FIRST MOBILE GROUP HOLDINGS LIMITED
(第一電訊集團有限公司)*

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 865)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2014

The directors of First Mobile Group Holdings Limited (the "Company") announce the unaudited interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2014 (the "Period") together with the unaudited comparative figures:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2014

		For the six months ended 30 June	
		2014	2013
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue	*4/5*	**–**	40
Cost of sales		**–**	(89)
Gross loss		**–**	(49)
Other income		**1,661**	5,835
Selling and distribution expenses		**–**	(4)
General and administrative expenses		**(2,726)**	(4,731)
Other operating expenses		**(16)**	(3,418)
Provision for financial guarantee liabilities		**(180,145)**	(1,883)
Gain on deconsolidation of a liquidating subsidiary	*6*	**227,198**	–

* *For identification purposes only*

	Notes	For the six months ended 30 June 2014 HK$'000 (unaudited)	2013 HK$'000 (unaudited)
Loss from operations		**45,972**	(4,250)
Finance costs	*7*	**(76,303)**	(81,456)
Loss before tax	*8*	**(30,331)**	(85,706)
Income tax	*9*	**–**	–
Loss for the period		**(30,331)**	(85,706)
Attributable to:			
Owners of the Company		**(30,331)**	(85,706)
Non-controlling interests		**–**	–
		(30,331)	(85,706)
Loss per share	*10*		
Basic and diluted (HK cents per share)		**(1.56)**	(4.40)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2014

	For the six months ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Loss for the period	**(30,331)**	(85,706)
Other comprehensive income/(loss) after tax:		
Items that may be subsequently reclassified to profit or loss		
Exchange differences reclassified to profit or loss upon deconsolidation of a liquidated subsidiary	**4,855**	–
Exchange differences on translation of foreign operations	**(2,017)**	7,456
	2,838	7,456
Total comprehensive loss for the period	**(27,493)**	(78,250)
Attributable to:		
Owners of the Company	**(27,493)**	(78,250)
Non-controlling interests	**–**	–
	(27,493)	(78,250)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2014

	Notes	**30 June 2014** *HK$'000* **(unaudited)**	31 December 2013 *HK$'000* (audited)
Non-current asset			
Property, plant and equipment	*12*	**189**	278
Current assets			
Inventories		**–**	25
Prepayments, deposits and other receivables		**74**	188
Bank and cash balances		**100**	451
		174	664
Current liabilities			
Trade and bills payables	*13*	**437,689**	542,641
Accruals and other payables		**859,719**	790,340
Bank borrowings		**406,727**	478,483
Current tax liabilities		**1,515**	1,469
Financial guarantee liabilities	*14*	**193,133**	58,936
Convertible loans	*15*	**33,000**	33,000
		1,931,783	1,904,869
Net current liabilities		**(1,931,609)**	(1,904,205)
NET LIABILITIES		**(1,931,420)**	(1,903,927)
Capital and reserves			
Share capital		**194,600**	194,600
Reserves		**(2,124,488)**	(2,096,995)
Equity attributable to owners of the Company		**(1,929,888)**	(1,902,395)
Non-controlling interests		**(1,532)**	(1,532)
TOTAL EQUITY		**(1,931,420)**	(1,903,927)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2014

1. GENERAL INFORMATION

First Mobile Group Holdings Limited (the "Company") is a limited liability company incorporated in the Cayman Islands. The address of its registered office is P.O. Box 472, 2nd Floor, Harbour Place, 103 South Church Street, George Town, KY1-1106, Grand Cayman, Cayman. The address of its principal place of business is Workshop 6, Level 1, Wah Yiu Industrial Centre, 30–32 Au Pui Wan Street, Fotan, Shatin, New Territories, Hong Kong. The Company's shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") and its shares have been suspended from trading since 27 November 2009.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (collectively referred to as the "Group") are trading and distribution of mobile phones and related accessories and these activities have been gradually scaled down to inactive.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Group incurred a loss attributable to owners of the Company of approximately HK$30,331,000 for the six months ended 30 June 2014 (2013: HK$85,706,000) and as at 30 June 2014 the Group had net current liabilities of approximately HK$1,931,609,000 (31 December 2013: HK$1,904,205,000) and net liabilities of approximately HK$1,931,420,000 (31 December 2013: HK$1,903,927,000) respectively.

The conditions above indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. To address the issues above, the Company had explored and negotiated with its creditors and potential investor for a proposed restructuring of the Group (the "Proposed Restructuring") which is included in the resumption proposal of the Company being submitted to the Stock Exchange on 4 December 2012 (the "Resumption Proposal"). As set out in the Company's announcements dated 2 December 2013, 9 January and 26 February 2014, respectively, in the course of preparing for the new listing application for the Julong Group, certain regulatory issues were identified and given the substantial effort already spent in seeking to resolve those regulatory issues regarding the proposed acquisition of Julong and the lack of progress as at the final deadline for submission of a new listing application for the Resumption Proposal to the Listing Committee, the Directors consider that it is not in the interests of the Company and its shareholders as a whole to continue with the acquisition of Julong, for the purpose of seeking the resumption of trading in Shares.

To continue with the Resumption Proposal, the Company has identified a new target company (the "Target Company") and entered into the acquisition agreement on 31 March 2014 (the "Acquisition Agreement") with Mr. Shie Tak Chung and Mr. Tsoi Kin Sze (the "Vendors"), pursuant to which the Company will acquire the entire issued share capital of China General (HK) Company Limited ("China General") (the "Target Company") together with its subsidiaries, including 惠安中總房地產開發有限公司, 福建省厚德企業管理有限公司, 恒德(石獅)投資有限公司, 揚州德輝房地產開發有限公司 and 揚州德泰物業服務有限公司 (collectively referred to as the "Target Group"). Upon completion of the reorganisation of the Target Group, the Target Group will hold interest in certain real estate projects in Yangzhou, Jiangsu Province and Quanzhou, Fujian Province in the People's Republic of China.

Pursuant to the Acquisition Agreement, the Company will carry out the amended proposed restructuring (the "Amended Proposed Restructuring"), details of which were announced in the Company's announcement dated 22 August 2014 (the "Announcement") and are summarised below (capitalised terms used in this note have the same meaning as in their respective announcements):

– Pursuant to the supplemental agreement in relation to the subscription agreement dated 27 August 2010 (as supplemented by side letters dated 15 September 2010, 23 December 2010, 31 March 2011, 7 July 2011, 2 November 2011, 30 March 2012, 4 December 2012 and 6 February 2013 respectively and supplemented by a supplemental agreement dated 28 September 2010), the Company has conditionally agreed to allot and issue to the Subscriber, and the Subscriber has conditionally agreed to subscribe for 954,694,713 Subscription Shares, at a Subscription Price of approximately HK$0.155 per Subscription Share, for a total cash consideration, before expenses, of approximately HK$148 million.

– At the Scheme Meeting held on 21 December 2010, the Creditor Schemes proposed to be entered into between the Company and the Creditors were unanimously approved by the Creditors attending and voting at the meeting in person or by proxy.

– On 8 February 2011, the Hong Kong Scheme was sanctioned by the High Court and on 28 April 2011, the Cayman Scheme was sanctioned by the Grand Court. The Hong Kong Scheme and the Cayman Scheme will become effective and legally binding on the Company and the Creditors upon fulfillment of the specified conditions precedent to the Subscription Agreements.

– The asset to be acquired under the Acquisition Agreement is the Sale Equity Interest, being the entire equity interest in China General (HK) Company Limited ("China General"). As at the date of the Announcement, the entire issued share capital of China General is owned as to 45.0% by Mr. Shie and 55.0% by Mr. Tsoi respectively. Upon the completion of Acquisition, the Target Group will become wholly-owned subsidiaries of the Company.

– The Acquisition constitutes a very substantial acquisition and a reverse takeover for the Company under Chapter 14 of the Listing Rules and a connected transaction for the Company pursuant to Rule 14A.13(1)(b)(i) of the Listing Rules and is therefore subject to the approval of the Stock Exchange and Independent Shareholders of the Company. Pursuant to Rule 14.54 of the Listing Rules, the Stock Exchange will treat a listed issuer proposing a reverse takeover as if it were a new listing applicant. Accordingly, the Company will be treated as if it were a new listing applicant.

As disclosed in the Company's announcement dated on 12 September 2014, the Company received a letter dated 11 September 2014 from the Listing (Review) Committee (the "LRC Letter"), which stated that the Listing (Review) Committee decided to grant a final extension to 31 October 2014 for the Company to submit a new listing application relating to the Target Group (the "Proposal"), and not any other proposal. The LRC Letter also stated that no further extensions of time will be granted to the Company, and the Listing (Review) Committee further decided to cancel the listing of the Shares on the Stock Exchange should the Company fail to do the above by 31 October 2014 or the Proposal fail to proceed for any reasons.

The unaudited condensed consolidated interim financial statements (the "Interim Financial Statements") have been prepared on a going concern basis, as the Company has submitted the Revised Resumption Proposal, the successful implementation of which will affect the principal elements of the Amended Proposed Restructuring and allow the trading in the shares of the Company being resumed. The Directors are of the view that the major procedures of the Amended Proposed Restructuring will eventually be agreed upon by the Company's creditors, Jinwu Limited (the "Investor"), the Vendors, the Company's shareholders and any other parties concerned, and will be successfully implemented.

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

The Interim Financial Statements do not include all the information and disclosures required in the full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2013.

The preparation of the Interim Financial Statements in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

The accounting policies adopted in the preparation of the Interim Financial Statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2013.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and mandatorily effective for its accounting periods beginning on or after 1 January 2014. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in the condensed consolidated financial statements.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

4. REVENUE

No transactions were concluded to generate any trading income by the Group during the period ended 30 June 2014. The revenue for the period ended 30 June 2013 comprised the fair value of the consideration for the sale of goods in the ordinary course of the Group's activities and was shown net of value-added tax, returns, rebates and discounts allowed and after eliminating sales within the Group.

5. SEGMENT INFORMATION

Management has determined the operating segments based on the internal reports reviewed by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance. The Group has only one operating segment of trading and distribution of mobile phones and related accessories. The information of the Group's operating and reportable segments is analysed as follows:

Information about reportable segment profit or loss and segment assets:

	Trading and distribution of mobile phones and related accessories	
	2014	2013
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Six months ended 30 June:		
Revenue from external customers	**–**	40
Segment loss	**45,972**	4,251
Interest income	**–**	1
Interest expenses	**76,303**	81,456
Depreciation	**92**	275
Other material non-cash items:		
Impairment reversed in respect of trade receivables	**–**	53
Impairment reversed in respect of prepayments, deposits and other receivables	**–**	2,601
Impairment recognised in respect of inventories	**25**	–

	2014	2013
	HK$'000	HK$'000
	(unaudited)	(audited)
At 30 June 2014/31 December 2013:		
Segment assets	**363**	942

Reconciliation of reportable segment profit or loss:

	For the six months ended 30 June	
	2014	2013
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Total loss of reportable segments	**45,972**	(4,251)
Corporate and unallocated loss	**(76,303)**	(81,455)
Consolidated loss before tax	**(30,331)**	(85,706)

6. GAIN ON DECONSOLIDATION OF A LIQUIDATING SUBSIDIARY

As detailed in the Company's announcement dated 20 February 2014, a winding-up order was issued by the High Court of Malaya, Kuala Lumpur on 5 February 2014 ordering among other things that First Mobile Group Sdn. Bhd. ("FMGSB"), a wholly-owned subsidiary of the Company, be wound up and that the Official Receiver of Malaysia be appointed as liquidator of FMGSB. The Directors considered that the control over FMGSB has been lost since then. The results, assets and liabilities, and cash flows of FMGSB were deconsolidated from the Group's consolidated financial statements with effect from 5 February 2014.

	HK$'000
Net liabilities of the subsidiary deconsolidated:	
Cash and bank balances	24
Prepayments and other receivables	16
Trade and bills payables	(108,330)
Accruals and other payables	(5,047)
Amount due to the Group	(2,915)
Bank overdrafts	(56,207)
Bank borrowings	(20,565)
Financial guarantees liabilities	(45,948)
Net liabilities of the deconsolidated subsidiary	(238,972)
Impairment of amount due from the deconsolidated subsidiary	2,915
Release of the related foreign currency translation reserves	8,859
Gain on deconsolidation of a liquidating subsidiary	(227,198)

Net cash inflows from deconsolidation of the liquidating subsidiary were as follows:

	HK$'000
Cash and cash equivalent deconsolidated:	
Cash and bank balances	(24)
Bank overdrafts	56,207
	56,183

7. FINANCE COSTS

	Six months ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest expenses on:		
– bank borrowings	**23,483**	28,532
– finance lease	**–**	13
– convertible loans	**516**	627
– trade payables	**52,304**	52,284
	76,303	81,456

8. LOSS BEFORE TAX

The Group's loss before tax for the period is arrived at after charging (crediting) the amounts as set out below:

	Six months ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Gain on disposal of property, plant and equipment	**–**	(118)
Cost of inventories sold	**–**	89
Impairment (reversed)/recognised in respect of trade receivables	**–**	(53)
Impairment (reversed)/recognised in respect of prepayments, deposits and other receivables	**–**	(2,601)
Impairment recognised in respect of inventories	**25**	–
Staff costs (including Directors' remuneration):		
– salaries, bonuses and allowances	**1,421**	1,542
– retirement benefits scheme contributions	**38**	38
	1,459	1,580
Depreciation	**92**	275
Provision for legal cases *(note)*	**–**	3,520
Net exchange gains	**(1,661)**	(3,051)

Note: During the first half of 2013, the Group had provisions in respect of two legal proceedings against one of the subsidiaries of the Company, First Mobile Group Sdn. Bhd. ("FMGSB") in Malaysia. The Directors are of the view that adequate provision has been made against the claims in 2013. Further details are set out in the announcements of the Company dated 1 March 2013, 19 April 2013, 9 May 2013, 25 July 2013, 22 October 2013 and 20 February 2014.

9. INCOME TAX

No provision for profits tax has been made as the Group did not generate any assessable profit for each of the six months ended 30 June 2014 and 2013.

10. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share is based on the loss for the period attributable to owners of the Company of approximately HK$30,331,000 (2013: HK$85,706,000) and the weighted average number of 1,945,996,565 (2013: 1,945,996,565) ordinary shares in issue during the period.

Diluted loss per share

No adjustment has been made to the basic loss per share in respect of a dilution as the exercise of the Group's outstanding convertible loans would be anti-dilutive for both periods.

11. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2014 (2013: None).

12. PROPERTY, PLANT AND EQUIPMENT

	2014 **Property, plant and equipment** ***HK$'000***	2013 Property, plant and equipment *HK$'000*
Carrying amounts at 1 January (audited)	**278**	777
Exchange differences	**3**	(6)
Depreciation	**(92)**	(275)
Disposals	**–**	(74)
Carrying amounts at 30 June (unaudited)	**189**	422

13. TRADE AND BILLS PAYABLES

	30 June 2014 ***HK$'000*** **(unaudited)**	31 December 2013 *HK$'000* (audited)
Trade payables	**436,354**	438,073
Bills payables	**1,335**	104,568
	437,689	542,641

At the end of the reporting period, the ageing analysis of the trade payables are over 120 days.

14. FINANCIAL GUARANTEE LIABILITIES

Group

The Company has given corporate guarantees to certain banks to secure for the general banking facilities of FMGSB, Exquisite Model Sdn. Bhd. ("EM") and Mobile Distribution (M) Sdn. Bhd. ("MDM") totaling approximately HK$193,133,000. In view that FMGSB, EM and MDM are currently in liquidation, and on ground that the potential claims of these corporate guarantees granted by the Company may be exercised by the relevant banks, a provision for financial guarantee liabilities of approximately HK$193,133,000 have been made against the potential uncovered exposures to be borne by the Company under such guarantees.

15. CONVERTIBLE LOANS

(a) Time Boomer Limited ("Time Boomer"), a party nominated by the Investor to provide HK$13 million out of HK$50 million standby working capital facility pursuant to the terms of the Exclusivity Agreements, entered into the Loan Agreements (the "TB Loan") and Option Agreements (the "TB Option") with Mobile Distribution Limited ("MDL"), a wholly-owned subsidiary of the Company. Pursuant to a supplemental deed with Time Boomer to amend the terms of the TB Option such that Time Boomer shall now be entitled to subscribe for 83,870,968 Adjusted Shares at a total exercise price of HK$13 million, or HK$0.155 per Adjusted Share, upon fulfillment of certain conditions precedent as described in the Announcement.

Interest of 8% per annum will be paid monthly up until the Time Boomer Loan is converted or redeemed.

The interest charged for the six months period is calculated by applying an effective interest rate of 8.3% (2013: 8.6%) per annum to the liability component.

The TB Loan is secured by (i) the FMG Share Charge over a total of 68.5% of the entire issued shares of the Company held by the Major Shareholders; (ii) the Personal Guarantees given by Mr. Ng Kok Hong and Ms. Tan Sook Kiang; (iii) the share charges over the entire issued share capital of MDL; and (iv) the Fixed and Floating Charge over the assets of MDL. The FMG Share Charge, the Personal Guarantees and the Fixed and Floating Charge will continue to be in force and, subject to the terms and conditions as further described in the Company's announcement dated 14 July 2011.

(b) First Apex Investments Limited ("First Apex"), a party nominated by the Investor to provide HK$20 million out of HK$50 million standby working capital facility pursuant to the terms of the Exclusivity Agreements, entered into the Loan Agreements (the "FA Loan") and Option Agreements (the "FA Option") with MDL. Pursuant to a termination deed with First Apex terminating the FA Option and a new option deed with First Apex pursuant to which the Company will now grant to First Apex an option to subscribe for 129,032,258 Adjusted Shares at a total exercise price of HK$20 million or approximately HK$0.155 per Adjusted Share, upon fulfillment of certain conditions precedent as described in the Announcement.

The FA Loan does not bear any interest.

The interest charged for the six months period is calculated by applying an effective interest rate of nil% (2013: 1.25%) per annum to the liability component.

The First Apex Convertible Loan is secured by (i) the FMG Share Charge over a total of 68.5% of the entire issued shares of the Company held by the Major Shareholders; (ii) the Personal Guarantee given by Mr. Ng Kok Hong; (iii) the share charges over the entire issued share capital of MDL; and (iv) the Fixed and Floating Charge over the assets of MDL. The FMG Share Charge, the Personal Guarantee and the Fixed and Floating Charge will continue to be in force and, subject to the terms and conditions as further described in the 14 February 2012 Announcement.

(c) The liability components of the TB Loan and FA Loan at the end of the reporting period is analysed as follows:

	Convertible Loans – Group		
	Time Boomer	**First Apex**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
Liability component at 1 January 2014	13,000	20,000	33,000
Interest charged	516	–	516
Interest paid	(257)	–	(257)
Interest included in accruals and other payables	(259)	–	(259)
Liability component at 30 Jun 2014	13,000	20,000	33,000

16. EVENTS AFTER THE END OF THE REPORTING PERIOD

Subsequent to the end of the reporting period, there are certain updates on the Group's Amended Proposed Restructuring in progress, and further details of which are stated in note 2 to these financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The decrease in revenue is due to the scale-down of operation in Indonesia.

The Group recorded an other income of approximately HK$1.7 million for the first half of FY2014, representing a decrease of HK$4.2 million compared to the previous corresponding period mainly due to the reversal of impairment on other receivables in the previous corresponding period.

The Group's general and administrative expenses decreased by approximately HK$2 million compared to the corresponding period in 2013 mainly due to the various cost-cutting measures implemented by the Group.

The Group's other operating expenses for the first half of financial year 2013 was mainly due to the provision in respect of two legal proceedings against one of the subsidiaries of the Company in Malaysia.

Finance costs decreased by approximately HK$5.2 million compared to the previous corresponding period mainly due to the decrease in finance cost of bank borrowings.

The Group's provision for financial guarantee liabilities increased by 9,467% from approximately HK$1.9 million to approximately HK$180 million mainly due to the provision for potential claims (comprising principal and interest) under the corporate guarantee granted to a wholly-owned subsidiary which was deconsolidated from the Group's consolidated financial statements with effect from 5 February 2014.

The loss attributable to owners of the Company was approximately HK$30.3 million for the first half of FY2014, representing loss per share of HK1.56 cents as compared to a loss of approximately HK$85.7 million for the corresponding period in 2013, representing loss per share of HK4.4 cents.

Segment Information

The Group has no revenue generated for the first half of FY2014.

Liquidity and Financial Resources

As at 30 June 2014, bank and cash balances of the Group were approximately HK$0.1 million (as at 31 December 2013: HK$0.45 million).

The Group's gearing ratio (measured as total borrowings over total assets) as at 30 June 2014 was 174,341% (as at 31 December 2013: 60,554%).

As at 30 June 2014, certain of the Group's bank borrowings were secured by the corporate guarantees granted by the Company (as at 31 December 2013: secured by the corporate guarantees granted by the Company).

Assets and Liabilities

As at 30 June 2014, the Group had total assets of approximately HK$363,000 (as at 31 December 2013: HK$942,000), total liabilities of approximately HK$1,932 million (as at 31 December 2013: HK$1,905 million). The net liabilities of the Group as at 30 June 2014 were HK$1,931 million (as at 31 December 2013: HK$1,904 million).

Significant Investments and Acquisition

The Group did not have any significant investment nor did it make any material acquisition or disposal of subsidiaries and associates during the first half of FY2014.

Charges on Group Assets

The Group had no other charge as at 30 June 2014 except for the charge by Time Boomer and First Apex. Details are set out in note 15 to the unaudited condensed consolidated interim financial statements.

Reserves

As at 30 June 2014, the Group did not have any reserves available for distribution.

Capital Structure

There was no change in the Company's share capital during the first half of FY2014.

Capital Commitments

The Group and the Company did not have any significant capital commitments as at 30 June 2014.

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 30 June 2014.

Employees

As at 30 June 2014, the Group had 8 (as at 31 December 2013: 9) employees. The total of employee remuneration, including that of the Directors, for the six months ended 30 June 2014 amounted to approximately HK$1.5 million (six months ended 30 June 2013: HK$1.6 million) of which approximately HK$0.54 million represents the Director's remuneration. The Group remunerates its employees based on their performance, experience and the prevailing industry practice.

COMPETING INTEREST

None of the Directors or the management shareholders of the Company had an interest in a business which competes or may compete with the business of the Group.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the Period, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed shares.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct (the "Code of Conduct") governing securities transactions by its Directors modelled on terms no less exacting than the required standard as set out in Appendix 10 of the Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"), as amended from time to time.

Having made specific enquiry, all Directors have confirmed compliance with the Code of Conduct throughout the Period.

Relevant employees who are likely to be in possession of unpublished price-sensitive information of the Group are also subjected to similar compliance.

AUDIT COMMITTEE

The primary duties of the Audit Committee include the review of financial information, overseeing the financial reporting system and internal control procedures as well as maintaining a working relationship with the external auditors.

The unaudited financial results and statements of the Company for the six months ended 30 June 2014 have not been reviewed by external auditors or by the Audit Committee as there were no independent non-executive Directors (the "INED") to constitute the Audit Committee.

CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions as set out in Appendix 14 of the Listing Rules – Corporate Governance Code and Corporate Governance Report (the "CG Code") during the six months ended 30 June 2014 in the CG Code except for those in relation to the vacancy of the (i) independent non-executive directors ("INED"); and (ii) company secretary, following the resignations of all three of the Company's INED and the company secretary on 2 December 2009 and 9 April 2014 respectively. Arrangements will be made to appoint the company secretary and an appropriate number of INEDs to reconstitute the Board of Directors and the Audit, Nomination and Remuneration Committees as soon as practicable to comply with the CG Code.

By order of the Board
First Mobile Group Holdings Limited
Ng Kok Hong
Executive Chairman

Hong Kong, 26 February 2016

As at the date of this announcement, the board of directors of the Company comprises three executive directors, namely Mr. Ng Kok Hong, Mr. Ng Kok Tai and Mr. Ng Kok Yang.