

T h e m e

Theme International Holdings Limited

(Incorporated in Bermuda with limited liability) (Stock Code: 990)

A fashion photograph featuring two models. The model on the left is standing, wearing a black blazer over a red and black plaid dress, and is adjusting her aviator sunglasses. Her hair is blowing in the wind. The model on the right is seated, wearing a black blazer over a shimmering silver dress and round sunglasses. The background is a plain, light-colored wall.

# INTERIM REPORT 2014

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# Management Discussion and Analysis

## Business Review

The principal activity of the Group is retailing garments through the operation of retail outlets and department store counters in Taiwan. Taiwan Vision Company Ltd. (“TVCL”), a wholly owned subsidiary of the Group, and two third parties entered into a supplemental agreement to the Licence Agreement on 26 June 2014. Upon expiration of its exclusive right to use the trademark of “Theme” on 27 October 2014, TVCL has an exclusive right to use the trademark of “Theme” and related intellectual properties in Taiwan region (collectively the “Trademark”) from 28 October 2014 to 31 December 2016. Upon expiry of the exclusive period to use the Trademark, TVCL will continue to retain the right to use the Trademark on a non-exclusive basis until 27 October 2019. Accordingly, the Group shall continue to obtain adequate and stable supply of goods in the foreseeable future from the existing suppliers.

The revenue of the garment retailing business decreased by around 8.6% for the six months ended 30 June 2014 with a revenue of approximately HK\$41 million.

The other business activity of the Group is operated through a joint venture company and a subsidiary company. They mainly engage in design, assembling, processing and sales of premium wedge-shaped synthetic jade stone floor panels and related premium decoration products, which is known as a new type of construction materials. The joint venture company located in northern China region commenced business operations in the second quarter of 2013. The subsidiary company located in southern China region is on trial production stage and plans to actively expand the marketing of the high-end construction materials. The Directors estimates that the subsidiary company will commence business operation in late 2014 or early 2015. During the reviewed period, the joint venture company recorded a profit but still in a net liability position with accumulated losses and thus did not share any profit or loss to the Group.

On the other hand, reference is made to the announcement of the Company dated 16 March 2014, the Company entered into a non-legally binding Memorandum of Understanding (the “MOU”) with Everest Hill Group Inc. (“Vendor”) on 11 March 2014 to acquire the entire issued share capital of Everest Hill Energy Group Ltd. (the “Target Company”). As at the date of approval of the condensed consolidated financial statements, the due diligence works are currently in process and in line with the schedule proposed by both parties. The proposed transaction is still subject to further negotiations between the Company and the Vendor and the terms of the definitive agreement may deviate from that set out in the MOU. Details of the MOU are set out in the announcement issued on 16 March 2014.

The Group will continue to identify more business and investment opportunities to improve the financial performance of the Group and maximize the shareholders’ investment value.

# Management Discussion and Analysis

## Financial Review

Revenue, loss after taxation and loss per share of the Group for the six months ended 30 June 2014 and 2013 were summarized as follows:

	Revenue		Loss after taxation		Loss per share	
	Six months ended 30 June 2014	2013	Six months ended 30 June 2014	2013	Six months ended 30 June 2014	2013
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	(unaudited)	(unaudited)
From operations	<u>40,885</u>	<u>44,709</u>	<u>(8,422)</u>	<u>(9,611)</u>	<u>HK(0.23) cents</u>	<u>HK(0.26) cents</u>

The revenue of the Group decreased to approximately HK\$41 million for the six months period ended 30 June 2014 from approximately HK\$44 million for the six months ended 30 June 2013. The gross profit margin increased to 60.3% for the six months ended 30 June 2014 from 50.8% for the same period in 2013.

During the six months period ended 30 June 2014, the joint venture company recorded a profit but still in a net liability position with accumulated losses and thus did not share any profit or loss by the Group (share of loss by the Group in the amount of HK\$33,000 for the same period in 2013).

The board of TVCL has approved the 2014 budget plan and implemented certain measures to improve the performance of retailing garments business. The financial performance of the Group has improved although the revenue of the Group for the six months ended 30 June 2014 dropped by 8.6% than that of the six months ended 30 June 2013. The improvement is mainly attributable to certain cost reduction measures taken by the Group. The loss of the Group reduced to HK\$8.4 million for the six months ended 30 June 2014 from HK\$9.6 million for the six months ended 30 June 2013. The Directors expects that the financial performance for the year ending 31 December 2014 will be further improved.

The loss per share decreased to HK0.23 cents for the six months ended 30 June 2014 from HK0.26 cents for the six months ended 30 June 2013.

## Charges on Assets

As at 30 June 2014, none of the Group's assets was pledged or subject to any encumbrance.

## Contingent Liabilities

As at 30 June 2014, the Group had no material contingent liabilities.

## Exposure to Fluctuations in Exchange Rates

As at 30 June 2014, the Group's major assets and liabilities were denominated in the functional currencies of the respective group entities. The Group had no material exposure to foreign exchange fluctuation.

# Management Discussion and Analysis

## Liquidity and Financial Resources

As at 30 June 2014, there is an advance of unsecured in nature in the amount of HK\$20,000,000 provided by a shareholder to the Company on an interest free basis and repayable on demand, the Group had no bank and other borrowings.

As at 30 June 2014, the current ratio was 1.0. Based on the current cash position and available banking facilities, the Group should have sufficient liquidity to meet its operational needs. In addition, a shareholder of the Company has agreed to provide financial support to enable the Group to fully meet its financial obligations when they fall due in the foreseeable future.

## Capital Expenditure

During the reviewed period, additions to the Group's property, plant and equipment amounted to HK\$1,849,000. The additions to the Group's property, plant and equipment for the year ended 31 December 2013 amounted to HK\$982,000.

As at 30 June 2014, the Group has no material capital expenditure commitment.

## Human Resources

As at 30 June 2014, the Group had 8 employees in Hong Kong and 120 employees in Taiwan. Other than the competitive remuneration package offered to the employees, share options may also be granted to the selected employees based on the Group's performance. Details of the share options being granted and outstanding under the share option scheme are set out in the section "Share Option Scheme" on page 21.

## Future Prospects

The Group will strive to improve the financial performance of the retailing garment business in Taiwan and to improve the business operations in PRC through a joint venture company and accelerate the commencement of the business operation of the subsidiary company. Both of the joint venture company and the subsidiary company are mainly engaged in the business of design, assembling, processing and sales of premium wedge-shaped synthetic jade stone floor panels and related premium decoration products, which is known as the new type of construction materials.

The Group will continue to identify more business and investment opportunities to diversify the business of the Group and achieve substantial and sustainable financial growth to maximize shareholders' investment value.

By order of the Board of Directors

**Wong Lik Ping**

*Chairman*

Hong Kong, 21 August 2014

## Condensed Consolidated Financial Statements

The Board of Directors (the “Board”) of Theme International Holdings Limited (the “Company”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2014 together with the comparative figures.

### Condensed Consolidated Statement of Profit or loss and Other Comprehensive Income

For the six months ended 30 June 2014

	Notes	Six months ended 30 June	
		2014 HK\$'000 (unaudited)	2013 HK\$'000 (unaudited)
Revenue	3	40,885	44,709
Cost of sales		<u>(16,243)</u>	<u>(22,004)</u>
Gross profit		24,642	22,705
Other income		55	77
Selling and distribution expenses		(22,762)	(24,110)
Administrative expenses		(10,357)	(8,251)
Share of loss of a jointly controlled entity		<u>-</u>	<u>(32)</u>
Loss before taxation	5	(8,422)	(9,611)
Income tax expense	4	<u>-</u>	<u>-</u>
Loss for the period attributable to owners of the Company		<u>(8,422)</u>	<u>(9,611)</u>
Other comprehensive income			
Exchange differences arising on translating foreign operations		<u>579</u>	<u>207</u>
Total comprehensive expense for the period attributable to owners of the Company		<u>(7,843)</u>	<u>(9,404)</u>
Loss per share	6		
Basic and diluted		<u>HK(0.23) cent</u>	<u>HK(0.26) cent</u>

## Condensed Consolidated Financial Statements

### Condensed Consolidated Statement of Financial Position

As at 30 June 2014

	Notes	30 June 2014 HK\$'000 (unaudited)	31 December 2013 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	8	4,691	4,209
Interest in a jointly controlled entity		–	–
Loan to a jointly controlled entity		–	–
		<u>4,691</u>	<u>4,209</u>
Current assets			
Inventories		8,651	9,395
Trade receivables	9	6,167	7,807
Deposits, prepayments and other receivables		5,665	4,764
Bank balances and cash		32,765	29,712
		<u>53,248</u>	<u>51,678</u>
Current liabilities			
Trade payables	10	21,816	19,022
Other payables and accrued charges		11,566	24,439
Dividend payable		7	7
Tax payable		–	26
Amount due to a shareholder	11	20,000	–
		<u>53,389</u>	<u>43,494</u>
Net current (liabilities) assets		<u>(141)</u>	<u>8,184</u>
Total assets less current liabilities		<u>4,550</u>	<u>12,393</u>
Capital and reserves			
Share capital	12	9,140	9,140
Reserves		(4,590)	3,253
Equity attributable to owners of the Company		<u>4,550</u>	<u>12,393</u>

## Condensed Consolidated Financial Statements

### Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2014

	Attributable to owners of the Company					
	Share capital	Share premium account	Share-based compensation reserve	Translation reserve	Accumulated losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>At 1 January 2013 (audited)</b>	9,140	69,825	99,297	(5,448)	(145,395)	27,419
Loss for the period	-	-	-	-	(9,611)	(9,611)
Exchange differences arising on translating foreign operations	-	-	-	207	-	207
<b>At 30 June 2013 (unaudited)</b>	<u>9,140</u>	<u>69,825</u>	<u>99,297</u>	<u>(5,241)</u>	<u>(155,006)</u>	<u>18,015</u>
<b>At 1 January 2014 (audited)</b>	9,140	69,825	99,297	(5,311)	(160,558)	12,393
Loss for the period	-	-	-	-	(8,422)	(8,422)
Exchange differences arising on translating foreign operations	-	-	-	579	-	579
<b>At 30 June 2014 (unaudited)</b>	<u>9,140</u>	<u>69,825</u>	<u>99,297</u>	<u>(4,732)</u>	<u>(168,980)</u>	<u>4,550</u>

## Condensed Consolidated Financial Statements

### Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2014

	Six months ended 30 June	
	2014 HK\$'000 (unaudited)	2013 HK\$'000 (unaudited)
Net cash used in operating activities	(15,677)	(52)
Net cash (used in) from investing activities	(1,849)	8,978
Net cash from financing activity	<u>20,000</u>	<u>—</u>
Net increase in cash and cash equivalents	2,474	8,926
Cash and cash equivalents at beginning of the period	29,712	25,978
Effect of foreign exchange rate changes	<u>579</u>	<u>207</u>
Cash and cash equivalents at end of the period, represented by bank balances and cash	<u><b>32,765</b></u>	<u><b>35,111</b></u>

# Condensed Consolidated Financial Statements

## Notes to the Condensed Consolidated Financial Statements

*For the six months ended 30 June 2014*

### 1. Basis of Preparation

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The unaudited condensed consolidated financial statements has been reviewed by the audit committee of the Company.

Reference is made to the 2013 Annual Report of the Company, relating to, among others, the use of the “Theme” trademark and related intellectual properties in Taiwan region (collectively, the “Trademark”) by Taiwan Vision Company Limited (“TVCL”), the Company’s major operating subsidiary. On 26 June 2014, TVCL, High Fashion New Media Corporation Limited (“HFNM”) and Angel Star Investment Limited (“ASIL”) entered into a supplemental agreement to the Licence Agreement (“Supplemental Agreement”). Under the Supplemental Agreement, TVCL has the right to use the Trademark on an exclusive basis from 28 October 2014 to 31 December 2016. Upon expiry of the exclusive period under the Supplemental Agreement, TVCL will continue to retain the right to use the Trademark on a non-exclusive basis until 27 October 2019. Accordingly, the Group shall continue to obtain adequate and stable supply of goods in the foreseeable future from the existing suppliers.

## Condensed Consolidated Financial Statements

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### 1. Basis of Preparation (continued)

Reference is made to the 2013 Annual Report of the Company, relating to, among others, the Group's major operating subsidiary (Taiwan Vision Company Ltd. ("TVCL")) is in net liabilities and net current liabilities position, including trade payables and other payables due to a supplier, which were overdue or are repayable on demand. The Company, TVCL and a supplier entered into a settlement agreement on 17 March 2014, pursuant to the agreement, the Group agreed to settle the payables in three instalments, as at the date of approval of the condensed consolidated financial statements, two instalments were settled.

As at 30 June 2014, a shareholder of the Company has provided an interest-free advance to the Company in the amount of HK\$20,000,000 and has agreed to provide further financial support to enable the Group to meet in full its financial obligations as they fall due in the foreseeable future.

In view of the above, the directors of the Company are satisfied that the Group will be able to meet in full its financial obligations as and when they fall due in the foreseeable future and continue in operational existence. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

## Condensed Consolidated Financial Statements

### 2. Principal Accounting Policies

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2014 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2013.

#### **New and revised standards adopted by the Group**

In the current interim period, the Group has applied, for the first time, the following new interpretations and amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant for the preparation of the Group's condensed consolidated financial statements.

Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting
HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment entities
Amendments to HKAS 32 HK(IFRIC) 21	Offsetting financial assets and financial liabilities Levies

The application of these new interpretations and amendments to HKFRSs in the current financial period has no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

## Condensed Consolidated Financial Statements

### 3. Segment Information

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance focuses. The Group currently has only one segment, i.e. retailing of garments.

The segment revenue of HK\$40,885,000 (2013: HK\$44,709,000) represents the consolidated revenue of the Group for the six months ended 30 June 2014. The segment loss is reported as HK\$1,876,000 (2013: HK\$5,457,000) which represented loss before taxation excluding corporate administrative expenses and other expense incurred by the Group amounting to HK\$6,546,000 (2013: HK\$4,122,000) and share of loss of a joint venture of HK\$Nil (2013: HK\$32,000).

### 4. Income Tax Expense

	<b>Six months ended 30 June</b>	
	<b>2014</b>	<b>2013</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Current tax charge	<u>          -</u>	<u>          -</u>

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

Taxation arising in other jurisdictions are calculated at prevailing tax rates in the relevant jurisdictions. The prevailing profit tax rate in Taiwan is 17%.

## Condensed Consolidated Financial Statements

### 5. Loss Before Taxation

	<b>Six months ended 30 June</b>	
	<b>2014</b>	<b>2013</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Loss before taxation has been arrived at after charging/(crediting):		
Write-back for obsolete inventories	<b>(838)</b>	(382)
Depreciation of property, plant and equipment	<b>1,398</b>	1,386
Loss on disposal of property, plant and equipment	<b>59</b>	35
Net foreign exchange loss	<b>20</b>	178
Operating lease rentals (including contingent rents in respect of rented premises ( <i>note a</i> ))	<b>10,543</b>	11,190
Directors' remuneration ( <i>note b</i> )	<b>1,168</b>	1,410
Other staff costs ( <i>note c</i> )	<b>9,570</b>	8,862

#### Notes:

- (a) The contingent rents are determined based on a certain percentage of the gross sales of the relevant shops when the sales meet certain specified levels.
- (b) Directors' emoluments include fees, remunerations and retirement benefits scheme contributions.
- (c) Other staff costs include salaries, allowances and retirement benefits scheme contributions.

## Condensed Consolidated Financial Statements

### 6. Loss Per Share

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

	<b>Six months ended 30 June</b>	
	<b>2014</b>	<b>2013</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Losses</b>		
Loss for the purpose of basic and diluted loss per share (Loss for the period attributable to owners of the Company)	<u>(8,422)</u>	<u>(9,611)</u>
<b>Number of shares</b>	<b>'000</b>	<b>'000</b>
Average number of ordinary shares for the purpose of basic and diluted loss per share	<u>3,655,820</u>	<u>3,655,820</u>

Diluted loss per share does not assume the exercise of the Company's share options as the exercise of the Company's share options would result in a decrease in loss per share.

### 7. Interim Dividend

No dividends were paid, declared or proposed during the period. The directors do not recommend the payment of an interim dividend.

### 8. Movements in Property, Plant and Equipment

During the period, additions to the Group's property, plant and equipment amounted to HK\$1,849,000 (2013: HK\$982,000).

## Condensed Consolidated Financial Statements

### 9. Trade Receivables

Trade receivables from third parties mainly represent receivables from department stores in relation to the collection of sales proceeds from concessionaire sales of merchandise to customers. The average credit period granted to the department stores is 60 days (2013: 60 days).

The following aging analysis of trade receivables, net of allowance for bad and doubtful debts, presented based on the invoice date at the end of the reporting period which approximated the respective revenue recognition dates:

	<b>30 June</b> <b>2014</b> <b>HK\$'000</b> <b>(unaudited)</b>	31 December 2013 HK\$'000 (audited)
Within 60 days	<b>6,154</b>	7,807
61 to 180 days	<b>13</b>	—
	<b><u>6,167</u></b>	<b><u>7,807</u></b>

### 10. Trade Payables

The following is an aging analysis of the trade payables presented based on the invoice date at the end of the reporting period:

	<b>30 June</b> <b>2014</b> <b>HK\$'000</b> <b>(unaudited)</b>	31 December 2013 HK\$'000 (audited)
Within 90 days	<b>5,901</b>	5,033
91 to 180 days	<b>5,323</b>	6,376
181 to 360 days	<b>10,269</b>	7,236
Over 360 days	<b>323</b>	377
	<b><u>21,816</u></b>	<b><u>19,022</u></b>

## Condensed Consolidated Financial Statements

### 11. Amount Due to a Shareholder

The amount due to a shareholder of the Company is the advance of unsecured in nature provided by a shareholder to the Company on an interest free basis and repayable on demand. The shareholder is also a director of the Company. An amount due to a shareholder amounted to HK\$20,000,000 was received during the six months period ended 30 June 2014 and the balance as at 30 June 2014 is HK\$20,000,000.

### 12. Share Capital

	Number of shares '000	Amount HK\$'000
Ordinary shares, with par value of HK\$0.0025 per share		
Authorised:		
At 1 January 2013, 31 December 2013 and 30 June 2014	<u>200,000,000</u>	<u>500,000</u>
Issued and fully paid:		
At 1 January 2013, 31 December 2013 and 30 June 2014	<u>3,655,820</u>	<u>9,140</u>

## Condensed Consolidated Financial Statements

### 13. Operating Lease Commitments

#### The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments in respect of rented premises which fall due as follows:

	Six months ended 30 June	
	2014	2013
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Within one year	9,330	6,695
In the second to fifth year inclusive	<u>7,797</u>	<u>16,378</u>
	<u>17,127</u>	<u>23,073</u>

Leases are negotiated for terms ranging from one to five years and rentals are fixed over the lease terms. In addition to the fixed rentals which are disclosed above, pursuant to the terms of certain rental agreements, the Group has to pay a rental based on certain percentage of the gross sales of the relevant shops.

### 14. Related Party Transactions

Except as disclosed elsewhere in the financial statements, the following transactions for the periods ended 30 June 2014 and 2013 were carried out with the related parties.

- i) The total emoluments payable to key management personnel during the periods ended 30 June 2014 and 2013 were HK\$1,048,000 and HK\$1,320,000 respectively.
- ii) Repayment of loan from a jointly controlled entity amounted to HK\$9,960,000 has been received during the period ended 30 June 2013.
- iii) For the amount due to a shareholder, please refer to note 11 for details.

### 15. Events Subsequent to the end of the Reporting Period

On 12 August 2014, a shareholder of the Company provided an amount of HK\$10,000,000 interest-free advance of unsecured in nature to the Company to finance its business operation.

## Other Information

### Compliance with Corporate Governance Code

Save and except for Code Provisions A.6.7, E.1.2 and A.2.1 as detailed below, the Company has complied with all the Code Provisions and to a certain extent of the recommended best practices set out in the Corporate Governance Code contained in Appendix 14 (the “CG Code”) of the Listing Rules throughout the period for the six months ended 30 June 2014.

Under Code Provision A.6.7 of the CG Code, the independent non-executive directors and non-executive directors should attend general meetings of the Company. Mr. Kee Wah Sze (independent non-executive director), Mr. Goh Choo Hwee (independent non-executive director) and Mr. Huang Bin (non-executive director) were absent from the annual general meeting held on 16 May 2014 (“2014 AGM”) due to their other business commitments.

Under Code Provision E.1.2 of the CG Code, the Chairman of the Board should attend the annual general meeting. The Chairman of the Board was unable to attend the 2014 AGM due to his other business commitments.

Under Code Provision A.2.1, the roles of chairman and chief executive officer (the “CEO”) should be separated and should not be performed by the same individual. Given the current corporate structure, the role of CEO is temporarily handled by the chairman. However, the Board considers that it is appropriate and in the best interests of the Company at the present stage as all major decisions are made in consultation with the Board members and the senior management of the Company. The Board believes that Mr. Wong Lik Ping is able to maintain the continuity of the Company’s policies and the stability of the Company’s operations. The effectiveness of the corporate planning and implementation of corporate strategies and decisions will not be affected. The Board would segregate the roles of the Chairman and CEO when a qualified candidate is appointed as CEO.

### Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors’ securities transactions. The Company has made specific enquiries with all directors of the Company and each of them confirmed that they have complied with the Model Code during the six months period ended 30 June 2014.

## Other Information

### Purchase, Sale or Redemption of the Listed Securities of the Company

During the six months period ended 30 June 2014, the Company had not redeemed any of its securities. Neither the Company nor any of its subsidiaries had purchased nor sold any of the Company's securities during the six months period ended 30 June 2014.

### Review of Accounts

The Audit Committee of the Company has reviewed the Group's unaudited condensed consolidated financial information and interim report for the six months ended 30 June 2014.

### Directors' and Chief Executives' Long and Short Positions in Shares, Underlying Shares and Debentures

As at 30 June 2014, the long positions and short positions of the directors, chief executives of the Company and their associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which have been notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") contained in the Listing Rules and which have been recorded in the register maintained by the Company pursuant to section 352 of the SFO, were as follows:

#### (i) Long and Short Positions in Shares of the Company

Name of director	Capacity	Number of ordinary shares held	Long (L) or Short (S) position	Approximate percentage of the Company's issued share capital
Mr. Wong Lik Ping	Beneficial Owner	6,750,000	L	0.18%
	Interests of a controlled corporation (Note)	2,269,112,096	L	62.07%
		2,269,112,096	S	62.07%

Note: 2,269,112,096 ordinary shares are held by Golden Bright Energy Limited, a company incorporated in the British Virgin Islands whose entire issued share capital is held by Mr. Wong Lik Ping. Mr. Wong Lik Ping is the sole director of Golden Bright Energy Limited.

## Other Information

### (ii) Options to subscribe for ordinary shares (HK\$0.0025 each) of the Company:

The directors have been granted unlisted options under the Company's share option scheme, details of which are set out in the section "Share Option Scheme" below.

Save as disclosed above, as at 30 June 2014, none of the directors, chief executives of the Company nor their associates had or was deemed to have any long positions or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which has been recorded in the register maintained by the Company pursuant to section 352 of the SFO or which has been notified to the Company and the Stock Exchange pursuant to the Model Code of the Listing Rules.

### Substantial Shareholder

Save as disclosed in the section headed "Directors' and Chief Executives' Long and Short Positions in Shares, Underlying Shares and Debentures", as at 30 June 2014, the following persons had interests in the shares and underlying shares of the Company have been recorded in the register maintained by the Company pursuant to Section 336 of SFO.

### Long Positions in Shares of the Company

Name	Capacity	Number of ordinary shares held	Approximate percentage of the Company's issued share capital
Kingston Finance Limited	Person having a security interest in shares ( <i>Note</i> )	2,269,112,096	62.07%
Best Forth Limited	Interest of a controlled corporation ( <i>Note</i> )	2,269,112,096	62.07%
Ample Cheer Limited	Interest of a controlled corporation ( <i>Note</i> )	2,269,112,096	62.07%
Mrs. Chu Yuet Wah	Interest of a controlled corporation ( <i>Note</i> )	2,269,112,896	62.07%

*Note:* The interest in the shares of the Company was held through Kingston Finance Limited, the entire issued share capital of which was held by Ample Cheer Limited. The issued capital of Ample Cheer Limited was held as to 80% by Best Forth Limited, an entity which was beneficially and wholly held by Mrs. Chu Yuet Wah.

## Other Information

### Share Option Scheme

As at 30 June 2014, the option holders of the Company had the following interest in unlisted options to subscribe for shares of the Company granted under the share option scheme (“Scheme”) within the exercise period. Each option gives the option holder the right to subscribe for one ordinary share of HK\$0.0025 each. No option was granted during the six months period ended 30 June 2014 (2013: Nil). Save as disclosed, no outstanding options were exercised, cancelled or lapsed under the Scheme during the period.

#### Six months ended 30 June 2014

	No. of share options at the beginning of the period	Reclassification/ exercised/ granted during the period	No. of share options outstanding at the end of period	Grant date	Exercise period	Exercise price
<b>Directors</b>						
Mr. Wong Lik Ping	3,000,000	–	3,000,000	15 April 2010	15 April 2012– 14 April 2020	HK\$1.7
Mr. Huang Bin	3,000,000	–	3,000,000	15 April 2010	15 April 2012– 14 April 2020	HK\$1.7
Mr. Kee Wah Sze	3,000,000	–	3,000,000	15 April 2010	15 April 2012– 14 April 2020	HK\$1.7
Mr. Chan Pat Lam	3,000,000	–	3,000,000	15 April 2010	15 April 2012– 14 April 2020	HK\$1.7
Mr. To Yan Ming Edmond	3,000,000	–	3,000,000	15 April 2010	15 April 2012– 14 April 2020	HK\$1.7
<b>Sub-total</b>	15,000,000	–	15,000,000			
Other Employees	15,500,000		15,500,000	15 April 2010	15 April 2012– 14 April 2020	HK\$1.7
Others	127,000,000	–	127,000,000	15 April 2010	15 April 2012– 14 April 2020	HK\$1.7
Others	10,000,000	–	10,000,000	15 April 2010	15 April 2012– 30 April 2015	HK\$1.7
Others	12,500,000	–	12,500,000	15 April 2010	15 April 2012– 31 October 2014	HK\$1.7
Others	20,000,000	–	20,000,000	21 June 2010	21 June 2012– 31 August 2014	HK\$1.7
<b>Total</b>	<b>200,000,000</b>	<b>–</b>	<b>200,000,000</b>			

Apart from the Company’s share option scheme, during the six months period ended 30 June 2014, no rights were granted to the directors, chief executives of the Company, or any of their spouses or children under 18 years of age to subscribe for equity or debt securities of the Company.

# Corporate Information

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## **DIRECTORS**

### **Executive Directors**

Mr. Wong Lik Ping (*Chairman*)

Mr. Liu Bing

### **Non-executive Director**

Mr. Huang Bin

### **Independent Non-executive Directors**

Mr. Kee Wah Sze

Mr. Chan Pat Lam

Mr. To Yan Ming Edmond

Mr. Goh Choo Hwee

### **Audit Committee**

Mr. To Yan Ming Edmond (*Chairman*)

Mr. Kee Wah Sze

Mr. Chan Pat Lam

Mr. Goh Choo Hwee

### **Remuneration Committee**

Mr. To Yan Ming Edmond (*Chairman*)

Mr. Kee Wah Sze

Mr. Chan Pat Lam

Mr. Goh Choo Hwee

### **Nomination Committee**

Mr. To Yan Ming Edmond (*Chairman*)

Mr. Kee Wah Sze

Mr. Chan Pat Lam

Mr. Goh Choo Hwee

Mr. Liu Bing

## Corporate Information

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### **COMPANY SECRETARY**

Mr. Fong Chi Wing

### **AUDITOR**

Deloitte Touche Tohmatsu

### **LEGAL ADVISERS ON BERMUDA LAW**

Conyers Dill & Pearman

### **REGISTERED OFFICE**

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

### **HEAD OFFICE & PRINCIPAL PLACE OF BUSINESS**

12th Floor, Kwan Chart Tower  
6 Tonnochy Road  
Wanchai  
Hong Kong

### **PRINCIPAL BANKERS**

Bank of China (Hong Kong) Limited  
The Hongkong and Shanghai Banking Corporation Limited

### **PRINCIPAL SHARE REGISTRAR & TRANSFER OFFICE**

Codan Services Limited  
Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

## Corporate Information

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### **SUB-REGISTRAR & TRANSFER AGENT IN HONG KONG**

Computershare Hong Kong Investor Services Limited  
Rooms 1712-6, 17th Floor,  
Hopewell Centre, 183 Queen's Road East  
Wanchai, Hong Kong

### **STOCK CODE**

990

### **WEBSITE**

[www.990.com.hk](http://www.990.com.hk)