



PROVIEW INTERNATIONAL HOLDINGS LIMITED

唯冠國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 334)

Annual Report 2012

* *for identification purpose only*

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Ms. Sun Min (*Chairman*) (appointed as Chief Executive Officer on 18 September 2011)

Mr. Yu Genming (resigned as Chief Executive Officer on 18 September 2011)

Mr. Han Su

Mr. Chang I Sun

Mr. Lu Gui-fang

Mr. Wang Chih-cheng (resigned on 7 July 2011)

Ms. Hui Siu-ling, Elina (retired on 17 January 2012)

Non-Executive Directors:

Mr. Chang I-hua (resigned on 11 July 2011)

Mr. Huang Ying-che, Michael (resigned on 11 July 2011)

PRINCIPAL REGISTRAR

The Bank of Bermuda Limited

(Ceased services Since 2012)

Bank of Bermuda Building

6 Front Street

Hamilton HM 11

Bermuda

AUDITOR

ZHONGHUI ANDA CPA Limited

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited

1712-1716, 17th Floor

Hopewell Centre

183 Queen's Road East

Wanchai

Hong Kong

REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

PRINCIPAL PLACE OF BUSINESS

Room 2708, 27/F

Shui On Centre

6-8 Harbour Road

Wanchai

Hong Kong

STOCK CODE

0334

Report of the Directors

The board (the "Board") of directors (the "Directors") of Proview International Holdings Limited (the "Company") herein presents its report together with the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 30 June 2012.

RESULTS

The Group's consolidated loss for the year ended 30 June 2012 amounted to approximately HK\$4.3 million as compared with the loss of approximately HK\$0.8 million for the corresponding year ended 30 June 2011. Such increase of the loss was mainly due to increase in administrative expenses for the year ended 30 June 2012 as compared to the corresponding year ended 30 June 2011.

SEGMENT INFORMATION

The Group has no revenue generated for the year (2011: Nil).

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2012, the Group's total net liabilities and financial guarantee liabilities amounted to approximately HK\$3,292.5 million and approximately HK\$2,810.0 million respectively. As at 30 June 2012, the Group's current asset and current liabilities amounted to approximately HK\$Nil and approximately HK\$3,292.5 million respectively. As at 30 June 2012, the Group had no borrowing and a zero gearing ratio (30 June 2011: Nil), which is defined as net debt (total borrowings net of cash and bank balances) over total equity, is resulted. The majority of the Group's assets and liabilities were denominated in Hong Kong and RMB dollars, and the exposure to foreign exchange risk is insignificant to the Group.

ASSETS AND LIABILITIES

As at 30 June 2012, the Group had total assets of approximately HK\$Nil (2011: HK\$Nil), total liabilities of approximately HK\$3,292.5 million (2011: HK\$3,288.3 million). The net liabilities of the Group as at 30 June 2012 were HK\$3,292.5 million (2011: HK\$3,288.3 million).

SIGNIFICANT INVESTMENTS AND ACQUISITION

On the basis of the available books and records, 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 30 June 2012.

Report of the Directors

CHARGES ON GROUP ASSETS

As at 30 June 2012, the Group has no charged asset (2011: Nil).

RESERVES

As at 30 June 2012, the Company did not have any reserves available for distribution. Details of movements in the reserves of the Company and the Group during the year are set out in note 16 to the financial statements and in the consolidated statement of changes in equity, respectively.

RESUMPTION PROPOSAL

On 30 November 2012, the Company submitted to Listing (Review) Committee of the Stock Exchange (the "Listing (Review) Committee") the revised resumption proposal (the "Revised Resumption Proposal"), which sets out, inter alia, the proposed acquisition (the "Acquisition") of TCL Display Technology (Huizhou) Company Limited (the "TCL Display") by the Company. TCL Display is principally engaged in the manufacturing of LCD modules for use mainly in mobile phones, which technology is in line with existing business of the Group. Pursuant to Rule 14.06(5) of the Rule Governing the Listing Securities on the Main Board of the Stock Exchange, the Acquisition constitutes a very substantial acquisition of the Company.

On 1 February 2013, the listing sub-committee of the directors of the Stock Exchange (the "Listing Committee") decided the Acquisition constitutes a reverse takeover and the Company should submit a new listing application to enable the Listing Committee to consider the Revised Resumption Proposal.

Apart from the Acquisition, the Revised Resumption Proposal includes, among other things, (i) the Capital Restructuring; (ii) the Revised Debt Restructuring by way of the Schemes involving issuance of the Bonds A, which constitutes a connected transaction; (iii) the Offer; and (vi) the Open Offer. For details, please refer to the Company's announcement dated 30 May 2014 (the "Announcement"). Capitalised terms used above shall have the same meanings as defined in the Announcement.

Report of the Directors

EXPOSURE TO EXCHANGE RATE FLUCTUATIONS

The Group does not engage in interest rate or foreign exchange speculative activities.

CAPITAL STRUCTURE

The share capital of the Company comprises only ordinary shares. As at 30 June 2012, the Company had in issue 772,008,992 ordinary shares (2011: 772,008,992 shares). During the year, no new shares were issued.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The details of capital commitments and contingent liabilities are set out in notes 18 and 20 to the financial statements respectively.

EMPLOYEE INFORMATION

The Group's emolument policies are formulated on the basis of the performance of individual employees and are reviewed annually.

Report of the Directors

DIRECTORS' INTEREST IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2012, to the best knowledge of the current Directors of the Company, interests and short positions held by the Directors in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of Securities and Futures Ordinance (the "SFO")), as notified to The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

a) *Long positions in the shares of HK\$0.10 each of the Company*

Name of Director	Nature of interest	Number of shares held	Approximate percentage of issued share capital
Mr. Lu Gui-fang ("Mr. Lu")	Beneficial owner	460,000	0.06%

b) *Long positions in the underlying shares of the Company under equity derivatives*

Name of Director	Nature of interest	Number of underlying shares held	Approximate percentage of issued share capital
Mr. Lu (<i>Note</i>)	Beneficial owner	60,000	0.008 %

Note:

Mr. Lu was interested in the following share options granted under the share option scheme of the Company at the following exercise price per share with the following exercisable period:

Name of Director	No. of share options	Exercise price	Exercisable period
Mr. Lu	30,000	HK\$2.05	16 Feb 2005-10 Feb 2014
	30,000	HK\$2.05	16 Aug 2005-10 Feb 2014

Report of the Directors

Save as disclosed above and to the best knowledge of the current Directors of the Company, as at 30 June 2012, the Directors were not aware of any Directors, chief executives of the Company or any of their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations.

SHARE OPTIONS

To the best knowledge of the current Directors of the Company, there is insufficient information and document including the share option scheme of the Company to meet the disclosure requirements under the Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 June 2012, to the best knowledge of the current Directors of the Company, the interests and short positions of the shareholders holding more than 5% of the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of the SFO were as follows:

Long Positions in the shares of HK\$0.10 each of the Company

Name of substantial shareholder	Nature of interest	Number of shares held	Approximate percentage of issued share capital
Peipus International Ltd. ("Peipus") (Note (i))	Beneficial owner	231,562,724	29.99%
Smartview Invest Limited ("Smartview")	Interest in controlled corporation (Note (i))	231,562,724	29.99%
Mr. Yang Christian Laurent Tan ("Christian Yang")	Interest in controlled corporation (Note (i))	231,562,724	29.99%
San-Chih Asset International Holding Corp. ("San-Chih") (Note (iii))	Beneficial owner	125,190,000	16.22%
Shan Chih Assets Development Company Limited ("Shan Chih")	Interest in controlled corporation (Note (ii))	125,190,000	16.22%
大同股份有限公司 ("Tatung")	Interest in controlled corporation (Note (iii))	125,190,000	16.22%

Report of the Directors

Notes:

- (i) The entire issued share capital of Peipus is owned by Smartview which in turn, approximately 99.85% of the issued share capital of Smartview is owned by Christian Yang. Accordingly, Smartview and Christian Yang are deemed to be interested in all the shares in which Peipus is interested in pursuant to the SFO.
- (ii) The entire issued share capital of San-Chih is owned by Shan Chih which in turn is wholly-owned by Tatung. Accordingly, Shan Chih and Tatung are deemed to be interested in all the shares in which San-Chih is interested in pursuant to the SFO.

Save as disclosed above and to the best knowledge of the current Directors of the Company, as at 30 June 2012, the Directors were not aware of any person (other than Directors) who had interests or short positions in the shares, underlying shares or debentures of the Company which were recorded in the register required to be kept under Section 336 of the SFO.

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

To the best knowledge of the current Directors of the Company, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the year under review.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the current Directors of the Company, there is sufficient public float as required under the Listing Rules.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Independent non-executive Directors are required to give an annual confirmation of their independence to the Company pursuant to rule 3.13 of the Listing Rules. During the year, the Company had no independent non-executive Director.

SUSPENSION OF TRADING

Trading in the shares on the Main Board of the Stock Exchange has been suspended since 2 August 2010, and will remain suspended until further notice.

Corporate Governance Report

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Group is committed to achieve high standard of corporate governance to safeguard the interests of all shareholders and to enhance corporate value and accountability.

To the best knowledge of the current Directors of the Company, the Company had applied the principles as set out in the Corporate Governance Code ("CG Code") contained in Appendix 14 of the Listing Rules.

Due to the severe financial difficulties of the Group and the prolonged suspension in trading of the shares of the Company on the Stock Exchange, the Directors are unable to comment as to whether the Company had complied with CG Code throughout the year ended 30 June 2012. On 30 November 2012, the Company submitted to Listing (Review) Committee of the Stock Exchange the revised resumption proposal. The particulars of the resumption proposal are set out in report of the directors and the Company's announcement dated 30 May 2014.

BOARD OF DIRECTORS

The Board is responsible for overall management of the Company's business, which assumes the responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising its affairs.

The Board also reserves for its decision on all major matters of the Company, including: the approval and monitoring of major policy matters, overall strategies and budgets, internal control and risk management systems, materials transactions, financial information, appointment of Directors and other significant financial and operational matters.

The day-to-day management, administration and operation of the Company are delegated to the executive Directors. The delegated functions and work tasks are reviewed from time to time.

The Board currently comprises five executive Directors, namely Ms. Sun Min (chairman and chief executive officer), Mr. Lu Gui-fang, Mr. Chang I Sun, Mr. Han Su and Mr. Yu Genming.

Under the code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Ms. Sun Min currently serves as the chairman and the chief executive officer of the Company.

Corporate Governance Report

The attendance records of the Directors for the board and general meetings of the Company for the year are as follows:

	No. of Meetings attended/No. of Meetings held Board	Annual General Meeting
Executive Directors		
Ms. Sun Min (chairman) (appointed as chief executive officer on 18 September 2011)	6/6	2/2
Mr. Lu Gui-fang	5/6	0/2
Mr. Chang I Sun	2/6	2/2
Mr. Han Su	6/6	2/2
Mr. Yu Genming (resigned as chief executive officer on 18 September 2011)	3/6	0/2
Ms. Hui Siu-ling, Elina (retired on 17 January 2012)	1/4	0/2
Mr. Wang Chih-cheng (resigned on 7 July 2011)	0/0	0/0
Non-Executive Directors		
Mr. Chang I-hua (resigned on 11 July 2011)	0/0	0/0
Mr. Huang Ying-che, Michael (resigned on 11 July 2011)	0/0	0/0

Under the code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term. During the year, the Company has no non-executive Director following the resignation of Mr. Chang I-hua and Mr. Huang Ying-che, Michael.

The Board should be responsible for performing the corporate governance duties set out under the code provision D.3.1 of the CG Code. During the year, the Board had not carried out any review on the policies and practices on corporate governance of the Company.

During the year, the Directors do not have any director training.

During the year, the Company has no company secretary.

NON-COMPLIANCE WITH RULES 3.10(1), 3.10(2), 3.10A AND 3.21 OF THE LISTING RULES

During the year and as at the date of this report, the Company has no independent non-executive Director ("INED") to constitute the audit committee of the Company and meet the requirements under rules 3.10(1), 3.10(2), 3.10A (to be complied by 31 December 2012) and 3.21 of the Listing Rules.

Corporate Governance Report

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

To the best knowledge of the current Directors of the Company, the Company had adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standards set out in the Model Code. Trading in the securities of the Company was suspended since 2 August 2010. During the year, the Company was not aware of any non-compliance with the required standards as set out in the Model Code.

AUDIT COMMITTEE

During the year, there is no member of the audit committee.

The main duties of the audit committee include the following:

- To review the financial statements and reports and consider any significant or unusual items raised by external auditor before submission to the Board.
- To review the relationship with the external auditor by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of external auditor.
- To review the adequacy and effectiveness of the Company's financial reporting system, internal control system and associated procedures.

The audit committee provides supervision on the internal control system of the Group and reports to the Board on any material issues and makes recommendations to the Board.

There is no independent non-executive Director to be the member of the audit committee of the Company. No audit committee meeting was held during the year.

The Company's audited financial results for the year ended 30 June 2012 have not been reviewed by the audit committee of the Company. However, the audited financial results and the statements of the Company for the year ended 30 June 2012 have been reviewed by the Board.

REMUNERATION COMMITTEE

During the year, there is no member of the remuneration committee.

The remuneration committee has primary objectives include making recommendations on and approving the remuneration policy and structure and remuneration packages of the Directors and the senior management. The remuneration committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

Corporate Governance Report

No remuneration committee meeting of the Company was held during the year.

Details of the remuneration of each of the Directors of the Company for the year ended 30 June 2012 are set out in the notes to the financial statements of the Company.

NOMINATION COMMITTEE

To the best knowledge of the current Directors of the Company, no record for the establishment of nomination committee of the Company was found.

All Directors of the Company are responsible for making recommendations to the Board on nomination and appointment of Directors and Board succession, with a view to appoint to the Board individuals with suitable experience and capabilities to maintain and improve the competitiveness of the Company. Where vacancies on the Boards exist, the Board will carry out the selection process by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of the proposed candidates, including the independence status in the case of an independent non-executive Director, the Company's needs and other relevant statutory requirements and regulations.

To the best knowledge of the current Directors of the Company, during the year, no nomination committee meeting of the Company was held and no record of board meeting of the Company held for performing the aforesaid function was found.

Board resolutions were passed to approve the resignations of Mr. Chang I-hua and Mr. Huang Ying-che, Michael as non-executive Directors effective from July 2011, the resignation of Mr. Wang Chih-cheng as executive Director effective from July 2011 and the change of the chief executive officer from Mr. Yu Genming to Ms. Sun Min effective from September 2011.

Ms. Hui Siu-ling, Elina retired by rotation as executive Director of the Company at the annual general meeting of the Company held on January 2012.

INTERNAL CONTROL

The Board has overall responsibility for the system of internal controls of the Group and for reviewing its effectiveness. During the year, the Board had not carried out any evaluation or assessment of the effectiveness of the Group's internal control system.

Corporate Governance Report

AUDITOR

ZHONGHUI ANDA CPA Limited was appointed as auditor of the Company on 12 September 2013 by the board of the Company.

Audit services	HK\$300,000
Non-audit services	HK\$Nil

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for overseeing the preparation of the financial statements which give a true and fair view of the financial position of the Group. The respective responsibilities of the Directors and auditor of the Company in respect of the preparation of the financial statements are set out in the independent auditor's report of this annual report.

SHAREHOLDERS' RIGHT

Shareholders should refer to the bye-laws of the Company for the procedures to convene a special general meeting of the Company and put forward proposals at general meetings.

Shareholders may make enquiries to the Board by writing to the Company at the Company's head office in Hong Kong at Room 2708, 27/F, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong.

INVESTOR RELATIONS

The Board is committed to provide information about the Group's performance to shareholders through the publication of interim results and annual results.

During the year, there had been no significant change in the Company's constitutional documents.

Biographical Details of the Directors

EXECUTIVE DIRECTORS

Ms. Sun Min, aged 49, was appointed as an executive director, Chairman and Chief Executive Officer of the Company in 2011. She is a partner and practicing lawyer of Guangdong Wuwei Law Firm (廣東五維律師事務所) from 2002 to now. Ms. Sun has over 20 years experience in the legal industry. Ms. Sun holds a bachelor of law degree from East China University of Political Science and Law.

Mr. Yu Genming, aged 43, was appointed as an executive director of the Company in 2011, and was temporarily appointed as Chief Executive Officer of the Company in 2011. He is an accountant in China. In early he graduated from the department of economic management of Xi'an Technological University. Currently he is a free senior management consultant, has acted as senior management of financial management, operation management, strategic management, human resources management and comprehensive management direction in several listed, state-owned and private enterprises, his experience in the service industry covers over 10 industries, including chemical engineering, machinery, electronics, illumination, furniture, beer, print, real estate and etc.

Mr. Han Su, aged 41, was appointed as an executive director of the Company in 2011. He is a practicing lawyer of Guangdong Dena Law Firm. Mr. Han is with more than 9 years experience in the legal industry. Mr. Han holds a bachelor degree in law from Hua Zhong Normal University.

Mr. Chang I Sun, aged 61, was appointed as an executive director of the Company in 2011. He was the general manager of 台灣荃隆塑膠五金電子廠 for the years from 2003 to 2008. Mr. Chang holds a master degree in electronic engineering from 私立中原大學研究所. He has over 30 years experience in electronic engineering and management of factories. Mr. Chang was also a vice general manager of Proview Technology (Shenzhen) Co. Ltd. in the period of 1996 to 2000.

Mr. Lu Gui-fang, aged 50, joined the Group in October 1993, and was appointed as an executive director of the Company in 2010. He was the Director of the Finance Department of Proview Technology (Shenzhen) Co., Ltd. and the Vice President of the Administration Division of Proview Led Lighting (Shenzhen) Co. Ltd., the subsidiaries of the Company. He had resigned from subsidiaries of the Company on 30 November 2010. He is currently the general manager of Financial Management Center of a property management company in Shenzhen. Prior to joining the Group, he had held positions in the finance department of various companies incorporated in the People's Republic of China. Mr. Lu graduated from Hunan College of Finance & Economics in 1990, and Mr. Lu was conferred an accountant certificate from the Ministry of Finance People's Republic of China in 1996. He has over 24 years experience in enterprise financial management.

Independent Auditor's Report



TO THE SHAREHOLDERS OF PROVIEW INTERNATIONAL HOLDINGS LIMITED

唯冠國際控股有限公司

(incorporated in Bermuda with limited liability)

We were engaged to audit the consolidated financial statements of Proview International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 18 to 46, which comprise the consolidated statement of financial position as at 30 June 2012, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Except for the inability to obtain sufficient appropriate audit evidence as explained below, we conducted our audit in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. Because of the matters described in the basis for disclaimer of opinion paragraphs, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

BASIS FOR DISCLAIMER OF OPINION

(1) Opening balances and corresponding figures

Our audit opinion on the consolidated financial statements of the Group for the year ended 30 June 2011 (the "2011 Financial Statements"), which form the basis for the corresponding figures presented in the current year's consolidated financial statements were disclaimed because of the significance of the possible effect of the limitations on the scope of our audit and the material uncertainty in relation to going concern, details of which are set out in our auditor's report dated 26 June 2014. Accordingly, we were then unable to form an opinion as to whether the 2011 Financial Statements gave a true and fair view of the state of affairs of the Group as at 30 June 2011 and of the Group's results and cash flows for the year then ended.

(2) Deconsolidation of the subsidiaries

The subsidiaries of the Company were deconsolidated from the Group since 1 January 2010. No sufficient evidence has been provided to satisfy ourselves as to whether the Company had lost control of these subsidiaries since 1 January 2010 and throughout the years ended 30 June 2012 and 2011.

Accordingly, no sufficient evidence has been provided to satisfy ourselves, in relation to the deconsolidated subsidiaries, as to the completeness of the transactions of the Group for the year ended 30 June 2012 and the Group's financial position as at that date.

Independent Auditor's Report

BASIS FOR DISCLAIMER OF OPINION (CONTINUED)

- (3) Transactions, income and expense items for the year

No sufficient evidence has been provided to satisfy ourselves as to the existence and completeness of the transactions of the Group for the year ended 30 June 2012. There are no other satisfactory audit procedures that we could adopt to satisfy ourselves that the income and expenses items are properly accounted for in the consolidated statement of comprehensive income for the year ended 30 June 2012 and that these items are properly disclosed in the consolidated financial statements.

- (4) Accruals and other payables

No direct confirmation and other sufficient evidence have been received by us up to the date of this report in respect of the accruals and other payables totalling approximately HK\$477,590,000 as at 30 June 2012 as included in note 13 to the financial statements of approximately HK\$482,543,000 as at 30 June 2012.

- (5) Financial guarantee liabilities

No direct confirmation and other sufficient evidence have been received by us up to the date of this report in respect of the financial guarantee liabilities as disclosed in note 14 to the financial statements of approximately HK\$2,810,000,000 as at 30 June 2012.

- (6) Commitments and contingent liabilities

No sufficient evidence has been provided to satisfy ourselves as to the existence and completeness of the disclosures of commitments and contingent liabilities as at 30 June 2012.

- (7) Related party transactions and disclosure

No sufficient evidence has been provided to satisfy ourselves as to the existence, accuracy and completeness of the disclosures of the related party transactions and balances for the year ended 30 June 2012 as required by Hong Kong Accounting Standard ("HKAS") 24 "Related Party Disclosures".

- (8) Other disclosures in the consolidated financial statements

No sufficient evidence has been provided to satisfy ourselves as to the accuracy and completeness of the disclosures as required by the following in relation to:-

- a) HKAS 19 "Employee Benefits" for the contribution expenses and accruals as disclosed in notes 8 and 17 to the financial statements; and
- b) Section 161 of the Hong Kong Companies Ordinance as disclosed in note 10 to the financial statements.

Any adjustments to the figures as described from points 1 to 8 above might have a significant consequential effect on the Group's results for the two years ended 30 June 2011 and 2012, the Group's cash flows for the two years ended 30 June 2011 and 2012 and the financial position of the Group as at 30 June 2011 and 2012, and the related disclosures thereof in the consolidated financial statements.

Independent Auditor's Report

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 financial statements which explains that a proposal for the resumption of trading in the Company's shares and the restructuring of the Group (the "Resumption Proposal") 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 Company 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: DISCLAIMER ON VIEW GIVEN BY THE FINANCIAL STATEMENTS

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 do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the state of affairs of the Group as at 30 June 2012 and of the Group's results and cash flows for the year then ended in accordance with HKFRSs. 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.

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

Sze Lin Tang

Practising Certificate Number P03614

Hong Kong, 26 June 2014

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2012

	Notes	2012 HK\$'000	2011 HK\$'000
Turnover	7	-	-
Administrative expenses		(4,283)	(815)
Loss before tax	8	(4,283)	(815)
Income tax expense	9	-	-
Loss for the year		(4,283)	(815)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive expenses for the year, net of tax		(4,283)	(815)
Loss for the year attributable to:			
Owners of the Company		(4,283)	(815)
Non-controlling interests		-	-
		(4,283)	(815)
Total comprehensive expenses for the year attributable to:			
Owners of the Company		(4,283)	(815)
Non-controlling interests		-	-
		(4,283)	(815)
Loss per share			
Basic and diluted (HK cents per share)	12	(0.55)	(0.11)

Consolidated Statement of Financial Position

As at 30 June 2012

	Notes	2012 HK\$'000	2011 HK\$'000
Current liabilities			
Accruals and other payables	13	482,543	478,260
Financial guarantee liabilities	14	2,810,000	2,810,000
NET LIABILITIES		(3,292,543)	(3,288,260)
Capital and reserves			
Share capital	15	77,200	77,200
Reserves	16	(3,369,743)	(3,365,460)
TOTAL EQUITY		(3,292,543)	(3,288,260)

Approved by:

Sun Min
Director

Han Su
Director

Consolidated Statement of Changes in Equity

For the year ended 30 June 2012

	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Accumulated losses HK\$'000	Attributable to owners of the Company HK\$'000	Non- controlling interest HK\$'000	Total HK\$'000
At 1 July 2010	77,200	316,692	40,824	(3,722,161)	(3,287,445)	-	(3,287,445)
Loss for the year	-	-	-	(815)	(815)	-	(815)
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive expenses for the year	-	-	-	(815)	(815)	-	(815)
At 30 June 2011	77,200	316,692	40,824	(3,722,976)	(3,288,260)	-	(3,288,260)
At 1 July 2011	77,200	316,692	40,824	(3,722,976)	(3,288,260)	-	(3,288,260)
Loss for the year	-	-	-	(4,283)	(4,283)	-	(4,283)
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive expenses for the year	-	-	-	(4,283)	(4,283)	-	(4,283)
At 30 June 2012	77,200	316,692	40,824	(3,727,259)	(3,292,543)	-	(3,292,543)

Consolidated Statement of Cash Flows

For the year ended 30 June 2012

	2012 HK\$'000	2011 HK\$'000
Cash flows from operating activities		
Loss before tax and operating cash flows		
before working capital changes	(4,283)	(815)
Change in accruals and other payables	4,283	815
Net cash used in operating activities	–	–
Net change in cash and cash equivalents	–	–
Cash and cash equivalents at beginning of year	–	–
Cash and cash equivalents at end of year	–	–

Notes to the Financial Statements

For the year ended 30 June 2012

1. GENERAL INFORMATION

The Company was incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal place of business is 2708, 27/F, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and have been suspended for trading since 2 August 2010.

The Company is an investment holding company.

2. BASIS OF PREPARATION

Trading in the shares of the Company (the "Shares") has been suspended since 2:30 p.m. on 2 August 2010 at the request of the Company.

After the suspension, the whereabouts of Mr. YANG Long-san Rowell ("Mr. YANG"), the former Chairman; Chief Executive Officer and Executive Director could not be confirmed, and the legal proceedings have been held by the Company against Ms. HUI Siu-ling Elina ("Ms. HUI"), the former Acting Chairman, Chief Executive Officer and Executive Director, for her breach of the fiduciary duties owed to the Company and the whereabouts of the Company's books of accounts, documents, records, seals, chops and other things of the Company had been and were in the possession, custody, power and/or control of them. Given that the Board had difficulties in exercising the authority and control over most of its key subsidiaries and encountered a series of litigation and debts claims as stated below, the Board considered that, for the benefit of the creditors and the shareholders of the Company (the "Shareholders") as a whole, it was appropriate and necessary to propose a scheme of arrangement in Bermuda and Hong Kong to resolve the claims of the Company's unsecured creditors, other than those who have preferential claims.

In early 2010, one of the subsidiaries of the Group as appeared in the Group's 2009 financial statements – Ningbo Prowell Electronic Co., Ltd. was closed down by 寧波市北倫區人民法院 (the "Ningbo Court") and its corresponding assets had been disposed out in the various auctions by September 2011 for repayment of its bank borrowings and trade liabilities due.

On 20 May 2010, Apple Inc. and IP Application Development Limited filed a lawsuit against the Company, certain subsidiaries of the Group as appeared in the Group's 2009 financial statements, namely, Proview Electronics Company Limited and Proview Technology (Shenzhen) Co. Ltd. ("PTS"), and Mr. YANG, claiming the ownership of 2 Trademarks' "IPAD" and "(i)IPAD" and a compensation of Rmb 4 million as costs and expenses incurred by Apple Inc. and IP Application Development Limited for the relevant investigation and legal actions, both in Hong Kong and the People's Republic of China (the "PRC").

Following the series of arbitration, the dispute raised by Apple Inc. and IP Application Development Limited was settled and Apple Inc. had to pay US\$60 million to the account designated by the Higher People's Court of Guangdong Province for subrogating the IPAD Trademark on 25 June 2012. The US\$60 million was used to settle the claims of the creditors of PTS eventually.

Notes to the Financial Statements

For the year ended 30 June 2012

2. BASIS OF PREPARATION (CONTINUED)

On 7 June 2011, the Company had been placed in the second delisting stage by the Stock Exchange pursuant to Practice Note 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and the Company was required for submitting a viable resumption proposal to address the following issues at least 10 business days before 6 December 2011:–

- (1) demonstrate that the Company has a sufficient level of operations or has assets of sufficient value as required under Rule 13.24 of the Listing Rules;
- (2) demonstrate that the Company has sufficient working capital for at least 12 months from resumption date;
- (3) publish all outstanding financial results and address any audit qualifications; and
- (4) demonstrate that the Company has adequate and effective internal controls, in particular, to meet obligations under the Listing Rules.

Given the time constraints and the failure in satisfying the requirements as stipulated by the Stock Exchange, the Company was placed into the third stage of the delisting procedures in accordance with Practice Note 17 to the Listing Rules on 30 December 2011. A Resumption Proposal was submitted on 13 June 2012.

Progress of the Company's Resumption of Shares Trading issues is detailed in the Going Concern section below.

On 14 September 2011, the Company has commenced a legal proceeding against Ms. HUI and Ms. WANG Pik Lan ("Ms. WANG") in the Court of First Instance of the High Court of Hong Kong Special Administrative Region ("HKSAR") for (i) ordering their account and deliver up to the Company what books of accounts, documents, records, seals, chops and other things of the Company had been and were in the possession, custody, power and/or control of them and the whereabouts and what had become of the same; (ii) against Ms. HUI equitable compensation for breach of her fiduciary duties owed to the Company and her damages for breach of the duty to exercise due care and skill as director of the Company; and (iii) against Ms. WANG equitable compensation or damages for breaches of her duty of fidelity and good faith, her duties to exercise due care and skill and her dishonest assistance of the breach of fiduciary duties on the part of Ms. HUI; and (iv) damages for conversion, causing loss by unlawful means, conspiracy to injure the economic interests of the Company.

Notes to the Financial Statements

For the year ended 30 June 2012

2. BASIS OF PREPARATION (CONTINUED)

Chasing back on 30 November 2009, two of the Group's then subsidiaries, namely, Proview Technology (Wuhan) Co., Ltd. ("Proview Wuhan") and PTS entered into a Settlement Agreement with EMC Corporation from which withdrawn all outstanding litigations, claims and other related actions; and Proview Wuhan had agreed to dispose the EMC Trademarks and its related domain name to EMC Corporation for a monetary consideration.

On 25 September 2012, Wuhan Economic Development Investment Company Limited(武漢經開投資有限公司) ("武漢經開") filed an application for arbitration against Proview Wuhan for the termination of the Agreement for the reason that the transfer of EMC Trademarks to EMC Corporation under the Settlement Agreement had not been consented or authorised by 武漢經開. 武漢經開 demanded (i) return of the investment (ii) compensation of Rmb 1 million and (iii) costs of the arbitration to be borne by Proview Wuhan.

After a series of hearing, Wuhan Arbitration Commission(武漢仲裁委員會)(the "Arbitration Commission") decided that Proview Wuhan had breached the Agreement by disposing the EMC Trademarks without 武漢經開's consent or authorisation. On 8 August 2013, Proview Wuhan received a decision from the Arbitration Commission dated 9 July 2013 from which Proview Wuhan was ordered to (i) return the investment of Rmb 36 million paid by 武漢經開 under the Agreement (below) and (ii) pay the costs of arbitration of Rmb 218,200.

The agreement in previous paragraph referred to the Agreement made in June 2002 among PTS, 武漢經開, Wuhan Industrial State-owned Investment Company Limited(武漢工業國有投資有限公司)("武漢工業"), Proview Technology (PRC) Limited, Wuhan Star Information Company Limited(武漢恆星信息產業有限公司)and Proview Wuhan (formerly: Wuhan Hang Guan Electronics Company Limited(武漢恆冠電子有限公司)) for the sale of EMC Trademarks. According to that Agreement, the EMC Trademarks had been transferred to Proview Wuhan as legal owner with beneficial interests of the EMC Trademarks being vested as to 18% in 武漢經開, 20% in 武漢工業, and 62% in Proview Technology (PRC) Limited.

Loss of access to books and records of the Group

The Directors have used their best endeavors to locate all the financial and business records of the Group. As the access to most of the books and records of its subsidiaries have either been lost or seized by relevant liquidators or courts and most of the former accounting personnel of the Group have left. The Directors are unable to obtain sufficient information to satisfy themselves regarding the treatment of various transactions and balances of the Group for the years ended 30 June 2012 and 2011.

The financial statements have been prepared based on the available books and records maintained by the Group. However, in view of the lack of evidence described above, the Directors are unable to ascertain that the opening balances and corresponding figures of the Group for the years ended 30 June 2012 and 2011 have been properly reflected in the books and records and in the financial statements.

Any adjustment arising from the matters described above might have a significant consequential effect on the Group's results and financial position for the year ended 30 June 2012 and the related disclosures thereof in the financial statements.

Also, as a result of the matters described above, the corresponding figures shown in the financial statements may not be comparable with the figures for the current year.

Notes to the Financial Statements

For the year ended 30 June 2012

2. BASIS OF PREPARATION (CONTINUED)

Deconsolidation of subsidiaries

The financial statements have been prepared based on the books and records currently maintained by the Group. However, due to the lost of contact with ex-directors, the asset freezing orders initiated by the creditors and the liquidation of certain subsidiaries, the Directors considered that the control over the following subsidiaries had been lost since 1 January 2010. The results, assets and liabilities and cash flows of these subsidiaries were therefore deconsolidated from the financial statements of the Group since 1 January 2010:

- Essex Monitor (H.K.) Company Limited
- Gaintle Limited
- Delighton Limited
- Ningbo Prowell Electronic Co., Ltd. ("NPE")
- Proview Electronica do Brasil Ltda. ("PEB")
- Every Wonder Limited
- Proview Electronics Co., Ltd. ("PEC")
- Proview Group (L) Limited
- Proview Industrial Limited
- Proview Group Limited
- Proview International (U.K.) Limited
- Proview Product Europe S.A.
- PGL Europe B.V.
- Proview Optronics (Shenzhen) Co., Ltd. ("POS")
- Proview Services Limited
- Proview Technology (PRC) Limited
- Proview Technology (Wuhan) Co., Ltd. ("Proview Wuhan")
- Proview Technology (Shenzhen) Co., Ltd. ("PTS")
- Proview Technology, Inc.
- Proview Led Lighting (Shenzhen) Co., Ltd. ("PLL") (formerly: Yoke Technology (Shenzhen) Co., Ltd.)

Going concern

The Group incurred a loss attributable to equity holders of the Company of approximately HK\$4,283,000 for the year ended 30 June 2012 (2011: HK\$815,000) and as at 30 June 2012 the Group had net liabilities of approximately HK\$3,292,543,000 (2011: HK\$3,288,260,000) respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

On 14 July 2011, a winding-up petition pursuant to section 72(3) of the Bermuda Companies Act 1981 (the "Act") was issued against the Company (the "Petition") for, among other things, its failure to hold its annual general meeting ("AGM") as required by section 71 of the Act. On 26 August 2011, a Winding-up Order was made by the Bermuda Court on an ex parte basis and the Official Receiver became Provisional Liquidator.

Notes to the Financial Statements

For the year ended 30 June 2012

2. BASIS OF PREPARATION (CONTINUED)

Going concern (Continued)

On 23 September 2011, the Company, the Investor and an Escrow Agent entered into an Escrow Agreement for implementing the Restructuring Proposal towards the Company. On 29 September 2011, the Bermuda Court ordered that the Winding-up Order be set aside and the Petition be dismissed by reason of, amongst other things, the lack of standing of the Petitioner, the lack of proper notice to the Board and material non-disclosure by the Petitioner.

In September and October 2011, the Company made application to the Courts of Bermuda and Hong Kong respectively for convening creditors meeting. The Bermuda Court ordered that a meeting with all creditors of the Company be convened for the purpose of considering the Bermuda scheme and if appropriate, approving it. However by an order of the Hong Kong Court dated 1 November 2011, the hearing for the ex parte originating summons for leave to convene the creditors' meeting for approval of the Hong Kong scheme be adjourned sine die with liberty to restore.

On 30 December 2011, the Stock Exchange placed the Company in the third stage of delisting procedures under Practice Note 17 of the Listing Rules.

On 30 November 2012, the Company's financial advisor submitted a Revised Resumption Proposal on behalf of the Company to the Listing (Review) Committee of the Stock Exchange, in compliance with Rule 13.24 of the Listing Rules since the First Resumption Proposal made on 13 June 2012 was considered not viable as decided by Listing (Review) Committee on 14 September 2012.

On 1 February 2013, the Listing (Review) Committee decided that the Revised Resumption Proposal dated 30 November 2012 constituted "new information" for the purpose of Rule 2B.11(5) of the Listing Rules and the Acquisition contemplated under the Revised Resumption Proposal as a Reverse Takeover under Rule 14.06(6) (a) of the Listing Rules. Accordingly, the Company would be treated as if it were a new listing applicant under Rule 14.54 of the Listing Rules and the Company is required to submit a new listing application for the Revised Resumption Proposal to the Stock Exchange and addressing such issue of potential material dilution of the existing shareholders' interests in the Company after the Acquisition as well as addressing:

- i) the complaints against existing and former directors of the Company;
- ii) publish the overdue financial results required under the Listing Rules; and
- iii) demonstrate adequate internal control system is in place.

The financial statements have been prepared on a going concern basis on the assumption that the proposed restructuring of the Company 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.

Notes to the Financial Statements

For the year ended 30 June 2012

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

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 (the “HKICPA”) that are relevant to its operations and effective for its accounting year beginning on or after 1 July 2011. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. The adoption of these new and revised HKFRSs did not result in any substantial changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current and prior years.

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

4. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These financial statements have been prepared in accordance with HKFRSs, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRSs requires the use of key assumptions and estimates. It also requires management to exercise its judgments in the process of applying the accounting policies. The areas involving critical judgments and areas where assumptions and estimates are significant to these financial statements, are disclosed in note 5 to the financial statements.

The significant accounting policies applied in the preparation of these financial statements are set out below.

Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 30 June. Subsidiaries are entities over which the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

Notes to the Financial Statements

For the year ended 30 June 2012

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Consolidation (Continued)

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserves.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in HK Dollars ("HK\$"), which is the Company's functional and presentation currency.

b) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Notes to the Financial Statements

For the year ended 30 June 2012

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currency translation (Continued)

c) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate prevailing at the end of the reporting period;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in the consolidated profit or loss as part of the gain or loss on disposal.

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

Notes to the Financial Statements

For the year ended 30 June 2012

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Financial guarantee contract liabilities

Financial guarantee contract liabilities are measured initially at their fair values and are subsequently measured at the higher of:

- the amount of the obligations under the contracts, as determined in accordance with HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets"; and
- the amount initially recognised less cumulative amortisation recognised in profit or loss on a straight-line basis over the term of the guarantee contracts.

Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Notes to the Financial Statements

For the year ended 30 June 2012

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

Employee benefits

The Group contributes to defined contribution retirement benefit plans/state-managed retirement benefits schemes/Mandatory Provident Fund Scheme which are available to all employees where they are located. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is charged or credited to profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

Notes to the Financial Statements

For the year ended 30 June 2012

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Related parties

A related party is a person or entity that is related to the Group.

- (A) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group.
- (B) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (A).
 - (vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Notes to the Financial Statements

For the year ended 30 June 2012

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the end of the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

Notes to the Financial Statements

For the year ended 30 June 2012

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Critical judgements in applying accounting policies

In the application of the Group's accounting policies, which are described in note 4 to the financial statements, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the accounting policies, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

a) Going concern basis

These financial statements have been prepared on a going concern basis, the validity of which depends upon the Group being able to achieve a successful restructuring and continue its business. Details are explained in note 2 to the financial statements.

b) Deconsolidation of subsidiaries

The financial statements have been prepared based on the books and records maintained by the Group. However, the Directors considered that the control over the Company's subsidiaries has been lost since 1 January 2010. The results, assets and liabilities and cash flows of these subsidiaries were deconsolidated from the financial statements of the Group since then. Details are explained in note 2 to the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

a) Financial guarantee liabilities

The determination of the financial guarantee liabilities involves management's estimation. The Group assesses the probability and magnitude of the outflow of resources embodying economic benefits will be required to settle the obligations and if the expectation differs from the original estimate, such a difference may impact the carrying amount of the financial guarantee liabilities as at 30 June 2012.

Notes to the Financial Statements

For the year ended 30 June 2012

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (CONTINUED)

Key sources of estimation uncertainty (Continued)

b) Income tax

The Group may be subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

6. FINANCIAL RISK MANAGEMENT

The Group has exposure to liquidity risk from its use of financial instruments. This note presents information about the Group's exposure to the aforesaid risk and the Group's objectives, policies and processes for measuring and managing risk.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's policy is to regularly monitor its current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. All financial liabilities of the Group are matured less than 1 month.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The Group also monitors the current and expected liquidity requirements regularly to ensure that sufficient working capital and adequate committed lines of funding are maintained to meet its liquidity requirements. Upon the discovery of any default, the Group would negotiate immediately with the relevant lenders for proper arrangement in order to maintain sufficient working capital.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts, where appropriate.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Notes to the Financial Statements

For the year ended 30 June 2012

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair value

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the statement of financial position approximate their respective fair values.

7. TURNOVER

The Group has no revenue generated for the year (2011: Nil).

8. LOSS BEFORE TAX

The Group's loss before tax is stated after charging the following:

	2012 HK\$'000	2011 HK\$'000
Directors' emoluments		
As directors	–	–
For management	1,725	280
	1,725	280
Staff costs including directors' emoluments		
Salaries, bonus and allowances	1,998	324
Auditor's remuneration	300	300

9. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been made for the year ended 30 June 2012 as the Group did not generate any assessable profits arising in Hong Kong during the year.

The Company is incorporated in Bermuda and is exempted from taxation in Bermuda.

The reconciliation between the income tax expense and the loss before tax is as follows:

	2012 HK\$'000	2011 HK\$'000
Loss before tax	(4,283)	(815)
Notional tax expense on loss before tax, calculated at the rates applicable in the tax jurisdictions concerned (16.5%)	(707)	(134)
Tax effect of expenses that are not deductible	707	134
	–	–

Notes to the Financial Statements

For the year ended 30 June 2012

10. DIRECTORS' EMOLUMENTS

The emoluments of each Director were as follows:

Name of executive directors	Basic salaries, allowances and benefits		Share-based payments	Retirement benefit scheme contributions	Total
	Fees	in-kind			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
HUI Siu-ling, Elina (note (b))	-	-	-	-	-
WANG Chih-cheng (note (g))	-	-	-	-	-
LU Gui-fang (note (h))	-	249	-	-	249
CHANG I-Sun (note (i))	-	198	-	-	198
HAN Su (note (i))	-	258	-	-	258
YU Genming (note (i))	-	180	-	-	180
SUN Min (note (i))	-	840	-	-	840
	-	1,725	-	-	1,725
Name of non-executive directors					
CHANG I-hua (note (c))	-	-	-	-	-
HUANG Ying-che, Michael (note (c))	-	-	-	-	-
	-	-	-	-	-
Total for 2012	-	1,725	-	-	1,725

Notes to the Financial Statements

For the year ended 30 June 2012

10. DIRECTORS' EMOLUMENTS (CONTINUED)

Name of executive directors	Fees	Basic salaries, allowances and benefits in-kind	Share-based payments	Retirement benefit scheme contributions	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
YANG Long-san, Rowell (note (a))	-	-	-	-	-
HUI Siu-ling, Elina (note (b))	-	-	-	-	-
WANG Chih-cheng (note (g))	-	-	-	-	-
LU Gui-fang (note (h))	-	46	-	-	46
CHANG I-Sun (note (i))	-	30	-	-	30
HAN Su (note (i))	-	34	-	-	34
YU Genming (note (i))	-	30	-	-	30
SUN Min (note (i))	-	140	-	-	140
	-	280	-	-	280
Name of non-executive directors					
CHANG I-hua (note (c))	-	-	-	-	-
HUANG Ying-che, Michael (note (c))	-	-	-	-	-
WANG Kuei-ching, Will (note (d))	-	-	-	-	-
	-	-	-	-	-
Name of independent non-executive directors					
LAU Siu-ki, Kevin (note (e))	-	-	-	-	-
LEE Chiu-kang (note (e))	-	-	-	-	-
	-	-	-	-	-
Total for 2011	-	280	-	-	280

Notes:

- (a) Resigned on 2 August 2010
- (b) Retired on 17 January 2012
- (c) Resigned on 11 July 2011
- (d) Resigned on 10 September 2010
- (e) Resigned on 24 August 2010
- (g) Appointed on 16 September 2010 and resigned on 7 July 2011
- (h) Appointed on 25 November 2010
- (i) Appointed on 19 April 2011

During the years ended 30 June 2012 and 2011, no amounts were paid or payable to the directors as an inducement to join the Group or as a compensation for loss of office and no director waived any emoluments.

Notes to the Financial Statements

For the year ended 30 June 2012

11. INDIVIDUALS WITH HIGHEST EMOLUMENTS

The five highest paid individuals in the Group during the year included 5 (2011: 5) directors, details of whose emoluments are reflected in the analysis presented above. The emoluments of the remaining Nil (2011: Nil) individual are set out below:

	2012	2011
	HK\$'000	HK\$'000
Basic salaries and allowances	–	–
Equity settled share-based payments	–	–
Retirement benefit scheme contributions	–	–
	<u>–</u>	<u>–</u>

The emoluments of the Nil individuals (2011: Nil) are fell within the following band:

	Number of individuals	
	2012	2011
HK\$ Nil – HK\$1,000,000	<u>–</u>	<u>–</u>

During the years ended 30 June 2012 and 2011, no emoluments were paid or payable to the five highest paid individuals (including directors and other employees) as an inducement to join the Group or as a compensation for loss of office.

12. LOSS PER SHARE

Basic and diluted loss per share

The calculation of basic loss per share is based on the loss for the year attributable to owners of the Company of approximately HK\$4,283,000 (2011: HK\$815,000) and the weighted average number of approximately 772,009,000 ordinary shares (2011: approximately 772,009,000 ordinary shares) in issue during the year.

Notes to the Financial Statements

For the year ended 30 June 2012

13. ACCRUALS AND OTHER PAYABLES

	2012 HK\$'000	2011 HK\$'000
Accruals and other payables (note (a))	85,620	81,970
Due to a director (note (b))	333	–
Due to deconsolidated subsidiaries (note (b))	396,590	396,290
	482,543	478,260

Notes:

- (a) All amounts of the accruals and other payables as stated above were recognised based on the books and records of the Group made available to the Directors.
- (b) The amounts due to a director and deconsolidated subsidiaries are unsecured, non-interest bearing and have no fixed term of repayment.

14. FINANCIAL GUARANTEE LIABILITIES

The financial guarantee liabilities represented the borrowings due by the Company's subsidiaries which were deconsolidated from the consolidated financial statements of the Company since 1 January 2010. Since the Company provided corporate guarantee for these borrowings, the Company was therefore liable to the financial guarantee liabilities at the end of the reporting period.

15. SHARE CAPITAL

	Notes	2012		2011	
		Number of shares '000	Amount HK\$'000	Number of shares '000	Amount HK\$'000
Authorised:					
Ordinary shares of HK\$0.1 each		2,000,000	200,000	2,000,000	200,000
Issued and fully paid:					
Ordinary shares of HK\$0.1 each		772,009	77,200	772,009	77,200

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meeting of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Notes to the Financial Statements

For the year ended 30 June 2012

16. RESERVES

a) Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of changes in equity.

b) Company

	Share premium HK\$'000	Contributed surplus HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 July 2010	316,692	162,374	(3,843,711)	(3,364,645)
Loss for the year	–	–	(815)	(815)
At 30 June 2011	316,692	162,374	(3,844,526)	(3,365,460)
At 1 July 2011	316,692	162,374	(3,844,526)	(3,365,460)
Loss for the year	–	–	(4,283)	(4,283)
At 30 June 2012	316,692	162,374	(3,848,809)	(3,369,743)

c) Nature and purpose of reserves

(i) Share premium

In accordance with Section 40 of the Bermuda Companies Act 1981, the share premium account of the Company is distributable to the shareholders of the Company in the form of fully paid bonus shares.

(ii) Contributed surplus

Contributed surplus represents the difference between the aggregate amount of the nominal values of the share capital of the subsidiaries acquired under the reorganisation scheme of the Group held in 1997 and the nominal value of the share capital of the Company issued in the Stock Exchange.

Under the Bermuda Companies Act 1981, the contributed surplus of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if: (a) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or (b) the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium.

Notes to the Financial Statements

For the year ended 30 June 2012

17. RETIREMENT BENEFIT SCHEMES

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$20,000 contributions to the MPF Scheme vest immediately. Contributions paid or payable to the MPF scheme are charged to the statement of comprehensive income.

The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme. No forfeited contributions are available to reduce the contribution payable in the future years.

The Group is also required to make contributions to state pension schemes in the PRC and defined contribution plans in Taiwan and Brazil based on certain percentages of the monthly salaries of the employees of its subsidiaries operating in the relevant locations. The Group has no other obligations under these pension schemes/plans other than the contribution payments.

18. CAPITAL COMMITMENTS

At the end of the reporting period, the Group had no significant capital commitment.

Notes to the Financial Statements

For the year ended 30 June 2012

19. LITIGATIONS

There are litigations being undertaken against and for the Group as at and after the end of the reporting period, details of which are summarised as follows:

- (a) *Apple Inc (1st Plaintiff) and IP Application Development Limited (2nd Plaintiff) vs the Company (1st Defendant); Proview Electronics Co. Ltd. (2nd Defendant); Proview Technology (Shenzhen) Co., Ltd. (3rd Defendant); YANG Long-san, Rowell (4th Defendant); and Yoke Technology (Shenzhen) Co. Ltd. (5th Defendant) – High Court Action 739 of 2010*

On 25 June 2010, the Plaintiffs alleged that there was an agreement entered into in or about December 2009 between the 2nd Plaintiff and the Company, 2nd and 3rd Defendants in relation to the sale, transfer and assignment of certain Trademarks. It was given to understand that the 2nd Defendant was the sole proprietor of such Trademarks. However, it found out that the 3rd Defendant instead is the registered proprietor of the Trademarks during the process of making application to the Trademarks Office of the PRC to assign the Trademarks from the 2nd Defendant to the 1st Plaintiff. As such, the 3rd Defendant has to execute a replacement assignment of the Trademarks in honouring the transfer and assign of the Trademarks to the 1st Plaintiff.

The Plaintiffs claimed (i) the specific performance of the agreement for the transfer and assignment of the Trademarks made between the counterparties as before; (ii) the declaration that the 3rd and/or 5th Defendant merely held the Trademarks on trust for the Plaintiff's benefits; (iii) including the Company as constructive trustee and liable to the Plaintiffs; (iv) the injunction against the Company, and all of the remaining Defendants from selling, transferring, disposing the Trademarks without the Plaintiff's consent, nor to make any oral or written representation to any person that they have any title or rights in the Trademarks; (v) damages for conspiracy, equitable compensation, interest and costs, etc.

On 25 June 2012, a settlement was reached in relation to a related proceedings taken out by the Plaintiffs against the 3rd Defendant in the PRC Shenzhen Court. The terms of the settlement resulted in the resolution of the dispute matter, including the current action, are in the process of being implemented by the parties and was still ongoing.

By an order on 12 September 2012, it was ordered that all further proceedings in the action be stayed with liberty to the Plaintiffs to restore the same upon giving 21 days' notice in writing.

Notes to the Financial Statements

For the year ended 30 June 2012

19. LITIGATIONS (CONTINUED)

- (b) *China Development Bank Corporation (Plaintiff) vs the Company (Defendant) – High Court Action 623 of 2011*

On 28 December 2006, the Plaintiff entered into a loan agreement with Proview Technology (Shenzhen) Co., Ltd. for a loan of Rmb 100 million. The Company and YANG Long-san, Rowell executed 2 separate deeds of guarantee both dated 28 December 2006 in favor of the Plaintiff for repayment of such loan within 30 days after demand from the Plaintiff. An extension agreement dated 17 September 2009 was signed by the Company, Proview Technology (Shenzhen) Co., Ltd. and YANG Long-san, Rowell as supplementary of the initial Loan Agreement. Despite a settlement agreement dated 10 September 2010 was entered among all 4 parties, Proview Technology (Shenzhen) Co., Ltd, YANG Long-san, Rowell has nonetheless failed to repay the loan.

The Plaintiff thus claimed against the Company for the judgement debt, interest and costs for relief. Since the Company has not filed any Notice of Intention to defend, the Court entered the judgement for the Plaintiff on 7 June 2011 for (i) the judgement sum of approximately Rmb 88 million; (ii) interest on the sum of Rmb 80 million at Rmb lending rate times 150% from 21 March 2011 to 7 June 2011, and (iii) at judgement rate of 8% thereafter and fix costs of HK\$11,045.

The Plaintiff made 5 Garnishee Order to Show Cause on 19 August 2011 against 5 bankers of the Company. By an order on 28 September 2011, the Garnishee Order made against the HSBC was made absolute, i.e. approximately of HK\$260,000 of the Company was garnisheed.

- (c) *The Company (Plaintiff) vs Ms. HUI Siu-ling, Elina (1st Defendant) and Ms. WANG Pik-lan (2nd Defendant) – High Court Action 1564 of 2011*

On 14 September 2011, the Company commenced legal proceedings against HUI and WANG in the Court of First Instance of the High Court of HKSAR for their breach of duties and refusal to cooperating with the Board by: (i) failing and/or refusing to provide the documents, records, and accounts of the Company to the Board; (ii) changing the bank mandate for operating the bank accounts of the Company; and (iii) failing to notify the Company of the winding-up proceedings commenced against the Company in Bermuda, such that the Board had to incur substantial costs in contesting the Bermuda proceedings and setting aside the winding-up order.

On 24 February 2012, the Defendants defended that they were not handed over the proper control of management, business, operations, finance, accounts and affairs of the Group by the ex-chairman – YANG Long-san, Rowell, who was at all material time and in actual control of the said matters. It was denied that they had ever agreed to deliver such items to the Company.

The Company had not filed any Reply or provided any Answer to the Request for Further and Better Particulars of the Statement of Claim. In addition, by an order dated 27 April 2012, the Company's legal adviser – Henry Wai & Co. ceased to act as the Company's solicitors, the action had been dormant hitherto.

Notes to the Financial Statements

For the year ended 30 June 2012

19. LITIGATIONS (CONTINUED)

- (d) *The Company applied under Order 102, Rule 2 of the Rules of the High Court of HKSAR and in accordance with Section 166(1) of the Companies Ordinance – High Court Miscellaneous Proceedings 1918 of 2011*

The Company filed an ex parte originating summons to the Hong Kong Court on 20 September 2011 to convene a meeting of the creditors of the Company other than preferential creditors to consider, if thought fit, approve with or without modification a proposed scheme of arrangement. The Bermuda Court ordered that a meeting with all creditors of the Company be convened for the purpose of considering the Bermuda scheme and if appropriate, approving it.

By an order of the Hong Kong Court dated 1 November 2011, the hearing for the ex parte originating summons for leave to convene the creditors' meeting for approval of the Hong Kong scheme be adjourned sine die with liberty to restore. By an order dated 27 April 2012, the Company's legal adviser – Henry Wai & Co. ceased to act as the Company's solicitors.

- (e) *3M Hong Kong Limited (Plaintiff) vs the Company (Defendant) – District Court Civil Action 4675 of 2009*

Pursuant to an oral agreement and evidenced by a letter dated 25 November 2002, Proview Group (L) Limited – a then-subsiariy of the Company had agreed to make purchase from the Plaintiff and the Company provided the Plaintiff with a continuing guarantee whereby in the event of default payment of Proview Group (L) Limited and the Company had to be immediately liable for settlement. Despite numerous demands, Proview Group (L) Limited failed to settle its outstanding dues to the Plaintiff.

The Plaintiff thereby claimed against the Company for: (i) the net outstanding sum of approximately US\$30,000; (ii) interest; (iii) costs; and (iv) further or other relief. On 17 February 2011, the District Court of HKSAR ordered that the Plaintiff do have leave to wholly discontinue its claim with no order as to costs.

- (f) *Henry Wai & Company (Plaintiff) vs the Company (Defendant) – District Court Civil Action 1694 of 2012*

On 23 May 2012, the Plaintiff filed a Statement of Claim for: (i) the sums of approximately HK\$392,000 and US\$43,000 being fees and disbursements of professional services rendered by the Plaintiff to the Company; (ii) interests of the said sums in the aforesaid; (iii) costs; and (iv) further or other relief.

As the Company had not filed any Notice of Intention to Defend, the District Court of HKSAR entered judgement for the Plaintiff on 13 September 2012 for: (i) the judgement sum of approximately HK\$392,000 and US\$43,000; (ii) interest on the respective sums at judgement rate of 8% from 23 May 2012 until payment and (iii) fix costs of approximately HK\$7,000.

- (g) *Capital Financial Press Limited (Claimant) vs the Company (Defendant) – Small Claim Tribunal 30860 of 2011*

On 27 October 2011, the Company was ordered to pay the Claimant (i) sum of HK\$26,000; (ii) pre-judgement interest on the said sum at judgement rate from 1 August 2011 to 27 October 2011; (iii) costs in the sum of HK\$120; and (iv) post judgement interest on the sum of the aforesaid together at the judgement rate from 27 October 2011 until payment.

- (h) *High Court Miscellaneous Proceedings 1392 of 2014*

The Company filed an originating summons to the Hong Kong Court on 9 June 2014 to convene a meeting of Creditors (as defined in the joint announcement of the Company dated 30 May 2014 (the "Joint Announcement")) to consider, if thought fit, approve the Hong Kong Scheme (as defined in the Joint Announcement).

Notes to the Financial Statements

For the year ended 30 June 2012

20. CONTINGENT LIABILITIES

A full search of the contingent liabilities of the Group and its deconsolidated subsidiaries has not been conducted. Upon the Schemes (as defined in the Joint Announcement) becoming effective, all claims against the Company will be subject to a formal adjudication process, dealt with and compromised under the provisions thereof.

Other than those disclosed in the litigations above, the Directors do not aware of any significant contingent liabilities of the Group at the end of the reporting period.

21. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in these financial statements, during the year, the Group had the following transactions with related parties:

Related party	Nature of transactions	2012 HK\$'000	2011 HK\$'000
Key management personnel, including the Company's directors and all of the highest pay employees	Short-term benefits	1,725	280

22. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, there are certain updates on the Group's corporate development, changes of the Company's directors, litigation involved, and details of which are stated in notes 2, 10 and 19 to the financial statements and the related public announcements of the Company on the Stock Exchange.

23. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2012 HK\$'000	2011 HK\$'000
Total liabilities		(3,292,543)	(3,288,260)
NET LIABILITIES		(3,292,543)	(3,288,260)
Capital and reserves			
Share capital	15	77,200	77,200
Reserves	16	(3,369,743)	(3,365,460)
TOTAL EQUITY		(3,292,543)	(3,288,260)

24. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 26 June 2014.

Five Year Financial Summary

The following table summarises the results, and the assets and liabilities of the Group for each of five years ended 30 June:

RESULTS

	For the years ended 30 June				
	2008	2009	2010	2011	2012
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	17,394,950	4,454,891	593,751	–	–
Loss before tax	(50,082)	(2,920,895)	(1,666,406)	(815)	(4,283)
Income tax expense	(216)	3,769	(45)	–	–
Loss for the year	(50,298)	(2,917,126)	(1,666,451)	(815)	(4,283)
Attributable to:					
Owners of the Company	(61,642)	(2,905,391)	(1,661,136)	(815)	(4,283)
Non-controlling interests	11,344	(11,735)	(5,315)	–	–
	(50,298)	(2,917,126)	(1,666,451)	(815)	(4,283)
Earnings per share:					
Basic and diluted (HK cents)	(8.36)	(376.34)	(215.17)	(0.11)	(0.55)

Five Year Financial Summary

ASSETS AND LIABILITIES

	As at 30 June				
	2008 HK\$'000	2009 HK\$'000	2010 HK\$'000	2011 HK\$'000	2012 HK\$'000
Property, plant and equipment	1,125,538	1,063,537	-	-	-
Prepaid lease payments	66,478	76,220	-	-	-
Intangible assets	46,400	20,000	-	-	-
Investments in associates	22,379	2,816	-	-	-
Available-for-sale investments	13,478	-	-	-	-
Bonds receivables	-	67,861	-	-	-
Prepayments and deposits	3,474	4,473	-	-	-
Current assets	6,696,255	1,964,663	-	-	-
Total assets	7,974,002	3,199,570	-	-	-
Current liabilities	(6,021,984)	(4,288,599)	(3,287,445)	(3,288,260)	(3,292,543)
Non-current liabilities	(480,924)	(393,230)	-	-	-
Total liabilities	(6,502,908)	(4,681,829)	(3,287,445)	(3,288,260)	(3,292,543)
Net assets/(liabilities)	1,471,094	(1,482,259)	(3,287,445)	(3,288,260)	(3,292,543)
Equity attributable to:					
Owners of the Company	1,369,896	(1,568,767)	(3,287,445)	(3,288,260)	(3,292,543)
Non-controlling interests	101,198	86,508	-	-	-
	1,471,094	(1,482,259)	(3,287,445)	(3,288,260)	(3,292,543)