash-generating unit of electric cycles business (the "Electric Cycles CGU").

With reference to the operating result of the Electric Cycles CGU for the six months ended 31 December 2015 and the latest business plan, the directors of the Company considered the goodwill arising from the acquisition of manufacturing and trading of electric cycles business should be impaired. As the recoverable amount of the Electric Cycles CGU amounting to HK$553,614,000 is lower than its carrying amount, an impairment loss on the goodwill of HK$132,199,000 was recognised in the consolidated statement of comprehensive income for the six months ended 31 December 2015.

The recoverable amount of the Electric Cycles CGU is determined by the Directors with reference to a valuation report issued by Grant Sherman Appraisal Limited ("Grant Sherman"), an independent professional qualified valuer and a member of The Hong Kong Institute of Surveyor. The recoverable amount of the Electric Cycles CGU has been determined from value-in-use calculation. The calculation used cash flow projections based on latest financial budgets approved by the management covering a period of 5 years and at a pre-tax discount rate of 24.86% (30 June 2015: 24.35%). The cash flow projections beyond the 5-year period are extrapolated using a growth rate of 3% (30 June 2015: 3%). Cash flow projections during the budget period are based on the expected gross margins during the budget period. Budgeted gross margins and growth rate have been determined based on past performance and the Group management's expectations for the market development and future performance of the Electric Cycles CGU. The discount rate is determined based on the cost of capital adjusted by the specific risk associated with the Electric Cycles CGU.

11. AVAILABLE-FOR-SALE INVESTMENT/DERIVATIVE FINANCIAL INSTRUMENT

On 4 September 2015, Noble Advantage Limited ("Noble Advantage"), a direct wholly-owned subsidiary of the Company, entered into a subscription agreement (the "Subscription Agreement") with Integrated Capital Investments Limited ("Integrated Capital"), which is an independent third party of the Group. Pursuant to the terms of the Subscription Agreement, Noble Advantage has agreed to subscribe for and Integrated Capital has agreed to issue, the 3-year 3.65% coupon convertible bonds at the subscription price which is equal to the principal amount of the convertible bonds of HK$388,000,000 (the "Convertible Bonds"). All conditions precedent under the Subscription Agreement have been fulfilled and the completion of the subscription (the "Completion") took place on 24 December 2015 in accordance with the terms and conditions of the Subscription Agreement. The Convertible Bonds have been issued to Noble Advantage by Integrated Capital.

The Convertible Bonds contain debt component and conversion option. The fair value of debt component and conversion option of the Convertible Bonds are determined by the Directors with reference to the valuation performed by Grant Sherman.

The fair value of the debt component and the conversion option of the Convertible Bonds are determined by using the discounted cash flow method and the binominal model respectively, with the following key assumptions:

Fair value of shares of Integrated Capital	HK$680,702 per share
Conversion price	HK$680,702 per share
Risk free interest rate	0.116%
Time to maturity	3 years
Expected volatility	31.77%
Expected dividend yield	0%
Discount rate	25.24%
Conversion period	On the Maturity Date

The fair value of the conversion option of the Convertible Bonds on the date of the Completion was estimated to be HK$165,590,000 and is recorded under non-current assets as derivative financial instrument. The remaining balance of HK$222,410,000, representing the difference between the cash consideration paid on the Convertible Bonds of HK$388,000,000 and the fair value of the conversion option of HK$165,590,000, was accounted for as debt component of the Convertible Bonds and is recorded under non-current assets as available-for-sale investment.

With respect to the passage of a short period of time, the Directors are of the opinion that the change in the fair value of the debt component and the conversion option of the Convertible Bonds between the date of the Completion (i.e. 24 December 2015) and period end date (i.e. 31 December 2015) is considered as minimal.

The fair value of the debt component and the conversion option of the Convertible Bonds are Level 3 recurring fair value measurement. There is no transfer under the fair value hierarchy classification during the six months ended 31 December 2015.

The key significant unobservable inputs to determine the fair value of the conversion option of the Convertible Bonds are the fair value of shares of Integrated Capital and expected volatility. An increase in the fair value of shares of Integrated Capital and expected volatility would result in an increase in the fair value measurement of the conversion option of the Convertible Bonds, and vice versa.

The other key significant unobservable inputs to determine the fair value of the debt component of the Convertible Bonds is the discount rate. An increase in the discount rate would result in a decrease in the fair value measurement of the debt component of the Convertible Bonds, and vice versa.

12. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Included in the Group's trade receivables, other receivables, deposits and prepayments were trade receivables of HK$42,745,000 (30 June 2015: HK$44,430,000). The Group allows an average credit period of 0 to 90 days to its trade receivables.

	31 December 2015	30 June 2015
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables	**87,876**	91,709
Less: Provision for impairment loss	**(45,131)**	(47,279)
Trade receivables, net	**42,745**	44,430

The aging analysis of trade receivables, net of allowance for doubtful debts, based on invoice date, is as follows:

	31 December 2015	30 June 2015
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 30 days	**196**	63
31–60 days	**53**	25
61–90 days	**33**	135
Over 90 days	**42,463**	44,207
	42,745	44,430

13. LOANS RECEIVABLE

	31 December 2015	30 June 2015
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Gross loans and interest receivables	**79,907**	208,940
Less: Provision for impairment loss	**(8,476)**	(8,776)
	71,431	200,164

As at 31 December 2015, there were six (30 June 2015: five) loans receivable with gross principal amount of HK$76,575,000 (30 June 2015: HK$206,875,000) in aggregate and related gross interest receivables of HK$3,332,000 (30 June 2015: HK$2,065,000) due from independent third parties. These loans are interest-bearing at rates ranging from 10% to 12% (30 June 2015: 7% to 18%) per annum. All the loans were repayable within twelve months from the end of the reporting period and therefore were classified as current assets as at 31 December 2015 and 30 June 2015.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2015	30 June 2015
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Hong Kong listed equity investments, at fair value *(note a)*	**123,055**	215,519
Contingent consideration receivable *(note b)*	**62,485**	–
	185,540	215,519

Notes:

(a) HONG KONG LISTED EQUITY INVESTMENTS

The fair values of listed securities are based on quoted market prices (i.e. Level 1 input). There is no transfer under the fair value hierarchy classification during the six months ended 31 December 2015.

For the six months ended 31 December 2015, a loss on change in fair value of financial asset at fair value through profit or loss of HK$67,463,000 (six months ended 31 December 2014: HK$66,249,000) was recognised in the consolidated statement of comprehensive income.

(b) CONTINGENT CONSIDERATION RECEIVABLE

On 29 May 2015, the Company issued 700,000,000 consideration shares as the consideration for the acquisition of 85% issued share capital of the Delta Prestige Group.

Pursuant to the acquisition agreement, the vendor has irrevocably warranted and guaranteed to the Company that the after-tax audited consolidated net profit of Delta Prestige Group in accordance with Hong Kong generally accepted accounting principles for the year ending 30 June 2016 shall not be less than HK$100,000,000 (the "Profit Target"). In case Delta Prestige Group cannot achieve the Profit Target, the vendor will compensate to the Company in cash. The compensation is calculated in accordance with the following formula:

The compensation = Profit Target – Audited net profit

If Delta Prestige Group records an audited net loss for the year ending 30 June 2016, the audited net profit will be deemed as zero for the purpose of calculation of the compensation.

As at 31 December 2015, with reference to the operating result of the Electric Cycle CGU for the six months ended 31 December 2015 and the latest business plan, the Directors are of the opinion that the electric cycles business is not likely to meet the Profit Target. The fair value of contingent consideration receivable is determined by the Directors with reference to a valuation report issued by Grant Sherman. The fair value of contingent consideration receivable has been determined from expected cash-flow approach. The calculation used different scenarios of future cash flows with different assumptions about future outcomes. Each scenario is probability weighted, and its cash flows discounted at the rate of 4.35%. The fair value of contingent consideration receivable is the sum of the probability weighted discounted cash flows of each scenario. Cash flow projection during the budget period are based on past performance and the Group management's expectations for the market development and future performance of the Electric Cycles CGU.

The fair value gain of contingent consideration receivable during the six months ended 31 December 2015 amounted to HK$62,485,000 (six months ended 31 December 2014: Nil), which has been recognised in the consolidated statement of comprehensive income.

The fair value of contingent consideration receivable is a Level 3 recurring fair value measurement. There is no transfer under the fair value hierarchy classification during the six months ended 31 December 2015.

One of the key significant unobservable inputs to determine the fair value of contingent consideration receivable is the budgeted financial result of Delta Prestige Group for the year ending 30 June 2016.

A better actual financial result of Delta Prestige Group for the year ended 30 June 2016 would result in a decrease in the fair value measurement of contingent consideration receivable, and vice versa.

15. TRADE PAYABLES, OTHER ADVANCES AND ACCRUALS

Included in the Group's trade payables, other advances and accruals were trade payables of HK$1,864,000 (30 June 2015: HK$2,233,000).

The aging analysis of these trade payables, based on invoice date, is as follows:

	31 December 2015 *HK$'000* **(Unaudited)**	30 June 2015 *HK$'000* (Audited)
Within 30 days	**20**	–
31–60 days	**210**	490
61–90 days	**22**	–
Over 90 days	**1,612**	1,743
	1,864	2,233

16. SHARE CAPITAL

	Number of shares *'000*	**Amount** *HK$'000*
Ordinary shares of HK$0.05 each at 30 June 2015 and 31 December 2015		
Authorised:		
As at 30 June 2015 and 31 December 2015	30,000,000	1,500,000
Issued and fully paid:		
As at 1 July 2015	4,477,114	223,856
Arising from issue of ordinary shares on exercise of share options during the period	6,000	300
As at 31 December 2015	4,483,114	224,156

17. LEASE COMMITMENTS

The Group as lessee

As at the end of reporting period, the Group had commitment for future minimum lease payments under non-cancellable operating lease in respect of office premises which fall due as follows:

	31 December 2015	30 June 2015
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within one year	**12,693**	12,704
In the second to fifth years inclusive	**21,193**	22,195
	33,886	34,899

Lease was negotiated for a term of three to five years and rentals are fixed for such period. None of the leases include contingent rentals.

18. CAPITAL COMMITMENTS

	31 December 2015	30 June 2015
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Capital expenditure contracted but not provided for:		
— purchase of property, plant and equipment	**363**	1,469

19. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in these unaudited condensed consolidated interim financial statements, the following transaction was carried out with a related party in normal course of the Group's business:

	For the six months ended 31 December	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Continuing operations		
Corporate service fee	**300**	300
Financial advisory fee	**400**	–
	700	300

Corporate service fee and financial advisory fee were paid to related companies which is controlled by a Director.

Compensation of key management

The key management of the Group comprises all Directors. The short-term benefits including the share-based payments were HK$5,706,000 for the six months ended 31 December 2015 (six months ended 31 December 2014: HK$2,250,000).

20. EVENTS AFTER REPORTING PERIOD

There were no significant events occurred after the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS AND BUSINESS REVIEW

The Group is currently engaged in four business segments, (i) manufacturing and trading of electric cycles; (ii) trading and distribution of liquor and wine; (iii) provision of money lending services; and (iv) investment in listed securities. For the six months ended 31 December 2015, the Group recorded a turnover of approximately HK$10.4 million (six months ended 31 December 2014: approximately HK$40.0 million). Loss for the period attributable to owners of the Company was approximately HK$234.6 million (six months ended 31 December 2014: approximately HK$48.7 million). Basic loss per share was approximately 5.23 HK cents (six months ended 31 December 2014: approximately 1.36 HK cents). The loss was mainly attributable to (i) the substantial decrease of turnover and gross profit margin of liquor and wine business, (ii) share-based payment expenses, (iii) absence of profit from discontinued operations and (iv) impairment loss on goodwill which partly offset a gain on change in fair value of contingent consideration receivable.

Electric cycles business

The turnover for the six months ended 31 December 2015 of the electric cycles business was approximately HK$0.8 million and a segment loss of approximately HK$146.2 million was recorded for the six months ended 31 December 2015. The loss was mainly attributed from the drop of turnover and the impairment of goodwill of approximately HK$132.2 million. The impairment was mainly due to the unsatisfactory results of the electric cycles business. As a responsible manufacturer, producing and distributing products with high quality standard was always the Group's objective. In order to maintain the product quality, the Group procured materials from suppliers with stable and reliable quality but the procurement cost was comparatively higher. Furthermore, the Group had differentiated the cycles by designing and transforming cycles with fashionable design and advanced technology, like the solar-powered cycles. The selling price of the cycles produced was comparatively higher than those produced by local manufacturers with less attractive appearance, lower quality and without any advanced technology. The solar-powered cycles were newly developed and new to the electric cycles market. The Group had strived to enhance the brand recognition and market penetration by various marketing activities, including but not limited to participation in the local exhibitions, road show sales and sponsor to the local carnivals. However, due to the slowdown of the Chinese economy and the tumbling of the Chinese stock market during the second half of 2015, the purchasing pattern of the general public became conservative that the intention for purchasing products with high quality and advanced technology was less. The sale of the electric cycles during the second half of 2015 was short of the Group's expectation at the time of the acquisition completed. The recoverable amount of the electric cycles business as assessed by an independent valuer was reduced and an impairment of goodwill was recognised for the six months ended 31 December 2015.

Pursuant to the acquisition agreement dated 26 April 2015, the vendor has irrevocably warranted and guaranteed to the Company that the after-tax audited consolidated net profit of Delta Prestige Group in accordance with Hong Kong generally accepted accounting principles for the year ending 30 June 2016 shall not be less than HK$100 million. In case Delta Prestige Group cannot achieve the Profit Target, the vendor will compensate to the Company in cash. As at 31 December 2015, the Directors are of the opinion that the electric cycles business is not likely to meet the Profit Target. Therefore, a gain on fair value of contingent consideration receivable of approximately HK$62.5 million was recognised for the six months ended 31 December 2015.

Liquor and wine business

The turnover for the six months ended 31 December 2015 of the liquor and wine business was approximately HK$1.0 million (six months ended 31 December 2014: approximately HK$32.8 million) and a segment loss of approximately HK$7.7 million was recorded for the six months ended 31 December 2015 (six months ended 31 December 2014: approximately HK$13.7 million). The sale of the high-end liquor was still affected by the industrial adjustment from the frugality policies enforced by the Chinese government and the slowdown of Chinese economy. The Group has adjusted its product structure from high-end liquor to wine and other alcoholic beverages. However, the profit margin from wine and other alcoholic beverages was lower than those of high-end liquor. Also, the Group had adopted an aggressive pricing strategy in order to lower the high-end liquor inventory level. The Group will continuously explore different potential products from foreign wine manufacturers and importers and expand distribution channels from traditional channels to online sales to enhance the Group's revenue stream.

Listed securities investments

As at 31 December 2015, the Group managed a portfolio of listed securities with fair value of approximately HK$123.1 million (30 June 2015: approximately HK$215.5 million). The Group recorded a loss on fair value change of approximately HK$67.5 million for the six months ended 31 December 2015 (six months ended 31 December 2014: approximately HK$66.2 million). The loss was mainly due to the realised loss on disposal of listed securities during the period under review.

Money lending services

As at 31 December 2015, the Group has six loans receivable with gross principal amount of approximately HK$76.6 million (30 June 2015: approximately HK$206.9 million). The Group recorded interest income from loans receivable of approximately HK$8.5 million for the six months ended 31 December 2015 (six months ended 31 December 2014: approximately HK$5.2 million). The increase in interest income was mainly due to the increase in number of loans receivable and principal amount during the period under review.

INTERIM DIVIDEND

The Directors do not recommend the payment of any interim dividend for the six months ended 31 December 2015 (six months ended 31 December 2014: Nil).

FINANCIAL RESOURCES, LIQUIDITY AND GEARING

As at 31 December 2015, the Group recorded cash and bank balances amounting to approximately HK$80.5 million (30 June 2015: approximately HK$179.6 million) and the net current assets value was approximately HK$514.6 million (30 June 2015: approximately HK$960.8 million).

The Group's gearing ratio as at 31 December 2015 was approximately 0.16 (30 June 2015: approximately 0.14), being a ratio of total debts, including corporate bonds of approximately HK$181.3 million (30 June 2015: approximately HK$179.7 million) to the total equity of approximately HK$1,104.6 million (30 June 2015: approximately HK$1,299.7 million).

As at 31 December 2015, the Group's issued 3-year 8% and 10% coupon unlisted corporate bonds with the aggregate principal amount of approximately HK$102.0 million and HK$84.5 million (30 June 2015: approximately HK$102.0 million and HK$84.5 million) respectively. The bonds are guaranteed by the Company.

PLEDGE OF ASSETS

As at 31 December 2015, the Group had not pledged any property, plant and equipment and prepaid lease payments for land to secure general banking facilities granted to the Group (30 June 2015: Nil).

CHANGE OF COMPANY NAME

As announced by the Company on 18 December 2015, the English and Chinese names of the Company have been changed to "DeTai New Energy Group Limited" and "德泰新能源集團有限公司" respectively.

APPOINTMENT OF DIRECTOR

Mr. Chui Kwong Kau has been appointed as a non-executive Director with effect from 1 December 2015 (the "Appointment of Director"). Details of the Appointment of Director are set out in the announcement of the Company dated 1 December 2015.

CAPITAL STRUCTURE

On 13 October 2015, the Board granted 448,210,000 share options to the certain Directors and certain eligible participants as defined in the share option scheme adopted by the Company on 13 December 2013 at the exercise price of HK$0.32 per share.

During the six months ended 31 December 2015, 6,000,000 share options were exercised and 288,950,000 share options were lapsed/cancelled.

Save as disclosed above, the Company had no other changes in capital structure during the period ended 31 December 2015.

INVESTMENT POSITION AND PLANNING

Subscription of Convertible Bonds

On 4 September 2015, Noble Advantage entered into a Subscription Agreement with Integrated Capital. Pursuant to the terms of the Subscription Agreement, Noble Advantage has agreed to subscribe for and Integrated Capital has agreed to issue, the 3-year 3.65% coupon convertible bonds at the principal amount of HK$388 million. All conditions precedent under the Subscription Agreement have been fulfilled and the Completion took place on 24 December 2015 in accordance with the terms and conditions of the Subscription Agreement. The Convertible Bonds have been issued to Noble Advantage by Integrated Capital.

Lapse of sale and purchase agreement with Green Flourish

On 4 February 2015, the Company as purchaser entered into a sale and purchase agreement (the "SPA") with Mr. Yam Tak Cheung ("Mr. Yam") as vendor and Mr. He Yumin ("Mr. He") as executive. Both Mr. Yam and Mr. He are independent third parties of the Group. Pursuant to the terms of the SPA, (i) the Company has conditionally agreed to acquire and Mr. Yam has conditionally agreed to sell the entire issued share capital of Green Flourish Enterprises Limited ("Green Flourish") and all the liabilities, loans and obligations owing by Green Flourish and its subsidiaries at completion in an aggregate consideration of HK$193,777,200, which shall be satisfied to Mr. Yam by allotment and issue of 538,270,000 shares at an issue price of HK$0.36 per share at completion; and (ii) Mr. He has agreed to enter into a services agreement with a company to be established as a wholly foreign-owned enterprise in the PRC pursuant to the terms and conditions of the SPA at completion. Green Flourish and its subsidiaries intend to be principally engaged in new energy business including but not limited to electric vehicle business. Details of the transaction are set out in the Company's announcements dated 4 February 2015 and 4 August 2015.

Pursuant to the SPA and the extension letter dated 4 August 2015 and entered into by the parties to the SPA, completion is subject to the fulfilment or waiver (as the case may be) of the conditions precedent to the SPA by 4 November 2015 or such later date as agreed by the parties to the SPA (the "Green Flourish Long Stop Date"). As certain conditions have not been fulfilled and/or waived (as the case may be) on the Green Flourish Long Stop Date and the parties to the SPA have not agreed on any further extension of the Green Flourish Long Stop Date, the SPA has lapsed and ceased to have any effect.

Lapse of framework agreement with Shenzhen Xingmei

On 30 March 2015, Tech Bloom Limited, an indirect wholly-owned subsidiary of the Company, as the purchaser entered into a framework agreement (the "Shenzhen Xingmei Framework Agreement") with Mr. He and Ms. Zhao Yanjun (Mr. He and Ms. Zhao Yanjun collectively referred to as vendors) and 深圳市星美新能源汽車有限公司 (in English, for identification purpose only, Shenzhen Xingmei New Energy Automobile Limited) ("Shenzhen Xingmei") as the target company. The vendors and Shenzhen Xingmei are independent third parties of the Group.

Pursuant to the terms of the Shenzhen Xingmei Framework Agreement, the purchaser agreed to acquire and the vendors agreed to sell the entire equity interest of Shenzhen Xingmei in cash consideration of RMB200 million. The business scope of Shenzhen Xingmei includes the development and sales of new energy automobiles, batteries and battery charging equipment; corporate management and advisory; and permitted operations of manufacture of new energy automobiles and batteries. Details of the transaction are set out in the Company's announcement dated 31 March 2015.

As certain conditions have not been fulfilled and/or waived (as the case may be) on or before 30 September 2015 or such later date as agreed by the parties to the Shenzhen Xingmei Framework Agreement (the "Shenzhen Xingmei Long Stop Date") and the parties to the Shenzhen Xingmei Framework Agreement have not agreed on any further extension of the Shenzhen Xingmei Long Stop Date, on 1 October 2015, the purchaser delivered a unilateral termination notice to the vendors and Shenzhen Xingmei to terminate the Shenzhen Xingmei Framework Agreement with immediate effect.

Lapse of Memorandum of the Possible LNG Acquisition

On 28 July 2015, the Company entered into a non-legally binding memorandum of understanding (the "Memorandum") with Mr. Chan Hon Kiu (the "Vendor"), which is an independent third party of the Group, in relation to the possible acquisition (the "Possible LNG Acquisition") of a company (the "Target Company"), which is principally engaged in the business of investment, construction new and operation of liquefied natural gas ("LNG") stations.

Pursuant to the Memorandum, the Vendor and the Company shall negotiate in good faith towards one another in ensuring that the formal sale and purchase agreement (the "Formal Sale and Purchase Agreement") be entered into on or before 31 October 2015. Should the Formal Sale and Purchase Agreement be materialised and completed, the Vendor shall as beneficial owner sell and the Company shall purchase entire issued share capital of the Target Company and the consideration shall be satisfied by the Company by allotment and issue of consideration shares and warrants. Details of the transaction are set out in the Company's announcement dated 28 July 2015.

After several rounds of negotiations and discussions, the Vendor and the Company had not reached consensus on the terms of the Formal Sale and Purchase Agreement by 31 October 2015. Since the Vendor and the Company had not reached any agreement to extend the said time limit, the Possible Acquisition had been terminated and the Possible LNG Acquisition contemplated under the Memorandum has not been proceed.

Framework Agreement with Hubei Qinlong

On 3 November 2015, the Company entered into a non-legally binding framework agreement (the "CNG Framework Agreement") with 湖北秦龍投資集團有限公司 (in English, for identification purpose only, Hubei Qinlong Investment Group Co., Limited) ("Hubei Qinlong"), a company established in the PRC with limited liability, in relation to the possible acquisition (the "Possible CNG Acquisition") of not less than 51% registered capital of 孝感中石油昆侖燃氣有限公司 (in English, for identification only, Xiaogan Petrochina Kunlun Gas Co., Limited) ("Xiaogan Petrochina Kunlun"), a company established in the PRC with limited liability, of which 30% and 70% of the equity interest are beneficially owned by Hubei Qinlong and 中石油昆侖燃氣有限公司 (in English, for identification only, Petrochina Kunlun Gas Co., Ltd) ("Petrochina Kunlun"), a company established in the PRC with limited liability respectively. Xiaogan Petrochina Kunlun currently operates 2 compressed natural gas ("CNG") stations in Xiaogan City, Hubei Province, the PRC.

Pursuant to the CNG Framework Agreement, Hubei Qinlong shall communicate and coordinate with Petrochina Kunlun on allocation of the shareholding of Xiaogan Petrochina Kunlun among the Company, Hubei Qinlong and Petrochina Kunlun. The consideration for the Possible CNG Acquisition is subject to further negotiations between Hubei Qinlong and the Company upon the signing of the formal agreement and has yet to be determined. It is intended under the CNG Framework Agreement that Hubei Qinlong and Petrochina Kunlun shall be responsible for the construction of three new CNG stations in Xiaogan City, Hubei Province, the PRC and the daily operations of all existing CNG stations and CNG stations coming into operation in Xiaogan City, Hubei Province, the PRC, and proactively establish the local business relationship. Details of the transaction are set out in the Company's announcement dated 3 November 2015.

Save as disclosed above, the Group did not have any other significant investment and there were no other material acquisition or disposal of subsidiaries and associated company for the six months ended 31 December 2015.

CONTINGENT LIABILITIES

As at 31 December 2015, the Group had no significant contingent liabilities (30 June 2015: Nil).

CAPITAL COMMITMENTS

As at 31 December 2015, the Group had capital commitments, which are contracted but not provided for, in respect of acquisition of plant and machinery amounting to approximately HK$0.4 million (30 June 2015: approximately HK$1.5 million).

FOREIGN EXCHANGE EXPOSURE

Most of the Group's assets and liabilities are denominated in Hong Kong dollars and Renminbi, which are the functional currencies of respective group companies. The Group has not entered into any instruments on the foreign exchange exposure. The Group will closely monitor exchange rate movement and will take appropriate activities to reduce the foreign exchange risk.

EVENTS AFTER REPORTING PERIOD

There were no significant events occurred after the reporting period.

PROSPECTS

Exploring different potential products from foreign and local wine manufacturers and expanding distribution channels from traditional channels to online sales are the coming goal to overcome the challenges from the high-end liquor market. The Group will continuously collaborate with famous liquor manufacturers in the Mainland China to increase the Group's publicity in the liquor and wine business.

The Group believes that the solar-powered technology will be further supported by customers in the long run with the global trend of developing new energy. The Group will continuous develop and advance the technology of the electric cycles, especially the solar-powered cycles. Sourcing other suppliers to provide materials with stable quality and with lower cost and enhancing the marketing plans for market penetration are other goals in the short run. The Group strives to improve the performance of the electric cycles business.

New energy business always be the Group's next development area. The entering into of the non-legally binding framework agreement with Hubei Qinlong in relation to the possible acquisition of Xiaogan Petrochina Kunlun is an evidence. Xiaogan Petrochina Kunlun currently operates 2 CNG stations in the PRC and intends to construct another 3 CNG stations in the PRC.

Noble Advantage, a direct wholly-owned subsidiary of the Company subscribed 3-year 3.65% coupon convertible bonds in a principal amount of HK$388 million issued by Integrated Capital on 24 December 2015. Upon the full conversion of the convertible bonds, the Group will hold 95% equity interest of the direct wholly-owned subsidiary of Integrated Capital, which is established in Japan and engaged in the operation of resort in Niseko, Hokkaido, Japan. Niseko is one of the famous ski resort areas in Japan and is well known for its heavy light powder snow and spectacular backcountry. The subscription provides a unique opportunity to the Group to be positioned in the Japan resort industry.

Looking ahead, the Group will continue to be cautious in its investment approach on listed securities investments, closely monitor the electric cycles and liquor and wine business and money lending services and seize other growth opportunities to enhance competitiveness to strive for the best return to the shareholders.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2015, the Group had 68 (30 June 2015: 80) employees in Hong Kong and the PRC. The Group's remuneration policy is reviewed periodically and determined by reference to market terms, company performance and individual qualifications and performance. Other staff benefits include bonuses awarded on a discretionary basis, medical schemes, mandatory provident fund scheme for Hong Kong employees, and state-sponsored retirement plans for the PRC employees and share option scheme.

CONNECTED TRANSACTIONS

For the six months ended 31 December 2015, the Company did not have any connected transactions which were subject to the reporting requirements under Chapter 14A of the Listing Rules.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the six months ended 31 December 2015.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the six months ended 31 December 2015, the Company has complied with the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules except for the deviation from the code provision A.4.1 which is explained below.

Code provision A.4.1

Under the code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term, subject to re-election. The existing independent non-executive Directors were not appointed for a specific term as required under the code provision A.4.1 but are subject to retirement by rotation and re-election at annual general meeting in accordance with the Bye-laws of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company has good corporate governance practices.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules. The Company has made specific enquiries and all the Directors have confirmed that they have complied with the required standards set out in the Model Code throughout the reporting period.

REVIEW OF INTERIM RESULTS

The audit committee of the Company (the "Audit Committee") currently comprises of Mr. Chiu Wai On, Mr. Man Kwok Leung and Dr. Wong Yun Kuen, all of whom are independent non-executive Directors. The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 31 December 2015.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is available for viewing on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.detai-group.com. The interim report of the Company will be despatched to the shareholders of the Company and make available on the above websites in due course.

By order of the Board
DeTai New Energy Group Limited
Wong Hin Shek
Chairman and Executive Director

Hong Kong, 26 February 2016

As at the date of this announcement, the executive Directors are Mr. Wong Hin Shek and Mr. Chi Chi Hung, Kenneth; the non-executive Director is Mr. Chui Kwong Kau; and the independent non-executive Directors are Mr. Chiu Wai On, Mr. Man Kwok Leung and Dr. Wong Yun Kuen.