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Silverman Holdings Limited
銀仕來控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(**Stock Code**：1616)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

SUMMARY

- Turnover was approximately RMB654.0 million, representing a decrease of approximately 13.9% as compared to that of the previous year.
- Gross profit margin was approximately 15.5%, representing an increase of approximately 1.9 percentage points as compared to that of approximately 13.6% for the previous year.
- Gross profit decreased by approximately RMB1.9 million as compared to that of the last year, or approximately 1.9%, to approximately RMB101.1 million.
- Profit attributable to the equity shareholders of the Company was approximately RMB7.3 million, representing a decrease of approximately 3.9% as compared to that of the previous year.

DIVIDEND

- The Board doesn’t recommend the payment of any final dividend for the year ended 31 December 2015.

The board of directors (the **"Board"**) of Silverman Holdings Limited (the **"Company"**) is pleased to announce the audited consolidated annual financial results of the Company and its subsidiaries (collectively, the **"Group"**) for the year ended 31 December 2015 (the **"Year"** or **"Period under Review"**) together with the comparative figures in 2014 as set out below. The consolidated results are audited and have been reviewed by the audit committee (**"Audit Committee"**) of the Company.

Silverman Holdings Limited
Consolidated statement of profit or loss and other comprehensive income
for the year ended 31 December 2015

(Expressed in Renminbi Yuan)

	Note	***2015*** **RMB'000**	*2014* RMB'000
Turnover	3	**654,037**	759,800
Cost of sales		**(552,973)**	(656,790)
Gross profit		**101,064**	103,010
Other revenue	4	**-**	240
Other net income	4	**4,081**	3,799
Distribution costs		**(15,262)**	(13,409)
Administrative expenses		**(65,352)**	(65,240)
Profit from operations		**24,531**	28,400
Finance income		**2,958**	1,757
Finance costs		**(17,485)**	(21,555)
Share of profit of an associate		**35**	-
Profit before taxation	5	**10,039**	8,602
Income tax	6	**(2,702)**	(968)
Profit and total comprehensive income for the year		**7,337**	7,634
Profit and total comprehensive income attributable to equity shareholders of the Company		**7,337**	7,634
Earnings per share			
Basic and diluted	7	**RMB0.0091**	RMB0.0095

Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 13.

Silverman Holdings Limited
Consolidated statement of financial position
at 31 December 2015

(Expressed in Renminbi Yuan)

	Note	***2015***	*2014*
		RMB'000	RMB'000
Non-current assets			
Property, plant and equipment		**488,066**	530,229
Interests in leasehold land held for own use under operating leases		**55,843**	51,977
		543,909	582,206
Intangible assets		**6,974**	79
Goodwill		**437,290**	6,394
Investment in an associate		**7,293**	-
Investments in equity securities		**1,100**	1,000
Deferred expenses		**2,215**	3,341
Deferred tax assets		**296**	1,014
		999,077	594,034
Current assets			
Inventories		**147,905**	132,377
Television drama series		**50,690**	-
Trade and other receivables	8	**153,722**	159,708
Pledged bank deposits		**11,315**	15,971
Cash and cash equivalents		**113,331**	122,356
		476,963	430,412
Current liabilities			
Trade and other payables	9	**184,537**	109,999
Promissory note	10	**167,556**	-
Bank loans	11	**204,500**	258,000
Obligations under finance leases		**16,942**	18,369
Current taxation		**13,115**	4,570
		586,650	390,938

Silverman Holdings Limited
Consolidated statement of financial position
at 31 December 2015 (continued)
(Expressed in Renminbi Yuan)

	Note	***2015***	*2014*
		RMB'000	RMB'000
Net current (liabilities)/assets		**(109,687)**	39,474
Total assets less current liabilities		**889,390**	633,508
Non-current liabilities			
Bank loans	11	**-**	8,500
Obligations under finance leases		**3,850**	22,814
Deferred tax liabilities		**-**	760
		3,850	32,074
Net assets		**885,540**	601,434
Capital and reserves			
Share capital	12	**60,785**	50,577
Reserves		**824,755**	550,857
Total equity		**885,540**	601,434

Silverman Holdings Limited
Consolidated statement of changes in equity
for the year ended 31 December 2015

(Expressed in Renminbi Yuan)

	Share capital RMB'000	*Share premium* RMB'000	*Capital reserve* RMB'000	*Statutory Surplus reserve* RMB'000	*Other reserve* RMB'000	*Retained earnings* RMB'000	*Total equity* RMB'000
Balance at 1 January 2014	50,577	74,447	(909)	55,308	119,359	302,618	601,400
Change in equity for 2014:							
Profit and total comprehensive income for the year	-	-	-	-	-	7,634	7,634
Dividends approved in respect of the previous year	-	-	-	-	-	(7,600)	(7,600)
Appropriations to statutory reserve	-	-	-	1,185	-	(1,185)	-
Balance at 31 December 2014 and 1 January 2015	50,577	74,447	(909)	56,493	119,359	301,467	601,434
Changes in equity for 2015:							
Profit and total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**7,337**	**7,337**
Shares issuance	**10,208**	**274,161**	**-**	**-**	**-**	**-**	**284,369**
Dividends approved in respect of the previous year	**-**	**-**	**-**	**-**	**-**	**(7,600)**	**(7,600)**
Appropriations to statutory reserve	**-**	**-**	**-**	**1,106**	**-**	**(1,106)**	**-**
Balance at 31 December 2015	**60,785**	**348,608**	**(909)**	**57,599**	**119,359**	**300,098**	**885,540**

Silverman Holdings Limited
Consolidated cash flow statement
for the year ended 31 December 2015
(Expressed in Renminbi Yuan)

	Note	***2015***	*2014*
		RMB'000	RMB'000
Operating activities			
Cash generated from operations		**119,176**	91,642
Income tax paid		**-**	(2,389)
Net cash generated from operating activities		**119,176**	89,253
Investing activities			
Acquisition of subsidiaries, net of cash acquired	14(f)	**2,714**	-
Payment for the purchase of property, plant and equipment and leasehold land		**(28,711)**	(63,545)
Proceeds from repayment of advance to third parties		**2,660**	1,500
Proceeds from sale of property, plant and equipment		**88**	278
Net proceeds from purchases and sales of investments		**2,101**	170
Interest received		**2,000**	1,170
Dividend income from unlisted shares		**-**	240
Net cash used in investing activities		**(19,148)**	(60,187)

Silverman Holdings Limited
Consolidated cash flow statement
for the year ended 31 December 2015 (continued)

(Expressed in Renminbi Yuan)

	Note	***2015***	*2014*
		RMB'000	RMB'000
Financing activities			
Capital element of finance lease rental paid		**(20,391)**	(22,565)
Proceeds from bank loans		**420,857**	295,000
Repayment of bank loans		**(482,857)**	(252,500)
Proceeds from advance from third parties		**-**	3,947
Repayment of advance from third parties		**(2,926)**	(6,000)
Interest element of finance lease rental paid		**(2,524)**	(3,386)
Other borrowing costs paid		**(14,234)**	(15,981)
Dividends paid to equity shareholders of the Company	13	**(7,600)**	(7,600)
Net cash used in financing activities		**(109,675)**	(9,085)
Net (decrease)/increase in cash and cash equivalents		**(9,647)**	19,981
Cash and cash equivalents at 1 January		**122,356**	102,375
Effect of foreign exchange rate change		**622**	-
Cash and cash equivalents at 31 December		**113,331**	122,356

Notes to the financial statements

(Expressed in Renminbi Yuan unless otherwise indicated)

1 Basis of preparation of the financial statements

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs"), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations issued by the International Accounting Standards Board ("IASB") the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the Group is set out below.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

The consolidated financial statements for the year ended 31 December 2015 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- financial instruments classified as available-for-sale or as trading securities; and

- derivative financial instruments.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

1 Basis of preparation of the financial statements (continued)

As at 31 December 2015, the Group's current liabilities exceed its current assets by RMB109,687,000. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business. The directors have made an assessment and concluded that the Group is able to continue as a going concern and will have sufficient working capital to fulfil its financial obligations, as and when they fall due, for at least the next twelve months from the date of the financial statements, having regard to the available unutilised bank facilities and the Group's ability to generate sufficient cash flows from future operations to cover its operating costs and to meet its financing commitments. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Should the Group be unable to operate as a going concern, adjustments would have to be made to reduce the carrying values of the Group's assets to their recoverable amounts, to provide for financial liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The consolidated financial statements do not include any of these adjustments.

2 Changes in accounting policies

The IASB has issued the following amendments to IFRSs that are first effective for the current accounting period of the Group:

- Amendments to IAS 19, *Employee benefits: Defined benefit plans: Employee contributions*

- *Annual Improvements to IFRSs 2010-2012 Cycle*

- *Annual Improvements to IFRSs 2011-2013 Cycle*

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

3 Turnover and segment report

(a) Turnover

The principal activities of the Group are manufacturing and sales of textile products and provision of related processing service, and the production and distribution of television drama series.

Turnover represents the sales value of goods supplied to customers, income from licensing of television drama series and processing service income (net of sales tax, value-added tax and discounts). The amount of each significant category of revenue recognised in turnover is as follows:

	2015	*2014*
	RMB'000	RMB'000
Sales of textile products	**604,421**	736,418
Processing services income	**42,124**	23,382
Licensing of television drama series	**7,492**	-
	654,037	759,800

The Group's customer base is diversified and no customer with whom transactions have exceeded 10% of the Group's revenues for the year ended 31 December 2015. During the year ended 31 December 2014, there was one customer with whom transactions have exceeded 10% of the Group's revenue, which amounted to approximately RMB83,712,000.

Further details regarding the Group's principal activities are disclosed below.

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by business lines (products and services) and geographical location. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Textile: this segment manufactures and sells textile products, and provision of related processing service. Currently the Group's activities in this segment are carried out in the People's Republic of China ("the PRC").

- Television drama series: this segment produces and distributes television drama series. Currently the Group's activities in this segment are carried out in the PRC.

3 Turnover and segment report (continued)

(c) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets. Segment liabilities include trade creditors, accruals and bills payable attributable to the manufacturing and sales activities of the individual segments and bank borrowings managed directly by the segments.

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

The measure used for reporting segment profit is "adjusted EBT" i.e. "adjusted earnings before taxes". To arrive at adjusted EBT the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as directors' remuneration.

In addition to receiving segment information concerning adjusted EBT, management is provided with segment information concerning revenue, interest income and expense from cash balances and borrowings managed directly by the segments, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations.

	Textile		*Television drama series*		*Total*	
	2015	*2014*	***2015***	*2014*	***2015***	*2014*
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Revenue from external customers	**646,545**	759,800	**7,492**	-	**654,037**	759,800
Inter-segment revenue	**-**	-	**-**	-	**-**	-
Reportable segment revenue	**646,545**	759,800	**7,492**	-	**654,037**	759,800
Reportable segment profit (adjusted EBT)	**9,880**	9,113	**1,708**	-	**11,588**	9,113
Interest income from bank deposits	**2,000**	1,170	**-**	-	**2,000**	1,170
Interest expense	**13,765**	14,968	**-**	-	**13,765**	14,968
Depreciation and amortisation for the year	**59,531**	67,229	**93**	-	**59,624**	67,229
Impairment of trade and other receivables	**1,706**	2,255	**-**	-	**1,706**	2,255
Reportable segment assets (including investment in an associate)	**944,260**	1,022,989	**528,951**	-	**1,473,211**	1,022,989
Investment in an associate account for by the equity method	**-**	-	**7,293**	-	**7,293**	-
Additions to non-current segment assets during the year (excluding acquisition of subsidiaries)	**26,832**	63,749	**-**	-	**26,832**	63,749
Reportable segment liabilities	**493,447**	422,777	**96,850**	-	**590,297**	422,777

3 Turnover and segment report (continued)

(d) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

	2015	*2014*
	RMB'000	RMB'000
Revenue		
Reportable segment revenue	**654,037**	759,800
Elimination of inter-segment revenue	**-**	-
Consolidated revenue	**654,037**	759,800
Profit		
Reportable segment profit	**11,588**	9,113
Elimination of inter-segment profits	**-**	-
Reportable segment profit derived from the Group's external customers	**11,588**	9,113
Unallocated head office and corporate expenses (net)	**(1,549)**	(511)
Consolidated profit before taxation	**10,039**	8,602
Assets		
Reportable segment assets	**1,473,211**	1,022,989
Elimination of inter-segment receivables	**-**	-
	1,473,211	1,022,989
Unallocated head office and corporate assets	**2,829**	1,457
Consolidated total assets	**1,476,040**	1,024,446
Liabilities		
Reportable segment liabilities	**590,297**	422,777
Elimination of inter-segment payables	**-**	-
	590,297	422,777
Unallocated head office and corporate liabilities	**203**	235
Consolidated total liabilities	**590,500**	423,012

3 Turnover and segment report (continued)

(e) Geographic information

The Group principally operates in the PRC and its major assets are located in the PRC. The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services were provided or the goods delivered.

	2015	*2014*
	RMB'000	RMB'000
The PRC	**598,236**	679,990
Overseas	**55,801**	79,810
	654,037	759,800

4 Other revenue and other net income

	2015	*2014*
	RMB'000	RMB'000
Other revenue		
Dividend income from unlisted shares	**-**	240

	2015	*2014*
	RMB'000	RMB'000
Other net income		
Net gain on sale of raw materials and scrap materials	**1,014**	1,543
Net (loss)/gain on disposal of property, plant and equipment	**(2,427)**	495
Government grants	**4,175**	1,119
Net gain from short-term investments and derivative financial instruments	**2,101**	170
Others	**(782)**	472
	4,081	3,799

5 Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

(a) Finance income and finance costs

	2015 RMB'000	*2014* RMB'000
Finance income		
Interest income on bank deposits	**2,000**	1,170
Foreign exchange gain arising on settlement or translation of foreign currency monetary items	**958**	587
	2,958	1,757
Finance costs		
Interest on bank borrowings	**14,383**	14,968
Less : interest capitalised into property, plant and equipment*	**(618)**	-
Interest expenses	**13,765**	14,968
Finance charges on obligations under finance leases	**2,524**	3,386
Other finance charges	**1,196**	3,201
	17,485	21,555

* The borrowing costs have been capitalised at a rate of 5.24% per annum for the year ended 31 December 2015 (2014: nil).

(b) Staff costs

	2015 RMB'000	*2014* RMB'000
Salaries, wages and other benefits	**116,484**	117,701
Contributions to defined contribution retirement plan	**2,682**	3,531
	119,166	121,232

5 Profit before taxation (continued)

Pursuant to the relevant labor rules and regulations in the PRC, the Group participates in defined contribution retirement schemes (the “Schemes”) organised by the relevant local authorities whereby the Group is required to make contributions to the Schemes at certain percentages of the eligible employees’ salaries for the years ended 31 December 2015 and 2014. The relevant local government authorities are responsible for the entire pension obligations payable to retired employees. The Group has no other material obligation for the payment of pension benefits associated with the Schemes beyond the annual contributions described above.

(c) Other items

	2015	*2014*
	RMB’000	RMB’000
Depreciation	**58,304**	66,122
Amortisation		
- leasehold land	**1,215**	1,085
- intangible assets	**105**	23
Operating lease charges:		
minimum lease payments properties	**30**	-
Impairment losses on trade receivables	**3,565**	3,755
Reversal of impairment losses on other receivables	**(1,859)**	(1,500)
Auditors’ remuneration		
- audit services	**1,700**	800
Cost of inventories	**523,834**	654,249
Cost of television drama series	**4,597**	-

6 Income tax

(a) Taxation in the consolidated statements of profit or loss and other comprehensive income represents:

	2015	*2014*
	RMB'000	RMB'000
Current tax		
PRC Enterprise Income Tax and PRC dividend withholding tax for the year	**2,744**	1,972
Deferred tax		
Origination and reversal of temporary differences	**(42)**	(1,004)
	2,702	968

(i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in those jurisdictions.

(ii) The Group's Hong Kong subsidiaries, being investment holding companies, do not derive income subject to Hong Kong Profits Tax. For the years ended 31 December 2015 and 2014, Hong Kong Profits Tax rate is 16.5%. The payments of dividends by the subsidiaries incorporated in Hong Kong are not subject to withholding tax.

(iii) For the year ended 31 December 2015, the Group's PRC subsidiaries are subject to income tax rate of 25% (2014: 25%).

(iv) Dividends receivable by non-PRC resident corporate investors from PRC-residents are subject to withholding tax at 10%, unless reduced by tax treaties or arrangements, for profit earned since 1 January 2008. YSL (HK) Ltd., Huiyin (HK) Ltd., and Star Rise Investments Ltd., Hong Kong subsidiaries of the Company, would be subject to PRC dividend withholding tax on dividends receivables from their PRC subsidiaries.

6 Income tax (continued)

(b) Reconciliation between income tax expense and accounting profit at applicable tax rates:

	2015	*2014*
	RMB’000	RMB’000
Profit before taxation	**10,039**	8,602
Notional tax on profit before taxation, calculated at the rates applicable to the profits in the jurisdictions concerned	**2,964**	2,172
Effect of tax benefits	**(2,029)**	(3,625)
Effect of non-deductible expenses	**1,767**	1,661
PRC dividend withholding tax	**-**	760
Income tax expense	**2,702**	968

7 Earnings per share

The calculation of basic and diluted earnings per share for the year ended 31 December 2015 is based on the profit attributable to equity shareholders of the Company of RMB7,337,000 (2014: RMB7,634,000) and the weighted average of 803,455,225 shares (2014: 800,000,000 shares) in issue during the year, calculate as follows:

Weighted average number of ordinary shares

	2015	*2014*
Issued ordinary shares at 1 January	**800,000,000**	800,000,000
Effect of shares issuance	**3,455,225**	-
Weighted average number of ordinary shares at 31 December	**803,455,225**	800,000,000

There was no difference between basic and diluted earnings per share as there were no dilutive potential shares outstanding for the years ended 31 December 2015 and 2014 respectively.

8 Trade and other receivables

	Note	***2015*** **RMB'000**	*2014* RMB'000
Trade debtors and bills receivable		**106,722**	82,893
Less: allowance for doubtful debts	(b)	**(7,320)**	(3,755)
	(a) (c)	**99,402**	79,138
Deposits, prepayments and other receivables	(d)	**52,846**	83,911
Amount due from an associate		**3,689**	-
		155,937	163,049
Deferred expenses expected to be recognised as expense after more than one year		**(2,215)**	(3,341)
Trade and other receivables expected to be recovered or recognised as expense within one year		**153,722**	159,708

(a) Ageing analysis

Included in trade and other receivables are trade debtors and bills receivables (net of allowance for doubtful debts) with the following ageing analysis as at the end of the reporting period.

	2015 **RMB'000**	*2014* RMB'000
Current	**90,105**	76,211
Less than 3 months past due	**185**	-
3 to 6 months past due	**729**	10
6 to 12 months past due	**8,383**	2,917
Amounts past due	**9,297**	2,927
	99,402	79,138

Trade debtors and bills receivables are due within 1 to 6 months from the date of billing.

8 Trade and other receivables (continued)

(b) Impairment of trade debtors and bills receivables

Impairment losses in respect of trade debtors and bills receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors and bills receivables directly.

The movement in the allowance of doubtful debts during the year is as follows:

	2015	*2014*
	RMB'000	RMB'000
At 1 January	**(3,755)**	-
Impairment loss recognised	**(3,565)**	(3,755)
At 31 December	**(7,320)**	(3,755)

As at 31 December 2015, the Group's trade debtors and bill receivables of RMB7,320,000 (2014: RMB3,755,000) were individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties and management assessed that only a portion of the receivables is expected to be recovered. Consequently, specific allowances for doubtful debts of RMB7,320,000 (2014: RMB3,755,000) was recognised.

(c) Trade debtors and bills receivables that are not impaired

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

	2015	*2014*
	RMB'000	RMB'000
Neither past due nor impaired	**90,105**	75,861
Less than 3 months past due	**185**	-
3 to 6 months past due	**729**	10
6 to 12 months past due	**8,383**	27
	99,402	75,898

8 Trade and other receivables (continued)

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

(d) Deposits, prepayments and other receivables

	2015	*2014*
	RMB'000	RMB'000
Prepayments relating to purchases of raw materials	**22,429**	39,088
Prepayments relating to purchases of property, plant and equipment	**2,153**	6,184
Prepayments relating to television drama series	**640**	-
Deferred expenses	**2,893**	4,667
Value-added tax recoverable	**16,145**	14,032
Advance to third parties (note)	**3,165**	-
Other receivables	**5,354**	19,940
Other prepayments	**67**	-
	52,846	83,911

Note: The advance to third parties were unsecured, interest-free and had no fixed repayment terms.

9 Trade and other payables

	Note	***2015***	*2014*
		RMB'000	RMB'000
Trade creditors and bills payable	(a)	**43,349**	48,814
Advances received		**26,463**	11,329
Other creditors and accrued charges	(b)	**114,725**	49,856
		184,537	109,999

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

9 Trade and other payables (continued)

(a) Ageing analysis

Included in trade and other payables are trade creditors and bills payable with the following ageing analysis as of the end of the reporting period:

	2015 **RMB'000**	*2014* RMB'000
Due within 3 months or on demand	**39,168**	45,397
Due after 3 months but within 6 months	**2,263**	1,954
Due after 6 months but within 12 months	**1,918**	1,463
	43,349	48,814

(b) Other creditors and accrued charges

	2015 **RMB'000**	*2014* RMB'000
Accrued charges	**8,989**	8,813
Tax payable other than income tax	**13,895**	8,323
Payables relating to purchases of property, plant and equipment	**15,750**	25,620
Advance from third parties (note)	**63,732**	2,926
Other payables	**12,359**	4,174
	114,725	49,856

Note: The advance from third parties were unsecured, interest-free and had no fixed repayment terms.

10 Promissory note

Forming part of the consideration to acquire Solid Will Ltd., the Company issued a promissory note of HKD200,000,000 on 24 December 2015. The promissory note is transferable, interest-free, unsecured and redeemable at the face value on or before 23 December 2016.

11 Bank loans

As at 31 December 2015, the bank loans were repayable as follows:

	2015	*2014*
	RMB'000	RMB'000
Within 1 year	**204,500**	258,000
After 1 year but within 2 years	**-**	8,500
	204,500	266,500

As at 31 December 2015, the bank loans were secured as follows:

	Note	***2015***	*2014*
		RMB'000	RMB'000
Bank loans	(a)		
- secured		**60,000**	120,000
- unsecured		**144,500**	146,500
		204,500	266,500

(a) At 31 December 2015, the banking facilities of the Group were secured by machinery and equipment with an aggregate carrying value of RMB13,270,000 (2014: RMB 119,544,000) and were guaranteed by certain wholly-owned subsidiary of the Group. Such banking facilities amounted to RMB140,000,000 (2014: RMB 170,000,000). The facilities were utilised to the extent of RMB60,000,000 (2014: RMB120,000,000). As at 31 December 2015, there is no financial covenant related to the banking facilities.

12 Share capital

Authorised and issued share capital are as follows:

	2015 No. of shares	**RMB'000**	*2014* No. of shares	RMB'000
Authorised:				
Ordinary shares of USD0.01 each	**10,000,000,000**	**632,110**	10,000,000,000	632,110
Ordinary shares, issued and fully paid:				
At 1 January	**800,000,000**	**50,577**	800,000,000	50,577
Share issuance (note)	**157,644,656**	**10,208**	-	-
At 31 December	**957,644,656**	**60,785**	800,000,000	50,577

Note: Forming part of the consideration to acquire Solid Will Ltd., the Company allotted and issued 157,644,656 ordinary shares of USD0.01 each on 24 December 2015. The ordinary share issued were recognised at the fair value at the date of acquisition of approximately HKD2.16 per share.

13 Dividends

(a) Dividends payable to equity shareholders of the Company attributable to the year:

	2015 **RMB'000**	*2014* RMB'000
Interim dividend declared and paid of RMB nil per ordinary share (2014: RMB nil)	**-**	-
Final dividend proposed after the end of the reporting period of RMB nil per ordinary share (2014: RMB0.0095)	**-**	7,600
	-	7,600

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

13 Dividends (continued)

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year:

	2015	*2014*
	RMB'000	RMB'000
Final dividends in respect of the previous financial year, approved and paid during the year, of RMB0.0095 per ordinary share (2014: RMB0.0095)	**7,600**	7,600

14 Acquisition of subsidiaries

On 24 December 2015, the Group obtained control of Solid Will Ltd. ("Solid Will"), which is an investment holding company and its subsidiaries are principally engaged in production and distribution of television drama series in the PRC, by acquiring 100% of its interest. Taking control of Solid Will will enable the Group to explore new business opportunity in the media industry in the PRC and diversify income stream of the Group. During the year ended 31 December 2015, Solid Will contributed revenue of RMB7,492,000 and profit of RMB1,281,000 to the Group's results. If the acquisition had occurred on 1 January 2015, management estimates that consolidated revenue would have been RMB692,247,000 and consolidated profit for the year would have been RMB13,701,000. In determining these amounts, management have assumed that the fair value adjustments that arose on the acquisition date would have been the same if the acquisition had occurred on 1 January 2015.

(a) Consideration transferred

The consideration for the acquisition is HKD540,366,000 (equivalent to RMB 451,465,000), which was satisfied by a promissory note (see note 10 for details) with a face value of HKD200,000,000 and 157,644,656 new shares of the Company, of which the fair value at the date of acquisition was approximately HKD2.16 per share. The fair value of the ordinary shares issued at the date of acquisition was determined by using valuation technique in which all significant input were based on observable market data. No contingent consideration was agreed between the Group and the selling shareholder.

(b) Acquisition-related costs

The Group incurred acquisition-related costs of RMB1,979,000 on legal fees and due diligent costs. These costs have been included in "administrative expenses".

14 Acquisition of subsidiaries (continued)

(c) Identifiable assets acquired and liabilities assumed

	RMB'000
Property, plant and equipment	**865**
Intangible assets	**7,000**
Interest in an associate	**7,258**
Investments in equity securities	**100**
Television drama series	**55,287**
Trade and other receivables	**41,872**
Cash and cash equivalents	**2,714**
Trade and other payables	**(88,726)**
Current taxation	**(5,801)**
Total identifiable net assets acquired	**20,569**

(d) Measurement of fair value

The valuation techniques used for measuring the fair value of material assets acquired were as follows.

(i) Property, plant and equipment

Market comparison technique and cost technique: The valuation model considers quoted market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

(ii) Intangible assets

Multi-period excess earnings method: The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the intangible assets, by excluding any cash flows related to contributory assets.

(iii) Television drama series

Market comparison technique and cost technique: The fair value is determined based on the estimated selling price, if available, in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the television drama series. In the situation that the selling price is uncertain, the replacement cost would be considered.

The trade receivables comprise gross contractual amounts due of RMB47,072,000, of which RMB5,200,000 was expected to be uncollectible at the acquisition date.

14 Acquisition of subsidiaries (continued)

(e) Goodwill

Goodwill arising from the acquisition has been recognised as follows.

	RMB'000
Consideration transferred	**451,465**
Fair value of identifiable net assets	**(20,569)**
Goodwill	**430,896**

The goodwill is attributable mainly to the skills and the technical talent of the work force of Solid Will and its subsidiaries. None of the goodwill recognised is expected to be deductible for tax purposes.

(f) Analysis of cash flow on acquisition

	RMB'000
Cash consideration	**-**
Cash and cash equivalents acquired	**(2,714)**
Net cash inflow	**(2,714)**

15 Commitments

(a) Capital commitments outstanding at 31 December 2015 and 2014 not provided for in the consolidated financial statements were as follows:

	2015	*2014*
	RMB'000	RMB'000
Contracted for		
- Purchase of property, plant and equipment	**2,744**	4,080
- Acquiring services relating to production of television drama series	**1,000**	-
	3,744	4,080

15 Commitments (continued)

(b) At 31 December 2015 and 31 December 2014, the total future minimum lease payments under non-cancellable operating leases are as follows:

	2015	*2014*
	RMB'000	RMB'000
Within 1 year	**136**	-
After 1 year and within 5 years	**92**	-
	228	-

Apart from these leases, the Group is the lessee in respect of a number of properties held under operating leases. These leases typically run for an initial period of 1 to 3 years, with an option to renew the lease when all terms are renegotiated. Lease payments are usually increases every 2 or 3 years to reflect market rentals. None of the leases includes contingent rentals.

16 Contingent liabilities

As at 31 December 2015, certain subsidiaries of the Company are defendants of a legal proceeding, in which the plaintiff alleged that part of the equity interests of a subsidiary of the Company had been wrongfully transferred from a company now owned by the plaintiff to the Group. Based on information currently available, the directors do not expect the outcome of the legal proceeding would have a material effect on the Group's consolidated financial statements.

17 Material related party transactions

The Group has entered into the following material related party transactions during the years ended 31 December 2015 and 2014 as follows. Some of these related party transactions constituted connected transaction or continuing connected transaction under Chapter 14A of the Listing Rules.

17 Material related party transactions (continued)

(a) Key management personnel remuneration

	2015	*2014*
	RMB'000	RMB'000
Short-term employee benefits	**1,731**	1,792
Post-employment benefits	**28**	33
	1,759	1,825

Total remuneration is disclosed in "staff costs" (see note 5(b)).

(b) Financing arrangement

As at 31 December 2015 and 2014, the Group had the following balances with related parties:

	2015	*2014*
	RMB'000	RMB'000
Amount due from an associate	**3,689**	-

(i) The outstanding balance with the associate is unsecured, interest free and has no fixed term of repayment. The amount is included in "Trade and other receivables".

(ii) No provisions for bad or doubtful debts have been made in respect of this amount.

18 Non-adjusting events after the reporting period

After the end of the reporting period, the Company entered into a share placing agreement with Guotai Junan. Pursuant to the agreement, the Company has conditionally agreed to place, through Guotai Junan, up to 320,000,000 new shares with a nominal value USD0.01 each at the price of not less than HKD2.50 per share. The shares will, when issued and allotted, rank pari passu among themselves and with all other fully paid shares in issue. The agreement and the allotment and issue of the shares are subject to the shareholders' approval.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY AND BUSINESS OVERVIEW

In recent years, affected by the weak domestic demand and the slowdown in exports, the high costs in energy and labor and other factors, as well as the impacts from the textile industry economies of Vietnam and India with more cost advantages, the production and operation of China's textile enterprises are under great pressure, and the industry has been operating in the doldrums. In 2015, the situation is particularly severe.

In 2015, China's GDP was RMB67,670.8 billion with year-on-year growth of approximately 6.9%, and this is the first time that China's GDP growth falls below 7% since 1991. In the aspects of import and export, the amount of textile and apparel exports was USD283.849 billion, representing a decrease of approximately 4.9% as compared to that of the previous year. Among them, the amount of textile yarns, fabrics and products exports was USD109.522 billion, representing a year-on-year decrease of approximately 2.3% as compared to that of the previous year; the amount of imports was USD19.071 billion, representing a year-on-year decrease of approximately 6.4% as compared to that of the previous year. The decrease in the amount of textile exports for the first time for many years, and the decrease in the amount of textile imports at the same time, also fully shows the operation rate of China's textile industry has been seriously inadequate being beset with troubles internally and externally.

The downturn trend of the textile industry in 2015 further highlights the importance and necessity for the Group to implement the diversification strategy adjustment. The Group has focused on the production and operation of textile industry. Although the Group is in a leading position either in strategic positioning, innovation system and innovation ability, or quality management and cost control as well as market share and influence in the market segment, the profit margin levels of the Group continue to decrease limited by the overall environment, and is expected with rare possibility to have a rapid growth in a few years. In response to these challenges, the Group will extensively explore new business opportunities as well as continue to improve and enhance the ability in textile business at the same time, in order to achieve the Group's purpose of sustainable growth and better return to shareholders of the Company.

The management note that, comparing with the downturn of the textile industry, as a pillar industry of the state, the media and culture industry has its special cultural and entertainment consumption feature, enabling it to resist economic cycle and maintain sustainable rapid growth. According to the statistical figures released by the State Administration of Press, Publication, Radio, Film and Television of The People's Republic of China, the national total box office in 2015 was RMB44.069 billion, representing a year-on-year increase of 48.7%. In 2015, production of domestic television series reached 16,560 episodes, representing an increase of 569 episodes from 2014. Development of the film, television and media industry was gratifying.

Therefore, based on detailed research, analysis and evaluation on media industry and the acquisition targets, in 2015, the Group resolutely implement the strategic layout of the media industry, and completed the acquisition of Solid Will Limited, subsidiaries of which are principally engaged in production and distribution of television drama series. Beijing Huasheng Taitong Media Investment Company Limited (hereafter "Huasheng media") owns a production scale of over one hundred episodes per annum. Huasheng Media obtained copyright income through selling television series television broadcast rights to various television stations, audio and video products distribution rights of television series to audio and video products distribution enterprises, information network publication rights of television series to Internet video service enterprises and copyrights of television series to middlemen such as television series distribution enterprises which are engaged in professional television series distribution business. This acquisition is a very important step in the strategic adjustment of the Group. Therefore, the Group has gained full operational capacity from investment and production in early stages to promotion and distribution in later stages through Huasheng Media in the investment, production and distribution of premium television series as well as television series related businesses. It will bring a good opportunity for the Group to set foot in the media industry, and make the Group's revenue more diversified, and thus conforms to the overall interests of the Company and its shareholders.

Of course, the strategic adjustment of the Group does not affect its ability to enhance and improve the existing textile business. In 2015, facing continuous and severe industry situation, the Group insisted on taking the initiative, based on our own characteristics, to further dig and make full use of the advantages of differential positioning and innovation as well as energetically implement cost control activities including technical transformation, energy-saving and cost-reducing and downsizing staff and improving efficiency etc. to ensure the normal production and operation of the Group, and the Group achieved the annual operating rate of 100%, the order rate of 97%, the production and sales rate of 98.7%, and the rate of return over 105%.

During the Period under Review, the Group's main business revenue was approximately RMB654.0 million, representing a decrease of approximately 13.9% as compared with approximately RMB759.8 million in the previous year. Among them, Huasheng Media contributed to the income of the Company for about RMB7.5 million after the acquisition date of 24 December 2015. The decrease of the revenue was mainly due to the decline of the textile product selling price. Profit attributable to equity shareholders of the Company was approximately RMB7.3 million, representing a decrease of approximately 3.9% as compared with approximately RMB7.6 million in the previous year. The decrease in profit was mainly due to the drop in the average selling price of the textile products of the Group caused by the decline in the international and domestic economy, and the increase of administrative expenses and income tax.

In 2015, Huasheng Media, a subsidiary of the Group, completed the productions of The Great Eastern Battlefield (《東方戰場》), The Last Stronghold (《最後的要塞》) and The Adoption (《領養》). The Legend of a Hong'an General (《鐵血紅安》) produced by Huasheng Media was shortlisted for the 30th China TV Drama "Flying Apsaras Awards" in the PRC.

FINANCIAL REVIEW

Turnover, gross profit and gross profit margin

The table below is an analysis of the Group's turnover, gross profit and gross profit margin of its major business categories for the years ended 31 December 2015 and 2014:

	For the year ended 31 December					
	2015			*2014*		
	Turnover **RMB'000**	***Gross profit*** **RMB'000**	***Gross profit margin*** **%**	*Turnover* RMB'000	*Gross profit* RMB'000	*Gross profit margin* %
Textile business	**646,545**	**98,246**	**15.2%**	759,800	103,010	13.6%
Television business	**7,492**	**2,818**	**37.6%**	-	-	-
Total	**654,037**	**101,064**	**15.5%**	759,800	103,010	13.6%

The gross profit margin of the Group increased by approximately 1.9 percentage points, from approximately 13.6% for the year 2014 to approximately 15.5% for the year 2015. The increase of the major products gross profit margins and the overall gross profit margin were mainly due to (i) the decrease in costs resulted from the expiration of part of the equipment depreciation; (ii) the decrease in costs of raw materials and electricity expenses; and (iii) the increase in television income. In addition to the costs control, the Group developed new and special products according to the market demand, will further optimize the product mix and implement flexible and effective marketing strategy in order to maximize the Group's gross profit margin.

Distribution costs

For the year ended 31 December 2015, total distribution costs of the Group increased by approximately RMB1.9 million to approximately RMB15.2 million as compared to that of the corresponding period in previous year. Such increase was mainly due to the increase in marketing and transportation expenses of the Group during the Period Under Review when compared to that of the corresponding period in previous year.

Administrative expenses

For the year ended 31 December 2015, the administrative expenses of the Group was approximately RMB65.3 million, representing an increase of approximately 0.2% when compared to that of approximately RMB65.2 million in 2014. The increase was mainly due to the expenditures related to the acquisition of media business.

Net finance costs

During the year ended 31 December 2015, the net finance cost of the Group were approximately RMB14.5 million as compared to approximately RMB19.8 million in 2014 which was mainly due to the decrease in finance cost and the increase of finance income. For the year ended 31 December 2015, the finance cost of the Group was approximately RMB17.5 million, representing a decrease of approximately RMB4.1 million as compared to approximately RMB21.6 million in 2014. It was mainly due to the decrease in interest expenses resulted from the decrease in lending rates. The finance income was approximately RMB3.0 million, representing an increase of approximately RMB1.2 million as compared to approximately RMB1.8 million in 2014, which was mainly due to the increase in financial income of the Company in 2015.

Taxation

Taxation of the Group was increased by approximately 170% from approximately RMB1.0 million in 2014 to approximately RMB2.7 million during the Period under Review. This was mainly due to (i) the increase of taxable income; (ii) the decrease of tax preferences (preferential deduction) of the Group during the Period under Review.

Profit attributable to the equity shareholders of the Company

For the year ended 31 December 2015, the profit attributable to the equity shareholders of the Company was approximately RMB7.3 million, representing a decrease of approximately 3.9%, from approximately RMB7.6 million in 2014. The decrease was mainly due to the decrease in average selling price of the textile products resulted from the international and domestic economy downturn and the increase of distribution costs and income tax of the Group. Based on the aforementioned factors, the gross profit margin for the year ended 31 December 2015 increased to approximately 15.5%, or by 1.9 percentage points, from that of approximately 13.6% in 2014. As a consequence, the gross profit decreased by approximately 1.9%, or approximately RMB1.9 million, to approximately RMB101.1 million for the year ended 31 December 2015 from approximately RMB103.0 million in the previous year.

Liquidity and financial resources

As at 31 December 2015, cash and cash equivalents of the Group were approximately RMB113.3 million, representing a decrease of approximately 7.4% from approximately RMB122.4 million as at 31 December 2014. This was mainly due to the paying back of loans of the Company.

For the year ended 31 December 2015, the Group's net cash generated from operating activities was approximately RMB119.2 million (2014: approximately RMB89.3 million), net cash used in investing activities was approximately RMB19.1 million (2014: net cash generated from investing activities was approximately RMB60.2 million) and net cash used in financing activities was approximately RMB109.7 million (2014: approximately RMB9.1 million). Cash and cash equivalents of the Group decreased by approximately RMB9.6 million (2014: increased by approximately RMB20.0 million) during the Period under Review. The Board believes that the Group will maintain a sound and stable financial position, and will maintain sufficient liquidity and financial resources for the Group's business need.

The Group's customers, who have set up long-term business relationship with us and have well settlement history and sound reputation, have been waived the requirement for deposit payment and granted a credit period typically ranging from 30 to 180 days pursuant to the payment terms of the purchase or processing orders. The length of credit period depends on various factors such as financial strength, size of the business and settlement history of those customers. For the year ended 31 December 2015, the average trade receivables (including bills receivable) turnover period of the Group was approximately 49 days, up from 40 days for the year ended 31 December 2014. The increase was mainly due to the Group's granting of a longer credit period to customers of high quality in order to increase orders and the television business's granting of a longer credit period (180 days) to customers which lead to longer turnover period of the average trade receivables.

For the year ended 31 December 2015, inventory turnover period of the Group increased to 92 days from 81 days in the previous year. This was mainly because of the increase of inventory level of finished goods resulted from the increase of purchasing and storage of the Group as well as the prolonging of delivery cycle by customers of the Company. In particular, the finished goods increased to approximately RMB49.3 million as at 31 December 2015 from approximately RMB39.5 million as at 31 December 2014.

As at 31 December 2015, the Group's borrowings (including obligations under finance lease) of approximately RMB210.3 million (2014: approximately RMB241.2 million) bore fixed interest at rates ranging from 4.35% to 5.1% (2014: 4.6% to 7.1%) per annum. As at 31 December 2015, the Group's borrowings of approximately RMB15.0 million (2014: approximately RMB66.5 million) bore floating interest at rates at 4.85% (2014:6.0%).

Capital structure

The Group continues to maintain an appropriate mix of equity and debt to ensure an efficient capital structure to reduce capital cost. For the year ended 31 December 2015, the debts of the Group were mainly bank borrowings and obligations under finance leases with a total amount of approximately RMB225.3 million (2014: approximately RMB307.7 million). As at 31 December 2015, cash and cash equivalents were approximately RMB113.3 million (2014: approximately RMB122.4 million). As at 31 December 2015, the gearing ratio was approximately 12.6% (2014: approximately 30.8%), which was calculated by dividing total debt (i.e. interest-bearing bank borrowings and obligations under finance lease, after deducting cash and cash equivalents) by total equity.

As at 31 December 2015, the debts of the Group that will become due within a year were approximately RMB221.4 million (2014: RMB 276.4 million).

As at 31 December 2015, the Group's cash and cash equivalents were mainly held in Renminbi, Japanese Yen, US dollars, HK dollars and Euro, of which, approximately RMB99.4 million (2014: RMB110.7 million) or 87.7% (2014: 90.4%) of the cash and cash equivalents were held in Renminbi.

Capital commitments

Save as disclosed in notes 15, the Group did not have any other significant capital commitments as at 31 December 2015 (2014: Nil).

Employee and remuneration policy

As at 31 December 2015, the Group had a total of approximately 2,677 employees (2014: 2,941), the decrease in the number of staff as compared to that of the previous year was mainly because the Group improves efficiency by downsizing staffs according to the operating conditions.

For the year ended 31 December 2015, labour costs of the Group (including Directors' remuneration in the form of salaries and other allowances) were approximately RMB119.2 million (2014: approximately RMB121.2 million). The decrease of labour costs was mainly because the Group improves efficiency by downsizing staffs according to the operating conditions and the decrease in wages of managerial personnel.

The Group continues to provide training to staff members to improve their operation skill. Meanwhile, the Group enhanced the work efficiency and average income of the staff through post-consolidation, process reorganization and improvement of working and living environment of the staff. The remuneration of the employees of the Group was subject to their working performance, experience and the industry practices. The management of the Group will also periodically review the remuneration policy and details. In addition, the Group provides bonuses and incentives based on their performances to encourage and motivate its staff to strive for better performance. In 2016, the Group will continue to provide training to staff members according to their respective skill requirements, such as training sessions on safety and skill.

Exposure to foreign exchange risk

The Group adopted a prudent policy in managing its exchange rate risks. The imports and exports of the Group were settled in US dollars. The Group did not experience any significant difficulties in its operations or liquidity as a result of fluctuations in the currency exchange rates during the Period under Review. The Board believes that the Group will have sufficient foreign currency to meet its requirements.

The Group has not used any foreign currency derivatives to hedge against the exposure in foreign exchange.

Contingent liabilities

Save as disclosed in note 16, the Group did not have any contingent liabilities as at 31 December 2015 (2014: Nil).

Charges on assets

Save as the pledged bank deposits as presented in the consolidated statement of financial position, the Group pledged its machinery and equipment with net book value of approximately RMB13.2 million (2014: RMB119.5 million) to banks as securities for the bank borrowings as at 31 December 2015. Besides, machinery and equipment with net book value of approximately RMB40.1 million (2014: RMB69.3 million) were held under finance lease as at 31 December 2015.

Significant investments held

Save as the investments in equity securities presented in the consolidated statement of financial position as at 31 December 2015 and the short term investments presented in the interim consolidated statement of financial position as at 30 June 2015, the Group did not hold any significant investment in equity interest in any company during the year ended 31 December 2015.

Future plans for material investments and capital assets

The Group did not have any plans for material investments and capital assets.

Material acquisitions and disposals of subsidiaries and affiliated companies

On 3 December 2015, the Company (as purchaser) entered into the sales and purchase agreement with the AIM RIGHT VENTURES LIMITED in respect of the acquisition of the entire issued share capital of the Solid Will Limited. The consideration payable by the Company for the acquisition included: (1) the promissory note of HKD200,000,000; and (2) 157,644,656 new shares of the Company at the issue price of HKD2.2519 (The fair value was approximately HKD2.16 of the ordinary shares issued at the date of acquisition).

Solid Will Limited is an investment holding company incorporated under the BVI laws, which through its wholly-owned subsidiaries and the contractual arrangements dated 6 July 2015 entered into between Beijing Huasheng Century Media Technology Company Limited, Huasheng Media and its shareholders, is principally engaged in the production and distribution of television series in the PRC.

The acquisition was completed on 24 December 2015. For more details of the acquisition, please refer to the announcement dated on 9 December 2015, 23 December 2015 and 24 December 2015.

EVENTS AFTER THE REPORTING PERIOD

On 4 February 2016, the Company entered into the share placing agreement with Guotai Junan Securities (Hong Kong) Limited ("Guotai Junan"). Pursuant to the share placing agreement, the Company has conditionally agreed to place, through Guotai Junan, on a best effort basis, up to an aggregate of 320,000,000 new placing shares to not less than six share placees at the placing price of not less than HKD2.50 per placing share. The agreement is subject to the shareholders' approval (details set out in the Company's announcement dated 4 February 2016).

OUTLOOK

In 2016, the trend of "new norms" of the PRC economy will continue. As the beginning year of the "13th Five-Year Plan", the trend of 2016 economic cycle will remain downward. The phenomenon of "four decreases, one increase" emerged in the PRC economy, which means decrease in economic growth rate, decrease in inflation rate (especially inflation rate of industrial entities), decrease in corporate profit, decrease in tax revenue and, at the same time, increase in financial risks. Economists believe this mainly reflects deflationary downward economic trend due to insufficient demand in the PRC economy. However, the root cause is structural imbalance on the supply side instead of insufficient supply. Due to excess capacity on one side and insufficient demand on the other side in traditional industries in the PRC, supply-side reform is imperative.

Due to the economy slowdown and the continued downturn in textile industry, although China promulgated a succession of economic policies beneficial to alleviate and improve the operating pressure and the operating environment of the textile enterprises, such as the cancelling of cotton purchasing and storage policy, the resolving of inconsistent problems of input and output tax, the introducing of preferential tax rates for small medium enterprises, and the cutting of electricity prices and interest rates for deposits and loans etc., in the long run and taken as a whole, the slowdown of China's economic growth is an inevitable trend in economy and society development. Along with this trend, China's enterprises will also usher in a new era with the characteristics of innovation and differentiation, and with the change of development mode from focusing on quantity to focus on quality. Enterprise transformation is the general trend, but it can't be achieved overnight, and it needs a long-term process of elimination.

Comparatively speaking, due to its anti-industrial cycle feature, industrial experts expect the culture industry will maintain robust growth trend. A series of policies are introduced to support and help facilitate the film and television industry to enter the period of accelerated development, underlying the importance and value of film and television industry in the entire culture industry. More policies related to the film and television industry are launched, ancillary supports are provided and implementation conditions are created by competent departments such as the General Office of the State Council, Ministry of Finance and the People's Bank of China. These are favourable for industrialized operation and growth in scale of domestic film and television industry. Domestic culture industry has already developed in to the stage of conglomerate development and 2016 is expected to be the year in which domestic premium television series with superior production and plentiful genres will dominate the market. The Group will seize the good momentum of industry development, adhere to the strategic concept of "premium production" and continue to promote production and distribution of television series business. The Company has conditionally agreed to place, through Guotai Junan, on a best effort basis, up to an aggregate of 320,000,000 new shares and planned to raise funds of HKD800,000,000. After receiving the funds, the Group expects to further expand the Group's investments in television series, exert competitive advantages to ensure steady growth of performance and consolidate the foundation of the Group's strategical adjustment. The Group will also acquire other media-related companies when opportunities arise.

Broadcast schedule in 2016 and future production schedule of the Group's television series:

No.	Title	Theme	Planned shooting-start time	Note
1	The Great Eastern Battlefield (東方戰場)	Historical drama	--	To be broadcast in the first half of 2016
2	The Adoption (領養)	Urban emotional drama	--	To be broadcast in the first half of 2016
3	The Last Stronghold (最後的要塞)	Historical story drama	--	Post-production stage
4	Qiao's Grand Courtyard 2 (喬家大院 2)	Historical story drama	6 March 2016	Shooting
5	March in River City (江城三月)	Modern city drama	Third quarter of 2016	Script completed
6	Wudang Yijian (武當一劍)	Kung fu drama	Third quarter of 2016	Script completed
7	Ma Beier (馬背兒)	Republic period drama	Fourth quarter of 2016	Creating script
8	One Vessel, One Town, One Master (一鼎一鎮一夫子)	Legend story drama	To be confirmed	Under preparation
9	The Myth of Wudang (神話武當)	Mythology and fantasy drama	To be confirmed	Under preparation
10	The Financial Empire (金融帝國)	Historical drama	To be confirmed	Under preparation
11	Qiao's Grand Courtyard 3 (喬家大院 3)	Historical story drama	To be confirmed	Under preparation
12	The Army in Qikou (兵臨磧口)	War legend drama	To be confirmed	Under preparation
13	The World's Wudang (天下武當)	Republic period drama	To be confirmed	Under preparation
14	The Anti-traitor Team (鋤奸團)	Spy thriller drama	To be confirmed	Under preparation

(For details of television series to be broadcast and produced in 2016, please refer to the announcement published by the Group on 9 December 2015.)

Currently, the Group has basically completed integrations of personnel and businesses of Huasheng Media. Each of the plans under preparation and shooting works of Huasheng Media is steadily progressing. Collaborative development of media business and traditional textile business is realized and jointly constituted the Group's development foundation.

Opportunities and challenges coexist in 2016. On the one hand, affected by the macroeconomic situation and the trend of industry in recent years, although the profitability of textile business of the Group has declined, the company's strategy and positioning are consistent with the development trend and direction of China's economy.Therefore, based on our own characteristics, the Group will continue to be committed to the improvement and enhancement of operation ability in textile business, and the enhancement of innovation, to further dig and make full use of the advantages of differential positioning, the innovation of new materials and the development of new fiber fabric, and to strengthen the Group's innovation as well as to take measures of saving energy and reducing consumption, improving efficiency and reducing costs to maintain the Group's competitiveness in the textile industry. At the same time, in the aspect of film, television and media businesses, the Group will make full use of the advantages of Huasheng Media and carry on the strategical concept of "premium production" and continue to facilitate production and distribution of television series business. Meanwhile, with market as the guide, the Group will actively develop markets including movie, Internet film and television as well as embedded advertisement and its derivatives, and further ameliorate the culture industry chain. Through extensive experience and control over the contents, the Group will carry out multi-dimensional content operation so as to form a culture and media sector of industrial chain with businesses covering television series, film development, investment, production, distribution, new media and so on.

The management of the Group will fulfil their conscientious duties as well as constantly improving the Group's profitability and core competitiveness in an endeavour to promote the Group to continuous steady development.

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

For the year ended 31 December 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

Adapting and adhering to the recognised standards of corporate governance principles and practices has always been one of the top priorities of the Company. The Board believes that good corporate governance is one of the areas that lead to the success of the Company and in balancing the interests of shareholders, customers and employees, and the Board is devoted to ongoing enhancements of the efficiency and effectiveness of such principles and practices.

For the year ended to 31 December 2015, the Company had adopted and complied with the code provisions (the "**Code Provisions**") set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 to The Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), except Code Provisions A.1.8 and A.2.1 as more particularly described below.

Code Provision A.1.8 stipulates that an issuer should arrange appropriate insurance cover in respect of legal action against its directors. For the year ended to 31 December 2015, the Company has not arranged such insurance coverage for the Directors as the Board was of the opinion that sound and effective corporate governance within the Group would suffice in monitoring and mitigating legal and compliance risks. From 12 January 2016, the Company has arranged appropriate insurance coverage in respect of legal action against its Directors and senior management, and the Company is in compliance with the Code Provision A.1.8 from 12 January 2016.

Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. During the period from 1 January 2015 to 31 March 2015, Mr. Liu Dong has been the chairman and chief executive officer of the Company. With the development of the Company and for enhancement of corporate governance, on 1 April 2015, Mr. Liu Dong resigned from his position as the chief executive officer of the Company, and Mr. Liu Zongjun was appointed as the chief executive officer of the Company. Mr. Liu Zongjun has been an executive Director of the Company and has served as vice president of administration since the Company has been listed, and the Board is in view that Mr. Liu Zongjun is qualified to take over the position as the chief executive officer of the Company in all aspects including his personal ability, quality, experience, knowledge, and educational background etc. Since 1 April 2015, Code Provision A.2.1 has been complied with by the Company.

MODEL CODE FOR SECURITIES TRANSACTION BY THE DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules. The Company confirms that, having made specific enquiry of all Directors, all the Directors have compiled with the required standards of dealing as set out in the Model Code during the year.

AUDIT COMMITTEE

The Audit Committee established by the Board has reviewed the accounting principles and practices adopted by the Group and discussed auditing, internal control and financing reporting matters (including the audited consolidated financial statements of the Company for the Year) in conjunction with the Company's external auditors. The Audit Committee was satisfied that the audited consolidated financial statements of the Company were prepared in accordance with applicable accounting standards and presented fairly the financial position and results of the Group for the Year.

FINAL DIVIDEND

The year of 2016 is essential for the development of the Company. The traditional textile business needs to overcome the unfavorable conditions due to the downtrend of industry development, and make positive efforts to deal with. At the same time, the media business in its early development and consolidation also need further investment. Therefore, the Board doesn't recommend the payment of a final dividend for the year ended 31 December 2015. At this point, the Board is committed to make the best efforts to seek the development of the Company in future years, in order to get a better return for the shareholders of the Company.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 14 June 2016 to Friday, 17 June 2016, both days inclusive, during which period no share transfers can be registered. In order to be eligible for attending and voting at the AGM, all transfer instruments accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 13 June 2016.

ANNUAL GENERAL MEETING

The AGM will be held on Friday, 17 June 2016. Shareholders should refer to details regarding the AGM in the circular of the Company to be despatched in April 2016 and the notice of the AGM and form of proxy accompanying thereto.

DISCLOSURE OF INFORMATION

This annual results announcement and the annual report of the Company will be published on the websites of both the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www. ysltex.com) and shall be despatched to the shareholders timely and properly.

By order of the Board
Silverman Holdings Limited
Liu Dong
Chairman

Shandong, the PRC
29 March 2016

As at the date of this announcement, the Board comprises 6 Directors, namely Mr. LIU Dong, Mr. LIU Zongjun and Ms. CHEN Chen as executive Directors; Mr. PAN Hongye, Mr. LAM Kai Yeung and Mr. GAO Gordon Xia as independent non-executive Directors.

This announcement is prepared in both Chinese and English. In the event of inconsistency, the English text of the announcement shall prevail over the Chinese text.