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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors of First Mobile Group Holdings Limited (the "Company") announce the consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2014 together with the comparative figures for the year ended 31 December 2013 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2014

	Notes	**2014** **HK$'000**	2013 HK$'000
Revenue	*5*	**–**	–
Cost of sales		**–**	–
Gross profit		**–**	–
Other income	*6*	**24**	4,252
Selling and distribution expenses		**(1)**	(3)
General and administrative expenses		**(20,455)**	(19,028)
Other operating expenses		**(159)**	(7,558)
Gain on deconsolidation of a liquidated subsidiary	*7*	**227,198**	–
Provision for financial guarantee liabilities	*16*	**(172,398)**	–
Profit/(loss) from operations		**34,209**	(22,337)
Finance costs	*8*	**(151,686)**	(166,566)

* *For identification purpose only*

	Notes	**2014** *HK$'000*	2013 *HK$'000*
Loss before tax		**(117,477)**	(188,903)
Income tax	*9*	**–**	25
Loss for the year attributable to owners of the Company	*10*	**(117,477)**	(188,878)
Other comprehensive income after tax:			
Items that may be reclassified to profit or loss:			
Exchange differences reclassified to profit or loss upon deconsolidation of a liquidated subsidiary	*7*	**8,859**	–
Exchange differences on translation of foreign operations		**14,850**	11,223
		23,709	11,223
Total comprehensive loss for the year attributable to owners of the Company		**(93,768)**	(177,655)
Loss per share			
— Basic and diluted (HK cents per share)	*12*	**(6.04)**	(9.71)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Notes	2014 HK$'000	2013 HK$'000
Non-current asset			
Property, plant and equipment		**101**	278
Current assets			
Inventories		**–**	25
Prepayments, deposits and other receivables		**285**	188
Bank and cash balances		**82**	451
		367	664
Current liabilities			
Trade and bills payables	*13*	**426,163**	542,641
Accruals and other payables	*14*	**944,767**	790,340
Bank borrowings	*15*	**407,392**	478,483
Current tax liabilities		**1,455**	1,469
Financial guarantee liabilities	*16*	**185,386**	58,936
Convertible loans	*17*	**33,000**	33,000
		1,998,163	1,904,869
Net current liabilities		**(1,997,796)**	(1,904,205)
NET LIABILITIES		**(1,997,695)**	(1,903,927)
Capital and reserves			
Share capital		**194,600**	194,600
Reserves		**(2,190,763)**	(2,096,995)
Equity attributable to owners of the Company		**(1,996,163)**	(1,902,395)
Non-controlling interests		**(1,532)**	(1,532)
TOTAL EQUITY		**(1,997,695)**	(1,903,927)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 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, KYI-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

Suspension of trading in shares of the Company

At the request of the Company, trading in shares of the Company has been suspended since 27 November 2009. Pursuant to a letter from the Stock Exchange on 3 June 2010, among other things, the Company was required to submit a viable resumption proposal (the "Resumption Proposal") to the Stock Exchange, which should address the Company's ability to meet certain conditions for resumption of trading in shares of the Company.

On 2 November 2010, the Stock Exchange issued another letter to the Company informing that the Company had been placed in the first delisting stage under Practice Note 17 (the "PN 17") to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The Company is required to submit a Resumption Proposal to the Stock Exchange by 1 May 2011 to demonstrate that the Company has:

(a) sufficient level of operations or assets of sufficient value required under Rule 13.24 of the Listing Rules;

(b) adequate internal controls to meet obligations under the Listing Rules; and

(c) sufficient working capital for at least twelve months from resumption date.

The Company submitted a resumption proposal to the Stock Exchange on 1 April 2011 with a view to seek the Stock Exchange's approval for the resumption of trading in the shares of the Company. However, on 26 May 2011, the Stock Exchange informed the Company that this resumption proposal had not satisfactorily demonstrated sufficiency of operations or asset under Rule 13.24 of the Listing Rules and the Company had been placed in the second stage of delisting procedures commencing on 26 May 2011 pursuant to PN17.

On 8 November 2011, the Company submitted a revised resumption proposal to the Stock Exchange to seek their approval for the resumption of trading in the shares of the Company. On 16 March 2012, the Company provided further information to the Stock Exchange in response to the Stock Exchange's queries and in support of the revised resumption proposal.

At the end of the second delisting stage, the Company did not provide a viable resumption proposal to the Stock Exchange to demonstrate its sufficiency of operations or assets for listing. Therefore, the Stock Exchange placed the Company in the third delisting stage on 20 June 2012.

Subsequently, on 4 December 2012, the Company had submitted another resumption proposal to the Stock Exchange, which involves, inter alia, the Company's proposed acquisition of the entire equity interest in Chongqing Fuling Julong Electric Power Co., Ltd ("Julong") (the "Original Acquisition"). Further details of the Original Acquisition were described in the Group's Annual Report 2012 and the Company's announcements dated 21 December 2012, 18 January 2013, 13 May 2013, 24 June 2013 and 19 July 2013.

Proposed restructuring of the Group

As mentioned 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 Original Acquisition, for the purpose of seeking the resumption of trading in shares of the Company.

To continue with the Resumption Proposal, the Company has identified a new target company and entered into an agreement (the "Acquisition Agreement") on 31 March 2014 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", 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 Proposed Restructuring (the "Amended Proposed Restructuring") which will now involve the proposed capital reorganisation and creditors schemes, the proposed open offer, the proposed subscription and the working facility capitalisation, the acquisition, the application for the granting of the whitewash waiver and the disposal of the three companies together with their subsidiaries within the Group. The completion of the Amended Proposed Restructuring is conditional upon fulfilment of certain key conditions precedent which include, among other things, the passing of the resolutions by the shareholders of the Company at the extraordinary general meeting, the granting of the whitewash waiver by the Securities and Futures Commission of Hong Kong, the capital reorganisation becoming effective, and the submission of the Resumption Proposal to the Stock Exchange and the satisfaction of the conditions set out in the letter from the Stock Exchange to the Company granting in-principle approval to the Resumption Proposal.

The details of the conditions precedent and the updates on the Amended Proposed Restructuring are further described in the announcement dated 22 August 2014 (the "Amendment Announcement"). The Amended Proposed Restructuring, if successfully implemented, consists of, among other things, the principal elements in notes and paragraphs below. Unless otherwise specified, capitalised terms used herein shall have the same meanings as in the Amendment Announcement.

(a) Capital Reorganisation

The Company will undergo the proposed restructuring of the capital of the Company (the "Capital Reorganisation") comprising the proposed reduction of the nominal value of each issued share capital of the Company from HK$0.10 to HK$0.0005 (the "Capital Reduction"), the proposed share premium cancellation of the Company upon the Capital Reduction becoming effective (the "Share Premium Cancellation") and the proposed consolidation of 10 issued shares of HK$0.0005 cash into 1 new share (i.e. the ordinary share of HK$0.005 each in the capital of the Company immediately following the Capital Reorganisation becoming effective) (the "New Shares") of HK$0.005 (the "Share Consolidation"). Before the Capital Reorganisation, the authorised share capital of the Company is HK$300,000,000 divided into 3,000,000,000 Shares of HK$0.10 each, and the issued share capital of the Company is HK$194,599,656.50 divided into 1,945,996,565 Shares of HK$0.10 each. Immediately after completion of the Capital Reorganisation, the authorised share capital of the Company will be HK$500,000,000 divided into 100,000,000,000 New Shares of HK$0.005 each and the issued share capital of the Company will be reduced to HK$972,998.28 divided into 194,599,656 New Shares of HK$0.005 each. The New Shares after Capital Reorganisation will be identical and rank pari passu in all respects with each other.

(b) Creditors Schemes

The schemes of arrangement entered into between the Company and its creditors (none of whom are holders of the existing shares of the Company) pursuant to section 166 of the Predecessor Hong Kong Companies Ordinance and section 86 of the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands with, or subject to, any modification, addition or conditions approved or imposed by the High Court of Hong Kong and the Grand Court of the Cayman Islands (the "Creditors Schemes") have been approved by the creditors at the creditors' meeting held on 21 December 2010 and sanctioned by the High Court on 8 February 2011 and the Grand Court on 28 April 2011, respectively as stated in the announcements of the Company dated 14 February and 6 May 2011. Subject to any approvals/consents in respect of any modification of the Creditors Schemes having being obtained, the Creditors Schemes will become legally binding on the Company and its creditors upon fulfillment of the conditions to be set out in the subscription agreements in relation to the subscription and upon the filing of the orders of the High Court and the Grand Court with the relevant companies registries in Hong Kong and the Cayman Islands respectively.

As part of the Amended Proposed Restructuring, pursuant to the Creditors Schemes, upon effective, all or any claims and against the Company and all the indebtedness of the Company will be compromised and discharged through (i) a cash payment of HK$162 million (which will be funded by the Company out of the net proceeds of approximately HK$198.6 million from the subscription and the open offer); (ii) the transfer of the subsidiaries of the Company other than Marzo Holdings Limited, Value Day Limited and Mobile Distribution Limited (collectively as the "Disposed Companies") and their subsidiaries, including eTouch Mobile Private Limited, PT Comworks Indonesia, Multi Brand Telecom Services Trade Company Limited, Calibro Global Limited, Distinct Elite Limited and Matrix Star Limited (collectively as the "Disposed Group") (the "Scheme Subsidiaries") to a company to be incorporated and to be held and controlled by the administrators sanctioned by the High Court in respect of the Creditors Schemes (the "Scheme Administrators") for the purpose of holding the Scheme Subsidiaries (the "Scheme Company") or the Scheme Administrators (or their nominees) for the benefit of the creditors under the Creditors Schemes; and (iii) all or any claims of the Disposed Group against the Scheme Subsidiaries in respect of transactions or events incurred up to the date on which the Creditors Schemes become effective shall be assigned and/or transferred and/or novated from the Disposed Group to Scheme Company or the Scheme Administrators (or their nominees).

Please refer to the Announcement for the details of the Creditors Schemes.

(c) The Disposal

According to the Company's announcement dated 31 October 2014, as part of the Amended Proposed Restructuring, the Company will dispose of certain of its subsidiaries to some or all of the Existing Controlling Shareholders or their nominee(s). Subject to the disposal agreement, Mr. Ng Kok Hong via his solely and beneficially owned corporation — Simply Divine Global Limited (the "Purchaser") has conditionally agreed to acquire and the Company has conditionally agreed to sell the Disposed Group under the Amended Proposed Restructuring. Upon completion of the Disposal, the Company will no longer be interested in the Disposed Group.

(d) Acquisition of the New Target

The asset to be acquired under the Acquisition Agreement is the Sale Equity Interest, being the entire issued share capital of China General. As at the date of the Announcement, the entire issued share capital of China General is owned as to 45% by Mr. Shie and 55% 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 Independent Shareholders at the EGM and the Stock Exchange's approval of the Company's new listing application.

The information relating to the acquisition agreement as required under the Takeovers Code and the Listing Rules will be set out in the Announcement.

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.

As stated in the Company's announcements dated on 31 October 2014, 30 December 2014, 30 April 2015, 30 October 2015 and 31 December 2015, the Company has made a new listing application relating to the Acquisition of the New Target to the Stock Exchange on 30 October 2014 and the Stock Exchange is still in the process of reviewing the Company's new listing application.

Going concern basis

The Group incurred a loss attributable to owners of the Company of approximately HK$117,477,000 (2013: HK$188,878,000) for the year ended 31 December 2014 and as at that date, the Group had net current liabilities of approximately HK$1,997,796,000 (2013: HK$1,904,205,000) and net liabilities of approximately HK$1,997,695,000 (2013: HK$1,903,927,000) respectively.

The condition above indicates 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 has been exploring and negotiating with its creditors, Jinwu Limited (the "Investor"), the Vendors and any other parties concerned for the Amended Proposed Restructuring of the Group.

The consolidated financial statements have been prepared on a going concern basis, as the Company is preparing the Resumption Proposal, the successful implementation of which will effect, including but not limited to, the Amended Proposed Restructuring to settle with the Company's creditors 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, the Investor, the Vendors, the Company's shareholders and any other parties concerned, and will be successfully implemented.

Should the Group be unable to achieve a successful restructuring as mentioned above, or alternatively under other available options of restructuring, and therefore be unable to continue its business as a going concern, adjustments might have to be made to the carrying amounts of the Group's assets to state them at their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non- current assets and liabilities to current assets and liabilities, respectively.

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

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 January 2014. HKFRSs comprise Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current year.

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. SEGMENT INFORMATION

As the Group's operation in trading and distribution of mobile phones and related accessories had been scaled down to inactive for the year ended 2014 and 2013, the Directors considered that there were no reportable segment for the two years ended 31 December 2014 and 2013.

5. REVENUE

No transactions were concluded to generate any trading income by the Group during the year.

6. OTHER INCOME

	2014	2013
	HK$'000	*HK$'000*
Interest income	**–**	1
Gain on disposal of property, plant and equipment	**–**	112
Reversal of impairment on trade receivable	**–**	151
Reversal of impairment on other receivable	**–**	3,545
Sundry income	**24**	443
	24	4,252

7. GAIN ON DECONSOLIDATION OF A LIQUIDATED SUBSIDIARY

As detailed in the 2013 Financial Statements, a winding-up order was issued by the High Court in Malaysia, Shah Alam 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. As a result, the directors and the staff of the Company were not able to access the documents, accounting books and records of FMGSB.

In view of the circumstances as described in the preceding paragraph, the Directors have lost the access to the accounting books and records of FMGSB for the calculation of the gain on deconsolidation as at 5 February 2014.

	HK$'000
Net liabilities of the subsidiary deconsolidated:	
Prepayments, deposits and other receivables	17
Bank and cash balances	24
Trade and bills payables	(108,330)
Accruals and other payables	(5,047)
Amounts due to the Group	(2,915)
Bank overdrafts	(56,207)
Bank borrowings	(20,566)
Financial guarantee 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 liquidated subsidiary	(227,198)

	HK$'000
Net cash inflows from deconsolidation of the subsidiary were as follows:	
Cash and cash equivalent deconsolidated:	
Bank and cash balances	24
Bank overdrafts	(56,207)
	(56,183)

8. FINANCE COSTS

	2014	2013
	HK$'000	*HK$'000*
Interest expenses on borrowings and payables wholly repayable within five years		
— bank borrowings	**46,048**	60,814
— finance leases	**–**	13
— convertible loans	**1,041**	1,172
— trade payables	**104,597**	104,567
	151,686	166,566

9. INCOME TAX

	2014	2013
	HK$'000	*HK$'000*
Current tax — Overseas:		
Over provision in prior year	**–**	(25)
	–	(25)

No provision for Hong Kong profits tax has been made for the year, as the Group has no estimated assessable profits arising in Hong Kong and overseas. Tax on overseas profits had been calculated on the estimated assessable profits for that year at the rates of tax prevailing in the countries in which the Group operates.

The reconciliation between the income tax and loss before tax multiplied by the Hong Kong Profits Tax rate is as follows:

	2014	2013
	HK$'000	*HK$'000*
Loss before tax:	**(117,477)**	(188,903)
Calculated at a domestic tax rate of 16.5% (2013: 16.5%)	**(19,384)**	(31,169)
Effect of different tax rates in other countries	**11,672**	10,534
Income not subject to tax	**(37,607)**	(1,381)
Expenses not deductible for tax purpose	**45,297**	14,726
Over provision in prior year	**–**	(25)
Tax losses not recognised	**22**	7,290
	–	(25)

At the end of the reporting period, subject to agreement with tax authorities, the Group has unused tax losses of approximately HK$2,318,544,000 (2013: HK$2,318,521,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams of the Group.

10. LOSS FOR THE YEAR

The Group's loss for the year was arrived at after charging/(crediting) the amounts as set out below.

	2014	2013
	HK$'000	*HK$'000*
Auditors' remuneration	**851**	629
Depreciation of property, plant and equipment	**179**	388
Operating leases expenses	**170**	302
Impairment on inventories*	**17**	–
Impairment on trade receivables**	**–**	419
Impairment on prepayments, deposits and other receivables*	**125**	4,117
Staff costs (including Directors' remuneration):		
— salaries, bonuses and allowances	**3,251**	3,097
— retirement benefits scheme contributions	**78**	78
	3,329	3,175
Exchange losses*	**–**	335
Gains on disposals of property, plant and equipment*	**–**	(112)
Reversal of impairment on trade receivable	**–**	(151)
Reversal of impairment on other receivable	**–**	(3,545)

* These items were included in other operating expenses.
** These items were included in general and administrative expenses.

11. DIVIDEND

The Directors do not recommend the payment of any dividend in respect of the year ended 31 December 2014 (2013: nil).

12. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share attributable to owners of the Company was based on the loss for the year attributable to owners of the Company of approximately HK$117,477,000 (2013: HK$188,878,000) and the weighted average number of 1,945,996,565 (2013: 1,945,996,565) ordinary shares in issue during the year.

(b) Diluted loss per share

No diluted loss per share is presented as the exercise of the Group's outstanding convertible loans would be anti-dilutive for both years.

13. TRADE AND BILLS PAYABLES

	Group	
	2014	2013
	HK$'000	*HK$'000*
Trade payables	**426,163**	438,073
Bills payables	**–**	104,568
	426,163	542,641

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

Included in the trade payables at the end of the reporting period, approximately HK$401,529,000 (2013: HK$409,375,000) of which were secured by certain corporate guarantees granted by the Company to the former largest supplier of the Group and certain trade insurance companies. Included in the guaranteed trade payables, approximately HK$344,500,000 (2013: HK$344,500, 000) and approximately HK$57,029,000 (2013: HK$64,875,000) of which were interest-bearing at approximately 2.5% per month and at approximately 1.95% per annum respectively.

At the end of the reporting period, the Group has no bills payable (2013: The bills payables of the Group were interest-bearing at approximately 8.29% per annum).

The carrying amounts of the Group's trade and bills payables were denominated in the following currencies:

	Group	
	2014	2013
	HK$'000	*HK$'000*
USD	**344,511**	408,372
EUR	**55,923**	65,047
RM	**2,392**	44,540
HK$	**12,269**	13,448
INR	**1,325**	1,348
VND	**7,780**	7,857
Others	**1,963**	2,029
	426,163	542,641

14. ACCRUALS AND OTHER PAYABLES

	Group	
	2014	2013
	HK$'000	*HK$'000*
Interest payables *(note (a))*	**854,267**	705,557
Accrual	**62,257**	72,651
Amount due to a director *(note (b))*	**3,668**	972
Amounts due to the Vendors *(note (c))*	**11,801**	–
Other payables	**12,774**	11,160
	944,767	790,340

Notes:

(a) Included in the interest payables at the end of the reporting period, approximately HK$212,802,000 (2013: HK$172,911,000) of which were secured by certain corporate guarantees granted by the Company to the former largest supplier of the Group and certain banks.

(b) The amount due to a director is unsecured, non-interest bearing and no fixed repayment term.

(c) Amounts due to the Vendors represent the professional fees and expenses incurred by the Company in relation to the Amended Proposed Restructuring which are unsecured, non-interest bearing and will be capitalised as a contribution after the completion of the Amended Proposed Restructuring.

15. BANK BORROWINGS

	Group	
	2014	2013
	HK$'000	*HK$'000*
Bank loans, secured	**398,946**	417,537
Bank overdrafts, secured	**8,446**	60,946
	407,392	478,483

(a) The carrying amounts of the bank borrowings were denominated in the following currencies:

	Group	
	2014	2013
	HK$'000	*HK$'000*
USD	**192,985**	194,109
HK$	**211,585**	209,050
RM	**–**	72,751
EUR	**2,822**	2,573
	407,392	478,483

(b) The effective interest rates of the bank borrowings at the end of the reporting period were as follows:

	Bank loans		Bank overdrafts	
	2014	2013	**2014**	2013
USD	**5.7%**	5.7%	**–**	–
HK$	**4.3%**	4.3%	**5.9%**	5.9%
RM	**–**	7.6%	**–**	9.1%
EUR	**4.4%**	4.4%	**–**	–

(c) The Group's bank borrowings were secured by certain corporate guarantees granted by the Company.

16. 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$185,386,000. 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 further provision for financial guarantee liabilities of approximately HK$172,398,000 have been made against the potential uncovered exposures to be borne by the Company under such guarantees in the consolidated profit or loss of the Group for the year ended 31 December 2014.

17. 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 New Shares at a total exercise price of HK$13 million, or HK$0.155 per New 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 year 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 New Shares at a total exercise price of HK$20 million or approximately HK$0.155 per New 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 year is calculated by applying an effective interest rate of approximately 0% (2013: 1.25%) per annum to the liability component.

The FA 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 Company's announcement dated 14 February 2012.

As further disclosed in the Company's announcement dated 12 May 2015, the repayment date of the TB Loan and the FA Loan has extended to 31 March 2016.

(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 components at 1 January 2013	12,976	19,892	32,868
Interest charged	1,064	108	1,172
Interest paid	(1, 040)	–	(1,040)
Liability components at 31 December 2013 and 1 January 2014	13,000	20,000	33,000
Interest charged	1,041	–	1,041
Interest paid	(257)	–	(257)
Interest included in accruals and other payables	(784)	–	(784)
Liability components at 31 December 2014	13,000	20,000	33,000

The Directors estimate the fair value of the liability components of the convertible loans at 31 December 2014 to be approximately HK$33,755,000 (2013: HK$33,934,000). This fair value has been calculated by discounting the future cash flows at the market interest rate (level 2 fair value measurements).

18. EVENTS AFTER 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 the consolidated financial statements.

EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT ON THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Basis for disclaimer of opinion

1. *Opening balances and corresponding figures*

   The audit opinion on the consolidated financial statements of the Group for the year ended 31 December 2013 (the "2013 Financial Statements"), which form the basis for the corresponding figures presented in the current year's consolidated financial statements, was disclaimed because of the significance of the possible effect of the limitations on the scope of the audit and the material uncertainty in relation to going concern. Accordingly, we were then unable to form an opinion as to whether the 2013 Financial Statements gave a true and fair view of the state of affairs of the Group and the Company as at 31 December 2013 and of the Group's results and cash flows for the year then ended.

2. *No access to accounting books and records of a liquidated subsidiary and gain on deconsolidation of a liquidated subsidiary*

   As explained in note 7 to the consolidated financial statements, due to no access to the documents, accounting books and records of a liquidated subsidiary, First Mobile Group Sdn. Bhd. ("FMGSB"), we are unable to carry out audit procedures to satisfy ourselves as to whether the loss of approximately HK$1,292,000 of FMGSB for the period from 1 January 2014 to 5 February 2014 and the net liabilities of approximately HK$238,972,000 of FMGSB deconsolidated from the Group on 5 February 2014 have been fairly stated.

   In view of the circumstances mentioned above, we are also unable to carry out audit procedures to satisfy ourselves as to whether the gain on deconsolidation of FMGSB of approximately HK$227,198,000, as included in the consolidated profit or loss of the Group for the year ended 31 December 2014 has been fairly stated.

3. *Financial guarantee liabilities*

   Certain general banking facilities of FMGSB were secured by corporate guarantees given by the Company and FMGSB has also given corporate guarantees to secure certain general banking facilities for its liquidated subsidiaries.

   Due to insufficiency of supporting documentation and explanations as explained in point 2 above, we are unable to carry out audit procedures to satisfy ourselves as to whether the financial guarantee liabilities of approximately HK$185,386,000 as at 31 December 2014 as included in the consolidated and Company statements of financial positions have been fairly stated.

   We are also unable to carry out audit procedures to satisfy ourselves as to whether the provision for financial guarantee liabilities of approximately HK$172,398,000 as included in consolidated profit or loss of the Group for the year ended 31 December 2014 have been fairly stated.

4. *Events after the end of the reporting period*

As further described in note 2 to the consolidated financial statements, subsequent to the end of the reporting period, the Group has been actively undergoing the restructuring exercise, including but not limited to creditors schemes and reverse takeover involving a new listing application, up to the date of the approval of these consolidated financial statements.

Given the background that (i) the Group has only maintained limited business and operating activities since 2013 and (ii) the creditors, investor, lenders, vendors, and any other parties concerned for the Amended Proposed Restructuring have been actively procuring the arrangement of compromising the restructuring debts in accordance with the execution and completion of a series of restructuring procedures under the ongoing Amended Proposed Restructuring, the directors considered that they have inherent difficulties to update and ascertain the appropriateness of certain amounts of the consolidated expenses as recorded in the consolidated statement of profit or loss and other comprehensive income and certain carrying amounts of liabilities as reflected in the consolidated and Company's statements of financial position apart from those limitations already stated in points 1 to 3 above (the aforesaid restructuring indebtedness of the restructured group and the Company shall be released upon the completion of the Amended Proposed Restructuring). In this regard, we are unable to satisfy ourselves as to the uncertainty on the accounting treatment of the Company's control over certain subsidiaries of the Group in accordance with Hong Kong Financial Reporting Standard 10 "Consolidated Financial Statements" and the consequential appropriateness of the consolidation of these subsidiaries under the ongoing Amended Proposed Restructuring and accordingly, we are unable to carry out the corresponding satisfactory auditing procedures to assess the valuation, accuracy and completeness of the following items as included in the consolidated financial statements and the Company's statement of financial position.

	For the year ended 31 December 2014 *HK$'000*
Consolidated expenses:	
General and administrative expenses	4,005
Other operating expenses	152
Finance costs	150,405
	154,562

	As at 31 December 2014
	HK$'000
Consolidated liabilities:	
Trade and bills payables	426,163
Accruals and other payables	865,689
Bank borrowings	114,122
Current tax liabilities	1,455
	1,407,429
Company liabilities:	
Financial guarantee liabilities	1,185,080

We are also not able to satisfy ourselves as to the existence and completeness of the disclosures of commitments and contingent liabilities as at 31 December 2014.

Any adjustments to the figures as described from points 1 to 4 above might have a significant consequential effect on the Group's results and cash flows for the two years ended 31 December 2014 and 2013, the financial position of the Group as at 31 December 2014 and 2013 and the financial position of the Company as at 31 December 2014 and 2013, and the related disclosures thereof in the consolidated financial statements.

MATERIAL UNCERTAINTY RELATING TO THE GOING CONCERN BASIS

In forming our opinion, we have considered the adequacy of the disclosures made in note 2 to the consolidated financial statements which explains that a proposal for resumption of trading in the Company's shares and the restructuring of the Group has been submitted to the Stock Exchange of Hong Kong Limited to pursue a restructuring of the Company. The consolidated financial statements have been prepared on a going concern basis on the assumption that the proposed restructuring of the Group will be successfully completed, and that, following the restructuring, the Group will continue to meet in full its financial obligations as they fall due in the foreseeable future. The consolidated financial statements do not include any adjustments that would result from a failure to complete the restructuring. We consider that the disclosures are adequate. However, in view of the extent of the uncertainty relating to the completion of the restructuring, we disclaim our opinion in respect of the material uncertainty relating to the going concern basis.

Disclaimer of opinion

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs and the material uncertainty relating to the going concern basis as described above, 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 disclosure requirements of the Hong Kong Companies Ordinance.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The Group recorded an other income of approximately HK$24,000 for FY2014, representing a decrease of approximately HK$4.2 million compared to FY2013 mainly due to the reversal of impairment on other receivables in FY2013.

The Group's general and administrative expenses increased by approximately HK$1.4 million compared to FY2013 mainly due to the increase in professional fees for restructuring exercise during the year.

The Group's other operating expenses for FY2013 was mainly due to the provisions made in respect of two legal proceedings against a wholly-owned subsidiary of the Company in Malaysia and the impairment on other receivables.

Finance cost decreased by approximately HK$14.9 million compared to FY2013 mainly due to the decrease in finance cost of bank borrowings arising from the deconsolidation of a wholly-owned subsidiary with effect from 5 February 2014.

The Group's provision for financial guarantee liabilities for FY2014 was 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$117.5 million for FY2014, representing loss per share of HK6.04 cents as compared to a loss of approximately HK$188.9 million for FY2013, representing loss per share of HK9.71 cents.

Segment Information

The Group has no revenue generated for FY2014.

Liquidity and Financial Resources

As at 31 December 2014, bank and cash balances of the Group were approximately HK$82,000 (2013: HK$0.45 million).

The Group's gearing ratio (measured as total borrowings over total assets) as at 31 December 2014 was 133,713% (2013: 60,554%).

As at 31 December 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 31 December 2014, the Group had total assets of approximately HK$468,000 (2013: HK$942,000), total liabilities of HK$1,998 million (2013: HK$1,905 million). The net liabilities of the Group as at 31 December 2014 were HK$1,998 million (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 throughout the year ended 31 December 2014.

Charges on Group Assets

The Group had no other charge as at 31 December 2014 and 2013 except for the charge by Time Boomer and First Apex. Details are set out in note 17 to the consolidated financial statement.

Reserves

As at 31 December 2014, the Company did not have any reserves available for distribution.

Capital Structure

There was no change in the Company's share capital during the year.

Capital Commitments

The Group and the Company did not have any significant capital commitments as at 31 December 2014 and 2013.

Contingent Liabilities

The Group and the Company did not have any significant contingent liabilities as at 31 December 2014 and 2013.

Employees

As at 31 December 2014, the Group had 8 (2013: 9) employees. The total of employee remuneration, including that of the Directors, for the year ended 31 December 2014 amounted to approximately HK$3.3 million (2013: HK$3.2 million). 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 year ended 31 December 2014, 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 the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") 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 Model Code throughout the year ended 31 December 2014.

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.

These financial results and statements of the Company for the year ended 31 December 2014 have not been reviewed by the Audit Committee as there were no independent non-executive directors ("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") throughout the financial year ended 31 December 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.