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首 長 科 技 集 團 有 限 公 司

SHOUGANG CONCORD TECHNOLOGY HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 521)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013

The board of directors (the "Board") of Shougang Concord Technology Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2013 with comparative figures for the year ended 31 December 2012. These final results have been reviewed by the Audit Committee of the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2013

	NOTES	**2013** **HK$'000**	2012 HK$'000
Continuing operations			
Revenue	*4*	**281,402**	309,348
Cost of sales		**(245,295)**	(265,332)
Gross profit		**36,107**	44,016
Other income	*5*	**8,893**	15,022
Other expense		**(9,934)**	(10,519)
Other gains and losses	*6*	**(90,568)**	(123,675)
Selling and distribution costs		**(10,241)**	(11,810)
Administrative expenses		**(68,753)**	(81,926)
Finance costs	*7*	**(70,497)**	(89,945)
Loss before tax		**(204,993)**	(258,837)
Income tax expense	*8*	**(10,092)**	(11,358)
Loss for the year from continuing operations	*9*	**(215,085)**	(270,195)
Discontinued operations			
Loss for the year from discontinued operations		**(140,345)**	(125,352)
Loss for the year		**(355,430)**	(395,547)

	NOTE	**2013**	2012
		HK$'000	*HK$'000*
Other comprehensive income (expenses)			
Items that will not be reclassified to profit or loss:			
Exchange differences arising on translation of financial statements from functional currency to presentation currency		**46,543**	4,500
Share of translation difference of associates		**96**	7
		46,639	4,507
Items that may be subsequently reclassified to profit or loss:			
Available-for-sale investments			
Fair value loss on available-for-sale investments		**(15,793)**	(35,227)
Reclassification adjustment for impairment loss recognised in respect of available-for-sale investments		**15,793**	35,227
		–	–
Other comprehensive income for the year		**46,639**	4,507
Total comprehensive expense for the year		**(308,791)**	(391,040)
Loss for the year attributable to the owners of the Company			
– from continuing operations		**(178,033)**	(254,276)
– from discontinued operations		**(140,345)**	(125,352)
Loss for the year attributable to the owners of the Company		**(318,378)**	(379,628)
Loss for the year attributable to non-controlling interests			
– from continuing operations		**(37,052)**	(15,919)
		(355,430)	(395,547)
Total comprehensive expense attributable to:			
Owners of the Company		**(274,849)**	(375,212)
Non-controlling interests		**(33,942)**	(15,828)
		(308,791)	(391,040)
Loss per share	*10*		
From continuing and discontinued operations			
Basic and diluted *(HK cents)*		**(11.83)**	(16.59)
From continuing operations			
Basic and diluted *(HK cents)*		**(6.61)**	(11.11)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2013

	NOTES	2013 *HK$'000*	2012 *HK$'000*
Non-current assets			
Property, plant and equipment		**11,552**	11,496
Goodwill		**–**	70,188
Intangible assets		**2,955**	4,817
Other receivables/deposit paid for acquisition of a property		**40,262**	35,078
Loan to an investee		**83,291**	80,165
Investments in associates		**2,563**	2,467
Available-for-sale investments		**7,639**	23,232
Club debentures		**700**	700
		148,962	228,143
Current assets			
Inventories		**9,601**	9,265
Trade and bills receivables	*11*	**55,927**	42,324
Prepayments, deposits and other receivables		**125,768**	103,851
Amounts due from customers for contract work		**314,818**	439,862
Tax recoverable		**693**	53
Pledged bank deposits		**24,101**	292,864
Bank balances and cash		**5,648**	13,362
		536,556	901,581
Disposal group classified as held-for-sale		**1,383,952**	1,418,587
		1,920,508	2,320,168
Current liabilities			
Trade and bills payables	*12*	**144,993**	159,553
Other payables, deposits received and accruals		**122,971**	55,802
Amounts due to customers for contract work		**–**	1,775
Convertible loan notes		**264,660**	116,767
Embedded derivative components of convertible loan notes		**24,914**	16,144
Tax liabilities		**8,261**	7,008
Borrowings – due within one year		**128,012**	421,915
Financial guarantee liabilities		**2,283**	6,566
		696,094	785,530
Liabilities associated with disposal group classified as held-for-sale		**489,132**	506,921
		1,185,226	1,292,451
Net current assets		**735,282**	1,027,717
Total assets less current liabilities		**884,244**	1,255,860

	2013	2012
	HK$'000	*HK$'000*
Non-current liabilities		
Convertible loan notes	**–**	95,436
Embedded derivative components of convertible loan notes	**–**	38,143
	–	133,579
Net assets	**884,244**	1,122,281
Capital and reserves		
Share capital	**673,035**	673,035
Reserves	**128,172**	394,767
Amounts recognised in other comprehensive income and accumulated in equity relating to disposal group classified as held-for-sale	**12,768**	10,078
Equity attributable to owners of the Company	**813,975**	1,077,880
Non-controlling interests	**70,269**	44,401
Total equity	**884,244**	1,122,281

Notes:

1. GENERAL

The Company is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). HNA Group (International) Company Limited ("HNA International"), a company incorporated in Hong Kong with limited liability, Shougang Holding (Hong Kong) Limited, a private company incorporated in Hong Kong and China Review Property Group Limited ("China Review"), a private company incorporated in British Virgin Islands, are substantial shareholders (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules")) of the Company. The address of the registered office and principal place of business of the Company are Units 2606A-2608, 26th Floor, Island Place Tower, 510 King's Road, North Point, Hong Kong.

The Company is an investment holding company.

The functional currency of the Company is Renminbi ("RMB"), as the Company mainly holds investments in subsidiaries whose operations are primarily in the People's Republic of China ("the PRC").

As the Company is listed in the Stock Exchange, for the convenience of the financial statements users, the results and financial position of the Group are expressed in Hong Kong dollars ("HK$"), the presentation currency for the consolidated financial statements.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The Group had net current liabilities (excluding assets and liabilities associated with disposal group classified as held-for-sale) of approximately HK$159,538,000 as at 31 December 2013 of which approximately HK$128,012,000 were attributable to bank borrowings due within one year and approximately HK$264,660,000 were attributable to convertible loan notes payable within one year. The Company had net current liabilities excluding amount due from (to) subsidiaries of approximately HK$338,757,000 as at 31 December 2013 of which approximately HK$264,660,000 were attributable to convertible loan notes payable within one year. Taking into account the financial resources of the Group and the Company, including the Group's and the Company's unutilised banking facilities, the Group's and the Company's ability to renew or refinance the banking facilities upon maturity and financial support from two shareholders of the Company, HNA International and China Review, the directors of the Company ("Directors") are of the opinion that the Group and the Company have sufficient working capital to meet in full its financial obligations as they fall due for at least the next twelve months from the end of the reporting period and accordingly, these consolidated financial statements have been prepared on a going concern basis.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Application of new and revised HKFRSs

The Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 – 2011 Cycle
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine

In addition, the Group has applied the amendments to HKAS 36 *Recoverable Amount Disclosures for Non-Financial Assets* in advance of the effective date for the Group's financial year commencing on 1 January 2014.

Except as described below, the application of the new and revised to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosure set out in these consolidated financial statements.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising HKFRS 10 *Consolidated Financial Statements*, HKFRS 11 *Joint Arrangements*, HKFRS 12 *Disclosure of Interests in Other Entities*, HKAS 27 (as revised in 2011) *Separate Financial Statements* and HKAS 28 (as revised in 2011) *Investments in Associates and Joint Ventures*, together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding transitional guidance. HKAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The impact of the application of HKFRS 10 and HKFRS 12 is set out below.

Impact of the application of HKFRS 10

HKFRS 10 replaces the parts of HKAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements and HK(SIC) Int-12 *Consolidation – Special Purpose Entities*. HKFRS 10 changes the definition of control such that an investor has control over an investee when (a) it has power over the investee, (b) it is exposed, or has rights, to variable returns from its involvement with the investee and (c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

The Directors made an assessment as at the date of initial application of HKFRS 10 (i.e. 1 January 2013) over the Group's investees in accordance with the requirements of HKFRS 10. The Directors concluded the application of HKFRS 10 in the current year has had no material effect on the amounts reported in these consolidated financial statements.

Impact of the application of HKFRS 12

HKFRS 12 is a new disclosure standard and is applicable to the Group's interests in subsidiaries and associates. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

HKFRS 13 Fair Value Measurement

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are within the scope of HKAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application. In accordance with the transitional provisions of HKFRS 13, the Group has not made any new disclosures required by HKFRS 13 for the 2012 comparative period. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The Group has applied the amendments to HKAS 1 *Presentation of Items of Other Comprehensive Income*. Upon the adoption of the amendments to HKAS 1, the Group's statement of comprehensive income is renamed as the statement of profit or loss and other comprehensive income. Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

Amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements regarding the fair value hierarchy, key assumptions and valuation techniques used when the recoverable amount of an asset or CGU was determined based on its fair value less costs of disposal.

The Group has applied the amendments to HKAS 36 in advance of the effective date for the Group's financial year commencing on 1 January 2014. Accordingly, the recoverable amount of the Group's cash generating unit relating to intelligent information business had not been disclosed in these consolidated financial statements.

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[3]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[2]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transaction Disclosures[5]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[1]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[2]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
HKFRS 9	Financial Instruments[4]
HK(IFRIC) – Int 21	Levies[1]

1 Effective for annual periods beginning on or after 1 January 2014.
2 Effective for annual periods beginning on or after 1 July 2014.
3 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions.
4 Available for application – the mandatory effective date will be determined when outstanding phases of HKFRS 9 are finalised.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for hedge accounting.

Key requirements of HKFRS 9 are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Based on the Group's financial assets and financial liabilities as at 31 December 2013, the Directors do not anticipate that the adoption of HKFRS 9 will have a significant impact on the amounts reported in respect of the Group's financial assets and financial liabilities.

HK(IFRIC) – Int 21 Levies

HK(IFRIC) – Int 21 *Levies* addresses the issue of when to recognise a liability to pay a levy. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

The Directors do not anticipate that the application of HK (IFRIC) – Int 21 will have a significant impact on the Group's consolidated financial statements.

The Directors anticipate that the application of other new and revised standards, amendments or interpretation will have no material impact on the results and the financial position of the Group.

4. SEGMENT INFORMATION

Information reported to the chief operating decision maker ("CODM"), being the Managing Director of the Company, for the purpose of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Since the second half of 2012, information regarding the sales of light emitted diode products, have been provided separately to the CODM for the purposes of resource allocation and performance assessment. For segment reporting purpose, two operating segments, leasing of investment properties and sale of light emitted diode projects were aggregated and reported under "Others" for the year ended 31 December 2012.

For the year ended 31 December 2013, information relating to sales of light emitted diode products are presented separately. Consequently, comparative figures for the year ended 31 December 2012 have been re-presented to reflect the changes. The Group's reportable segments from continuing operations under HKFRS 8 are therefore intelligent information business and sales of light emitted diode products. Information reported under "Others" for the year ended 31 December 2012 are mainly attributable to leasing of investment properties which have been disposed of in the second half of 2012.

Since 2011, a reportable and operating segment namely the "DTV technical solutions and equipment business" was classified as a disposal group held-for-sale and included in discontinued operation. In addition, further loss incurred for disposal of Remarkable Mask Technology Company Limited ("Remarkable") in 2009 was also included in discontinued operations. The segment information reported below does not include any amounts for these discontinued operations.

(a) Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable and operating segment.

For the year ended 31 December 2013

Continuing operations

	Intelligent information business *HK$'000*	**Sales of light emitted diode products** *HK$'000*	**Total** *HK$'000*
SEGMENT REVENUE			
External sales	**277,386**	**4,016**	**281,402**
Segment (loss) profit	**(117,666)**	**606**	**(117,060)**
Unallocated income and gains			**6,580**
Unallocated expenses			**(42,072)**
Impairment loss recognised in respect of available-for-sale investments			**(15,793)**
Gain on fair value change of the derivative components of convertible loan notes			**29,373**
Finance costs			**(70,497)**
Amortisation of financial guarantee contracts			**9,245**
Loss on issuing of financial guarantee contracts			**(4,769)**
Loss before tax (continuing operations)			**(204,993)**

For the year ended 31 December 2012

Continuing operations

	Intelligent information business *HK$'000*	Sales of light emitted diode products *HK$'000* (restated)	Others *HK$'000* (restated)	Total *HK$'000*
SEGMENT REVENUE				
External sales	304,574	4,774	–	309,348
Segment loss	(36,917)	(3,364)	(705)	(40,986)
Unallocated income and gains				20,009
Unallocated expenses				(51,020)
Decrease in fair value of held-for-trading investments				(76)
Impairment loss recognised in respect of available-for-sale investments				(35,227)
Gain on disposal of subsidiaries, net				7,685
Loss on fair value change of the derivative components of convertible loan notes				(68,507)
Finance costs				(89,945)
Loss on issuing of financial guarantee contracts				(770)
Loss before tax (continuing operations)				(258,837)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment loss represents the loss from each segment without allocation of bank interest income, certain gains and corporate expenses and those disclosed in the reconciliation above. This is the measure reported to the CODM for the purposes of resources allocation and assessment of segment performance.

There was no inter-segment sales in 2013 and 2012.

(b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

	2013 *HK$'000*	2012 *HK$'000* (restated)
Reportable segment assets		
Continuing operations		
Intelligent information business	**557,301**	709,457
Sales of light emitted diode products	**4,275**	7,424
	561,576	716,881
Reconciliation of reportable segment total to group total:		
Disposal group classified as held-for-sale and constituted discontinued operations – DTV technical solutions and equipment business	**1,383,952**	1,418,587
	1,945,528	2,135,468
Unallocated assets:		
Investments in associates	**2,563**	2,467
Loan to an investee	**83,291**	80,165
Bank balances and cash	**5,648**	13,362
Available-for-sale investments	**7,639**	23,232
Pledged bank deposits	**24,101**	292,864
Other unallocated assets	**700**	753
Consolidated assets	**2,069,470**	2,548,311
Reportable segment liabilities		
Continuing operations		
Intelligent information business	**204,957**	200,259
Sales of light emitted diode products	**13,007**	16,871
	217,964	217,130
Reconciliation of reportable segment total to group total:		
Liabilities associated with disposal group classified as held-for-sale and constituted discontinued operations – DTV technical solutions and equipment business	**489,132**	506,921
	707,096	724,051
Unallocated liabilities:		
Borrowings	**128,012**	421,915
Convertible loan notes (including embedded derivative components)	**289,574**	266,490
Financial guarantee liabilities	**2,283**	6,566
Tax liabilities	**8,261**	7,008
Deposit refundable to Guang Hua Resources Investment Company Limited ("Guang Hua") on termination of agreement	**50,000**	–
Consolidated liabilities	**1,185,226**	1,426,030

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than investments in associates, bank balances and cash, available-for-sale investments, pledged bank deposits, loan to an investee and other unallocated assets; and

- all liabilities are allocated to operating segments other than borrowings, convertible loan notes, tax liabilities, financial guarantee liabilities and deposit refundable to Guang Hua on termination of agreement.

(c) Other segment information

For the year ended 31 December 2013

Continuing operations

	Intelligent information business *HK$'000*	**Sales of light emitted diode products** *HK$'000*	**Segment total** *HK$'000*
Amounts included in the measure of segment loss or segment assets:			
Capital expenditure *(Note)*	**3,462**	**16**	**3,478**
Depreciation of property, plant and equipment	**2,584**	**424**	**3,008**
Amortisation of intangible assets	**2,021**	**–**	**2,021**
Loss on disposal of property, plant and equipment	**136**	**–**	**136**
Reversal of write-down of inventories	**–**	**(996)**	**(996)**
Impairment loss in respect of amounts due from customers for contract work	**30,899**	**–**	**30,899**
Impairment loss in respect of prepayment and other receivables	**5,123**	**–**	**5,123**
Impairment loss in respect of trade receivables	**3,102**	**–**	**3,102**
Interest income in respect of other receivables/ deposit paid for acquisition of a property	**(3,763)**	**–**	**(3,763)**
Impairment loss recognised in respect of goodwill	**70,188**	**–**	**70,188**

For the year ended 31 December 2012

Continuing operations

	Intelligent information business *HK$'000*	Sales of light emitted diode products *HK$'000*	Segment total *HK$'000*
Amounts included in the measure of segment loss or segment assets:			
Capital expenditure *(Note)*	2,545	9	2,554
Depreciation of property, plant and equipment	2,751	1,136	3,887
Amortisation of intangible assets	2,644	–	2,644
(Gain) loss on disposal of property, plant and equipment	(682)	107	(575)
Write-down of inventories	–	3,840	3,840
Impairment loss in respect of amounts due from customers for contract work	4,283	–	4,283
Impairment loss in respect of other receivables	13,400	–	13,400
Impairment loss in respect of trade receivables	11,719	–	11,719
Interest income in respect of other receivables/ deposit paid for acquisition of a property	(1,421)	–	(1,421)
Impairment loss recognised in respect of goodwill	–	4,668	4,668

Note: Capital expenditure includes additions to property, plant and equipment and intangible assets but excludes those relating to discontinued operations.

5. OTHER INCOME

	2013	2012
	HK$'000	*HK$'000*
Continuing operations		
Interest on bank deposits	**5,130**	8,794
Imputed interest income in respect of deferred consideration arising from disposal of Remarkable	**–**	4,807
Interest income in respect of other receivables/deposit paid for acquisition of a property	**3,763**	1,421
	8,893	15,022

6. OTHER GAINS AND LOSSES

	2013	2012
	HK$'000	*HK$'000*
Continuing operations		
Gain (loss) on fair value change of the derivative components of convertible loan notes	**29,373**	(68,507)
(Loss) gain on disposal of property, plant and equipment	**(136)**	575
Net foreign exchange (loss) gain	**(706)**	635
Impairment loss in respect of other receivables/ deposit paid for acquisition of a property	**–**	(13,400)
Impairment loss in respect of amounts due from customers for contract work	**(30,889)**	(4,283)
Decrease in fair value of held-for-trading investments	**–**	(76)
Reversal of impairment loss in respect of deferred consideration receivable arising from disposal of Remarkable	**–**	6,167
Impairment loss in respect of trade receivables	**(3,102)**	(11,719)
Impairment loss recognised in respect of available-for-sale investments	**(15,793)**	(35,227)
Impairment loss recognised in respect of goodwill	**(70,188)**	(4,668)
Impairment loss recognised in respect of prepayment and other receivables	**(5,123)**	–
Gain on disposal of subsidiaries, net	**–**	7,685
Gain on amortisation of financial guarantee contracts	**9,245**	–
Loss on issuing financial guarantee contracts	**(4,769)**	(770)
Others	**1,520**	(87)
	(90,568)	(123,675)

7. FINANCE COSTS

	2013	2012
	HK$'000	*HK$'000*
Continuing operations		
Interest on:		
Bank borrowings wholly repayable within five years	**15,381**	22,317
Convertible loan notes	**54,088**	63,551
Loan from a related company	**912**	3,906
Loan from a shareholder	**116**	33
Others	**–**	138
	70,497	89,945

8. INCOME TAX EXPENSE

	2013	2012
	HK$'000	*HK$'000*
Continuing operations		
Current tax:		
Regions in the PRC other than Hong Kong	**3,774**	1,472
Underprovision in prior years:		
Hong Kong	**–**	21
PRC Enterprise Income Tax ("EIT")	**6,318**	–
	6,318	21
Deferred tax		
Current year	**–**	9,865
	10,092	11,358

No provision for Hong Kong Profits Tax has been made for both years as the Group's income neither arises in, nor is derived from, Hong Kong.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards except that pursuant to the relevant laws and regulations in the PRC, a principal subsidiary of the Company is entitled to a 50% reduction in the applicable tax rate from 2010 to 2012. No specific deduction is entitled on the applicable tax rate for 2013.

A wholly-owned PRC subsidiary of the Group was granted certain tax benefits since 2008 to 2012 while the Directors have changed the operating plan since 2010 and shrunk its business afterwards. During the year ended 31 December 2013, the PRC tax authority disallowed the tax benefits previously granted to that subsidiary and an additional tax charge of RMB5,000,000 (approximately HK$6,318,000) was imposed in relation to prior years and charged to underprovision of tax in current year.

9. LOSS FOR THE YEAR FROM CONTINUING OPERATIONS

Loss for the year from continuing operations has been arrived at after charging:

	2013	2012
	HK$'000	*HK$'000*
Continuing operations		
Staff costs, including Directors' remuneration		
– Salaries, wages and other benefits	**44,875**	45,483
– Retirement benefit scheme contributions	**3,741**	5,081
Total staff costs	**48,616**	50,564
Depreciation of property, plant and equipment	**3,008**	3,887
Amortisation of intangible assets (included in cost of sales)	**2,021**	2,644
Total depreciation and amortisation	**5,029**	6,531
Auditor's remuneration	**2,542**	2,578
Cost of inventories recognised as expenses (including (reversal of) write-down of inventories of HK$(996,000) (2012: HK$3,840,000), net)	**2,715**	8,386
Contract costs recognised as expenses	**233,285**	246,764
Research and development costs (included in other expenses)	**5,953**	10,519
Penalties charged by PRC State Administration of Foreign Exchange (included in other expenses) *(Note)*	**3,981**	–

Note: During the year ended 31 December 2013, a penalty charge of approximately HK$3,981,000 was imposed to the Group due to non-compliance of Regulations on Foreign Exchange System of PRC in relation to designate use of capital injection of a wholly-owned subsidiary in PRC and the amount was fully settled during the current interim period.

10. LOSS PER SHARE

From continuing and discontinued operations

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

	2013	2012
	HK$'000	*HK$'000*
Loss		
Loss for the purpose of basic and diluted loss per share (Loss for the year attributable to owners of the Company)	**(318,378)**	(379,628)

The denominators used are the same as those detailed below for both basic and diluted loss per share from continuing operations.

From continuing operations

The calculation of basic and diluted loss per share from continuing operations attributable to the owners of the Company is based on the following data:

	2013	2012
	HK$'000	*HK$'000*
Loss figures are calculated as follows:		
Loss for the year attributable to the owners of the Company	**(318,378)**	(379,628)
Less: Loss for the year from discontinued operations	**(140,345)**	(125,352)
Loss for the purpose of basic and diluted loss per share from continuing operations	**(178,033)**	(254,276)

	2013	2012
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**2,692,141**	2,287,906

The computation of diluted loss per share does not assume exercise of share options and conversion of convertible notes in 2013 and 2012 because the assumed conversion of convertible notes would result in decrease in loss per share from continuing operations.

From discontinued operations

Basic and diluted loss per share for the discontinued operations is HK5.22 cents per share (2012: loss of HK5.48 cents per share).

The calculation of basic and diluted loss per share from discontinued operations attributable to the owners of the Company are based on the following data:

	2013	2012
	HK$'000	*HK$'000*
Loss for the purposes of basic and diluted loss per share attributable to owners of the Company	**(140,345)**	(125,352)

The denominators used are the same as those detailed above for both basic and diluted loss per share from continuing operations.

11. TRADE AND BILLS RECEIVABLES

Trading terms with customers are on credit, except for new customers, where cash on delivery is normally required. Invoices are normally payable within 90 days of issuance. Each customer has a designated credit limit.

An aged analysis of the trade and bills receivables at the end of the reporting period, based on invoice date, and net of allowance for doubtful debts, is as follows:

	2013	2012
	HK$'000	*HK$'000*
0 – 90 days	**15,787**	26,756
91 – 180 days	**15,084**	7,473
181 – 365 days	**18,898**	1,722
1 – 2 years	**4,682**	6,373
Over 2 years	**1,476**	–
	55,927	42,324

12. TRADE AND BILLS PAYABLES

The following is an aged analysis of the trade and bills payables based on the invoice date at the end of reporting period:

	2013	2012
	HK$'000	*HK$'000*
0 – 90 days	**58,966**	69,640
91 – 180 days	**18,997**	17,415
181 – 365 days	**5,801**	5,121
1 – 2 years	**13,156**	23,943
Over 2 years	**48,073**	43,434
	144,993	159,553

FINAL DIVIDEND

The Board does not recommend the payment of any dividend in respect of the year (2012: Nil).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 4 June 2014 to Friday, 6 June 2014 (both days inclusive) to determine the entitlement to attend and vote at the Company's annual general meeting to be held on Friday, 6 June 2014 (the "AGM"). During such period no transfer of shares of the Company will be registered. In order to qualify for the entitlement to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrars, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (the address will be changed to Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong from 31 March 2014), not later than 4:30 p.m. on Tuesday, 3 June 2014 for registration.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Turnover from continuing operations for the year ended 31 December 2013 amounted to HK$281.4 million (31 December 2012: HK$309.3 million). The decrease in turnover was mainly attributable to the project volume derived from intelligent information business being less than last year.

Loss attributable to the owners of the Company for the year amounted to HK$318.4 million (31 December 2012: HK$379.6 million), analyzed as follows:

	2013	2012
	HK$'000	*HK$'000*
Loss from continuing operations	**178,033**	254,276
Loss from discontinued operations		
– digital television business	**140,345**	67,362
– photomask business	**–**	57,990
	140,345	125,352
Loss attributable to the owners of the Company for the year	**318,378**	379,628

Basic loss per share of the Group is summarized as follows:

	2013	2012
	HK cents	*HK cents*
Basic loss per share from continuing operations	**6.61**	11.11
Basic loss per share from discontinued operations	**5.22**	5.48
Basic loss per share of the Group as a whole	**11.83**	16.59

As at 31 December 2013, the Group's equity attributable to the owners of the Company amounted to HK$814.0 million, representing a decrease of HK$263.9 million over the figure as at 31 December 2012 of HK$1,077.9 million. The net assets value per share attributable to the owners of the Company as at 31 December 2013 was HK$0.33 (31 December 2012: HK$0.40).

SEGMENT INFORMATION

Intelligent information business

Intelligent information business refers to the development and provision of system integration solutions, system design and sale of system hardware. The turnover and operating losses for the year arising from intelligent information business reached HK$277.4 million (2012: HK$304.6 million) and HK$117.7 million (2012: HK$36.9 million), respectively. The decrease in operating income was mainly attributable to the drop in the project volume as compared to last year. In addition, the Company's increased efforts in internal control along with implementation of stringent control over provision for assets for the purpose of its long-term operation led to a remarkable increase in loss for the year.

Digital television business services

In the year, there was no operating income from digital television business (2012: HK$69.5 million) and the total loss is HK$140.3 million (2012: HK$67.4 million). The Group was no longer able to engage in the digital television business technical solution and similar business. There was no technical service fee income to set off the related expenses during the current year, which resulted in the loss as a whole increased by HK$72.9 million as compared with 2012.

At present, the disposal transaction of the DTV business under the Group is pending completion. The parties are currently negotiating the transaction amount and transaction terms. The Group believe that the final transaction price can realise an amount worth the value of such business.

Others

It represents the provision of management services and the sale of light emitted diode items and other products. In the year, the turnover and operating profits/(losses) were HK$4.0 million (2012: HK$4.8 million) and HK$0.6 million (2012: HK$ (4.1 million)) respectively.

PROSPECT

Through resources integration after the disposal of digital television business, the Group will redeploy resources in system integration business. The Group will also actively explore new businesses for investments and development to maximize return to shareholders in the future. The Group also intends to develop golf hotel business through acquisitions and it is expected that this will bring better return to shareholders in the future.

LIQUIDITY AND FINANCIAL RESOURCES

The financial leverage of the Group as at 31 December 2013, as compared to 31 December 2012 is summarized below:

	As at	
	31 December 2013	31 December 2012
	HK$'000	*HK$'000*
Total debt		
– from bank	**128,012**	421,915
– from convertible loan notes	**264,660**	212,203
Sub-total	**392,672**	634,118
Pledged bank deposits	**(24,101)**	(292,864)
Cash and bank deposits	**(5,648)**	(13,362)
Net debt	**362,923**	327,892
Total capital (equity and total debt)	**1,206,647**	1,711,998
Total assets	**2,069,470**	2,548,311
Financial leverage		
– net debt to total capital	**30.1%**	19.2%
– net debt to total assets	**17.5%**	12.9%

FINANCING ACTIVITIES

During the year, the Group has raised new borrowings of HK$395.4 million from banks, a related company and a shareholder of HK$287.8 million, HK$92.6 million and HK$15.0 million respectively, to provide working capital for the Group.

CAPITAL STRUCTURE

As at 31 December 2013, the number of shares in issue and issued share capital of the Company were 2,692,141,179 (31 December 2012: 2,692,141,179) and approximately HK$673.0 million (31 December 2012: HK$673.0 million) respectively.

CHARGE ON ASSETS

As at 31 December 2013, assets pledged to banks to secure banking facilities (including bank borrowings and bills payables) granted to the Group are as follow:

	31 December 2013	31 December 2012
	HK$'000	*HK$'000*
Investment properties	**49,329**	45,453
Buildings	**11,106**	10,903
Bank deposits	**24,101**	293,053
Total	**84,536**	349,409

As at 31 December 2013, among assets pledged classified as held for sale, there were investment properties of HK$49.3 million (31 December 2012: HK$45.5 million), buildings of HK$11.1 million (31 December 2012: HK$10.9 million), and pledged bank deposits of Nil (31 December 2012: HK$0.2 million) as at 31 December 2013 were included in disposal group classified as held-for-sale.

FOREIGN EXCHANGE EXPOSURE

The ordinary operations and investments of the Group are mainly in Hong Kong and the PRC, with revenue and expenditures denominated in Hong Kong dollars, Renminbi and United States dollars. The operation results of the Group may be affected by the volatility of Renminbi. The Group will review its foreign exchange exposure regularly and may consider using financial instruments to hedge against foreign exchange exposures at appropriate times. As at 31 December 2013, there were no derivative financial instruments employed by the Group.

MATERIAL ACQUISITIONS, DISPOSALS, SIGNIFICANT INVESTMENTS AND FUTURE PLANS OF MATERIAL INVESTMENT

During the year, the Group completed the disposal of its 20% interests in Sinostride Technology Co. Ltd. ("SST") at a total consideration of RMB58.3 million, the partial disposal of SST is accounted for as an equity transaction, resulting in net amount of HK$19.0 million being recognised in accumulated losses.

In addition, as disclosed in an announcement of the Company dated 17 January 2014, the Group intended to develop golf hotel business through acquisitions. It is expected through the ownership and management of Golf Club, Sofitel Dongguan Golf Resort Hotel and other recreational facilities in Dongguan, PRC, the provision of leisure and tourism services can bring revenue and diversify the income sources of the Group. This will balance our operating expenses and it is believed that this will bring stable and better return and cash flow to the shareholders in future.

Save as disclosed above, the Group had no other material acquisitions, disposals, significant investments and future plans of material investment during the year ended 31 December 2013.

CONTINGENT LIABILITIES

As at 31 December 2013, the contingent liabilities of the Group were arisen from guarantees of HK$126.2 million (31 December 2012: HK$148.6 million) for credit facilities granted to third parties, and the amount utilized was HK$111.5 million (31 December 2012: HK$104.2 million).

EMPLOYEES AND REMUNERATION POLICIES

The Group had a total of 285 employees as at 31 December 2013.

The remuneration policies of the Group are to ensure fairness and competitiveness of total remuneration in order to motivate and retain current employees as well as to attract potential ones. Remuneration packages are carefully structured to take into account local practices under various geographical locations in which the Group operates. The remuneration packages of the employees include salary, discretionary bonuses, pension schemes, medical subsidies and share options as part of their staff benefits.

EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT

The auditor expressed a disclaimer opinion in the auditor's report. The basis for disclaimer of opinion is extracted as follows:

Basis for Disclaimer of Opinion

The sales agreement entered into between the Group and Hong Kong Guang Hua Resources Investments Company Limited, an independent third party, in relation to the disposal of certain subsidiaries of the Group (collectively referred as the "DTV Disposal Group") lapsed on 30 June 2013. The directors of the Company are now actively seeking for other potential buyers for the disposal of the DTV Disposal Group and consider the disposal transaction remains highly probable. The directors are of the view that the carrying amounts of the assets included in the DTV Disposal Group are measured in accordance with applicable Hong Kong Financial Reporting Standards ("HKFRSs") taking into account of the potential disposal and are also confident that the recoverable amount of DTV Disposal Group in its entirety would not be less than the net assets value of the DTV Disposal Group included in consolidated statement of financial position as at 31 December 2013. However, no formal sales agreement and valuation in relation to the DTV Disposal Group has been concluded as at the date of this report. In the absence of a formal sales agreement and an appropriate valuation performed as at 31 December 2013, we were unable to obtain sufficient information to assess whether certain assets included in the DTV Disposal Group are measured in accordance with applicable HKFRSs and whether the DTV Disposal Group in its entirety is measured at the lower of its net assets value and fair value less cost of disposal in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" issued by the HKICPA. There were no other satisfactory audit procedures that we could adopt to satisfy ourselves that the carrying amounts of the assets included in the DTV Disposal Group as at 31 December 2013 were fairly stated. Any adjustment to the carrying amounts may have a consequential significant effect on the loss for the year and the net assets as at 31 December 2013.

As at 31 December 2013, there are amounts due from subsidiaries of HK$792,635,000 on the Company's statement of financial position. Due to the limitation as described above, we were unable to obtain sufficient appropriate audit evidence to assess whether the carrying amounts of these balances were fairly stated and to assess whether the classification of these amounts due from subsidiaries as current assets as at 31 December 2013 is appropriate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in accordance with the Hong Kong Companies Ordinance.

Report on matters under sections 141(4) and 141(6) of the Hong Kong Companies Ordinance

In respect alone of the inability to obtain sufficient appropriate audit evidence regarding the DTV Disposal Group and the Company's amounts due from subsidiaries:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and

- we were unable to determined where proper books of account had been kept.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (whether on the Stock Exchange or otherwise) during the year.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules during the financial year ended 31 December 2013.

Details of the Company's compliance with the provisions of the CG Code during the year will be set out in the Corporate Governance Report in the Company's 2013 annual report.

APPRECIATION

On behalf of the Board, I would like to extend our sincere thanks to our customers, suppliers and shareholders for their continuous support to the Group. I would also extend my gratitude and appreciation to all management and staff for their hard work and dedication throughout the year.

By order of the Board
Shougang Concord Technology Holdings Limited
Mung Kin Keung
Executive Chairman

Hong Kong, 27 March 2014

As at the date of this announcement, the Board comprises Mr. Mung Kin Keung (Executive Chairman), Mr. Li Shaofeng (Non-executive Chairman), Mr. Li Tongshuang (Managing Director), Mr. Mung Bun Man, Alan (Executive Director), Mr. Leung Shun Sang, Tony (Non-executive Director), Mr. Leung Kai Cheung (Independent Non-executive Director), Mr. Liem Chi Kit, Kevin (Independent Non-executive Director) and Mr. Lam Kin Fung, Jeffrey (Independent Non-executive Director).