LETTER TO OUR SHAREHOLDERS

Dear Shareholders,

Following the sale of the Group's operating subsidiairies in China excluding moveable plant and machinery and all intellectual property to White Horse Holdings Limited ('White Horse') effective from September 30, 2015 the Group is now in a transition phase pending planned relocation of production facilities to the USA.

White Horse require a little more time than was envisaged in order to make arrangements to have foreign currency proceeds transferred from China to Hong Kong. The receipt of funds will pave the way for the next stage of the Group's development which will be to build a new state of the art production facility in Houston, Texas, USA. A decision will be made on the new production facility once a proper financial analysis has been completed.

We will continue to focus on building brand recognition for ROY in new international markets including ASEAN countries, Europe and the USA in order to raise the profile of the ROY brand in these new international markets.

I would like to express my thanks to all our shareholders for supporting the Company, and to our business partners, employees and customers for their trust, hard work and loyalty.

Sincerely yours,

Siu Fung Siegfried Lee
CEO of ROY Ceramics SE

INTERIM GROUP MANAGEMENT REPORT

GENERAL INFORMATION ON ROY CERAMICS SE

No material changes were made to the Group's organisational structure or business operations in the first half of 2016. Please refer to the explanations given in the annual report 2015.

Effective from October 2015 the current structure chart of ROY is as follows:

ROY Ceramics SE
Munich,
Germany

↓ 100%

Lion Legend Holdings Limited
Georgetown,
Cayman Islands

↓ 100%

Siu Fung Concept Limited
Tortola,
British Virgin Islands

↓ 100%

ROY USA, Inc.
Los Angeles,
USA

BUSINESS AND OPERATING ENVIRONMENT

Overall economic environment

The expansion of the global economy slowed in 2015, but there was no collapse. The increase in global production calculated on the basis of purchasing power parities is expected to rise from 3.1% in 2015 to 3.4% and 3.8% in the years 2016 and 2017.

The Chinese economy has been growing at slower than expected rates of officially around 6% and the construction industry has been badly affected by the slow-down and the tightening of credit available to developers to finance new building projects. This is combined with rising wages especially in the main cities and coastal towns. Fortunately ROY is no longer fully dependent upon the China market for sales of luxury sanitary ware.

Sanitary ware industry globally and in China

Industry sentiment indicators point to largely unchanged levels from those described in the combined management report of the 2015 annual report.

Summary on business development and performance

ROY's business in China ceased in the third quarter of 2015 following the sale of the China operating subsidiaries to White Horse. Consequently comparisons between the 2016 half year performance and the 2015 half year performance are not meaningful.

During this transition phase costs have been kept to a minimum and are covered by interest income receivable from White Horse.Overall we are satisfied with the half year results for 2016.

RESULTS OF OPERATIONS

The table below shows the condensed consolidated income statements for the reporting period ended June 30, 2016 compared to the period ended June 30, 2015 and the second quarter of 2016 compared to the second quarter of 2015.

kEUR	Q2 2016	Q2 2015	Change in %	H1 2016	H1 2015	Change in %
Revenue	**4**	**30,118**	***(99.9)***	**7**	**61,015**	***(99.9)***
Cost of sales	3	18,682	*(99.9)*	6	38,820	*(99.9)*
Gross profit	**1**	**11,436**	***(99.9)***	**1**	**22,195**	***(99.9)***
Other operating income	0	0	*0*	0	0	*0*
Other operating expenses	0	0	*0*	0	0	*0*
Distribution expenses	1	1,776	*(99.9)*	2	4,871	*(99.9)*
Administrative expenses	380	3,623	*(89.5)*	1,055	6,373	*(83.4)*
Profits from operations/ EBIT	**(380)**	**6,037**	***(106.3)***	**(1,056)**	**10,951**	***(109.6)***
Finance income	1,080	53	*n/a*	2,158	105	*n/a*
Finance expenses	10	0	*0*	19	0	*0*
Profit before income tax	**690**	**6,090**	***(88.7)***	**1,083**	**11,056**	***(90.2)***
Income tax	(25)	2,086	*n/a*	(25)	3,496	*n/a*
Net profit for the period	**715**	**4,004**	***(82.1)***	**1,108**	**7,560**	***(85.3)***
Gross margin in %	n/a	37.9	*n/a*	n/a	36.4	*n/a*
EBIT margin in %	n/a	20.0	*n/a*	n/a	17.9	*n/a)*
Net profit margin in %	n/a	13.3	*n/a*	n/a	12.4	*n/a*

Revenue

Prior to executing the Agreement with White Horse effective on September 30, 2015, ROY's revenues were derived from ROY's two operating companies, SFC and SFE. Revenue represented the amount received and receivable for sales of sanitary ware products and accessories, net of sales related taxes.

Since the third quarter of 2015 revenues have been minimal due to the closure of the Beijing factory and sale of the China operating companies. Accordingly half year comparisons are not appropriate.

ROY Ceramics SE has had no revenue so far and is unlikely to be trading in the foreseeable future.

Cost of sales

The main components of ROY's cost of sales were raw materials, labour costs, manufacturing overhead costs (including energy, depreciation of factory plant and equipment, consumables and packaging) and the costs of non-ceramic goods and accessories purchased from external suppliers.

The cost of sales for the period under review are as follows:

	H1 2016		H1 2015	
	kEUR	% of total cost of sales	kEUR	% of total cost of sales
Raw materials	0	*0*	8,648	*22.3*
Labour costs	0	*0*	1,497	*3.9*
Manufacturing overhead costs	0	*0*	5,909	*15.2*
Non-ceramic goods and accessories	6	*100*	22,766	*58.6*
TOTAL	**6**	***100***	**38,820**	***100.0***

Due to the closure of the Beijing production facility in the third quarter of 2015 half year comparisons of the components of cost of sales, gross profit and gross profit margin are not appropriate.

Distribution expenses

Distribution expenses in 2015 comprised mainly advertising and promotional expenses, travelling and entertaining expenses, transportation costs incurred for the delivery of goods to customers and distributors and salaries as well as commissions paid to sales and marketing personnel.

Administrative expenses

Administrative expenses comprise mainly of payroll and payroll related expenses of directors, management and administrative personnel, travelling and entertainment expenses incurred by management and directors, depreciation charges not related to manufacturing equipment, amortization of prepaid lease for the factory land, utilities, repairs and maintenance, rental, office expenses, transportation expenses and provision for impairment loss on trade and other receivables and the costs of maintaining the parent company ROY Ceramics SE and the listing on the Frankfurt Stock Exchange.

Administrative expenses decreased from kEUR 6,373 in the first half of 2015 to kEUR 1,055 in the first half of 2016. The decrease of 83.4% is due to the sale of the Group's China operating subsidiaries to White Horse in the third quarter of 2015.

EBIT

EBIT decreased by 109.6% from kEUR 10,951 in the half year of 2015 to a loss of Keur 1,056 in the half year of 2016 following the sale of the China operating subsidiaries to White Horse in the third quarter of 2015.

Finance income

Finance income in 2016 consists primarily of interest receivable from White Horse in accordance with the subject Agreement which is accruing since September 30, 2015 at 6% per annum on the total purchase consideration of US$80 Million.

Income tax

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and BVI. Under the Law of the People's Republic of China (the "PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rates of the PRC operating subsidiaries were 25%.

The income tax charge decreased from kEUR 3,496 in the half year of 2015 to Keur (25) in the half year of 2016 reflecting the sale of the Group's business in China in the third quarter of 2015.

Net profit

Net profit reduced from kEUR 7,560 in the half year of 2015 to KEUR 1,108 in the half year of 2016. In 2016 the interest income receivable from White Horse was sufficient to cover all operating expenses of the group and leave a small profit.

NET ASSETS AND FINANCIAL POSITION

NET ASSETS

The following table shows the condensed consolidated statement of financial position as at June 30, 2016 compared to the condensed consolidated statement of financial position as at December 31, 2015:

kEUR	June 30, 2016	Dec 31, 2015	Change in %
Non-current assets	82,312	82,460	*(0.2)*
Current assets	76,226	75,724	*1.0*
Equity & reserves	154,963	154,789	*0.1*
Non-current liabilities	384	388	*(1.0)*
Current liabilities	3,191	3,007	*6.1*

Non-current assets

Non-current assets comprise property, plant and equipment, prepaid lease payments and prepayments. There were no significant movements since December 31, 2015.

Current assets

Current assets comprise inventories, bank balances and cash, trade and other receivables and prepaid lease payments. There were no significant movements since December 31, 2015.

The cash position of the Group reduced from kEUR 82 at December 31, 2015 to kEUR 7 at June 30, 2016. The principal shareholders had agreed to provide financial support to the Group until such time as the payment of US$80 Million plus accrued interest is received from White Horse.

Inventories comprised of raw materials, work in progress, and finished goods products in stock.

	Jun 30, 2016 kEUR	Dec 31, 2015 kEUR
Raw materials	0	0
Finished goods	71	79
TOTAL	**71**	**79**

Equity

The group's equity amounted to kEUR 154,963 at June 30, 2016 compared with Keur 154,789 at December 31, 2015. The equity ratio amounts to 97.8% (December 31, 2015: 97.8%).

Current liabilities

The current liabilities increased by 6.1% from December 31, 2015 to June 30, 2016 due to increased amounts due for other payables.

FINANCIAL POSITION

kEUR	H1 2016	H1 2015	Change in %
Cash inflow/(outflow) from operating activities	1,177	6,612	*(82.2)*
Cash inflow/(outflow) from investing activities	19	104	*(81.7)*
Cash outflow from financing activities	0	0	*0*

The Group's cash position was affected by the delay in the payment receivable from White Horse of US$80 Million plus accrued interest under the subject Agreement. In the meantime the major shareholders provided financial support to maintain the Group's limited operations in Germany, USA and Hong Kong.

HUMAN RESOURCES

The average number of employees for the Group was 350 in business year 2015 and 9 for the six months period to June 30, 2016.

RISK AND OPPORTUNITY REPORT

In the Combined Management Report section of the 2015 Annual Report, the Group reported extensively on the opportunities and risks arising from business activities and other resources. There have been no significant risks identified beyond those previously reported which might have a significant impact on the results of operations and financial position of the Group within the remainder of 2016.

DEVELOPMENTS AFTER THE END OF THE REPORTING PERIOD

As of the date of this report there has been no receipt of funds from White Horse. We are in regular contact with White Horse and understand that the delay is due to complications in transferring foreign currency proceeds from China to Hong Kong.

OUTLOOK

Forecast ROY Ceramics

The half year 2016 results were in line with what we had expected. Following the sale of the operating subsidiaries in China in the third quarter of 2015 revenues in 2016 were negligible with overhead costs being covered by interest receivble from White Horse. There will be significant expenditure in the third quarter of 2016 in moving plant and machinery from the previous factory premises in Beijing to commence outsourcing in Thailand and new production facilities in the USA. Accordingly we expect a small operating loss for the full year 2016.

Frankfurt am Main, September 30, 2016
ROY Ceramics SE

The Management Board

SIEGFRIED LEE	DAVID HIRST	HARALD PAUL GOLDAU
CEO	CFO	COO

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATE

Condensed Consolidated Statement of Comprehensive Income

kEUR	Q2 2016	Q2 2015	H1 2016	H1 2015
Revenue	4	**30,118**	7	**61,015**
Cost of sales	3	18,682	6	38,820
Gross profit	1	**11,436**	1	**22,195**
Other income	0	0	0	0
Distribution epenses	1	1,776	24	4,871
Administrative expenses	380	3,623	1,055	6,373
Profit/(Loss) from operations	**(380)**	**6,037**	**(1,056)**	**10,951**
Finance income	1,080	53	2,158	105
Finance expenses	10	0	19	0
Profit before income tax	**690**	**6,090**	**1,083**	**11,056**
Income tax	(25)	2,086	(25)	3,496
Net profit for the period	**715**	**4,004**	**1,108**	**7,560**
Other comprehensive income for the period that may be reclassified to profit or loss in subsequent periods:				
Exchange differences on foreign currency translation	(467)	(4,864)	(934)	24,434
Total comprehensive income for the period:	**248**	**(860)**	**174**	**31,994**
Profit for the period attributable to:				
– Owners of the parent	715	3,639	1,108	6,560
Total comprehensive profit for the period attributable to:				
– Owners of the parent	248	(1,225)	174	30,994
Basic and diluted earnings per share (in EUR)	0.05	0.28	0.08	0.50

Condensed Consolidated Statement of Financial Position

kEUR	June 30, 2016	Dec 31, 2015
Assets		
Non-current assets		
Goodwill	120	120
Deferred tax asset	132	103
Property, plant and equipment	81,676	81,710
Long term loan	384	387
Prepayments	0	140
Total non-current assets	**82,312**	**82,460**
Current assets		
Bank balances and cash	7	82
Trade and other receivables	76,148	75,563
Inventories	71	79
Amount due from director	0	0
Prepaid lease payments	0	0
Amount due from a related company	0	0
Total current assets	**76,226**	**75,724**
Total assets	**158,538**	**158,184**
Equity and liabilities		
Equity		
Share capital	13,110	13,110
Reserves	141,853	141,679
Non-controlling interests	0	0
Total equity	**154,963**	**154,789**
Liabilities		
Amount due to director	2,628	2,628
Trade and other payables	563	379
Long Term Liability-Note payable	384	388
Total liabilities	**3,575**	**3,395**
Total equity and liabilities	**158,538**	**158,184**

Condensed Consolidated Statement of Changes in Equity

	Share capital kEUR	Capital reserve*/** kEUR	Translation reserve kEUR	Retained earnings kEUR	Total kEUR
Balance at Dec 31 2015	13,110	78,527	24,919	38,233	154,789
Exchange differences	0	0	(934)	0	(934)
Profit	0	0	0	1,108	1,108
Total compehensive income	0	0	(934)	1,108	174
Balance at June 30 2016	13,110	78,527	23,985	39,341	154,963

Condensed Statement of Cash Flows

kEUR	H1 2016	H1 2015
Operating activities		
Profit before taxation	1,083	11,056
Adjustments for		
Amortisation of prepaid lease payments	0	139
Depreciation	33	2,211
Write-down of inventories	0	0
Impairment loss on trade and other receivables	0	1,245
Non-cash consultancy fee	454	454
Operation cash flow before changes in working capital	**1,570**	**15,105**
Decrease (increase) in inventories	8	(9,122)
Decrease (increase) in trade and other receivables	(585)	(717)
Decrease (increase) in amount due from a director	0	(1,957)
(Decrease) Increase in trade and other payables and accruals	184	2,942
Decrease (increase) in amounts due from a related party	0	170
Cash generated from operations	**1,177**	**10,336**
Income tax paid	0	(3,724)
Net cash generated from operating activities	**1,177**	**6,612**
Investing activities		
Interest received	19	104
Purchase of property, plant and equipment	0	0
Cash aquired on acquisition of subsidiaries	0	0
Net cash used in investing activities	**19**	**104**
Financing activities		
Proceeds from issue of shares	0	0
Net cash generated from financing activities	**0**	**0**
Net increase in cash and cash equivalents	**1,196**	**6,716**
Adjustments due to currency translation	(1,271)	3,816
Cash and cash equivalents at the beginning of the period	82	34,888
Cash and cash equivalents at the end of the period	**7**	**45,420**

Selected Notes to the Condensed Consolidated Interim Financial Statements of ROY Ceramics SE

1. Nature of operations

ROY Ceramics SE (the “Company”) and its subsidiaries (collectively referred to as the “Group”) were principally engaged in the manufacturing and sales of ceramic sanitary wares and accessories. The Company acts as an investment holding company. The principal activities of its subsidiaries and the proportion of ownership interest and voting power held by the company are set out in note 36 of our Annual Report for the financial year 2015.

2. General Information and Statement of compliance with IFRS

The Group prepared these interim consolidated financial statements in compliance with IAS 34, Interim Financial Reporting. They should be read in connection with the Group’s consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”) for the financial year ended December 31, 2015.

ROY Ceramics SE is the parent company of the Group. The Company is an European stock corporation, founded on May 8, 2014, recorded in the commercial register (HRB 211752) of Munich, Germany, with business address at Bockenheimer Landstraße 17/19, 60325 Frankfurt am Main. The Shine Eagle Trust Reg., Balzers, Liechtenstein was the sole shareholder at the founding of the company.

On 5 and 14 November 2014 all shareholders of LION LEGEND HOLDINGS LIMITED (LLH), incorporated in the Cayman Islands, entered into a contribution agreement with the Company whereby they undertook to transfer and arrange for the transfer of all issued shares in LLH, 12,990,000,000 shares of USD 0.01 each, to the company against the issuance of 12,990,000 no par value ordinary bearer shares in the Company in proportion to their stakes in the share capital of LLH. The contribution agreement and the capital increase by way of contribution in kind was approved by an extraordinary shareholders’ resolution dated November 21, 2014 and has been registered with the commercial register of the local court of Munich on December 15, 2014. The new no par value ordinary bearer shares in the company were issued to the former shareholders of LLH. The total notional value of the newly issued shares in the amount of EUR 12,990,000 is booked as registered share capital of the company.

In December 2014, when the Company acquired 100% of the shares in LLH by a contribution in kind the relative percentage of ownership in the Company as compared with the relative percentage ownership in LLH has not changed with this transaction. The transaction is considered to be a transaction under common control within the meaning of IFRS 3.B1, for which IFRS 3 is not applicable. The accounting as a reverse acquisition in terms if IFRS 3.B19 is also not applicable, because the presence of a business of ROY Ceramics SE prior to the transaction would have been required to apply the rules of IFRS 3.B19. The contribution of the shares of LLH into the Company has been recognised, considering the economic substance of the transaction analogous to a reverse acquisition, as described in the note for significant accounting policies.

On April 30 2015, the shares in ROY Ceramics SE were listed in the prime standard on the Frankfurt Stock Exchange (Germany) for the first time and simultaneously in the unregulated market (third segment) of the Vienna Stock Exchange (Austria). The shares are traded under the securities numbers RYSE88 or ISIN DE000RYSE888.

The interim consolidated financial statements are presented in thousand units of Euro (kEUR). The functional currency of the Group was Renminbi (RMB) until September 30, 2015 as the operating subsidiaries were in Mainland China. Rounding differences may arise when individual amounts or percentages are added together. The exchange rates used in the preparation of the interim consolidated financial statements are presented in note 4 of these interim consolidated financial statements.

The interim consolidated financial statements for H1 and Q2 2016 were authorised for issue by the Managing Directors to the Administrative Board on September 30, 2016.

3. Significant accounting policies and changes in estimates

The preparation of interim consolidated financial statements in compliance with IAS 34 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. There have been no material revisions to the nature and amount of changes in estimates of amounts reported in the annual financial statements for the financial year 2016.

The Group applied with no material impact the following accounting pronouncements for the first time as of the beginning of the financial year 2015, which started on 1 January 2015:

Amendments to IAS 19 - Defined Benefit Plans: Employee Contributions
Amendments to IFRSs - Annual Improvements to IFRSs 2010-2012 Cycle
Amendments to IFRSs - Annual Improvements to IFRSs 2011-2013 Cycle

ROY Ceramics Group applies the same accounting policies and methods of computation in its interim consolidated financial statements as in its 2015 annual financial statements.

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions
The amendments to IAS 19 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee.

For contributions that are independent of the number of years of service, the entity may either recognize the contributions as a reduction in the service cost in the period in which the related service is rendered, or to attribute them to the employees' periods of service using the projected unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

The directors of the Company do not anticipate that the application of these amendments to IAS 19 will have a significant impact on the Group's consolidated financial statements as the Group does not have any defined benefit plans.

The *Annual Improvements to IFRSs 2010-2012 Cycle* include a number of amendments to various IFRSs, which are summarized below.

The amendments to IFRS 2 (i) change the definitions of “vesting condition” and “market condition”; and (ii) add definitions for “performance condition” and “service condition” which were previously included within the definition of “vesting condition”. The

amendments to IFRS 2 are effective for share-based payment transactions for which the grant date is on or after July 1, 2014.
The amendments to IFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial Instrument within the scope of IFRS 9 or IAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognized in profit and loss. The amendments to IFRS 3 are effective for business combinations for which the acquisition date is on or after July 1, 2014.

The amendments to IFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have "similar economic characteristics"; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of IFRS 13 clarify that the issue of IFRS 13 and consequential amendments to IAS 39 and IFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to IAS 16 and IAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to IAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The *Annual Improvements to IFRSs 2011-2013 Cycle* include a number of amendments to various IFRSs, which are summarised below.

The amendments to IFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to IFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32.

The amendments to IAS 40 clarify that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of IAS 40; and

(b) the transaction meets the definition of a business combination under IFRS 3.

The directors of the Company do not anticipate that the application of these will have material effect on the Group's consolidated financial statements.

4. Currency translation

	RMB/EUR	
	Closing rate	**Average rate**
June 30, 2015	6.76	6.83
December 31, 2015	7.09	6.09
June 30, 2016	**7.38**	**7.23**

The development of the currency translation difference, mainly based on the apprecia-tion of the forex-rate RMB/EUR is shown on the following table:

	H1 2016 kEUR	**H1 2015 kEUR**
At the beginning of the period	24,919	44,924
Net currency translation difference for the period recognised in other comprehensive income	(934)	24,434
At the end of the period	23,985	69,358

5. Significant events and transactions

There were no significant events or transactions in the first half of 2016.

6. Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares issued and outstanding during the financial period. Over the whole H1 2016 and H1 2015 periods the number of outstanding ordinary shares was 13,110,000. Exchange differences arising on translation are excluded from the earnings per share calculations.

	H1 2016	H1 2015
Profit for the financial period attributable to equity holders of the parent (kEUR)	715	6,560
Weighted average number of issued and outstanding no par shares (in thousands; H1 2014 for comparative purposes)	13,110	13,110
Basic and diluted earnings per share (EUR)	**0.05**	**0.50**

7. Fair values of financial instruments

Set out below is a comparison by class of the carrying amounts and fair values of the Group's financial instruments that are presented in the financial statements:

	As at June 30, 2016		As at December 31, 2015	
	Carrying amount	Fair Value	Carrying amount	Fair value
	kEUR	kEUR	kEUR	kEUR
Financial assets				
Loans and receivables (including trade and other receivables, prepayments, amount due from a director and bank and cash balances)	76,539	76,539	75,950	75,950
Total	**76,539**	**76,539**	**75,950**	**75,950**
Financial liabilities				
Liabilities measured at amortised cost (including trade and other payables, excluding accruals and other tax payables, and amount due to a director)	3,358	3,358	3,178	3,178
Total	**3,358**	**3,358**	**3,178**	**3,178**

8. Commitments and contingencies

There are no commitments or contingencies other than as lessee for future minimum lease payments under non-cancellable leases, which fall due as follows:

	As at June 30, 2016 kEUR
Within one year	119
In the second to fifth years inclusive	254
Total	373

The lease payments represent rentals payable by the Group for its office and warehouse premises. The lease terms are fixed for periods of two to five years.

9. Related party disclosures – Significant related party transactions

The Group had the following material related party transactions during the period:

	H1 2016 kEUR	H1 2015 kEUR
Consultancy fee paid to:		
Hi Scene Industrial Ltd.	201	132

Hi Scene Industrial Ltd. is controlled by a key management of SFE.

The above transactions were entered into with normal commercial terms.

10. Events after the reporting date

As of the date of this report there has been no receipt of funds from White Horse. We are in regular contact with White Horse and understand that the delay is due to complications in transferring foreign currency proceeds from China to Hong Kong.

Frankfurt am Main, September 30, 2016
ROY Ceramics SE

THE ADMINISTRATIVE BOARD

SIU FUNG SIEGFRIED LEE

SURASAK LELALERTSUPHAKUN

CHI TIEN STEVE LEUNG

YUEN SHAN KIMMY TSE

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements, which are based on the current estimates and assumptions by the corporate management of ROY Ceramics SE. Forward-looking statements are characterized by the use of words such as expect, intend, plan, predict, assume, believe, estimate, anticipate and similar formulations. Such statements are not to be understood as in any way guaranteeing that those expectations will turn out to be accurate. Future performance and the results actually achieved by ROY Ceramics SE and its affiliated companies depend on a number of risks and uncertainties and may therefore differ materially from the forward-looking statements. Many of these factors are outside ROY Ceramic SE’s control and cannot be accurately estimated in advance, such as the future economic environment or the actions of competitors and others involved in the marketplace. ROY Ceramics SE neither undertakes nor plans to update any forward-looking statements.

IMPRINT

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FINANCIAL CALENDAR 2016

Annual General Meeting
December 2016-date to be announced

Publication of Q3/9M Interim Statement
November 30, 2016