



**TCL DISPLAY TECHNOLOGY HOLDINGS LIMITED**

**TCL 顯示科技控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 334)**



Interim Report

**2015**





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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Non-Executive Director

Mr. YUAN Bing (Chairman)  
(appointed on 11 August 2015)

#### Executive Directors

Mr. LI Yuguo (Chairman)  
(ceased to be Chairman on 11 August 2015)  
Mr. LI Jian (Chief executive officer)  
Ms. JING Chunmei (resigned on 11 August 2015)  
Mr. OUYANG Hongping  
Ms. YANG Yunfang

#### Independent Non-Executive Directors

Ms. HSU Wai Man Helen  
Mr. XU Yan  
Mr. LI Yang

### COMPANY SECRETARY

Ms. CHOY Fung Yee, Solicitor, Hong Kong

### AUDITOR

Ernst & Young  
Certified Public Accountants  
22/F, CITIC Tower  
1 Tim Mei Avenue  
Central, Hong Kong

### LEGAL ADVISOR

Cheung Tong & Rosa Solicitors  
Room 501, 5/F  
Sun Hung Kai Centre  
30 Harbour Road  
Wanchai, Hong Kong

### PRINCIPAL SHARE REGISTRAR

Codan Services Limited  
Clarendon House  
2 Church Street  
PO Box HM1022  
Hamilton HM DX  
Bermuda

### BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
1712-1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

13/F, TCL Tower  
8 Tai Chung Road  
Tsuen Wan  
New Territories  
Hong Kong

### REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

### INVESTOR AND MEDIA RELATIONS

Cornerstones Communications Ltd.  
19/F, Oriental Crystal Commercial Building  
46 Lyndhurst Terrace  
Central, Hong Kong

### TICKER SYMBOL

Listed on The Stock Exchange of Hong Kong  
Limited under the share ticker number 00334

### WEBSITE

<http://www.tcldisplay.com>



## INTERIM RESULTS

The Board (the "Board") of directors (the "Directors") of TCL Display Technology Holding Limited (formerly known as Proview International Holdings Limited) (the "Company") announced the unaudited condensed consolidated results and financial position of the Company and its subsidiaries (collectively, the "Group") for the twelve months ended 30 June 2015, with comparative figures for the corresponding twelve months period ended 30 June 2014 as follows and these condensed interim consolidated financial statements have not been audited, but have been reviewed by the Company's Audit Committee:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the twelve months ended 30 June 2015

	Notes	For the twelve months ended 30 June	
		2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000 (Restated)
REVENUE	5	<b>2,404,316</b>	2,497,713
Cost of sales		<b>(2,190,618)</b>	(2,263,315)
Gross profit		<b>213,698</b>	234,398
Other income and gains	5	<b>40,400</b>	7,074
Selling and distribution expenses		<b>(33,404)</b>	(52,104)
Administrative expenses		<b>(59,276)</b>	(49,812)
Listing expense	18	<b>(140,844)</b>	–
Other expenses		<b>(662)</b>	(2,627)
Finance costs	7	<b>(5,082)</b>	(14,013)
PROFIT BEFORE TAX	6	<b>14,830</b>	122,916
Income tax expense	8	<b>(18,869)</b>	(33,199)
(LOSS)/PROFIT FOR THE PERIOD		<b>(4,039)</b>	89,717
Attributable to:			
Owners of the parent		<b>(4,039)</b>	89,717
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	10		
Basic		<b>RMB(0.68) cents</b>	RMB15.28 cents
Diluted		<b>RMB(0.68) cents</b>	RMB15.28 cents

## INTERIM RESULTS

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the twelve months ended 30 June 2015

	For the twelve months ended 30 June	
	2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000 (Restated)
(LOSS)/PROFIT FOR THE PERIOD	<b>(4,039)</b>	89,717
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods		
Exchange differences on translation of foreign operations	<b>265</b>	–
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	<b>265</b>	–
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	<b>265</b>	–
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	<b>(3,774)</b>	89,717
Attributable to:		
Owners of the parent	<b>(3,774)</b>	89,717

## INTERIM RESULTS

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2015

		<b>30 June 2015 (Unaudited) RMB'000</b>	30 June 2014 (Unaudited) RMB'000 (Restated)
	<i>Notes</i>		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>160,870</b>	102,294
Intangible assets		<b>105</b>	131
Non-current prepayments		<b>7,657</b>	35,545
Deferred tax assets		<b>17,251</b>	6,535
<b>Total non-current assets</b>		<b>185,883</b>	144,505
<b>CURRENT ASSETS</b>			
Inventories	11	<b>135,759</b>	196,506
Trade and bills receivables	12	<b>317,535</b>	366,653
Prepayments, deposits and other receivables		<b>134,031</b>	84,803
Due from related parties	21	<b>214,286</b>	205,320
Cash and cash equivalents	13	<b>176,468</b>	130,445
<b>Total current assets</b>		<b>978,079</b>	983,727
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	14	<b>556,547</b>	513,196
Other payables and accruals		<b>189,165</b>	131,134
Due to related parties	21	<b>74,736</b>	266,944
Interest-bearing bank borrowings	15	<b>179,800</b>	56,630
Tax payable		<b>12,923</b>	21,360
<b>Total current liabilities</b>		<b>1,013,171</b>	989,264
<b>NET CURRENT LIABILITIES</b>		<b>(35,092)</b>	(5,537)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>150,791</b>	138,968

## INTERIM RESULTS

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

30 June 2015

	<i>Notes</i>	<b>30 June 2015 (Unaudited) RMB'000</b>	30 June 2014 (Unaudited) RMB'000 (Restated)
<b>NON-CURRENT LIABILITIES</b>			
Deferred income		<b>16,200</b>	7,776
Bonds payable	2	<b>55,202</b>	–
<b>Total non-current liabilities</b>		<b>71,402</b>	7,776
<b>Net assets</b>		<b>79,389</b>	131,192
<b>EQUITY</b>			
Equity attributable to owners of the parent			
Share capital	16	<b>90,807</b>	60,880
Convertible bonds reserve	2	<b>157,326</b>	–
Reserves	17	<b>(168,744)</b>	70,312
<b>Total equity</b>		<b>79,389</b>	131,192



## INTERIM RESULTS

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the twelve months ended 30 June 2015

	Paid-in capital RMB'000 (note 16)	Capital reserve RMB'000 (note 17)	Statutory surplus reserve RMB'000 (note 17)	Retained profits RMB'000	Total equity RMB'000
At 1 July 2013 (restated)	60,880	39,149	8,329	(4,644)	103,714
Profit and total comprehensive income for the period	–	–	–	89,717	89,717
Dividends recognised as distribution (note 9)	–	–	–	(62,239)	(62,239)
Transfer from retained profits	–	–	9,074	(9,074)	–
At 30 June 2014 (restated)	60,880	39,149	17,403	13,760	131,192

## INTERIM RESULTS

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the twelve months ended 30 June 2015

	Paid-in capital <i>RMB'000</i> <i>(note 16)</i>	Convertible bonds reserve <i>RMB'000</i> <i>(note 2)</i>	Capital reserve <i>RMB'000</i> <i>(note 17)</i>	Statutory surplus reserve <i>RMB'000</i> <i>(note 17)</i>	Exchange fluctuation reserve <i>RMB'000</i>	Retained profits <i>RMB'000</i>	Total equity <i>RMB'000</i>
At 1 July 2014 (restated)	<b>60,880</b>		<b>39,149</b>	<b>17,403</b>		<b>13,760</b>	<b>131,192</b>
Loss for the period	-	-	-	-	-	<b>(4,039)</b>	<b>(4,039)</b>
Other comprehensive income for the period:							
Exchange differences on translation of foreign operations	-	-	-	-	<b>265</b>	-	<b>265</b>
Total comprehensive income for the period	-	-	-	-	<b>265</b>	<b>(4,039)</b>	<b>(3,774)</b>
Acquisition of a subsidiary <i>(note 2)</i>	<b>29,927</b>	<b>157,326</b>	<b>(117,119)</b>	-	-	-	<b>70,134</b>
Dividends recognised as distribution <i>(note 9)</i>	-	-	-	-	-	<b>(118,163)</b>	<b>(118,163)</b>
Transfer from retained profits	-	-	-	<b>19,032</b>	-	<b>(19,032)</b>	-
At 30 June 2015	<b>90,807</b>	<b>157,326*</b>	<b>(77,970)*</b>	<b>36,435*</b>	<b>265*</b>	<b>(127,474)*</b>	<b>79,389</b>

\* These reserve accounts comprise the negative reserves of RMB168,744,000 (2013: reserves of RMB70,312,000) in the condensed consolidated statement of financial position.

## INTERIM RESULTS

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the twelve months ended 30 June 2015

	Notes	Twelve months ended 30 June	
		2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		<b>14,830</b>	122,916
Adjustments for:			
Finance costs	7	<b>5,082</b>	14,013
Bank interest income	5	<b>(1,445)</b>	(2,025)
Depreciation	6	<b>28,414</b>	29,723
Amortisation of intangible assets	6	<b>54</b>	62
Impairment provision	6	<b>18,555</b>	384
Listing expense	6	<b>140,844</b>	–
		<b>206,334</b>	165,073
Decrease/(increase) in inventories		<b>42,192</b>	(79,217)
Decrease/(increase) in trade and bills receivables		<b>49,118</b>	(112,645)
Increase in prepayments, deposits and other receivables		<b>(49,228)</b>	(81,156)
Increase in amounts due from related parties		<b>(8,966)</b>	(123,986)
Increase in trade and bills payables		<b>43,351</b>	235,543
Increase in other payables and accruals		<b>14,638</b>	96,949
Increase/(decrease) in amounts due to related parties		<b>(192,208)</b>	266,944
Increase in deferred income		<b>8,424</b>	2,438
		<b>113,655</b>	369,943
Cash generated from operations		<b>113,655</b>	369,943
PRC tax paid		<b>(38,022)</b>	(16,858)
		<b>75,633</b>	353,085
Net cash flows from operating activities		<b>75,633</b>	353,085

## INTERIM RESULTS

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the twelve months ended 30 June 2015

	Notes	For the twelve months ended 30 June	
		2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		1,445	2,025
Purchases of items of property, plant and equipment		(59,102)	(106,811)
Additions to intangible assets		(28)	–
Proceeds from acquisition of a subsidiary	18	27,999	–
Net cash flows used in investing activities		(29,686)	(104,786)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		602,453	364,140
Repayment of bank loans		(479,283)	(369,367)
Interest paid		(5,082)	(14,013)
Dividends paid		(118,163)	(106,355)
Net cash flows used in financing activities		(75)	(125,595)
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of period		130,445	7,741
Effect of foreign exchange rate changes, net		151	–
CASH AND CASH EQUIVALENTS AT END OF PERIOD	13	176,468	130,445

## INTERIM RESULTS

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2015

#### 1. CORPORATE AND GROUP 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 in Hong Kong is 13/F, TCL Tower, 8 Tai Chung Road, Tsuen Wan, Hong Kong.

During the twelve months ended 30 June 2015, the Group was principally involved in the manufacture and sale of LCD modules for mobile phones and smart pads.

For the purposes of preparing these financial statements, in the opinion of the Directors, the ultimate holding company of the Company is TCL Corporation, which is established in the People's Republic of China (the "PRC").

#### 2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with HKFRSs (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

On 25 June 2015, capital restructuring, debt restructuring, open offer and the Reverse Takeover Transaction (as defined hereinunder) involving a new listing application was completed. The Group acquired the entire equity interest of TCL Display Technology (Huizhou) Co., Ltd ("TCL Display"), a limited liability company established in the PRC, which constituted a reserve takeover transaction (the "Reverse Takeover Transaction"). TCL Display is principally involved in the manufacture and sale of LCD modules for mobile phones and smart pads. The details of the Reverse Takeover Transaction are set out in the Company's circulars dated 30 June 2014 and 16 February 2015 and in the Company's announcement dated 17 April 2015.

##### Capital Restructuring

During the twelve months period ended 30 June 2015, the Company completed the capital restructuring, which involved the following:

##### *Capital Reduction*

On 13 March 2015, the nominal value of each of the 772,008,992 shares in issue was reduced from HK\$0.10 to HK\$0.01 by cancelling HK\$0.09 from the paid-up capital of each issued share and resulting in a capital reduction of RMB54,793,000 (the "Capital Reduction"). The Capital Reduction became effective on 13 March 2015.

##### *Share Consolidation*

Upon the Capital Reduction becoming effective, every ten reorganised shares of HK\$0.01 each was consolidated into one new share of HK\$0.10 each and the number of issued shares of the Company was reduced from 772,008,992 reorganised shares of HK\$0.01 each to 77,200,899 new shares of HK\$0.10 each (the "Share Consolidation"). Upon completion of the Share Consolidation, the number of the issued shares of the Company decreased by 694,808,093.

##### *Share Premium Reduction*

The share premium account and contributed surplus account of approximately RMB249,743,000 and RMB128,048,000 respectively as at 30 June 2014, including the amount arising from the issuance of Consideration Shares (as defined hereinunder) of RMB191,799,000 and Open Offer Shares (as defined hereinunder) of RMB19,999,000 as indicated below was applied to eliminate the accumulated losses of the Company.



## INTERIM RESULTS

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30 June 2015

#### 2. BASIS OF PREPARATION (continued)

##### Debt Restructuring

During the twelve months period ended 30 June 2015, the Company completed the debt restructuring and settled the amounts due to certain creditors of the Company (the "Scheme Creditors") by the way of the schemes of arrangement made between the Company and the Scheme Creditors under Section 670 and 673 of the Companies Ordinance (Cap. 622) of Hong Kong (the "Hong Kong Scheme") and Section 99 of the Companies Act 1981 of Bermuda (the "Bermuda Scheme", together with the Hong Kong Scheme, hereinafter collectively referred to as the "Schemes") respectively. On 16 April 2015, the Schemes became effective. Pursuant to the Schemes, all amounts due to the Scheme Creditors have been fully discharged through issuance of bonds in the principal amount of HK\$60,000,000 (equivalent to RMB47,316,000) (the "Bond A") (the "Debt Restructuring").

Bond A was issued in 2 tranches on 17 April 2015 and 25 June 2015 at the respective principal amount of HK\$10,000,000 and HK\$50,000,000, with a tenure of 5 years. Interest is chargeable at 7.5% per annum and payable semi-annually in arrears. As at 30 June 2015, the fair value of the Bond A approximated to its carrying amount.

The details of the Debt Restructuring are set out in the Company's circulars dated 30 June 2014 and 16 February 2015 and in the Company's announcement dated 17 April 2015.

##### Acquisition of the entire equity interest in TCL Display

According to the acquisition agreement dated 28 February 2014 entered into among the Company, the vendors and an independent third party (as amended on 30 May 2014 and 18 November 2014), the consideration of HK\$550,000,000 for acquisition of the entire equity interest in the TCL Display was satisfied as follows:

- (i) HK\$340,500,000 by the issuance and allotment of 972,857,143 shares (the "Consideration Shares") by the Company at HK\$0.35 per Consideration Share to the vendors and the investor on 17 April 2015. Upon completion of the issuance of Consideration Shares, the number of the issued shares of the Company increased by 972,857,143, and the amount of the share capital and the share premium account of the Company increased by RMB76,720,000 and RMB191,799,000, respectively.
- (ii) HK\$199,500,000 by issuance of convertible bonds ("CB") by the Company to the vendors, with no maturity date, zero coupon rate and an initial conversion price of HK\$0.35 per conversion share (subject to adjustment).

The CB holders are entitled to convert the CB into a total of 570,000,000 new ordinary shares of the Company at the initial conversion price during the conversion period starting from 26 December 2015, i.e. the date immediately following 6 months after resumption of trading in the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") until the principal amount has been fully converted and/or redeemed by the Company.

The Company has no obligation to repay any outstanding principal amount of the CB but has the rights at its discretion to redeem any principal amount of the CB at its face value. The CB meets the definition of equity under HKAS 32 and hence, is accounted for as equity instrument of the Company and the principal amount of HK\$199,500,000 (equivalent to RMB157,326,000) was recognised as the convertible bonds reserve of the Company.

- (iii) HK\$10,000,000 by issuance of bonds (the "Bond B") on 17 April 2015 to one of the vendors at the principal amount of HK\$10,000,000 (equivalent to approximately RMB7,886,000), with a tenure of 3 years at NIL interest rate. As at 30 June 2015, the fair value of the Bond B approximated to its carrying amount. Bond B was accounted for as a distribution from the Group to a former shareholder of TCL Display. Bond A and Bond B comprise the bonds payable of RMB55,202,000 in the condensed consolidated statement of financial position.

The details of the acquisition of the entire equity interest in TCL Display are set out in the Company's circulars dated 30 June 2014 and 16 February 2015 and in the Company's announcement dated 17 April 2015.

## INTERIM RESULTS

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30 June 2015

#### 2. BASIS OF PREPARATION (continued)

##### Open Offer

During the period under review, the Company carried out the open offer (the "Open Offer") of 101,441,768 offer shares (the "Open Offer Shares") to raise approximately RMB27,999,000 on the basis of 2 Open Offer Shares for every 1 existing share held by the then qualifying shareholders on the record date (i.e. 19 May 2015) at the offer price of HK\$0.35 for each Open Offer Share. Upon completion of the Open Offer, the number of the issued shares of the Company increased by 101,441,768 and the amount of the share capital and the share premium account of the Company increased by RMB8,000,000 and RMB19,999,000, respectively.

The details of the Open Offer are set out in the prospectus and announcement of the Company dated 20 May 2015 and 10 June 2015 respectively.

##### Reverse Takeover Transaction

On 25 June 2015 (the "Combination Date"), shares of the Company resumed trading on the Stock Exchange and hence the Reverse Takeover Transaction was completed. However, the Reverse Takeover Transaction does not fulfill the requirements for reverse acquisition in accordance with the HKFRS 3 as the Company was only a non-operating public shell corporation and does not meet the definition of a business under HKFRS 3. Instead, this should be accounted for in the Group's financial statements as a continuation of the financial statements of the legal acquiree – TCL Display, together with a deemed issue of equity, equivalent to the shares held by former shareholders of the Group, and a recapitalisation of the equity of TCL Display.

This deemed issue of equity is, in effect, an equity-settled share-based payment transaction whereby TCL Display has received the net liabilities of the Company, together with its listing status. Under HKFRS 2, TCL Display should measure the equity-settled share-based payments indirectly by reference to the fair value of the equity instruments issued as there are no goods or services received by TCL Display from this transaction. The increase in equity by TCL Display should be measured by reference to the fair value of the equity that are deemed to have been issued, i.e. RMB78,020,000 (the "Deemed Consideration") in exchange for the net liabilities and listing status of the Company.

However, as the listing status does not qualify for recognition as an intangible asset, it is expensed in profit or loss.

These condensed consolidated financial statements have been prepared as a continuation of the consolidated financial statements of TCL Display:

- (i) The assets and liabilities of TCL Display are recognised and measured at their carrying amounts;
- (ii) The identified assets and liabilities of the Company are recognised and measured initially at their fair value on the Combination Date;
- (iii) The amount recognised as issued equity instruments reflects the equity instruments issued by the Company; and
- (iv) The comparative information presented in these consolidated financial statements is restated to be that of TCL Display as adjusted to reflect the Company's legal capital.

Further details of the Reverse Takeover Transaction are set out in note 18.

##### Going concern

The Group recorded a consolidated net loss of RMB4,039,000 (twelve months ended 30 June 2014: net profit of RMB89,717,000) for the twelve months ended 30 June 2015 and as at that date, the Group recorded net current liabilities of RMB35,092,000 (30 June 2014: RMB5,537,000). In view of these circumstances, the Directors have given consideration to the future liquidity and future performance of the Group in assessing whether the Group will have sufficient cash flows to continue as a going concern. Based on the management estimation of the future cash flows of the Group, the Directors believe that the Group has sufficient cash flows in the foreseeable future to enable it to continue its operations and meet its liabilities as and when they fall due. The Directors therefore are of the opinion that it is appropriate to adopt the going concern basis in preparing the condensed consolidated financial statements.

## INTERIM RESULTS

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30 June 2015

#### 2. BASIS OF PREPARATION (continued)

##### Change of presentation currency

Upon completion of the Reverse Takeover Transaction, the Group changed the presentation currency of its consolidated financial statements from Hong Kong Dollar ("HK\$") to RMB because, in the opinion of the Directors, the operations of the Group are mainly carried through TCL Display. The turnover of the Group are entirely contributed by the business in the PRC from the date of the completion of Reverse Takeover Transaction and this could provide users with more comparable information with other companies in similar industries. Comparative figures have been represented in RMB.

The change in presentation currency of the Group and the Company has been applied retrospectively in accordance with HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, and the comparative figures as at 1 July 2013 and 30 June 2014 and for the twelve months ended 30 June 2014 have also been restated to RMB accordingly.

The change in presentation currency has no significant impact on the financial positions of the Group and the Company as at 1 July 2013, 30 June 2014 and 2015, or the results and cash flows of the Group and Company for the twelve months ended 30 June 2014 and 2015.

##### Change of financial year-end date

During the current financial year, the financial year-end date of the Company was changed from 30 June to 31 December to align with financial year end date of 31 December of TCL Display. The change of financial year end date of the Company from 30 June to 31 December will achieve consistency between the financial year end date of the Company and the financial year end date of TCL Display. This will facilitate the Company in preparing and updating its financial statements for the preparation of consolidated accounts, and enable the Company to better utilise its resources and facilitate better planning and operational processes of the Company. Accordingly, the condensed consolidated financial statements for the current period cover twelve months ended 30 June 2015. The details of the change of financial year end date are set out in the announcement of the Company dated 13 May 2015.

#### 3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of TCL Display's financial statements for the financial year ended 31 December 2014, except for the adoption of new standards and interpretations effective on or after 1 January 2015. The adoption of the new standards and interpretations has had no material effect on the accounting policies of the Group and the methods of computation in these condensed consolidated interim financial statements.

In addition, the Company has early adopted the amendments to the Listing Rules issued by the Stock Exchange relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

#### 4. OPERATING SEGMENT INFORMATION

For management purposes, the Group operates in one business unit based on its products, and has one reportable operating segment as follows:

The display products segment principally engages in the manufacture and sale of flat panel display products.

No operating segments have been aggregated to form the above reportable operating segment.

## INTERIM RESULTS

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30 June 2015

#### 4. OPERATING SEGMENT INFORMATION (continued)

##### Geographical information

- (a) Revenue from external customers

	For the twelve months ended 30 June	
	2015 (unaudited) RMB'000	2014 (unaudited) RMB'000 (Restated)
Mainland China*	<b>1,021,697</b>	1,323,117
Other countries/areas	<b>1,382,619</b>	1,174,596
	<b>2,404,316</b>	2,497,713

The revenue information above is based on the locations of the customers.

\* Mainland China means any part of the PRC excluding Hong Kong, Macau and Taiwan.

- (b) Non-current assets

All significant operating assets of the Group are located in Mainland China. Accordingly, no geographical information of segment assets is presented.

##### Information about major customers

Revenue of approximately RMB1,300,444,000 for the twelve months ended 30 June 2015 (twelve months ended 31 June 2014: RMB1,178,254,000) was derived from sales to fellow subsidiaries.

## INTERIM RESULTS

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30 June 2015

#### 5. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold and services rendered during the period, net of value-added tax, and after allowances for returns and trade discounts. All significant intra-group transactions have been eliminated on consolidation.

An analysis of revenue, other income and gains is as follows:

	For the twelve months ended 30 June	
	2015 (unaudited) RMB'000	2014 (unaudited) RMB'000 (Restated)
<b>Revenue</b>		
Sale of goods	<b>2,404,316</b>	2,497,713
<b>Other income and gains</b>		
Bank interest income	<b>1,445</b>	2,025
Government grants:		
– Related to assets*	<b>1,595</b>	1,367
– Related to income**	<b>972</b>	356
Exchange gains, net	<b>2,888</b>	762
Gain on disposal of raw material, samples and scrap	<b>6,965</b>	2,478
Gain on a litigation compensation	<b>26,424</b>	–
Others	<b>111</b>	86
	<b>40,400</b>	7,074

\* The amount represents the subsidies for the TFT-LCD program received from the local government. Government grants received for related assets which have not yet been fully depreciated are included in deferred income in the condensed consolidated statement of financial position. There are no unfulfilled conditions or contingencies relating to these grants.

\*\* The amount mainly represents rewards or subsidies from small and medium enterprise development funds received from the local government. There are no unfulfilled conditions or contingencies relating to these grants.



## INTERIM RESULTS

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30 June 2015

## 6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	For the twelve months ended 30 June	
		2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000 (Restated)
Cost of inventories sold		<b>1,990,298</b>	2,124,608
Depreciation		<b>28,414</b>	29,723
Amortisation of intangible assets		<b>54</b>	62
Auditors' remuneration		<b>1,452</b>	286
Research and development costs			
– current period expenditures		<b>19,842</b>	17,478
Minimum lease payments under operating leases			
– land and buildings		<b>6,387</b>	6,131
Employee benefit expense (including directors' and chief executive's remuneration):			
Wages and salaries		<b>133,436</b>	107,863
Pension scheme contributions		<b>30,170</b>	19,552
		<b>163,606</b>	127,415
Write-down of inventories to net realisable value**		<b>18,555</b>	384
Exchange gains, net *	5	<b>(2,888)</b>	(762)
Gain on a litigation compensation*	5	<b>(26,424)</b>	–
Listing expense	18	<b>140,844</b>	–

\* Included in "Other income and gains" in the condensed consolidated statement of profit or loss.

\*\* Write-down of inventories to net realisable value is included in "Cost of sales" in the condensed consolidated statement of profit or loss.

## INTERIM RESULTS

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30 June 2015

#### 7. FINANCE COSTS

	For the twelve months ended 30 June	
	2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000 (Restated)
Interest on bank loans and bonds	<b>2,327</b>	4,265
Other finance costs:		
Interest on discount for bills receivable	<b>2,755</b>	9,748
	<b>5,082</b>	14,013

#### 8. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the current period (twelve months ended 30 June 2014: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	For the twelve months ended 30 June	
	2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000 (Restated)
Current – Mainland China		
Charge for the period	<b>29,585</b>	35,098
Deferred	<b>(10,716)</b>	(1,899)
Total tax charge for the period	<b>18,869</b>	33,199

TCL Display was recognised as high-tech enterprises by the PRC tax authority in 2014 with an effective period of three years and was entitled to a 15% corporate income tax rate for the year ended 31 December 2014.

## INTERIM RESULTS

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30 June 2015

#### 9. DIVIDENDS

The Board does not recommend the payment of any dividend by the Company for the twelve months ended 30 June 2015.

During the twelve months ended 30 June 2015, dividends with an aggregate amount of RMB118,163,000 (twelve months ended 30 June 2014: RMB62,239,000) were distributed by TCL Display to its then shareholders before completion of the acquisition of the entire equity interest of TCL Display by the Company.

	For the twelve months ended 30 June	
	2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000 (Restated)
Dividends recognised as distribution	<b>118,163</b>	62,239

#### 10. (LOSS)/EARNINGS PER SHARE

	For the twelve months ended 30 June	
	2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000 (Restated)
(Loss)/earnings (Loss)/profit for the period attributable to ordinary equity holders of the parent, used in the basic and diluted (loss)/earnings per share calculations	<b>(4,039)</b>	89,717

## INTERIM RESULTS

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30 June 2015

#### 10. (LOSS)/EARNING PER SHARE (continued)

	Number of shares For the twelve months ended 30 June	
	2015 (Unaudited)	2014 (Unaudited) (Restated)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted (loss)/earnings per share calculations	<b>594,873,774</b>	587,142,857

The weighted average number of shares used for the purpose of calculating basic earnings per share for the twelve months ended 30 June 2014 is determined by reference to the pre-combination capital of TCL Display multiplied by the exchange ratio established in the Reverse Takeover Transaction.

The weighted average number of shares used for the purpose of calculating basic loss per share for the twelve months ended 30 June 2015 is determined by reference to the pre-combination capital of the TCL Display multiplied by the exchange ratio established in the Reverse Takeover Transaction and the weighted average total actual shares of the Company in issue after the completion of the Reverse Takeover Transaction.

No adjustment has been made to the basic loss per share amounts presented for the twelve months ended 30 June 2015 in respect of a dilution as the impact of the convertible bonds outstanding had an anti-dilutive effect on the basic loss per share amounts presented. No diluted earnings per share for the twelve months ended June 2014 is presented because TCL Display had no potentially dilutive ordinary shares in issue during that period.

#### 11. INVENTORIES

	30 June 2015 (Unaudited) RMB'000	30 June 2014 (Unaudited) RMB'000 (Restated)
Raw materials	<b>83,053</b>	110,940
Work in progress	<b>19,977</b>	27,040
Finished goods	<b>32,729</b>	58,526
	<b>135,759</b>	196,506

## INTERIM RESULTS

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30 June 2015

## 12. TRADE AND BILLS RECEIVABLES

	30 June 2015 (Unaudited) RMB'000	30 June 2014 (Unaudited) RMB'000 (Restated)
Trade receivables	<b>206,333</b>	197,289
Bills receivable	<b>111,202</b>	169,364
	<b>317,535</b>	366,653

The Group's trading terms with its customers are mainly on credit, except for certain customers, where payment in advance is required. The credit period generally ranged from 30 to 120 days, depending on the size and credibility of the customers.

The Group's trade receivables, other than the amounts due from related parties in trading nature as disclosed in note 21, relate to a large number of diversified customers, and there is no significant concentration of credit risk.

An aged analysis of the trade receivables as at the end of each reporting period, based on the invoice date, is as follows:

	30 June 2015 (Unaudited) RMB'000	30 June 2014 (Unaudited) RMB'000 (Restated)
Within 30 days	<b>70,195</b>	114,276
31 to 60 days	<b>58,625</b>	64,691
61 to 90 days	<b>36,204</b>	18,322
Over 90 days	<b>41,309</b>	–
	<b>206,333</b>	197,289

An aged analysis of the trade and bills receivables, based on the credit term, that are not individually nor collectively considered to be impaired, is as follows:

	Neither past due nor impaired RMB'000	Less than 1 month past due but not impaired RMB'000	Total RMB'000
30 June 2015	295,993	21,542	317,535
30 June 2014 (restated)	360,224	6,429	366,653

The trade and bills receivables that were neither past due nor impaired relate to a number of diversified customers for whom there was no recent history of default.

The trade and bills receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the Directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.



## INTERIM RESULTS

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30 June 2015

#### 13. CASH AND CASH EQUIVALENTS

	30 June 2015 (Unaudited) RMB'000	30 June 2014 (Unaudited) RMB'000 (Restated)
Cash and bank balances denominated in		
– Renminbi (“RMB”)	<b>46,626</b>	43,127
– Hong Kong dollars (“HK\$”)	<b>28,154</b>	–
– United States dollars (“US\$”)	<b>101,688</b>	87,318
Cash and cash equivalents	<b>176,468</b>	130,445

The RMB is not freely convertible into other currencies. However, under Mainland China’s Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

Included in cash and bank balances were deposits of RMB52,749,387 (30 June 2014: RMB130,071,758) placed with TCL Finance Co., Ltd., a fellow subsidiary of the Company and a financial institution approved by the People’s Bank of China as at 30 June 2015. The interest rates for these deposits ranged from 0.35% to 1.35% (twelve months ended 30 June 2014: 0.35% to 1.35%) per annum, being the savings rates offered by the People’s Bank of China, during the twelve months ended 30 June 2015.

## INTERIM RESULTS

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30 June 2015

#### 14. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	<b>30 June 2015</b> <b>(Unaudited)</b> <i>RMB'000</i>	30 June 2014 (Unaudited) <i>RMB'000</i> (Restated)
Trade payables	<b>435,692</b>	396,510
Bills payable	<b>120,855</b>	116,686
	<b>556,547</b>	513,196

  

	<b>30 June 2015</b> <b>(Unaudited)</b> <i>RMB'000</i>	30 June 2014 (Unaudited) <i>RMB'000</i> (Restated)
Within 30 days	<b>203,329</b>	241,540
31 to 60 days	<b>129,980</b>	131,020
61 to 90 days	<b>173,199</b>	62,333
Over 90 days	<b>50,039</b>	78,303
	<b>556,547</b>	513,196

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 120 days. The carrying amounts of the trade payables approximate to their fair values.

## INTERIM RESULTS

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30 June 2015

#### 15. INTEREST-BEARING BANK BORROWINGS

	As at 30 June 2015			As at 30 June 2014 (restated)		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
<b>Current</b>						
Interest-bearing bank loans – secured*	<b>0.38-0.77</b>	<b>2015.07</b>	<b>179,800</b>	0.34-0.73	2014.08	56,630

\* Secured by a letter of credit and an exporting invoice with amounts of RMB14,733,000 (30 June 2014: RMB7,367,000) and RMB206,334,000 (30 June 2014: RMB61,190,000), respectively.

	30 June 2015 (Unaudited) RMB'000	30 June 2014 (Unaudited) RMB'000 (Restated)
Repayable:		
Within one year and denominated in US\$	<b>179,800</b>	56,630

The Group has the following undrawn banking facilities:

	30 June 2015 (Unaudited) RMB'000	30 June 2014 (Unaudited) RMB'000 (Restated)
At floating rate	<b>910,000</b>	873,714

## INTERIM RESULTS

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30 June 2015

## 16. SHARE CAPITAL

	Notes	Number of shares of HK\$0.10 each	Amount HK\$'000	RMB'000
Ordinary shares of HK\$0.10 each				
Authorised:				
At 1 July 2013, 30 June 2014 and 1 July 2014		2,000,000,000	200,000	
Increase in authorised share	(i)	2,000,000,000	200,000	
At 30 June 2015		4,000,000,000	400,000	
Issued and fully paid:				
At 1 July 2013, 30 June 2014 and 1 July 2014		772,008,992	77,200	60,880
Capital Restructuring	(ii)	(694,808,093)	(69,481)	(54,793)
Issuance and allotment of Consideration Shares	(ii)	972,857,143	97,286	76,720
Issuance upon Open Offer	(ii)	101,441,768	10,144	8,000
At 30 June 2015		1,151,499,810	115,149	90,807

(i) Pursuant to a special resolution passed on 11 March 2015, the authorised share capital of the Company was increased from HK\$200,000,000 to HK\$400,000,000 by the creation of 2,000,000,000 additional shares of HK\$0.10 each.

(ii) Details are set out in note 2.

## 17. RESERVE

**Capital reserve**

Capital reserve arose from the Reverse Takeover Transaction and the adjustment of TCL Display's legal capital to reflect the Company's legal capital.

**Statutory surplus reserve**

In accordance with the PRC Company Law, TCL Display is required to allocate 10% of its profit after tax to the statutory surplus reserve (the "SSR") until such reserve reaches 50% of its registered capital. Subject to certain restrictions set out in the PRC Company Law, part of the SSR may be converted to increase paid-up capital of TCL Display, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital. The SSR of TCL Display amounted to RMB36,435,000 as at 30 June 2015 (30 June 2014: RMB17,403,000).

## INTERIM RESULTS

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30 June 2015

#### 18. ACQUISITION OF A SUBSIDIARY

As mentioned in note 2, on the Combination Date, the Reverse Takeover Transactions completed under which the Company acquired the entire interest of TCL Display and TCL Display is treated as the acquirer, for accounting purpose. Accordingly, these condensed consolidated financial statements have been prepared as a continuation of the consolidated financial statements of TCL Display, and the results of the Company have been consolidated since the completion date of the Reverse Takeover Transaction i.e. the Combination Date. TCL Display is deemed to have issued shares in exchange for the net liabilities and listing status of the Company which resulted in the listing expense of approximately RMB140,844,000.

Details of the identifiable assets and liabilities of the Company and listing expense arising from the Reverse Takeover Transaction as at the Combination Date were as follows:

	<i>RMB'000</i>
Cash and cash balances	<b>27,999</b>
Other payables and accruals	<b>(43,393)</b>
Bonds payable	<b>(47,430)</b>
Total identifiable net liabilities at fair value	<b>(62,824)</b>
Listing expense	<b>140,844</b>
Fair value of the deemed shares issued by TCL Display	<b>78,020</b>

An analysis of the cash flows in respect of the Reverse Takeover Transaction is as follows:

	<i>RMB'000</i>
Cash consideration	-
Cash and bank balances acquired	<b>27,999</b>
Net inflow of cash and cash equivalents included in cash flows from investing activities	<b>27,999</b>



## INTERIM RESULTS

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30 June 2015

#### 19. OPERATING LEASE ARRANGEMENTS

##### As lessee

The Group leases certain of its office properties and dormitories under operating lease arrangements. Leases for these properties are negotiated for terms ranging from one to two years.

At 30 June 2015, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	<b>30 June 2015</b> <b>(Unaudited)</b> <i>RMB'000</i>	30 June 2014 (Unaudited) <i>RMB'000</i> (Restated)
Within one year	<b>3,441</b>	9,899

#### 20. COMMITMENTS

In addition to the operating lease commitments detailed in note 19 above, the Group had the following capital commitments as at 30 June 2015:

	<b>30 June 2015</b> <b>(Unaudited)</b> <i>RMB'000</i>	30 June 2014 (Unaudited) <i>RMB'000</i> (Restated)
Contracted, but not provided for: Plant and machinery	<b>4,720</b>	47,850

## INTERIM RESULTS

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30 June 2015

#### 21. RELATED PARTY TRANSACTIONS AND BALANCES

In addition to the transactions detailed elsewhere in the financial statements, the Group had the following transactions with related parties during the period under review:

##### (1) Recurring transactions

	Notes	For the twelve months ended 30 June	
		2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000
Sales of products to:			
Huizhou TCL Mobile Communication Co., Ltd.	(i)	<b>27,781</b>	54,197
Tairui (Hongkong) Co., Ltd.	(i)	–	14,506
TCL Mobile Communication (HK) Co., Ltd.	(i)	<b>1,286,350</b>	1,120,984
Wuhan China Star Optoelectronics Technology Co., Ltd.	(i)	<b>274</b>	–
		<b>1,314,405</b>	1,189,687
Purchases of products from:			
TCL Corporation (IMPEX)	(ii)	<b>489,435</b>	988,797
TCL Corporation	(ii)	–	2
TCL-Harvatek Technology (HuiZhou) Co., Ltd.	(i)	–	2,523
Huizhou Huarui Light Technology Co.Ltd.	(i)	<b>58</b>	595
Tairui (Hongkong) Co., Ltd.	(i)	–	1,577
Huizhou Shenghua Industry Co., Ltd. ("Shenghua Industry")	(i)	<b>3</b>	196
		<b>489,496</b>	993,690
Interest received from:			
TCL Corporation	(ii)	–	48
TCL Finance Co., Ltd.	(i)	<b>1,476</b>	725
		<b>1,476</b>	773
Notes discount interest paid to:			
TCL Finance Co., Ltd.	(i)	<b>2,927</b>	5,964

## INTERIM RESULTS

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30 June 2015

## 21. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

## (1) Recurring transactions (continued)

	Note	For the twelve months ended 30 June	
		2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000 (Restated)
Loan interest paid to:			
TCL Finance Co., Ltd.	(i)	-	1,180
TCL Corporation	(ii)	-	485
			1,665
Rental paid to:			
Huizhou TCL Mobile Communication Co., Ltd.	(i)	6,883	2,839

(i) They are fellow subsidiaries of the Company.

(ii) It is the ultimate holding company of the Company.

## (2) Non-recurring transactions

	Note	For the twelve months ended 30 June	
		2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000 (Restated)
Purchase of property, plant and equipment from:			
TCL Light Electrical Appliances (Huizhou) Co., Ltd.	(i)	79	-
TCL Air Conditioner (Wuhan) Co., Ltd.	(i)	332	388
		411	388

(i) This company is the fellow subsidiary of the Company.

## INTERIM RESULTS

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30 June 2015

#### 21. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

##### (3) Outstanding balances with related parties

	30 June 2015 (Unaudited) RMB'000	30 June 2014 (Unaudited) RMB'000 (Restated)
Due from related parties:		
<i>Trading</i>		
Huizhou TCL Mobile Communication Co., Ltd.	10,314	29,630
TCL Mobile Communication (HK) Co., Ltd.	203,955	175,302
Wuhan China Star Optoelectronics Technology Co., Ltd.	17	–
	<b>214,286</b>	204,932
<i>Non-trading</i>		
TCL Air Conditioner (Wuhan) Co., Ltd.	–	388
	<b>214,286</b>	205,320
Due to related parties:		
<i>Trading</i>		
TCL Mobile Communication (HK) Co., Ltd.	–	7,539
TCL Corporation (IMPEX)	73,249	199,969
	<b>73,249</b>	207,508
<i>Non-trading</i>		
TCL Corporation (IMPEX)	141	59,436
Huizhou TCL Mobile Communication Co., Ltd.	1,076	–
TCL Light Electrical Appliances (Huizhou) Co., Ltd.	34	–
TCL Industrial Holdings (HK) Co., Ltd.	236	–
	<b>1,487</b>	59,436
	<b>74,736</b>	266,944

The outstanding balances with related parties are unsecured, interest-free and repayable based on contract terms.

##### (4) Compensation of key management personnel of the Group, including the Company's Directors' and the chief executive's remuneration

	Twelve months ended 30 June 2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000 (Restated)
Salaries, allowances and benefits in kind	1,307	1,076
Pension scheme contributions	162	174
	<b>1,469</b>	1,250

## INTERIM RESULTS

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30 June 2015

#### 22. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the period under review is as follows:

	30 June 2015 (Unaudited) RMB'000	30 June 2014 (Unaudited) RMB'000 (Restated)
<b>NON-CURRENT ASSETS</b>		
Investments in subsidiaries	<b>154,875</b>	–
Total non-current assets	<b>154,875</b>	–
<b>CURRENT ASSETS</b>		
Other receivables	–	3
Cash and cash equivalents	<b>27,999</b>	–
Total current assets	<b>27,999</b>	3
<b>CURRENT LIABILITIES</b>		
Other payables and accruals	<b>43,348</b>	401,719
Financial guarantee liabilities	–	2,215,966
Total current liabilities	<b>43,348</b>	2,617,685
<b>NET CURRENT LIABILITIES</b>	<b>(15,349)</b>	(2,617,682)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>139,526</b>	(2,617,682)
<b>NON-CURRENT LIABILITIES</b>		
Bonds payable	<b>55,202</b>	–
Total non-current liabilities	<b>55,202</b>	–
<b>Net assets</b>	<b>84,324</b>	(2,617,682)
<b>EQUITY</b>		
Share capital	<b>90,807</b>	60,880
Convertible bonds reserve (note)	<b>157,326</b>	–
Reserves (note)	<b>(163,809)</b>	(2,678,562)
	<b>84,324</b>	(2,617,682)



## INTERIM RESULTS

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30 June 2015

#### 22. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

	Convertible bond reserve RMB'000	Share premium RMB'000	Contributed surplus RMB'000	Retained profits RMB'000	Total RMB'000
At 1 July 2013 (restated)	–	249,743	128,048	(3,038,997)	(2,661,206)
Loss and total comprehensive loss for the period	–	–	–	(17,356)	(17,356)
At 30 June 2014 (restated)	–	249,743	128,048	(3,056,353)	(2,678,562)
At 1 July 2014 (restated)	–	249,743	128,048	(3,056,353)	(2,678,562)
Profit and total comprehensive income for the period	–	–	–	2,248,162**	2,248,162
Issuance and allotment of Consideration Shares*	–	191,799	–	–	191,799
Issuance of CB*	157,326	–	–	–	157,326
Open offer*	–	19,999	–	–	19,999
Capital Restructuring*	–	(461,541)	(128,048)	644,382	54,793
At 30 June 2015	157,326	–	–	(163,809)	(6,483)

\* Details are set out in note 2 to the condensed consolidated financial statements.

\*\* The profit and total comprehensive income for the period was mainly attributable to the gain on Debt Restructuring.

#### 23. LITIGATIONS

Upon the Schemes becoming effective on 16 April 2015 (the "Effective Date"), the Group only comprised the Company and all claims against the Group became subject to a formal adjudication process, dealt with and compromised under the provisions thereof, whilst all rights, causes of action or claims of the Company against any person in respect of transactions or events incurred up to the Effective Date were transferred to Top Distinction Limited (the "SchemeCo"), a special purpose vehicle established to and controlled by the Hong Kong Scheme administrators to hold assets transferred pursuant to the terms of the Hong Kong Scheme. Accordingly, all litigations which were being undertaken against and for the Group as at the Effective Date have been transferred to the SchemeCo.

Pursuant to the terms of the Hong Kong Scheme, the Company as assignor and the SchemeCo as assignee entered into a deed of assignment of claims ("Deed of Assignment") on 24 June 2015, under which (among other things) the SchemeCo undertook that it would make an application to the court to substitute itself as the plaintiff in *The Company (Plaintiff) vs Ms. HUI Siu-ling, Elina (1st Defendant) and Ms. WANG Pik-lan (2nd Defendant) – High Court Action 1564 of 2011*. The Company is taking steps for such an application to have the SchemeCo substituting itself as the plaintiff in the aforesaid proceeding.

#### 24. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board on 11 August 2015.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

#### Industry Review

In the past few years, amidst the backdrop of a weak macro-economy environment, the pace of global economic recovery was slow. In the second half of 2014, in general, competition within the panel display and touch-screen market was gradually intensified. According to a recently published Statistical Report of the Global Mobile Phone Market in the second quarter of 2015 by the market research firm IDC, in the first half of this year, total global mobile phone shipments was about 470 million units, representing a decrease of 0.4% as compared to the corresponding period in previous year. The report further stated that in many key markets, low-priced mobile phones have become an important factor in promoting the growth of shipments; emerging markets are also the main growth driver of the smart phone.

With more frequent mergers and acquisitions among mainstream manufacturers, the mobile phone market is highly concentrated, which leads to more intensified industry competition; panel display and touch-screen industry has entered into a phase of in-depth integration and upgrading. After the exponential growth of domestic smart phone market in the past few years, the increased popularity of smart phones, together with the adjustments on handset subsidies policies by leading domestic operators in the industry, the market demand for domestic smart phones slowed down. Meanwhile, domestic internet companies, in the course of trying to capture internet ports, have directly or indirectly entered the domestic smart phone market. With growing numbers of new brand entrants, competition in the market will be more intensive, this may lead to a "high quality-low price" situation which the domestic smart phone market will inevitably have to face. On the other hand, the touch-screen and display module market has experienced an escalation in product performance in the past few years, but the market growth together with the improvement of product performance also begin to show signs of slowing down in 2015.

#### Business Review

The Group is one of the major providers of small-to-medium-sized display module ( $\leq 10.1"$ ) in the PRC, engaged primarily in the research and development, manufacturing, sales and distribution of LCD modules mainly for mobile phones. For the twelve months ended 30 June 2015 (the "Review Period"), the Group recorded a net loss of approximately RMB4.04 million, as compared to the net profit of approximately RMB89.7 million for the twelve months ended 30 June 2014 (the "Comparative Period"). The net loss for the Review Period was primarily due to the one-off listing expense, resulted from the reverse takeover undertaken by the Company which was regarded as a deemed new listing (details of which are set out in note 18). Excluding the one-off listing expense, the adjusted profit recorded by the Group during the Review Period was approximately RMB137 million, representing an increase of approximately 52.5% as compared to the Comparative Period.

During the Review Period, the unaudited consolidated revenue amounted to approximately RMB2.40 billion, representing a decrease of approximately 3.7% as compared to the Comparative Period. The decrease in revenue was primarily due to decrease in selling price. For the twelve months ended 30 June 2015, the recorded gross profit was approximately RMB214 million, down by 8.8% as compared with the Comparative Period. For the twelve months ended 30 June 2015, the gross profit margin was approximately 8.9%, representing a decrease of 0.5 percentage point as compared to the approximately 9.4% for the twelve months ended 30 June 2014. Net loss amounted to approximately RMB4.04 million, as compared to a net profit of RMB89.7 million of the Comparative Period.

During the Review Period, LCD modules for mobile phones remained the source of major revenue, representing 91.1% of the total revenue of the Group. As the growth of domestic demand for the smart phone market was slowing down, the income of the Group's LCD modules for feature phones with size smaller than 3.5" and LCD modules for smart phones with size from 3.5" to less than 6" during the Review Period amounted to approximately RMB258 million and approximately RMB1,930 million, decreased by approximately 27.8% and 7.9% respectively on year-on-year basis. On the other hand, benefited from the growth of a customer's demand for the display module applied for larger-sized intelligent devices, the revenue of the Group's other mobile devices LCD products (size  $\geq 6$  inches) surged approximately 424% to approximately RMB214 million on year-on-year basis, with its revenue proportion also showed gradual improvement which accounted for the Group's total revenue of approximately 8.9%.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Group's revenue by product segments and their respective year-on-year change during the Review Period are as follows:

	For the twelve months ended 30 June				Year-on-Year Change %
	2014 (Unaudited)		2015 (Unaudited)		
	RMB'000	%	RMB'000	%	
<b>TFT LCD module</b>					
– (size < 3.5") for feature phone	357,927	14.3	<b>258,266</b>	<b>10.7</b>	<b>-27.8</b>
– (size 3.5" – < 6") for smart phone	2,099,035	84.1	<b>1,932,463</b>	<b>80.4</b>	<b>-7.9</b>
– (size ≥ 6") for other mobile devices	40,751	1.6	<b>213,587</b>	<b>8.9</b>	<b>424.1</b>
<b>Total</b>	<b>2,497,713</b>	<b>100.0</b>	<b>2,404,316</b>	<b>100.0</b>	<b>-3.7</b>

The Group is engaged primarily in the research and development (R&D) of and supply of LCD modules for various reputable international and domestic mobile phone manufacturers on an ODM basis. During the Review Period, Hong Kong and the PRC were the major markets of the Group. The revenue derived from Hong Kong and the PRC were approximately RMB1,320 million and approximately RMB1,020 million respectively, which accounted for an aggregate of approximately 97.5% of the total revenue of the Group. Moreover, the Group successfully won a new customer who is a globally renowned Korean supplier of consumer electronics, bringing significant growth in the revenue of the Group from its South Korean market during the Review Period, which amounted to approximately RMB59.1 million, representing a significant increase of approximately 308.8%.

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The Group's revenue by geographical regions and the respective year-on-year change during the Review Period are as follows:

	For the twelve months ended 30 June				Year-on-Year Change %
	2014 (Unaudited)		2015 (Unaudited)		
	RMB'000	%	RMB'000	%	
PRC	1,323,117	53.0	<b>1,021,697</b>	<b>42.5</b>	<b>-22.8</b>
Hong Kong	1,159,453	46.4	<b>1,323,609</b>	<b>55.0</b>	<b>14.2</b>
Korea	14,434	0.6	<b>59,010</b>	<b>2.5</b>	<b>308.8</b>
Taiwan	709	0.0	<b>0</b>	<b>0.0</b>	<b>-100.0</b>
<b>Total</b>	<b>2,497,713</b>	<b>100.0</b>	<b>2,404,316</b>	<b>100.0</b>	<b>-3.7</b>

During the Review Period, the Group continued to implement R&D projects, mainly comprising of development of products with ultra-thin and ultra-narrow edges, improvement of OTP capability, control on power consumption of products, design optimization for production automation and other projects. In addition to being able to improve the R&D and production capacity of the Group's large-sized ultra-thin full lamination products, the aforesaid projects also created favorable conditions for further upgrading of the Group's subsequent products. The Group also strives to make adjustment to its product mix, in order to enhance their core competitiveness. During the Review Period, the Group further implemented meticulous measures on its management, continued to improve on its manufacturing technique and upgrade the quality of its products. Through optimisation of the Group's market and product mix, the Group is able to provide more competitive product solutions to serve its end customers, thus enhancing customer loyalty and facilitating the increase of its market share.

The Group's plant in Huizhou City, Guangdong province covers a total GFA of over 44,000 sq.m, and is equipped with 24 LCD modules production lines (including 9 full lamination assembling lines), as well as advanced production technologies and facilities, which enable the Group to effectively increase its manufacturing capacity, enhance its product quality and reduce its production costs.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Change of Company Name

Following resumption of trading in the shares of the Company on 25 June 2015 (“Resumption”), all conditions to the change of Company name have been fulfilled, and hence the change of the Company’s English name from “Proview International Holdings Limited” to “TCL Display Technology Holdings Limited” and the adoption of the Chinese name “TCL顯示科技控股有限公司” as the second name of the Company to replace the Chinese name of “唯冠國際控股有限公司” which has been used for identification purposes only became effective on 25 June 2015.

The Board believes that the change of Company name provides a new corporate image for the Company, to better reflect the business strategy and the focus of future development of the Group and facilitate future business development of the Group.

### Outlook

In 2015, the slow pace of global economic recovery, the downward pressure brought about by domestic economic transformation led to uncertainties in the mobile intelligent terminal products market, and competition within the industry remains fierce. Demand in the mobile intelligent terminal market is slowing down from last year. According to the forecast of Display Search, a professional market research firm, shipments of global mobile phone in 2015 is expected to be approximately 1.94 billion units, representing a slight increase of approximately 3.5% as compared to 2014, of which 1.29 billion units are smart phones. Gartner Inc., an information technology research and advisory firm, also predicted that global tablet PC shipments in 2015 will be approximately 210 million units, representing a decrease of approximately 5.3% as compared to 2014 on year-on-year basis.

Facing industry consolidation, the major domestic end products manufacturers will gradually focus on medium-to-high-end products, thus affecting the structure of overall shipments; the market demand will also switch from the low-to-medium-end phones to high-end smart phones. As to product technology, the market share of the touch-screen products such as external touch-screen technology (GG/OGS) shows signs of rapid decline, and membrane-type external touch-screen technology (GF/GFF) maintains a relatively large market share, but price competition will further increase; the embedded touch-screen technology (In-cell and On-cell) led by LCD panel plant will gradually erode the market share of GG/OGS. It is expected that in the next two years, In-cell and On-cell will dominant the touch-screen display module market. At the same time, due to increased competition in the market, it is anticipated that in future, the domestic flat-panel displays and touch-screen module market will gradually phase out the small-to-medium sized enterprises which fails to excel advance technology, significant upstream and downstream resources or financial strength, and as a result will aggravate the situation of market concentration.

The Group is committed to broaden its customer base. Following last year’s successful business relationship development with a number of domestic and foreign well-known brand customers and original design manufacturer customers, the Group will strive to achieve optimisation of the structure of the products sold to high-end customers in 2015, in order to further expand the sales scale. At the same time, the Group will strengthen business cooperation with its end customers. During the year, the Group has formulated a plan to develop business relationship with two well-known mobile phone manufacturer customers, and is in the process of factory inspection/approval and project start-up stage. It is expected to go into mass production in the second half of this year or early 2016. Moreover, the Group will continue to promote automation in product manufacturing and gradually push forward production line automation upgrading, which will not only improve uniformity and reliability of products, but will also help to cope with the gradual increase in labour cost in future.

In order to maintain product competitiveness, the Group will actively upgrade its product and technology development capacity. Following the On-cell module products which have been successfully put into mass production in the first quarter of 2015 and have obtained recognition from core clients, the Group will also actively develop the technique and craftsmanship for In-cell module products, and it is estimated that mass production of these module products will occur in the second half of 2015. On the other hand, the Group, with the co-operation from its core clients in the areas of R&D, is increasing its investment in the display module of smart phone devices. The Group is expecting to put these smart phone display module products into mass production in the second half of 2015, which will bring new sales opportunity for the Group.

Looking ahead, the Group will strive to develop new customers, and actively manufacture more products with higher profit margin to improve profitability and to achieve a stable growth of sales. Following Resumption and the change of Company name, the Group will make full use of the resource advantages and powerful brand influence of TCL Corporation to transform the Group into one of the global leading display module manufacturers, and strive for maximum value for its shareholders.



## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

#### Results

For the twelve months ended 30 June 2015, the unaudited consolidated revenue of the Group amounted to approximately RMB2.40 billion (for the twelve months ended 30 June 2014: RMB2.50 billion), representing an decrease of 3.7% over the same period of last year.

The gross profit margin of the Group decreased from 9.4 % to 8.9%.

For the twelve months ended 30 June 2015, the loss attributable to the owners of the parent was approximately RMB4.04 million (for the twelve months ended 30 June 2014: profit attributable to the owners of the parent of RMB89.7 million). The basic loss per share was RMB0.68 cents (for the twelve months ended 30 June 2014: basic earnings per share of RMB15.28 cents). The net loss for the Review Period was primarily due to the one-off listing expense of approximately RMB140,844,000, details of which are set out in note 18.

### LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained robust liquidity position during the Review Period. The Group's principal financial instruments comprise cash and cash equivalents and interest-bearing bank loans. The Group's cash and cash equivalents balances as at 30 June 2015 amounted to approximately RMB176 million, of which 26.4% was in RMB, 57.6% was in US dollar and 16.0% was in HK dollar. As at 30 June 2015, the Group's interest-bearing bank loans was approximately RMB180 million. As at 30 June 2015, the total equity attributable to the owners of the parent was approximately RMB79.4 million (30 June 2014: RMB131 million), and the gearing ratio was 15.4% (30 June 2014: 5.0%). The gearing ratio is calculated based on the Group's total interest-bearing loans (including bank borrowings and bonds payable) divided by total assets.

#### Capital commitments and contingent liabilities

	30 June	
	2015	2014
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Plant and equipment: Contracted, but not provided	<b>4,720</b>	<b>47,850</b>

As at 30 June 2015, the Group had no significant contingent liabilities (30 June 2014: nil).

#### Foreign exchange risk

The Group's business and operations is facing the international market, thus it is inevitable for the Group to be exposed to the risk of foreign exchange transactions and conversion.

The Group was committed to balance the trading in foreign currencies and the assets and liabilities denominated in foreign currencies to achieve a natural hedging effect. In addition, to achieve a prudent financial management, the Group has not conducted or engaged in any high-risk derivative transactions or leveraged foreign exchange contracts.

#### Employees and remuneration policies

As at 30 June 2015, the Group had retained a total of 2,925 employees. During the Review Period, the total staff costs amounted to approximately RMB164 million. The Group has reviewed the remuneration policy by reference to the existing legislation, market conditions, as well as the performances of the employee and the Company.



## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2015, the interests and/or short position of the Directors and chief executives of the Company in shares in the Company ("Shares"), underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap 571, Laws of Hong Kong) ("SFO")) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO; or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules were as follows:

#### Interests in the Company – Long Positions

Name of Director	Number of ordinary Shares held		Number of underlying shares under equity derivatives	Total	Approximate % of issued share capital of the Company
	Corporate interests	Personal interests	Corporate interests		
LI Yuguo	39,397,223 (Notes 1 and 2)	–	13,744,957 (Notes 1 and 3)	53,142,180	4.62% (Note 4)

#### Notes:

- By virtue of Mr. Li's interest in Taibang Investment Limited ("Taibang"), a company directly owned as to approximately 57.39% by Mr. Li, Mr. Li is deemed to be interested in Shares held by Taibang under the SFO.
- As of 30 June 2015, Taibang was the legal and beneficial owner of 39,397,223 Shares.
- These are underlying Shares comprised in the convertible bonds issued by the Company to Taibang on 17 April 2015.
- Such percentage was calculated based on the total number of Shares in which Mr. Li was interested as disclosed on the website of the Stock Exchange against the issued share capital of the Company as at 30 June 2015, being 1,151,449,810 Shares.

Save as disclosed above, as at 30 June 2015, none of the Directors nor the chief executives of the Company had registered an interest and/or short position in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) were required to be recorded pursuant to Section 352 of the SFO; or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDER'S AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2015, the interests and short positions of the person (other than a Director or chief executive of the Company) in the shares or underlying shares of the Company as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

#### Long position in shares of the Company

Name of Shareholder	Nature of Interest	Number of Shares held	Approximate percentage of issued share capital of the Company (Note 3)
TCL Corporation	Interest of controlled corporation	758,168,772 (Note 1)	65.84%
Mr. LAU Tom Ko Yuen	Interest of controlled corporation	288,818,029 (Note 2)	25.08%
Taigang Investment Limited	Beneficial owner	61,449,395	5.34%
Litai Investment Limited	Beneficial owner	59,620,010	5.18%

Notes:

- For the purpose of the SFO, TCL Corporation is deemed to be interested in 758,168,772 Shares, of which (i) 11,156,272 Shares are directly held by T.C.L. Industries Holdings (H.K.) Limited, its wholly owned subsidiary and (ii) 747,012,500 Shares (which include 470,000,000 underlying Shares comprised in the convertible bonds issued by the Company to TCL Intelligent Display Holdings Limited on 17 April 2015) are indirectly held through TCL Intelligent Display Holdings Limited, a wholly owned subsidiary of T.C.L. Industries Holdings (H.K.) Limited which in turn is wholly owned by TCL Corporation.
- For the purpose of the SFO, Mr. LAU Tom Ko Yuen is deemed to be interested in 288,818,029 Shares which are directly held by Rally Praise Limited which is a wholly owned subsidiary of Empire City International Limited which is in turn wholly owned by Mr. LAU Tom Ko Yuen.
- Such percentage was calculated based on the total number of Shares in which each of the substantial shareholders was interested as disclosed on the website of the Stock Exchange against the issued share capital of the Company as at 30 June 2015, being 1,151,449,810 Shares.

Save as disclosed above, as at 30 June 2015, the Directors were not aware of any other persons who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions in Division 2 and 3 of Part XV of the SFO.

## OTHER INFORMATION

### SHARE OPTION SCHEME

By way of a resolution of the shareholders of the Company passed on the further special general meeting of the Company on 11 March 2015, the Company adopted a share option scheme ("Share Option Scheme") with effect from the Resumption, the purpose of which is to recognise and motivate the contribution of the eligible participants and to provide incentives and help the Group in retaining its existing employees and recruiting additional employees and to provide them with a direct economic interest in attaining the long term business objectives of the Group.

No share options had been granted under the Share Option Scheme since its adoption.

### PURCHASE, SALE OR REDEMPTION OF SHARES

To the best knowledge of the Directors, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any shares in the Company during the period under review.

### CORPORATE GOVERNANCE

To the best knowledge of the current Directors, the Company had applied the principles as set out in the Corporate Governance Code ("CG Code") contained in Appendix 14 of the Listing Rules since Resumption up to 30 June 2015. Due to the severe financial difficulties of the Company (together with its then subsidiaries as a group) prior to the Reverse Takeover Transaction and the Resumption 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 the CG Code throughout the period from 1 July 2014 to 24 June 2015.

As disclosed in the circular of the Company dated 30 June 2014, the Company upon Resumption adopted a system of corporate governance and has observed the CG Code.

In preparing for the Resumption and to demonstrate that the Company has fulfilled all requirements for Resumption, the Company has, among other things:

1. following completion of the acquisition of the entire interest in TCL Display Technology (Huizhou) Co., Ltd. by the Company on 17 April 2015, the Company has adopted the CG Code and Corporate Governance Report with effect from 17 April 2015 which sets out principles of good corporate governance in relation to, among other matters, directors, the chairman and chief executive officer, board composition, the appointment, re-election and removal of directors, their responsibilities and remuneration and communications with shareholders;
2. with effect from 25 June 2015, appointed three independent non-executive Directors ("Independent Non-Executive Directors"), namely Ms. Hsu Wai Man Helen, Mr. Xu Yan and Mr. Li Yang, constituting not less than one-third of the members of the Board upon Resumption as required under Rule 3.10A of the Listing Rules;
3. established the audit committee, remuneration committee and nomination committee of the Board with the respective written terms of reference in compliance with the CG Code with effect from 25 June 2015;
4. with effect from 25 June 2015, appointed Ms. Choy Fung Yee (Ms. Choy), a partner of the Company's legal adviser, Cheung Tong & Rosa Solicitors, as the company secretary of the Company;
5. adopted, among others, the board diversity policy, the shareholders' communication policy, procedures for shareholders to propose a person for election as a director, code for securities transactions by relevant employees pursuant to the Model Code, and procedure for employees raising concerns about possible improprieties in financial reporting, internal control or other matters, all with effect from 25 June 2015;
6. with effect from 25 June 2015, Ms. Sun Min resigned from the positions of chairman and chief executive officer of the Company and such positions were respectively taken up by Mr. Li Yuguo and Mr. Li Jian in compliance with Code Provision A.2.1; and
7. following the appointment of Ms. Yang Yunfang, executive Director on 20 April 2015 and as at the date of this report, arranged appropriate insurance coverage for the Directors in compliance with Code Provision A.1.8.

## OTHER INFORMATION

During the period of 25 June 2015 to 30 June 2015, the Directors are aware of a deviation from Code Provision F.1.1 which requires, among other things, that the company secretary should be an employee of the Company. The company secretary of the Company, Ms. Choy, is a partner of the Company's legal advisor, Cheung Tong & Rosa Solicitors. Although Ms. Choy is not an employee of the Company, she has taken primary advisory role to TCL Display Technology (Huizhou) Co., Ltd. (being the subject matter to the Reverse Takeover Transaction) in the capital restructuring, debt restructuring, open offer and the Reverse Takeover Transaction and Resumption. The Company has also assigned Mr. Hui Yuk Fung, the Vice Director of Corporate Finance and Investor Relations of the Company, as the contact person with Ms. Choy. Information in relation to the performance, financial position and other major developments of the Group are speedily delivered to Ms. Choy through the contact person assigned, to enable Ms. Choy to get hold of the Group's development promptly without material delay and with her expertise and experience, the Company is confident that having Ms. Choy as the company secretary is beneficial to the Group's compliance with the relevant board procedures, applicable laws, rules and regulations.

Save as disclosed above, none of the Directors is aware of any information which would reasonably indicate that the Company had not, throughout the period from 25 June 2015 to 30 June 2015, fully complied with the code provisions set out in the CG Code.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY

The Board has adopted a code of conduct regarding directors' securities transaction on the same terms as the required standard as set out in the Model Code as set out in Appendix 10 to the Listing Rules. Trading in the securities of the Company had been suspended during the period from 10 August 2010 to 24 June 2015.

Specific enquiries have been made with all Directors and they have confirmed that they have complied with the required standard set out in the Model Code and the Company's code of conduct regarding directors' securities transactions during the period under review.

### AUDIT COMMITTEE

The Audit Committee has reviewed the Group's unaudited condensed consolidated financial statements for the twelve months ended 30 June 2015, including the accounting principles adopted by the Group, with the Company's management. The Audit Committee comprises three members, namely Ms. Hsu Wai Man, Helen (Chairman), Mr. Xu Yan and Mr. Li Yang, all being Independent Non-Executive Directors of the Company.

### DIRECTORS' INFORMATION

Ms. Hsu Wai Man, Helen ("Ms. Hsu") tendered her resignation as an independent non-executive director of China Forestry Holdings Co., Ltd. (Stock code: 930) and Fujian Nuoqi Co., Ltd. (Stock code: 1353) on 24 June 2015 and 3 July 2015 respectively. Other information regarding Ms. Hsu is set out in the announcement of the Company dated 23 June 2015.

Apart from the foregoing, the Company has not been advised by its Directors of any change in the information required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules since its last updates to shareholders.

On behalf of the Board  
**YUAN Bing**  
 Chairman

Hong Kong, 11 August 2015

*As at the date of this report, the Board comprises Mr. Yuan Bing as Chairman and non-executive Director; Mr. Li Yuguo, Mr. Li Jian, Mr. Ouyang Hongping and Ms. Yang Yunfang as executive Directors; and Ms. Hsu Wai Man Helen, Mr. Xu Yan and Mr. Li Yang as independent non-executive Directors.*