SIM Technology

# SIM Technology Group Limited

( Incorporated in Bermuda with limited liability )

( Stock Code : 2000 )

## Interim Report 2013

## MARKET AND BUSINESS REVIEW

### Business Review

The handset industry in the People's Republic of China ("PRC") has experienced intense competition in the past few years and the competition continued to intensify in the first half of 2013 ("1H-2013"). The widespread Eurozone debt crisis and increased downside risk of the PRC economy have created a more difficult environment for the handset industry. Consequently, most players in the industry generally recorded losses. The impact of the price war in the ODM handset market in the PRC has caused the Group to substantially scale down its ODM business which had targeted the operator procurement market. Meanwhile, the high-end ODM business with Japanese customers also downsized severely. All these adverse factors have led to an unprecedented loss of the Group's handsets and solutions business in 1H-2013.

Due to the combined effect of the highly intensive market competition and raw material supply shortage, the Group failed to reach the assigned target despite that delivery volume of wireless communication modules increased mildly in 1H-2013. Therefore, this business segment inevitably recorded a slight decrease in both turnover and gross profit. In addition, the Group has also expanded its investment in the R&D of 3G and 4G module products, thus resulting in a significant drop in segmental profit of the wireless communication modules business in 1H-2013.

The display modules business recorded a surge in turnover over the same period last year, as the Group's capacity touch panel business was still in its initial development stage in the first quarter of 2012 with both delivery volume and turnover at a lower level. However, the segmental turnover recorded a decrease when compared to the second half of 2012. Starting from early 2013, there was an excess supply in the capacity touch panel market and the ensuing drop in product prices was faster than expected. As a result, both the turnover and gross profit in this segment performed beneath expectation in 1H-2013. This, together with the relocation of the production base from Shenyang to Shanghai, has led to a substantial loss in the display modules business in 1H-2013.

The Group completed the construction of Phase I of the Riverside Country (a commercial and residential apartment complex in Shenyang City) in 2012 and continued to develop the commercial areas and Phase II and of the Riverside Country which are expected to be completed in the third quarter of 2013 and 2014 respectively.

# CHAIRMAN'S STATEMENT

**Handsets and solutions**

In 1H-2013, the Group's ODM handset business has declined substantially. On the one hand, the Group has scaled down the ODM business in the PRC, which was the operator procurement channel and had contributed a higher income in the past. On the other hand, as the domestic handset market in Japan was hit hard by Apple and Samsung, the Japanese handset customers gradually reduced the scale of their handset business, and some of them even withdrew from the smart phone segment altogether, only maintaining their feature phone business. As a result, the Group's business which targeted high-end customers in Japan was basically stagnant. Given that other high-end ODM customers and their business volumes were comparatively not significant, turnover of the Group's handsets and solutions segment dropped as compared to the corresponding period last year.

The Group has shifted its key R&D resources to high-end ODM handsets and the "Internet of Things" (IOT) industrial application terminals with focuses on 4G LTE technology and mid- to high-end products for local and overseas upmarket customers, aiming to offer customers a comprehensive one-stop service from product design and manufacturing to delivery as well as data and operation services. The Group has also continued to expand into the "Internet of Things" and industrial application markets, including smart phones and tablets targeting specific industries such as medical and healthcare, express logistics, retail services, automobile, intranet for parents and teachers and law enforcement; industrial application terminals featuring 1D and 2D barcode scanning functions, police handsets with fingerprint identification and ID card identification functions. The Group is currently developing LTE smart terminals for industrial use with the highest standards in dustproof, shock resistant and waterproof for industrial application brand customers in North America. Mass delivery of these products is expected to commence in the second quarter of 2014.

### Wireless communication modules

In 1H-2013, the Group has established a high-end customer base in the PRC power market covering major smart meter suppliers in the industry. At the same time, as the Group continues to expand its target market, it has also enhanced R&D capabilities targeted at high-end 3.75G/4G platform products and has expanded the CDMA1X product series, aiming to meet different needs of customers by providing products of various operational standards such as CDMA 1X/HSPA+/LTE. The Group has also entered into a cooperation agreement with Oracle following the Oracle Global Summit to introduce Oracle's advanced technologies applied in JAVA virtual machines to the Group's wireless modules. This helps to reduce the product development cycle of customers' products and lower development costs, while increasing the value added to the Group's products and services.

### Display modules

With an excess supply of LCD modules (LCM) and capacity touch panels (CTP), the unit selling price of these products has dropped notably, leading to a sharp decrease in the gross profit of this segment. To facilitate centralised management, the Group has moved the production base of display modules to Shanghai in 1H-2013. The integration of production bases has resulted in a 20% to 30% increase in production capacity compared with the original two production bases which were located in Shenyang and Shanghai respectively. However, the move has taken time which has had an impact on the production and delivery schedule. This, plus the high costs associated with renovation of the plant, compensation for workers, a halt in production during the move and tests of equipment, have caused a substantial segmental loss in the display module business in 1H-2013.

### Real estate projects

Shenyang SIM Real Estate Limited, a subsidiary of the Group in which the Company owns 60% of equity interest, holds a parcel of land in Shenyang City ("Shenyang Land"). The Shenyang Land is located at the Daoyi Development Zone, No. 32, North of Shenbei Development Avenue, Shenbei New District, Shenyang City, Liaoning Province, the PRC (originally Daoyi Development Zone, No. 25, north of Shenbei Development Avenue, Shenbei New District). The Shenyang Land has been developed into a commercial and residential apartment complex, named "The Riverside Country" (晨興 • 翰林水郡).

# CHAIRMAN'S STATEMENT

Construction of Phase I of The Riverside Country was completed in 2012 and a total of 404 residential units were launched for sale in the market. Up to June 2013, a total of 367 units were sold and out of which 358 units were delivered. The sales recognised in 1H-2013 amounted to HK$71.6 million (first half of 2012: Nil) and the gross profit margin was 24.0%.

In 2013, the Group continued the development in both residential and commercial property projects. The construction of the commercial areas is expected to be completed in the third quarter of 2013, and construction of Phase II of The Riverside Country is expected to be completed by phases starting from 2014. The Group plans to develop this property project into a prototype of an "Internet of Things demonstrative community" and it is expected that the investment returns generated from Phase II of The Riverside Country will be higher than those from Phase I.

As announced previously, the Group has purchased a land parcel in Taizhou City, Jiangsu Province, the PRC ("Taizhou Land") through its subsidiary Shanghai Speedcomm Technology Limited at an aggregate price of RMB109 million. The Taizhou Land is located at the south side of and nearby the Jichuan East Road and at the west side of and nearby the Qili River of Hailing District in Taizhou City, Jiangsu Province, the PRC with a total gross floor area of approximately 60,789 square meters. The Group plans to cooperate with a local Taizhou company specializing in photovoltaic systems to develop Taizhou Land into an intelligent residential district with such project named as "IOT and New Generation Energy Model Residential Area". Through the cooperation and joint investment with the local partner, it is intended that the Group could leverage its expertise in research and development of application solutions for IOT and be responsible for IOT development in the district and the local partner would be responsible for the construction of new generation energy power stations in the district. As at the date of this report, the construction is still at a preliminary stage.

**Interim dividend**

The board of directors of the Company ("Board") does not recommend the payment of interim dividend to shareholders of the Company for the six months ended 30 June 2013.

## PROSPECTS

The Group was formerly an independent handset design house which mainly provided design and R&D of terminals for customers during the time before and immediately after its listing. Starting from 2007, the Group began to provide full handset ODM services to customers and after years of progress, the Group has the ability to provide mid to high-end ODM services to upmarket customers. Today, the Group has gradually started developing the industrial application terminals under its self-owned brands, however, it is not satisfied with being only a player in the traditional manufacturing industry. As a result, the Group targets to tap into the contemporary service industry by providing full integrated solutions for terminals and backend application systems. In some of the areas, the Group will provide to customers cross-sector services including Internet of Things data and operation services, together with the corresponding equipment financial leasing and product wholesale services. The Group's first integrated solution and cross-sector operation service project has commenced in June 2013, which is expected to generate returns for the Group in mid-2014.

In 1H-2013, the Group has recorded the largest loss since its establishment, which is tan inevitable result of a sluggish economy and keen competition in the industry, all while implementing a business transformation. However, the Group is confident that the adjustment in its target market and business model would gradually boost its revenue and profit. Thus it expects the loss to be reduced in the near future while revenue and profit will show higher growth in the mid-to long-term.

## APPRECIATION

The Board would like to thank our shareholders, customers, suppliers, bankers and professional advisers for their support of the Group and to extend our appreciation to all our staff for their dedication and contribution throughout the reporting period.

**Yeung Man Ying**
**Chairman**

Hong Kong, 30 August 2013

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

For 1H-2013, the revenue of the Group was HK$786.6 million (2012: HK$1,316.7 million), in which the revenue from sale of handsets and solutions, wireless communication modules and display modules ("core business") decreased significantly by 45.7% to HK$715.0 million (2012: 1,316.7 million) as compared with that of the first half of 2012 ("1H-2012"). The decrease in the revenue of core business was mainly attributable to the significant drop in the revenue of handsets and solutions business in 1H-2013. The revenue from the sale of residential units in Shenyang, PRC was HK$71.6 million (2012: Nil) in 1H-2013.

Under the severe price competition, the gross profit for 1H-2013 for core business of the Group decreased substantially year-on-year by 56.2% to HK$57.6 million (2012: HK$131.4 million). The gross profit margin for core business decreased to 8.1% (2012: 10%). The overall gross profit margin of the Group for 1H-2013 was 9.5%.

The Group incurred a loss attributable to owners of the Company of HK$126.0 million in 1H-2013 (2012: HK$58.3 million). The significant loss incurred was mainly attributable to the significant decrease in the revenue of the Group in 1H-2013 as the Group is still undergoing business transformation and the new handset products have not yet started to generate reasonable returns to the Group. The basic loss per share for 1H-2013 was HK5 cents (2012: HK3.4 cents).

### Segment results of core business

| | **Six months ended 30 June 2013** | | | Six months ended 30 June 2012 | | |
|---|---|---|---|---|---|---|
| | **Revenue HK$'M** | **Gross profit HK$'M** | **Gross profit margin %** | Revenue HK$'M | Gross profit HK$'M | Gross profit margin % |
| Handsets and solutions | **408** | **23** | **5.6%** | 1,037 | 83 | 8.0% |
| Wireless communication modules | **217** | **34** | **15.5%** | 241 | 45 | 18.9% |
| Display modules | **90** | **1** | **1.3%** | 39 | 3 | 8.2% |
| Total | **715** | **58** | **8.1%** | 1,317 | 131 | 10.0% |

### Handsets and solutions

For 1H-2013, the revenue and gross profit of the handsets and solutions segment decreased significantly by 60.7% and 72.6% respectively as compared to those in 1H-2012. The decreases were due to the scale down of the Group's ODM business caused by the price war in the ODM handset market in China, which was the operator procurement channel and had contributed a higher income in the past. The revenue of ODM business was about 53% of the revenue of this segment in 1H-2013 (2012: 76%). In addition, the new handsets products have not yet started to generate reasonable returns to the Group.

### Wireless communication modules

The revenue for wireless communication modules for 1H-2013 decreased slightly by 9.7% as compared to that of 1H-2012. The gross profit margin dropped to 15.5% (2012: 18.9%) in 1H-2013. This was due to the combined effect of the highly intensive market competition and raw material supply shortage.

### Display modules

The turnover of this segment increased significantly by 1.3 times as compared to that of 1H-2012, as the Group's CTP business was still in its initial development stage in the first quarter of 2012 with both delivery volume and turnover at a lower level. However, with an excess market supply of LCM and CTP in 1H-2013, the unit selling price of these products has dropped notably, leading to a sharp decrease in the gross profit of 62.9% of this segment as compared to that of 1H-2012. In addition, the relocation of the production base from Shenyang to Shanghai has led to a substantial segmental loss in this segment during 1H-2013.

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

### Liquidity

At 30 June 2013, the Group had bank balances and cash of HK$374.5 million (31 December 2012: HK$1,019.2 million (including the cash then to be refunded to shareholders on over-subscription of rights issue completed during 1H-2013)), among of which 65.4% was held in Renminbi, 29.5% was held in US dollars and the remaining balance was held in Hong Kong dollars. The Group also had pledged bank deposits of HK$66.6 million (31 December 2012: HK$35.0 million) in Renminbi and US dollars for the purpose of the Group's US dollars borrowings. The Group had net bank balances (total bank balances less bank borrowings) of HK$210.2 million (31 December 2012: HK$1,003.4 million). The Group intends to finance its working capital and capital expenditure plans from such bank balances. The Group has pledged certain of its assets (including bank deposits, property, plant and equipment, notes receivables and land use rights) to secure the bank borrowings.

### Operating Efficiency

The turnover period of inventory, trade receivables, notes receivables and trade payables of the Group are presented below:

| | **For the six months ended 30 June 2013 Days** | For the year ended 31 December 2012 Days |
|---|---|---|
| Inventory turnover period# | **75** | 64 |
| Trade receivables turnover period# | **84** | 31 |
| Notes receivables turnover period# | **18** | 46 |
| Trade payables turnover period | **59** | 101 |

# for the core business

The increase in the turnover period of trade receivables was because the Group granted longer credit terms since June of year 2012 upon the request of some renowned customers. The decrease in notes receivables turnover period was due to the average balance of notes receivables significantly decreased as compared to that of year 2012. In the fourth quarter of 2011, the purchase volume of the Group was large which resulted in a larger trade payables balance at the beginning of year 2012, while the purchase amount in year 2012 was not large, as a result, the trade payables turnover period was substantially long in year 2012. The trade payables turnover period in 1H-2013 was consistent with the normal terms provided by suppliers (30 to 60 days).

As at 30 June 2013, the current ratio, calculated as current assets over current liabilities, was 2.1 times (31 December 2012: 1.9 times).

### Treasury Policies

The Group adopts a prudent approach in its treasury policy. The Group's surplus funds are held under fixed and savings deposits in reputable banks to earn interest income. During 1H-2013, the Group has entrusted a total amount of HK$50.6 million under certain asset management agreements for an investment period of two years. The investment scope of these entrusted assets are limited to the investment products under 長安信託 • 卉誠實業委託貸款單一資金信託合同 (Chang An Trust • Hui Cheng Shi Ye Entrusted Loan Single Fund Trust Agreement (numbered 信單卉誠 (Xin Dan Hui Cheng) 13020056). The management expected the average annual return rate for such entrusted assets to be about 7%. The Group intends to continue to entrust more assets in similar terms in the future should the opportunity arises so as to raise the utilisation rate of its capital and improve the investment returns and the profits of the Group. During 1H-2013, the Group did not have any other security or capital investments or derivative investments.

Other than entering into non-deliverable foreign exchange forward contracts to eliminate the foreign exchange exposures in US dollars denominated bank borrowings, the management of the Group considered that it was not necessary to use any other financial instrument for hedging purpose or adopt any particular hedging policy.

### Fund Raising

On 5 October 2012, the Company announced that it proposed to issue not less than 852,499,500 shares at the subscription price of HK$0.20 per share by way of rights issue on the basis of one rights share for every two existing shares held on the record date. The underwriter of the rights issue was Toman Investments Limited, which was a connected party to the Company and with 25% owned by Mr Wong Sun, 25% owned by Mr Wong Hei, Simon, 25% owned by Mr Wong Cho

Tung and 25% owned by Ms Yeung Man Ying. The rights issue was completed on 4 January 2013 and the Company issued 852,499,500 shares at HK$0.20 per share and raised net proceeds (after deducting the relevant expenses) of approximately HK$167.0 million.

As at 30 June 2013, the Company had 2,557,498,500 ordinary shares of HK$0.10 each in issue.

### Gearing Ratio

As at 30 June 2013, the total assets value of the Group was HK$3,012.6 million (31 December 2012: HK$3,463.3 million) and the bank borrowings was HK$230.9 million (31 December 2012: HK$50.8 million). The gearing ratio of the Group, calculated as total bank borrowings over total assets, was 7.7% (31 December 2012: 1.5%). All such bank borrowings are repayable within one year and bear interest at fixed rates ranging from 1.3% to 3.3%.

## EMPLOYEES

As at 30 June 2013, the Group had approximately 2,860 (31 December 2012: 3,200) employees. The Group operates a mandatory provident fund retirement benefits scheme for all its employees in Hong Kong, and provides its PRC employees with welfare schemes as required by the applicable laws and regulations of the PRC. The Group also offers discretionary bonuses to its employees by reference to individual performance and the performance of the Group.

## EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the human resources department and it seeks to provide remuneration packages on the basis of the merit, qualifications and competence of the employees.

The emoluments of the directors ("Directors") and senior management of the Company are reviewed by the remuneration committee of the Company, having regard to factors including the Group's operating results, responsibilities of the Directors and senior management and comparable market statistics.

The Company has adopted a pre-listing share option scheme ("Pre-IPO Share Option Scheme") to recognise and reward the contribution of certain Directors and employees of the Group to the growth and development of the Group. The Group has also adopted a post-listing share option scheme ("Post-IPO Share Option Scheme"), the primary purpose of which is to motivate the eligible persons referred to in the scheme, which includes executive Directors and employees of the Group, to optimise their future contributions to the Group and to reward them for their efforts.

## FOREIGN EXCHANGE EXPOSURE

Most of the sales of the Group are denominated in Renminbi and most of the purchases of inventories are denominated in US dollars. With the introduction of a more elastic exchange rate regime for Renminbi, the Renminbi exchange rate movements might become more volatile, creating an uncertainty effect on the Group's business. Furthermore, certain trade receivables, trade payables and bank balances are denominated in US dollars, therefore exposing the Group to US dollars currency risk. The Group does not have a foreign currency hedging policy but will continue to monitor any further changes in Renminbi's exchange rate and would proactively take measures to minimise any adverse impact that fluctuations of exchange rates might have on the Group.

## FUTURE PLANS FOR MATERIAL INVESTMENT

As at 30 June 2013, the Group did not have any other material investment plans save as disclosed in this report.

## MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

During 1H-2013, the Group invested in 30% equity interest of Xian Helicopter Co., Ltd., a company registered in the PRC, at a cash consideration of RMB24,000,000 (or equivalent to HK$30,000,000). The principal activity of this company is provision of industrial use helicopter services in the PRC.

During 1H-2013, save as disclosed above, the Group did not have any material acquisition or disposal of subsidiaries or associated companies.

## CONTINGENT LIABILITIES

As at 30 June 2013, the Group did not have any material contingent liabilities.

# INTERIM FINANCIAL STATEMENTS

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2013

| | NOTES | Six months ended 30 June 2013 HK$'000 (unaudited) | 2012 HK$'000 (unaudited) |
|---|---|---|---|
| Revenue | 3 | **786,605** | 1,316,727 |
| Cost of sales | | **(711,882)** | (1,185,308) |
| Gross profit | | **74,723** | 131,419 |
| Other income | 5 | **29,080** | 29,630 |
| Other gains and losses | 5 | **(16,430)** | (20,652) |
| Research and development expenses | | **(109,190)** | (91,911) |
| Selling and distribution costs | | **(43,918)** | (53,758) |
| Administrative expenses | | **(54,975)** | (58,065) |
| Share of results of an associate | | **158** | – |
| Finance costs | | **(685)** | (2,433) |
| Loss before taxation | | **(121,237)** | (65,770) |
| Tax (charge) credit | 6 | **(4,966)** | 2,494 |
| Loss for the period | 7 | **(126,203)** | (63,276) |
| Loss for the period attributable to: | | | |
| Owners of the Company | | **(125,957)** | (58,282) |
| Non-controlling interests | | **(246)** | (4,994) |
| | | **(126,203)** | (63,276) |
| Loss per share (HK cents) | 9 | | |
| Basic and diluted | | **(5.0)** | (3.4) |

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

FOR THE SIX MONTHS ENDED 30 JUNE 2013

| | Six months ended 30 June | |
|---|---|---|
| | **2013** | 2012 |
| | **HK$'000** | HK$'000 |
| | **(unaudited)** | (unaudited) |
| Loss for the period | **(126,203)** | (63,276) |
| Other comprehensive (expense) income | | |
| Items that may not be subsequently reclassified to profit or loss for the period: | | |
| Exchange difference arising on translation to presentation currency | **13,304** | (10,204) |
| Surplus on transfer of land use rights and property, plant and equipment to investment properties at fair value | **11,031** | – |
| Deferred tax liabilities on surplus on transfer of land use rights and property, plant and equipment to investment properties at fair value | **(2,758)** | – |
| | **21,577** | (10,204) |
| Total comprehensive expense for the period | **(104,626)** | (73,480) |
| Total comprehensive (expense) income attributable to: | | |
| Owners of the Company | **(105,453)** | (67,800) |
| Non-controlling interest | **827** | (5,680) |
| | **(104,626)** | (73,480) |

# INTERIM FINANCIAL STATEMENTS

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2013

| | NOTES | 30 June 2013 HK$'000 (unaudited) | 31 December 2012 HK$'000 (audited) |
|---|---|---|---|
| Non-current assets | | | |
| Investment properties | 10 | **312,885** | 291,575 |
| Property, plant and equipment | 10 | **661,262** | 699,821 |
| Land use rights | | **94,362** | 97,055 |
| Intangible assets | 10 | **60,111** | 81,954 |
| Interest in an associate | 11 | **30,160** | – |
| Deferred tax assets | 12 | **25,645** | 21,100 |
| Entrusted loan receivables | 13 | **50,600** | – |
| Deposit paid for a land use right | | **10,753** | – |
| Available-for-sale investments | | **17,078** | 16,875 |
| | | **1,262,856** | 1,208,380 |
| Current assets | | | |
| Inventories | | **272,806** | 271,266 |
| Properties under development for sales | | **344,082** | 161,423 |
| Properties held for sale | | **34,800** | 84,765 |
| Trade receivables | 14 | **300,306** | 366,099 |
| Notes receivables | 14 | **74,675** | 71,502 |
| Other receivables, deposits and prepayments | | **281,933** | 245,735 |
| Pledged bank deposits | | **66,571** | 34,991 |
| Bank balances and cash | | **374,542** | 1,019,173 |
| | | **1,749,715** | 2,254,954 |

| | NOTES | 30 June 2013 HK$'000 (unaudited) | 31 December 2012 HK$'000 (audited) |
|---|---|---|---|
| Current liabilities | | | |
| Trade payables | 15 | **326,944** | 374,169 |
| Other payables, deposits received and accruals | | **249,190** | 245,504 |
| Amounts due to shareholders on oversubscription of Rights Issue | | **–** | 480,489 |
| Amount due to a non-controlling shareholder of a subsidiary | | **37,950** | 37,500 |
| Bank borrowings | 16 | **230,927** | 50,767 |
| Tax payable | | **842** | 6,729 |
| | | **845,853** | 1,195,158 |
| Net current assets | | **903,862** | 1,059,796 |
| Total assets less current liabilities | | **2,166,718** | 2,268,176 |
| Capital and reserves | | | |
| Share capital | 17 | **255,750** | 170,500 |
| Reserves | | **1,723,171** | 1,911,739 |
| Equity attributable to owners of the Company | | **1,978,921** | 2,082,239 |
| Non-controlling interests | | **90,461** | 89,634 |
| Total equity | | **2,069,382** | 2,171,873 |
| Non-current liabilities | | | |
| Deferred tax liabilities | 12 | **49,626** | 47,244 |
| Deferred income | | **47,710** | 49,059 |
| | | **97,336** | 96,303 |
| | | **2,166,718** | 2,268,176 |

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2013

| | Attributable to owners of the Company | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital HK$'000 | Share premium HK$'000 | Statutory surplus reserve HK$'000 (Note a) | Shareholders' contribution HK$'000 (Note c) | Other reserve HK$'000 (Note b) | Share option reserve HK$'000 | Properties revaluation reserve HK$'000 | Capital redemption reserve HK$'000 | Translation reserve HK$'000 | Accumulated profits HK$'000 | Total HK$'000 | Non-controlling interests HK$'000 | Total HK$'000 |
| At 1 January 2012 (audited) | 170,500 | 749,467 | 27,599 | - | 97,091 | 27,548 | 73,739 | 2,282 | 237,102 | 601,138 | 1,986,466 | 88,424 | 2,074,890 |
| Loss for the period | - | - | - | - | - | - | - | - | - | (58,282) | (58,282) | (4,994) | (63,276) |
| Other comprehensive expenses for the period | - | - | - | - | - | - | - | - | (9,518) | - | (9,518) | (686) | (10,204) |
| Total comprehensive expense for the period | - | - | - | - | - | - | - | - | (9,518) | (58,282) | (67,800) | (5,680) | (73,480) |
| Recognition of equity settled share based payments | - | - | - | - | - | 3,714 | - | - | - | - | 3,714 | - | 3,714 |
| At 30 June 2012 (unaudited) | 170,500 | 749,467 | 27,599 | - | 97,091 | 31,262 | 73,739 | 2,282 | 227,584 | 542,856 | 1,922,380 | 82,744 | 2,005,124 |
| At 1 January 2013 (audited) | 170,500 | 749,467 | 27,599 | 166,971 | 97,091 | 26,410 | 73,739 | 2,282 | 255,575 | 512,605 | 2,082,239 | 89,634 | 2,171,873 |
| Loss for the period | - | - | - | - | - | - | - | - | - | (125,957) | (125,957) | (246) | (126,203) |
| Other comprehensive income for the period | - | - | - | - | - | - | 8,273 | - | 12,231 | - | 20,504 | 1,073 | 21,577 |
| Total comprehensive income (expense) for the period | - | - | - | - | - | - | 8,273 | - | 12,231 | (125,957) | (105,453) | 827 | (104,626) |
| Transfer upon the completion of Rights Issue (note c) | 85,250 | 81,721 | - | (166,971) | - | - | - | - | - | - | - | - | - |
| Recognition of equity settled share based payments | - | - | - | - | - | 2,135 | - | - | - | - | 2,135 | - | 2,135 |
| At 30 June 2013 (unaudited) | 255,750 | 831,188 | 27,599 | - | 97,091 | 28,545 | 82,012 | 2,282 | 267,806 | 386,648 | 1,978,921 | 90,461 | 2,069,382 |

Notes:

(a) As stipulated by the relevant People's Republic of China ("PRC") laws and regulations, before distribution of the net profit each year, the subsidiaries established in the PRC shall set aside 10% of their net profit after taxation to the statutory surplus reserve. The reserve fund can only be used, upon approval by the board of directors of the relevant subsidiaries and by the relevant authority, to offset accumulated losses or as increase in capital.

(b) Other reserve is arisen from a reorganisation to rationalise the structure of the Group in preparation for listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited.

(c) During the year ended 31 December 2012, the Company announced the issue of rights shares on the basis of one rights share for every two existing shares held at subscription price of HK$0.20 per rights share ("the Rights Issue") and 852,499,500 rights shares would be issued by the Company upon the completion of the Rights Issue. Net proceeds of HK$166,971,000 (after deducting the expenses incurred on Rights Issue of HK$3,529,000) was received from shareholders and was accounted as shareholders' contribution and accumulated in equity as at 31 December 2012. During the current interim period, 852,499,500 rights shares were issued by the Company and the amount was transferred from shareholders' contribution to share capital and share premium, accordingly.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2013

| | Six months ended 30 June | |
|---|---|---|
| | **2013** | 2012 |
| | **HK$'000** | HK$'000 |
| | **(unaudited)** | (unaudited) |
| OPERATING ACTIVITIES | | |
| Operating cash flows before movements in working capital | **(26,015)** | 136,792 |
| Increase in properties under development for sales and properties held for sales | **(132,694)** | (25,628) |
| Other movements in working capital | **(9,977)** | 59,273 |
| Cash (used in) generating from operations | **(116,656)** | 170,437 |
| Interest received | **1,345** | 3,656 |
| Tax paid | **(16,108)** | (4,115) |
| NET CASH (USED IN) FROM OPERATING ACTIVITIES | **(131,419)** | 169,978 |
| INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | **(44,912)** | (65,990) |
| Proceeds on disposal of property, plant and equipment | **647** | 206 |
| Development costs paid | **(45,667)** | (80,900) |
| Investment in an associate | **(30,000)** | – |
| Deposits paid for purchase of land use right | **(10,753)** | (5,522) |
| Investment in entrusted loan receivables | **(50,600)** | – |
| Placement of pledged bank deposits | **(31,580)** | (262,456) |
| Withdrawal of pledged bank deposits | **–** | 171,890 |
| NET CASH USED IN INVESTING ACTIVITIES | **(212,865)** | (242,772) |

| | Six months ended 30 June 2013 HK$'000 (unaudited) | 2012 HK$'000 (unaudited) |
|---|---|---|
| FINANCING ACTIVITIES | | |
| New bank borrowings raised | **230,927** | 219,582 |
| Repayments of bank borrowings | **(50,767)** | (291,815) |
| Interest paid | **(685)** | (2,433) |
| Refund to shareholders on oversubscription of Rights Issue | **(480,489)** | – |
| NET CASH USED IN FINANCING ACTIVITIES | **(301,014)** | (74,666) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | **(645,298)** | (147,460) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD | **1,019,173** | 500,817 |
| EFFECT OF FOREIGN EXCHANGE RATE CHANGES | **667** | (753) |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD, REPRESENTED BY BANK BALANCES AND CASH | **374,542** | 352,604 |

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2013

### 1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Company was incorporated in Bermuda as an exempted company under the Companies Act 1981 of Bermuda (as amended) with limited liability. Its ultimate and immediate holding company is Info Dynasty Group Limited, a company incorporated in the British Virgin Islands.

The company is an investment holding company. The principal activities of its subsidiaries are manufacturing, design and development and sale of display modules, handsets and solutions, and wireless communication modules and property development in the PRC.

The functional currency of the Company is Renminbi. The condensed consolidated financial statements are presented in Hong Kong dollar, as the directors consider that such presentation is more appropriate for a company listed in Hong Kong and for the convenience of the shareholders.

The condensed consolidated financial statements of the Group have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

### 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain properties, which are measured at fair values. Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2013 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2012. In addition, the Group has applied the following accounting policies for the first time during the current interim period.

#### Interest in an associate

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of an associate are incorporated in these condensed consolidated financial statements using the equity method of accounting. Under the equity method, interest in an associate is initially recognised in the condensed consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

If the initial accounting for the acquisition of an associate is incomplete by the end of the reporting period in which the acquisition occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's condensed consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

In the current interim period, the Group has applied, for the first time, the following new or revised International Financial Reporting Standards ("IFRSs") issued by International Accounting Standard Board ("IASB") that are relevant for the preparation of the Group's condensed consolidated financial statements:

| | |
|---|---|
| IFRSs (Amendments) | Annual improvements to HKFRSs 2009-2011 cycle |
| IFRS 7 (Amendments) | Disclosures – Offsetting financial assets and financial liabilities |
| IFRS 10, IFRS 11 and IFRS 12 (Amendments) | Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance |
| IFRS 10 | Consolidated financial statements |
| IFRS 11 | Joint arrangements |
| IFRS 12 | Disclosure of interests in other entities |
| IFRS 13 | Fair value measurement |
| IAS 1 (Amendments) | Presentation of items of other comprehensive income |
| IAS 19 (as revised in 2011) | Employee benefits |
| IAS 28 (as revised in 2011) | Investments in associates and joint ventures |
| IFRIC 20 | Stripping costs in the production phase of a surface mine |

**IFRS 13 Fair value measurement**

The Group has applied IFRS 13 for the first time in the current interim period. IFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various IFRSs. Consequential amendments have been made to IAS 34 to require certain disclosures to be made in the condensed consolidated financial statements.

The scope of IFRS 13 is broad, and applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, subject to a few exceptions. IFRS 13 contains a new definition for "fair value" and defines fair value as the price that would be received to sell an asset or paid to transfer 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 IFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, IFRS 13 includes extensive disclosure requirements. The application of IFRS 13 in the current interim period has had no material impact on the fair value measurement of the Group's investment properties.

In accordance with the transitional provisions of IFRS 13, the Group has applied the new fair value measurement and disclosure requirements prospectively.

**Amendments to IAS 1 Presentation of items of other comprehensive income**

The amendments to IAS 1 introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to IAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and a statement of income statement is renamed as a statement of profit or loss. The amendments to IAS 1 also 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 have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

The Group has not early applied the following new and revised IFRSs that have been issued but are not yet effective. The following new or revised standards have been issued after the date the consolidated financial statements for the year ended 31 December 2012 were authorised for issuance and are not yet effective:

| | |
|---|---|
| Amendments to IAS 36 | Recoverable amount disclosures for non-financial assets[1] |
| Amendments to IAS 39 | Novation of derivatives and continuation of hedge accounting[1] |
| IFRIC 21 | Levies[1] |

[1] Effective for accounting periods beginning on or after 1 January 2014.

The directors anticipate that the application of these amendments will have no material impact on the results and the financial position of the Group.

## 3. REVENUE

Revenue represents the amounts received and receivable for goods sold net of discounts and sales related taxes.

## 4. SEGMENT INFORMATION

Segment information is presented based on internal reports about components of the Group that are regularly reviewed by the chief operating decision maker, being the executive directors, for the purpose of allocate resources to segments and assessing their performance.

The Group is currently organised into four reportable and operating segments – sale of handsets and solutions, sale of display modules, sale of wireless communication modules and property development.

### Six months ended 30 June 2013

| | Sale of handsets and solutions HK$'000 | Sale of display modules HK$'000 | Sale of wireless communication modules HK$'000 | Property development HK$'000 | Segment total HK$'000 | Elimination HK$'000 | Consolidated HK$'000 |
|---|---|---|---|---|---|---|---|
| Revenue | | | | | | | |
| External sales | 408,083 | 89,633 | 217,330 | 71,559 | 786,605 | - | 786,605 |
| Inter-segment sales | - | 5,207 | - | - | 5,207 | (5,207) | - |
| Total | 408,083 | 94,840 | 217,330 | 71,559 | 791,812 | (5,207) | 786,605 |
| Segment (loss) profit | (122,750) | (27,187) | 5,845 | 8,252 | (135,840) | - | (135,840) |
| Other income and other gains and losses | | | | | | | 26,569 |
| Share of results of an associate | | | | | | | 158 |
| Corporate expenses | | | | | | | (11,439) |
| Finance costs | | | | | | | (685) |
| Loss before taxation | | | | | | | (121,237) |

**Six months ended 30 June 2012**

| | Sale of handsets and solutions HK$'000 | Sale of display modules HK$'000 | Sale of wireless communication modules HK$'000 | Property development HK$'000 | Segment total HK$'000 | Elimination HK$'000 | Consolidated HK$'000 |
|---|---|---|---|---|---|---|---|
| Revenue | | | | | | | |
| External sales | 1,037,257 | 38,701 | 240,769 | - | 1,316,727 | - | 1,316,727 |
| Inter-segment sales | - | 92,804 | - | - | 92,804 | (92,804) | - |
| Total | 1,037,257 | 131,505 | 240,769 | - | 1,409,531 | (92,804) | 1,316,727 |
| Segment (loss) profit | (79,556) | (2,265) | 9,706 | (3,414) | (75,529) | - | (75,529) |
| Other income and other gains and losses | | | | | | | 13,549 |
| Corporate expenses | | | | | | | (12,262) |
| Gain from changes in fair value of investment properties | | | | | | | 10,905 |
| Finance costs | | | | | | | (2,433) |
| Loss before taxation | | | | | | | (65,770) |

Inter-segment sales are charged at mutually agreed terms.

Segment result represents the financial result by each segment without allocation of rental income, interest income, other income, certain net exchange gain, share of results of an associate, corporate expenses, gain from changes in fair value of investment properties, finance costs and taxation.

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

| | **30 June 2013 HK$'000** | 31 December 2012 HK$'000 |
|---|---|---|
| Sale of handsets and solutions | **768,585** | 1,013,468 |
| Sale of display modules | **172,021** | 193,636 |
| Sale of wireless communication modules | **531,942** | 499,403 |
| Property development | **490,880** | 277,221 |
| Total segment assets | **1,963,428** | 1,983,728 |

For the purposes of monitoring segment performances and allocating resources between segments, all assets are allocated to reportable and operating segments other than investment properties, certain property, plant and equipment, interest in an associate, entrusted loan receivables, deposit paid for land use right, pledged bank deposits, bank balances and cash, available-for-sale investments, deferred tax assets and certain other receivables, deposits and prepayment. Assets used jointly by reportable and operating segments are allocated on the basis of the revenues earned by individual operating segments.

## 5. OTHER INCOME/OTHER GAINS AND LOSSES

| | Six months ended 30 June | |
|---|---|---|
| | **2013** | 2012 |
| | **HK$'000** | HK$'000 |
| **Other income** | | |
| Refund of Value Added Tax ("VAT") (Note i) | **3,504** | 10,270 |
| Government grants (Note ii) | **14,181** | 2,500 |
| Interest income earned on bank balances | **1,345** | 3,656 |
| Rental income (Less: outgoings of HK$145,000 (six months ended 30 June 2012: HK$146,000)) | **9,598** | 9,150 |
| Repair and maintenance income (Note iii) | **–** | 3,978 |
| Others | **452** | 76 |
| | **29,080** | 29,630 |
| **Other gains and losses** | | |
| Loss on disposal of property, plant and equipment | **(133)** | (35) |
| Net foreign exchange gain (loss) | **13,855** | (10,522) |
| Gain from changes in fair value of investment properties | **–** | 10,905 |
| Allowance for bad and doubtful debts (Note iv) | **(12,250)** | – |
| Impairment loss recognised in respect of intangible assets | **(5,643)** | – |
| Impairment loss recognised in respect of property, plant and equipment | **(12,259)** | – |
| Impairment loss recognised in respect of goodwill | **–** | (21,000) |
| | **(16,430)** | (20,652) |

Notes:

(i) Shanghai Simcom Limited and Shanghai Simcom Wireless Solutions Limited, wholly-owned subsidiaries of the Company, are engaged in the business of distribution of self-developed and produced software. Under the current PRC tax regulation, it is entitled to a refund of VAT paid for sales of self-developed and produced software in the PRC.

(ii) The amount includes HK$11,722,000 (six months ended 30 June 2012: HK$1,902,000) unconditional government grants received during the period which was granted to encourage for the Group's research and developments activities in the PRC.

During the six months ended 30 June 2013, the Group received government grants of HK$692,000 (six months ended 30 June 2012: HK$8,577,000) towards the cost of development on wireless communication modules, handset and modules in Shanghai and Shenyang. The amounts received are deferred and are transferred to other income to match actual expenditure used in research and development activities and HK$2,459,000 (six months ended 30 June 2012: HK$598,000) was recognised in the profit or loss during the period.

As at 30 June 2013, an amount of HK$56,766,000 (31 December 2012: HK$58,008,000) remains to be amortised and is included in other payables (for current portion) and deferred income (for non-current portion).

(iii) The amount represented repairs and maintenance services provided to a customer of the sale of mobile handsets and solutions during the six months ended 30 June 2012.

(iv) Included in the allowance for bad and doubtful debts are individually impaired trade receivables, which in the opinion of the directors are unrecoverable. The Group does not hold any collateral over these balances.

## 6. TAX (CHARGE) CREDIT

| | Six months ended 30 June | |
|---|---|---|
| | **2013** | 2012 |
| | **HK$'000** | HK$'000 |
| Tax (charge) credit comprises: | | |
| PRC Enterprise Income Tax | **(4,528)** | (1,294) |
| PRC Land Appreciation Tax ("LAT") | **(1,073)** | – |
| Underprovisions on PRC Enterprise Income Tax in previous years | **(4,620)** | – |
| Deferred tax credit (note 12) | **5,255** | 3,788 |
| | **(4,966)** | 2,494 |

No provision for Hong Kong Profits Tax has been made for both periods as the Company and its subsidiaries have no assessable profits arising in Hong Kong.

PRC Enterprise Income Tax is calculated at the rates prevailing in the relevant districts of the PRC taking relevant tax incentives into account. The estimated average annual tax rate used for PRC Enterprise Income Tax is 25% for six months ended 30 June 2013 (six months ended 30 June 2012: 15%).

The provision of LAT is estimated according to the requirements set forth in the relevant tax laws and regulations of the PRC, which is charged at progressive rates ranging from 30% to 60% of the appreciation value, with certain allowable deductions.

## 7. LOSS FOR THE PERIOD

| | Six months ended 30 June 2013 HK$'000 | Six months ended 30 June 2012 HK$'000 |
|---|---|---|
| Loss for the period is arrived at after charging (crediting): | | |
| Amortisation of intangible assets (included in cost of sales) | **65,201** | 129,959 |
| Less: Amount capitalised in development costs classified as intangible assets | **(1,206)** | (553) |
| | **63,995** | 129,406 |
| Amortisation of land use rights | **1,473** | 1,426 |
| Depreciation of property, plant and equipment | **46,599** | 49,794 |
| Less: Amount capitalised in development costs classified as intangible assets | **(1,415)** | (1,545) |
| | **45,184** | 48,249 |
| Staff costs including directors' emoluments | **159,568** | 185,554 |
| Share-based payments | **2,135** | 3,714 |
| Less: Amount capitalised in development costs classified as intangible assets | **(33,238)** | (64,584) |
| | **128,465** | 124,684 |
| Operating lease rentals in respect of land and buildings | **4,079** | 4,396 |
| Less: Amount capitalised in development costs classified as intangible assets | **(282)** | (934) |
| | **3,797** | 3,462 |
| Write-down of inventories (included in cost of sales) | **4,998** | 10,860 |
| Cost of inventories recognised as expense (included in cost of sales) | **642,715** | 1,182,770 |
| Cost of properties sold (included in cost of sales) | **55,458** | – |

## 8. DIVIDENDS

The directors do not recommend the payment of an interim dividend for six months ended 30 June 2013 and 2012.

## 9. LOSS PER SHARE

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

| | Six months ended 30 June | |
|---|---|---|
| | **2013** | 2012 |
| | **HK$'000** | HK$'000 |
| **Loss** | | |
| Loss for the purposes of basic and diluted loss per share (loss for the period attributable to the owners of the Company) | **(125,957)** | (58,282) |
| | **'000** | '000 |
| **Number of shares** | | |
| Weighted average number of ordinary shares for the purpose of basic loss per share | **2,543,369** | 1,704,999 |

The computation of diluted loss per share for the six months ended 30 June 2013 and 2012 does not assume the exercise of the Company's share options as it would reduce loss per share.

## 10. MOVEMENTS IN INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

The fair value of the Group's investment properties at 30 June 2013 and 31 December 2012 have been arrived at on the basis of a valuation carried out on that date by Vigers Appraisal & Consulting Limited, independent qualified professional valuers not related to the Group. The valuation was arrived at by reference to the discounted cash flow projections based on estimates of future cash flows, supported by the terms of existing lease and reasonable and supportable assumptions that represent what knowledgeable willing parties would assume about rental income for future leases in the light of current conditions, using discount rates that reflect current market assessments of the uncertainty in the amount and timing of cash flows.

The fair value of investment properties as at 30 June 2013 is HK$312,885,000 (31 December 2012: HK$291,575,000) and no fair value changes have been recognised directly in profit or loss for the six months ended 30 June 2013 (six months ended 30 June 2012: fair value gain of HK$10,905,000).

During the six months ended 30 June 2013, certain previously self-used premises of the buildings of the Group have been rented out to independent third parties. Accordingly the carrying amounts of the building of HK$4,414,000 with fair value of HK$9,140,000 and carrying amounts of land use rights of HK$2,367,000 with fair value of HK$8,672,000 are transferred to investment properties of the Group. The fair value at the date of transfer have been arrived at on the basis of a valuation carried out by Vigers Appraisal & Consulting Limited.

The fair values of the investment properties were determined by reference to the capitalised income to be derived from existing tenancies and the reversionary income potential of the properties or where appropriate, by reference to the market evidence of transaction prices for similar properties in the same locations and conditions.

During the period, additions to the Group's property, plant and equipment amounted to HK$17,635,000 (six months ended 30 June 2012: HK$79,210,000).

During the period, additions to the Group's intangible assets amounted to HK$48,288,000 (six months ended 30 June 2012: HK$82,998,000) including addition to development costs of HK$46,103,000 (six months ended 30 June 2012: HK$80,183,000) for development projects on the products.

## 11. INTEREST IN AN ASSOCIATE

During the six months ended 30 June 2013, the Group invested in 30% equity interest of Xian Helicopter Co., Ltd., a company registered in the PRC, at a cash consideration of RMB24,000,000 (or equivalent to HK$30,000,000). The principal activity of the associate is provision of industrial use helicopter services in the PRC. As at the date of issuance of the condensed consolidated financial statements, the fair value assessments of certain underlying assets and liabilities of the associate had not been finalised and thus, the initial accounting for the aforesaid acquisition of equity interest in the associate has been determined provisionally and no goodwill or gain on bargain purchase has been recognised in the condensed consolidated financial statements.

## 12. DEFERRED TAXATION

The followings are the major deferred tax (liabilities) assets recognised by the Group and the movement thereon during the current period:

| | Development cost capitalised<br>HK$'000 | Write-down of inventories and trade receivables<br>HK$'000 | Revaluation of buildings, land use rights and investment properties<br>HK$'000 | Total<br>HK$'000 |
|---|---|---|---|---|
| At 31 December 2012 (audited) | (6,910) | 21,100 | (40,334) | (26,144) |
| Exchange differences | (84) | 233 | (483) | (334) |
| (Charge) credit to profit or loss (note 6) | 943 | 4,312 | – | 5,255 |
| Charge to properties revaluation reserve | – | – | (2,758) | (2,758) |
| At 30 June 2013 (unaudited) | (6,051) | 25,645 | (43,575) | (23,981) |

The following is the analysis of the deferred tax balances for financial reporting purposes:

| | 30 June 2013 HK$'000 | 31 December 2012 HK$'000 |
|---|---|---|
| Deferred tax assets | **25,645** | 21,100 |
| Deferred tax liabilities | **(49,626)** | (47,244) |
| | **(23,981)** | (26,144) |

## 13. ENTRUSTED LOAN RECEIVABLES

As at 30 June 2013, the Group had entered into two entrusted loan arrangements with financial institution, in which the financial institution acts as an agent and the Group acted as the lender to provide funding to a specified borrower. The entrusted loan receivables will be matured in April 2015. Details of the entrusted loan receivables are disclosed in the announcement dated on 23 April 2013.

## 14. TRADE RECEIVABLES AND NOTES RECEIVABLES

The normal credit period given on sale of goods relating to handsets and solutions, display modules and wireless communication modules is 0 – 90 days. A longer period is granted to a few customers with whom the Group has a good business relationship and which are in sound financial condition. There is no credit given to sales of properties.

The following is an aged analysis of trade receivables, net of allowance for bad and doubtful debts, as well as notes receivables presented based on the invoice dates at the end of the reporting period, which approximated the revenue recognition dates:

| | 30 June 2013 HK$'000 | 31 December 2012 HK$'000 |
|---|---|---|
| 0 – 30 days | **243,789** | 338,542 |
| 31 – 60 days | **36,467** | 4,361 |
| 61 – 90 days | **3,702** | 4,452 |
| 91 – 180 days | **12,738** | 9,855 |
| Over 180 days | **29,703** | 21,529 |
| | **326,399** | 378,739 |
| Less: Accumulated allowances | **(26,093)** | (12,640) |
| Trade receivables | **300,306** | 366,099 |
| 0 – 30 days | **57,045** | 62,606 |
| 31 – 60 days | **11,537** | 2,140 |
| 61 – 90 days | **–** | 2,525 |
| 91 – 180 days | **6,093** | 4,231 |
| Notes receivables (Note) | **74,675** | 71,502 |

Note: Notes receivables represent the promissory notes issued by banks received from the customers.

## 15. OTHER CURRENT FINANCIAL LIABILITIES

Trade payables (other than for the construction of properties held for sale) principally comprise amounts outstanding for trade purchases. The normal credit period taken for trade purchases is 30 – 90 days.

Trade payables and accrued expenditure on construction of properties held for sale comprise construction costs and other project-related expenses which are payable based on project progress measured by the Group.

An aged analysis of the Group's trade payables at the end of the reporting period presented based on the invoice date is as follows:

| | 30 June 2013 HK$'000 | 31 December 2012 HK$'000 |
|---|---|---|
| 0 – 30 days | **257,998** | 279,256 |
| 31 – 60 days | **12,460** | 29,518 |
| 61 – 90 days | **965** | 24,518 |
| Over 90 days | **55,521** | 40,877 |
| | **326,944** | 374,169 |

## 16. BANK BORROWINGS

During the period, the Group obtained new short-term bank borrowings with total amount of HK$230,927,000 (six months ended 30 June 2012: HK$219,582,000). The bank borrowings bear interest at fixed rates ranging from 1.3% to 3.3% per annum (31 December 2012: 1.3% to 3.3% per annum) and are repayable within one year. The proceeds were used to meet short-term expenditure needs.

## 17. SHARE CAPITAL

| | Number of shares '000 | Share capital HK$'000 |
|---|---|---|
| Ordinary shares of HK$0.1 each | | |
| Authorised: | | |
| At 1 January 2013 and 30 June 2013 | 3,000,000 | 300,000 |
| Issued: | | |
| At 1 January 2013 | 1,704,999 | 170,500 |
| Issue of shares (note) | 852,500 | 85,250 |
| At 30 June 2013 | 2,557,499 | 255,750 |

Note: On 4 January 2013, the Company allotted and issued 852,499,500 shares by way of Rights Issue for a cash consideration of HK$170,500,000. The cash proceeds was received by the Company during the year ended 31 December 2012. The new shares issued rank pari passu in all respects with the existing shares in issue.

## 18. IMPAIRMENT ASSESSMENT ON PROPERTY, PLANT AND EQUIPMENT, LAND USE RIGHTS AND INTANGIBLE ASSETS

For the purpose of impairment testing, property, plant and equipment, land use rights and intangible assets have been allocated to the following cash generating units ("CGUs") respectively. The carrying amounts of property, plant and equipment, land use rights and intangible assets as at 30 June 2013 and 31 December 2012 allocated to these units are as follows:

| | Sale of handsets and solutions | | Sale of display modules | | Total | |
|---|---|---|---|---|---|---|
| | **30 June 2013 HK$'000** | 31 December 2012 HK$'000 | **30 June 2013 HK$'000** | 31 December 2012 HK$'000 | **30 June 2013 HK$'000** | 31 December 2012 HK$'000 |
| Property, plant and equipment | **251,701** | 312,534 | **65,410** | 106,132 | **317,111** | 418,666 |
| Land use rights | **26,662** | 48,432 | **2,016** | 7,366 | **28,678** | 55,798 |
| Intangible assets including: | | | | | | |
| – licenses fee | **5,139** | 6,493 | **–** | – | **5,139** | 6,493 |
| – development costs | **27,189** | 43,983 | **–** | – | **27,189** | 43,983 |
| Total assets allocated to CGU | **310,691** | 411,442 | **67,426** | 113,498 | **378,117** | 524,940 |

Management of the Group consider cash flow projections which were prepared based on financial budgets covering respective period of property, plant and equipment, land use rights and intangible assets as at 30 June 2013. At the same time, management also appointed independent professional valuer to assess the fair value of all the property, plant and equipment and land use rights allocated to these two CGUs. The recoverable amounts of the assets are the higher of the fair value less costs to sell and value in use based on cash flow projections. By reference to these two methodology, management considered that fair value less costs to sell is higher than the value in use of property, plant and equipment and land use rights and thus fair value less costs to sell is used during the current interim period for the impairment testing of these two classes of assets.

**Sale of handsets and solutions**

In view of the operating loss experienced by the Group in the sale of handsets and solutions segment, the directors of the Company conducted an impairment review on the carrying values of the relevant assets based on their fair values less costs to sell. The fair values of the relevant assets at the end of the reporting period were based on the valuation performed by an independent professional valuer. As the carrying amounts of the relevant assets as at 30 June 2013 exceeded the recoverable amount, an impairment loss in respective of property, plant and equipment of HK$12,259,000 (six months ended 30 June 2012: nil) was recognised to profit or loss, respectively.

For the purpose of impairment testing of development costs allocating to sale of handsets and solutions CGU, the carrying amount of each development project was compared with the recoverable amount of each individual project. The recoverable amount of each project has been determined based on a value in use calculation. The calculation uses cash flow projections based on signed sales contracts of respective projects. During the six months ended 30 June 2013, an impairment loss in respect of development costs of HK$5,643,000 (six months ended 30 June 2012: nil) was recognised to profit or loss.

**Sale of display modules**

In view of the operating loss experienced by the Group in the sale of display modules segment, the directors of the Company conducted an impairment review on the carrying values of the relevant assets based on their fair values less costs to sell. The fair values of the relevant assets at the end of the reporting period were based on the valuation performed by an independent professional valuer. As the recoverable amounts of the relevant assets as at 30 June 2013 exceeded the carrying amount, no impairment loss on the relevant assets was recognised (six months ended 30 June 2012: nil).

## 19. OPERATING LEASE ARRANGEMENT

### The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

| | **30 June 2013 HK$'000** | 31 December 2012 HK$'000 |
|---|---|---|
| Within one year | **3,086** | 3,056 |
| In the second to fifth year inclusive | **38** | 514 |
| | **3,124** | 3,570 |

### The Group as lessor

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

| | **30 June 2013 HK$'000** | 31 December 2012 HK$'000 |
|---|---|---|
| Within one year | **22,130** | 19,961 |
| In the second to fifth year inclusive | **40,406** | 33,544 |
| After five years | **11,949** | 7,358 |
| | **74,485** | 60,863 |

## 20. COMMITMENTS

| | **30 June 2013 HK$'000** | 31 December 2012 HK$'000 |
|---|---|---|
| Expenditure contracted for but not provided in the condensed consolidated financial statements in respect of: | | |
| – properties under development for sale | **125,651** | 61,251 |
| – land use rights | **7,590** | – |

## 21. MAJOR NON-CASH TRANSACTION

During the six months ended 30 June 2013, the Company allotted and issued 852,499,500 shares by way of Rights Issue to its shareholders. Proceeds from the Rights Issue was received during the year ended 31 December 2012.

The purchase consideration of property, plant and equipment amounting to HK$4,236,000 (31 December 2012: HK$31,513,000) remained unsettled and included in other payables, deposits received and accruals as at 30 June 2013.

## 22. RELATED PARTY TRANSACTIONS

The remuneration of key management during the period was as follows:

| | Six months ended 30 June | |
|---|---|---|
| | **2013** | 2012 |
| | **HK$'000** | HK$'000 |
| Short term benefits | **4,747** | 1,977 |
| Post-employment benefits | **118** | 72 |
| Share based payments | **885** | 867 |
| | **5,750** | 2,916 |

## 23. EVENT AFTER THE REPORTING PERIOD

On 19 July 2013, the Company granted share options (the "Share Options") to the employees and consultants of the Company (the "Grantees") pursuant to the Company's share option scheme adopted by the Company on 30 May 2005, subject to acceptance by the Grantees. The Share Options entitle the Grantees to subscribe for a total of 63,000,000 share options at an exercise price of HK$0.346 per share, and each option shall entitle the holder to subscribe for one share. As at the date of this report, the directors of the Company are in the process of estimating the fair value of the Share Options granted.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES

At 30 June 2013, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (CAP 571, Laws of Hong Kong) ("SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"), were as follows:

### Interests in the shares and underlying shares of the Company and the shares of associated corporations of the Company

| Name of director | Name of corporation | Nature of interest | Ordinary shares | Underlying shares | Total | Approximate percentage of interest in the corporation (Note 3) |
|---|---|---|---|---|---|---|
| Mr Wong Cho Tung | Company | Corporate interest (Note 1) | 1,177,902,000 | - | 1,177,902,000 | 46.06% |
| | Company | Personal interest | 3,098,000 | - | 3,098,000 | 0.12% |
| | Subtotal | | | | 1,181,000,000 | 46.18% |
| | Info Dynasty Group Limited ("Info Dynasty") | Personal Interest | 1,000 | - | 1,000 | 49.95% |
| Ms Yeung Man Ying | Company | Corporate interest (Note 2) | 703,675,000 | - | 703,675,000 | 27.51% |
| | Company | Personal interest | 3,418,000 | - | 3,418,000 | 0.13% |
| | | | | | 707,093,000 | 27.65% |
| | Info Dynasty | Personal Interest | 1,000 | - | 1,000 | 49.95% |
| Mr Zhang Jianping | Company | Personal interest | 7,296,000 | 11,115,000 | 18,411,000 | 0.72% |
| Ms Tang Rongrong | Company | Personal interest | - | 4,446,000 | 4,446,000 | 0.17% |
| Mr Chan Tat Wing Richard | Company | Personal interest | - | 5,967,000 | 5,967,000 | 0.23% |
| Mr Liu Hong | Company | Personal interest | - | 1,446,120 | 1,446,120 | 0.06% |

Notes:

1. Mr Wong Cho Tung ("Mr Wong") controls more than one-third of the voting power of Info Dynasty. Mr Wong is therefore deemed to be interested in all the 703,675,000 shares held by Info Dynasty in the Company by virtue of Part XVof the SFO. Intellipower Investments Limited ("Intellipower") and Simcon Limited ("Simcon (BVI)") were wholly-owned by Mr Wong and he is therefore deemed to be interested in all the 454,227,000 shares and the 20,000,000 shares respectively held by Intellipower and Simcon (BVI) in the Company by virtue of Part XV of the SFO.

2. Ms Yeung Man Ying ("Mrs Wong"), the spouse of Mr Wong, controls more than one-third of the voting power of Info Dynasty. Mrs Wong is therefore deemed to be interested in all the 703,675,000 shares held by Info Dynasty in the Company by virtue of Part XV of the SFO.

3. Calculation of percentage of interest in the Company is based on the issued share capital of 2,557,498,500 shares of the Company as at 30 June 2013.

Save as disclosed above, as at 30 June 2013, none of the Directors or chief executive of the Company or their associates had any interests or short positions in the shares, whether beneficial or non-beneficial, underlying shares and debentures of the Company or any of its associated corporations as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS OR OTHER PERSONS' INTEREST

At 30 June 2013, the interests and short positions of persons (other than Directors or chief executives of the Company) in the shares and underlying shares of the Company as recorded in the register required to be maintained by the Company pursuant to section 336 of the SFO were as follows:

| Name of shareholder | Nature of interest | Total number of ordinary shares | Approximate percentage of interest in the Company (Note 1) |
|---|---|---|---|
| Info Dynasty (Note 2) | Personal interest | 703,675,000 | 27.51% |
| Intellipower (Note 3) | Personal interest | 454,227,000 | 17.76% |

Notes:

1. Calculation of percentage of interest in the Company is based on the issued share capital of 2,557,498,500 shares of the Company as at 30 June 2013.

2. The relationship between Info Dynasty and Mr Wong and the relationship between Info Dynasty and Mrs Wong is disclosed under the paragraph headed " Directors and Chief Executives' Interests and Short Position in Shares" above.

3. The relationship between Intellipower and Mr Wong is disclosed under the paragraph headed "Directors and Chief Executives' Interests and Short Positions in Shares".

Save as disclosed above, as at 30 June 2013, there is no other substantial shareholder or person (other than a Director of chief executive of the Company) had interests or short positions in the shares, underlying shares of the Company which are required to be recorded in the register required to be kept by the Company under section 336 of the SFO.

## SHARE OPTIONS

The Company granted share options under the Pre-IPO Share Option Scheme adopted by the Company on 30 May 2005 and Post-IPO Share Option Scheme adopted on 30 May 2005.

# OTHER INFORMATION

Details of the options under Pre-IPO Share Option Scheme and Post-IPO Share Option Scheme granted to certain Directors and employees of the Group and movements in such holdings were illustrated below:

| Category of participants | Name of share option scheme | Date of grant | Outstanding at 1 January 2013 | Adjustment during the period (Note 7) | Lapsed during the period | Outstanding at 30 June 2013 |
|---|---|---|---|---|---|---|
| **Directors** | | | | | | |
| Mr Zhang Jianping | Pre-IPO | 30.5.2005 | 1,500,000 | 255,000 | – | 1,755,000 |
| | Post-IPO | 28.3.2008 | 500,000 | 85,000 | – | 585,000 |
| | Post-IPO | 3.9.2009 | 7,500,000 | 1,275,000 | – | 8,775,000 |
| Ms Tang Rongrong | Post-IPO | 28.3.2008 | 800,000 | 136,000 | – | 936,000 |
| | Post-IPO | 3.9.2009 | 3,000,000 | 510,000 | – | 3,510,000 |
| Mr Chan Tat Wing | Pre-IPO | 30.5.2005 | 500,000 | 85,000 | – | 585,000 |
| Richard | Post-IPO | 28.3.2008 | 1,600,000 | 272,000 | – | 1,872,000 |
| | Post-IPO | 3.9.2009 | 3,000,000 | 510,000 | – | 3,510,000 |
| Mr Liu Hong | Post-IPO | 13.11.2007 | 100,000 | 17,000 | – | 117,000 |
| *(Appointed on* | Post-IPO | 28.3.2008 | 336,000 | 57,120 | – | 393,120 |
| *1 March 2013)* | Post-IPO | 3.9.2009 | 800,000 | 136,000 | – | 936,000 |
| | | | 19,636,000 | 3,338,120 | – | 22,974,120 |
| **Employees of the** | Pre-IPO | 30.5.2005 | 1,057,000 | 179,690 | (410,670) | 826,020 |
| **Group** | Post-IPO | 12.5.2006 | 3,145,000 | 534,650 | (731,250) | 2,948,400 |
| | Post-IPO | 13.11.2007 | 4,209,000 | 715,530 | (521,235) | 4,403,295 |
| | Post-IPO | 28.3.2008 | 13,236,000 | 2,250,120 | (1,572,480) | 13,913,640 |
| | Post-IPO | 3.9.2009 | 36,500,000 | 6,205,000 | (1,921,725) | 40,783,275 |
| | | | 77,783,000 | 13,223,110 | (5,157,360) | 85,848,750 |

Notes:

1. In relation to each grantee of the options granted on 30 May 2005 under the Pre-IPO Share Option Scheme, 25% of the options vested during the period from 1 April 2006 to 31 December 2006 and in each of the three calendar years from 1 January 2007 to 31 December 2009. The adjusted exercise price per share is HK$0.87 and the exercise period is 1 April 2006 to 29 May 2015.

2. In relation to each grantee of the options granted on 12 May 2006 under the Post-IPO Share Option Scheme, 25% of the options vested in each of the four calendar years from 1 January 2007. The adjusted exercise price per share is HK$3.14 and the exercise period is 1 January 2007 to 11 May 2016.

3. In relation to each grantee of the options granted on 13 November 2007 under the Post-IPO Share Option Scheme, 25% of the options vested in each of the four calendar years from 1 April 2008. The adjusted exercise price per share is HK$1.40 and the exercise period is 1 April 2008 to 12 November 2017.

4. In relation to each grantee of the options granted on 28 March 2008 under the Post-IPO Share Option Scheme, 25% of the options vested in each of the four calendar years from 15 April 2009. The adjusted exercise price per share is HK$0.69 and the exercise period is 15 April 2009 to 27 March 2018.

5. In relation to each grantee of the options granted on 3 September 2009 under the Post-IPO Share Option Scheme, 25% of the options vested in each of the four calendar years from 15 April 2010. The adjusted exercise price per share is HK$0.68 and the exercise period is 15 April 2010 to 2 September 2019.

6. There was no share option exercised or granted during the reporting period.

7. Upon completion of the rights issue on 4 January 2013, adjustments were made to the exercise price and number of the share options to subscribe for shares granted pursuant to the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme.

# OTHER INFORMATION

Other than as disclosed above, at no time during 1H-2013 was the Company or any of its subsidiaries a party to any arrangements that enable the Directors or the chief executive of the Company to acquire benefits by means of acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate and save as disclosed in this report, none of the Directors, the chief executive, their spouses or children under the age of 18, had any right to subscribe for securities of the Company, or had exercise any such right during 1H-2013.

## PURCHASE, SALE OR REDEMPTION OF SHARES

During 1H-2013, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the reporting period.

## CORPORATE GOVERNANCE CODE

Save as mentioned below, the Company has complied with the code provisions laid down in the Corporate Governance Code ("Corporate Governance Code") as set out in Appendix 14 to Listing Rules for 1H-2013.

In respect of code provisions A.5.1 to A.5.4 of the Corporate Governance Code, the Company does not have a nomination committee. At present, the Company does not consider it necessary to have a nomination committee as the full Board is responsible for reviewing the structure, size and composition of the Board and the appointment of new Directors from time to time to ensure that it has a balanced composition of skills and experience appropriate for the requirements of the businesses of the Company, and the Board as a whole is also responsible for assessing the independence of the independent non-executive Directors and reviewing the succession plan for the Directors, in particular the chairman of the Board.

According to the code provision E.1.2 of the Corporate Governance Code, the chairman of the Board shall attend the annual general meeting of the Company and arrange for the chairmen of the audit, remuneration and nomination committees (as appropriate) or in the absence of the chairman of such committees, another member of the committee or failing this his duly appointed delegate, to be available to answer questions at the annual general meeting.

At the annual general meeting of the Company held on 28 May 2013 ("2013 AGM"), Ms Yeung Man Ying, the chairman of the Board, was unable to attend due to unexpected business engagement. Mr Chan Tat Wing, Richard, an executive Director and the chief finance officer of the Group, chaired the 2013 AGM on behalf of the chairman of the Board pursuant to the bye-laws of the Company and was available to answer questions. Mr Liu Hing Hung, an independent non-executive Director and the chairman of the Remuneration Committee and the Audit Committee, was also available at the 2013 AGM to answer questions from shareholders of the Company.

## COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code for securities transactions. All Directors have confirmed, following specific enquiry by the Company with all the Directors, that they have fully complied with the required standard as set out in the Model Code for 1H-2013.

## AUDIT COMMITTEE

The audit committee of the Company ("Audit Committee") has reviewed with management the accounting principles and practice adopted by the Group and reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2013. In addition, the condensed consolidated financial statements of the Group for the six months ended 30 June 2013 have been reviewed by our auditor, Messrs. Deloitte Touche Tohmatsu, and an unqualified review report was issued. The Audit Committee comprises the three independent non-executive Directors.

# CORPORATION INFORMATION

## BOARD OF DIRECTORS

*Executive Directors*
Ms YEUNG Man Ying *(Chairman)*
Mr WONG Cho Tung
Mr ZHANG Jianping
Mr WONG Hei, Simon
(Resigned on 21 January 2013)
Ms TANG Rongrong
Mr CHAN Tat Wing, Richard
Mr LIU Hong (appointed on 1 March 2013)

*Independent non-executive Directors*
Mr LIU Hing Hung
Mr XIE Linzhen
Mr DONG Yunting

## AUDIT COMMITTEE

Mr LIU Hing Hung *(Chairman)*
Mr XIE Linzhen
Mr DONG Yunting

## REMUNERATION COMMITTEE

Mr LIU Hing Hung *(Chairman)*
Mr XIE Linzhen
Mr DONG Yunting
Mr WONG Cho Tung

## COMPANY SECRETARY
Ms WONG Tik

## AUDITORS
Deloitte Touche Tohmatsu

## LEGAL ADVISER AS TO HONG KONG LAW
LEUNG & LAU, Solicitors

## PRINCIPAL BANKERS

Hang Seng Bank Limited
Bank of Communications
Shanghai Pudong Development Bank

## REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 2908, 29th Floor
248 Queen's Road East
Wanchai
Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke
Bermuda

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-16, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

## WEBSITE ADDRESS

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## STOCK CODE

2000