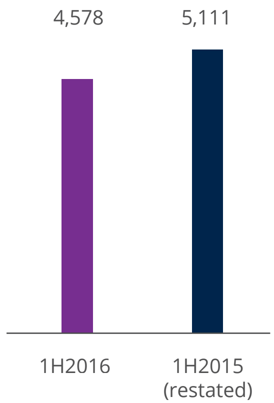
INTERIM REPORT 2016

TPV TECHNOLOGY LIMITED 冠捷科技有限公司 (Incorporated in Bermuda with limited liability)

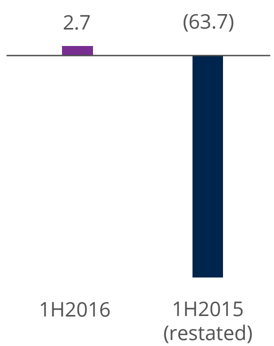
Contents

Financial Highlights

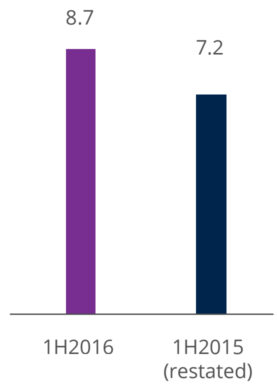
REVENUE
(US$ Million)



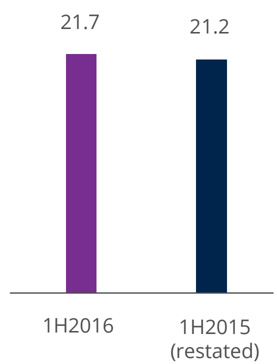
PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY HOLDERS
(US$ Million)



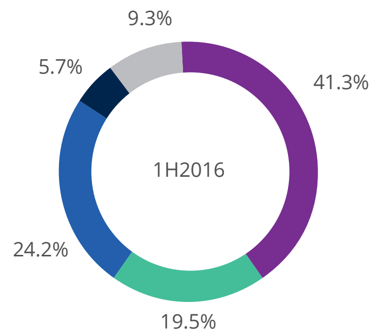
LCD TVS
(Million Units)

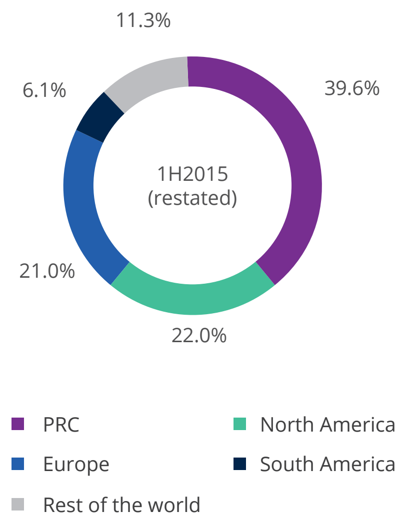


MONITORS
(Million Units)



REVENUE BY GEOGRAPHICAL REGIONS
(%)





BUSINESS REVIEW

On par with the favourable trends of the preceding quarter, TPV's performance continued to improve in the second quarter of 2016, despite the softness in demand for monitors and TVs and a lukewarm economic environment. In tempering these challenges, the Group forged a strategy to enhance profitability and strengthen competitiveness, introducing changes to advance its business fundamentals in sales realization, inventory management and cost structures. Bolstered by a relatively calm currency market, the Group's Gross profit ("GP") margin for the first half of 2016 expanded to 9.5 percent (1H2015: 7.2 percent as restated) at US$436.8 million (1H2015: US$370.4 million as restated). This was despite a lower consolidated revenue of US$4.58 billion (1H2015: US$5.11 billion as restated), primarily attributable to the Group disposing of its majority shareholding in the All-In-One PC business in the second half of 2015 and resulting in US$0.4 billion reduction in revenue year on year. Even accounting for one-off restructuring costs of US$54.5 million and a net foreign exchange loss of US$38.6 million, the Group achieved a profit attributable to shareholders of US$2.7 million in the first half of the year, compared to a loss of US$63.7 million as restated in the corresponding period last year.

After a downbeat first quarter, panel prices stabilized from April through May and rose again in June, supported by rising purchase orders as brands geared up for the peak season ahead. For the first six months of 2016, global shipments of LCD TVs remained level with the previous corresponding period at 96.4 million sets (1H2015: 96.8 million sets). Led by the continued expansion of Philips TV in China and the growth of the ODM business, the Group's TV shipments enjoyed satisfactory growth of 19.7 percent to 8.7 million sets during the first half of 2016 (1H2015: 7.2 million sets). Consequently, the Group's market share has risen to 9.0 percent (1H2015: 7.5 percent) and segment revenue is up by 5.4 percent year-on-year at US$2.09 billion (1H2015: US$1.98 billion). The GP margin also rose from last year's 7.2 percent to 9.6 percent this year. These results were achieved in the midst of a reduced average selling price ("ASP") of US$241.1 (1H2015: US$274.0), reflecting depressed LCD panel prices through the first five months of 2016. The continued restructuring of global Philips TV operations over the years has optimized its recurring operational cost base. Most noticeably, channel stock has been managed down to six weeks, a level unheard of in the past, though the benefit from this might not be apparent during a period of rising panel prices.

As for the Group's monitor segment, worldwide demand remained slack throughout the first six months of 2016, leading to a drop of approximately 3 percent in global shipment volumes to 60.1 million units (1H2015: 62.1 million units). Despite the decline of the PC market, the Group's shipments in the second quarter saw a sequential increase of 8.5 percent compared to the first quarter of the year, with total shipments at 21.7 million units during the first six months of the year. This represented a 2.3 percent increase over the same period last year (1H2015: 21.2 million units). However, on the back of a lower ASP of US$103.3 (1H2015: US$114.7), segment revenue dropped by 7.8 percent to US$2.24 billion (1H2015: US$2.43 billion), reflecting falling panel prices. Nonetheless, the GP margin expanded from last year's 7.9 percent to 9.5 percent, making for an outlook that is optimistic overall. Contributing to this was TPV's own brand of monitors, which continued to gain market share by diversifying from PCs into specialty areas such as educational, electronic gaming, medical and industrial applications as well as public signage.

Geographically, China continued to be the top contributor in revenue during the first half of 2016, accounting for 41.3 percent of the total (1H2015: 39.6 percent as restated). Europe overtook North America to become the second-largest market for the Group, making up 24.2 percent of the total revenue (1H2015: 21.0 percent as restated), while North American revenue accounted for 19.5 percent of the total (1H2015: 22.0 percent as restated). Sales in South America, which were reduced by design as TPV stepped back from high-risk markets amidst economic uncertainty, contributed 5.7 percent of the total revenue (1H2015: 6.1 percent as restated). Revenue from the rest of the world also declined for the same reason, contributing 9.3 percent (1H2015: 11.3 percent as restated) to the total.

As part of its strategy to reinforce its business fundamentals, the first half of the year saw TPV consolidate its two Brazilian manufacturing plants into one and reorganize its Innovation and Development Centre in Ghent, Belgium. Restructuring charges totaled US$54.5 million up to the end of June 2016, negatively impacting the Group's results for the period under review, though the transformation itself will feed positively into the Group's profitability in the years to come.

OUTLOOK

Panel prices are rising sharply in the third quarter in anticipation of a supply shortage, since several older generation fabs will be shut down before the end of this year. On the economic front, challenges in the currency market spurred by the United Kingdom's withdrawal from the European Union pose great uncertainty to the global economy. In light of this, TPV will proceed with due caution.

Whilst the appreciation of the Brazilian real instigated a significant mark-to-market loss in the Group's hedged position in the second quarter, this is in fact a positive development for the business, the benefits of which will be more apparent during the second half of the year, provided that the Brazilian real stays firm.

As a result of the latest restructuring initiative, management foresees a significant breakthrough for the Group as the many positive changes begin to take root in the second half of the year. These include a more integral organization structure as well as general improvements to operations, costing and efficiency. Together with the innovations in the Group's business fundamentals, which provided positive results for shareholders this interim period, this transition is expected to strengthen TPV further and boost its upwards trajectory, amply reinforcing its position to meet the challenges ahead.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30th June 2016, the Group's cash and bank balances (including pledged bank deposit) totaled US$422.1 million (31st December 2015: US$453.6 million). Credit facilities granted by banks totaled US$4.1 billion (31st December 2015: US$4.2 billion), of which US$1.6 billion was utilized (31st December 2015: US$1.9 billion).

All the Group's debts were borrowed on a floating-rate basis. The maturity profile of the Group's debt as at 30th June 2016 was as follows:

	As at 30th June 2016 US$'000	As at 31st December 2015 US$'000
Within one year	**288,378**	145,965
Between one and two years	**223,923**	176,905
Between two and five years	**48,500**	264,176
	560,801	587,046

The Group's gearing ratio, represented by the ratio of total borrowings and payables under discounting arrangement to total assets, as at 30th June 2016 was 13 percent (31st December 2015: 16 percent).

FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Financial risk management is carried out by a central treasury department ("Group Treasury") under policies approved by the Board of Directors. Group Treasury identifies, evaluates and mitigates financial risks in close co-operation with the Group's operating units. The Group has written principles approved by the Board for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and cash management.

FOREIGN EXCHANGE RISK

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Renminbi, Euro, Brazilian real, Russian ruble and Argentine peso. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. Moreover, the conversion of Renminbi, Brazilian real, Russian ruble and Argentine peso into foreign currencies is subject to rules and regulations of exchange control promulgated by the respective governments. The Group has a standing foreign exchange risk management policy and uses forward contracts and various derivative instruments to mitigate the associated risks.

WORKFORCE

As at 30th June 2016, the Group had a total workforce of 30,129 (31st December 2015: 30,490) worldwide. Our employees were remunerated in accordance with industry practice in the locations where they worked. We maintain the belief that employees are the Group's most valuable assets. Acting on this belief, we made available a variety of training opportunities that encompassed technical, functional and soft skills. As a rule, we encourage employees to study and grow with the Group. We recognize that only when our people are given adequate room to flourish will the Group likewise perform at its best.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

As at 30th June 2016, the interests of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO including interests and short positions in which they were taken or deemed to have under such provisions of the SFO or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the Exchange pursuant to Appendix 10 — Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in the Rules Governing the Listing of Securities on the Exchange (the "Listing Rules") were as follows:

Interests in ordinary shares of US$0.01 each of the Company

Name of director/chief executive	Type of interest	Number of shares held (long position)
Dr Hsuan, Jason	Corporate (Note 1)	24,754,803

Notes:

(1) The interest of Dr Hsuan, Jason disclosed herein includes the holding of 24,754,803 shares by Bonstar International Limited, a company beneficially and wholly-owned by Dr Hsuan, Jason.

(2) The interests of directors in share options of the Company are detailed in the paragraph headed "Share Option".

Save as disclosed above and in the paragraph headed "Share Option", as at 30th June 2016, none of the directors and chief executive of the Company had or was deemed to have any interest or short position in the shares 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 pursuant to the Model Code.

Save as disclosed above, at no time during the six months ended 30th June 2016 was the Company, its subsidiaries, its fellow subsidiaries or its holding companies, a party to any arrangement to enable the directors and chief executive of the Company or any of their spouses or children under 18 years of age to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other corporations.

As at 30th June 2016, the Group is controlled by China Electronics Corporation ("CEC"), which owns 37.05% of the Company's shares. The directors regard CEC, a state-owned enterprise established under the laws of the PRC, as being the ultimate holding company of the Company. CEC is an enterprise directly administered by State-owned Assets Supervision and Administration Commission of the State Council.

SUBSTANTIAL SHAREHOLDER'S INTERESTS

As at 30th June 2016, so far as was known to the directors or chief executive of the Company, the following persons (not being a director or chief executive of the Company) had an interest in the shares or underlying shares of the Company which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register kept by the Company pursuant to section 336 of the SFO:

Interest in ordinary shares of US$0.01 each of the Company

Name of shareholder	Number of shares held (long position)
CEC	869,088,647 (Notes 1, 2)
China Great Wall Computer Group Company	570,450,000 (Notes 1, 2)
Great Wall Technology Company Limited ("GWT")	570,450,000 (Notes 1, 2)
China Great Wall Computer Shenzhen Co., Ltd. ("CGCSZ")	570,450,000 (Notes 1, 2)
China National Electronics Imp. & Exp. Corporation	251,958,647 (Notes 1, 2)
CEIEC (H.K.) Limited ("CEIEC HK")	251,958,647 (Notes 1, 2)
Mitsui & Co., Ltd. ("Mitsui")	426,802,590 (Note 2)
Innolux Corporation ("Innolux")	150,500,000 (Note 3)
Chimei Corporation ("CMC")	150,500,000 (Note 3)
FMR LLC	117,500,000

Notes:

(1) CEC, CGCSZ and CEIEC HK are the registered holders of the aggregate of 869,088,647 Shares held within the CEC Group, of which 46,680,000 Shares are held by CEC, 570,450,000 Shares are held by CGCSZ, and 251,958,647 Shares are held by CEIEC HK. CGCSZ is owned as to 53.92% by GWT. GWT is a company owned as to 62.11% by CGWCG, which is a wholly-owned subsidiary of CEC. CEIEC HK is an indirect wholly-owned subsidiary of CEC.

(2) CEC, CEIEC HK and Mitsui are parties to a consortium agreement dated 28 January 2010 (the "Consortium Agreement") and to a shareholders' agreement dated 28 January 2010 (the "Shareholders' Agreement"). The Consortium Agreement and the Shareholders' Agreement are

agreements to which section.317(a) of the SFO applies. CEC and Mitsui are acting in concert with each other in respect of their aggregate 1,295,891,237 Shares.

(3) These Shares are held by Innolux. Innolux is owned as to 5.74% by CMC.

SHARE OPTION

At the annual general meeting held on 15th May 2003, shareholders of the Company approved the adoption of a share option scheme (the "Option Scheme"). Since the Option Scheme expired on 14th May 2013, no further option can be granted under the Option Scheme.

Particulars of outstanding options under the Option Scheme at the beginning and at the end of the financial period for the six months ended 30th June 2016 and options exercised and lapsed during the period were as follows:

	Date of grant	Exercise Price HK$	Exercisable Period	Number of options: As at 1st January 2016	Exercised	Lapsed	As at 30th June 2016
Director							
Dr Hsuan, Jason	18/01/2011	5.008 (Note 1)	18/01/2012–17/01/2021	150,000	—	—	150,000
			18/01/2013–17/01/2021	150,000	—	—	150,000
			18/01/2014–17/01/2021	150,000	—	—	150,000
			18/01/2015–17/01/2021	150,000	—	—	150,000
Employees	18/01/2011	5.008 (Note 1)	18/01/2012–17/01/2021	7,217,500	—	(1,725,000)	5,492,500
			18/01/2013–17/01/2021	7,217,500	—	(1,725,000)	5,492,500
			18/01/2014–17/01/2021	7,217,500	—	(1,725,000)	5,492,500
			18/01/2015–17/01/2021	7,217,500	—	(1,725,000)	5,492,500
				29,470,000	—	(6,900,000)	22,570,000

Note:

(1) These options are exercisable at HK$5.008 (US$0.64) per share in four tranches: the maximum percentage of share options exercisable within the periods commencing from 18th January 2012 to 17th January 2021, from 18th January 2013 to 17th January 2021, from 18th January 2014 to 17th January 2021 and from 18th January 2015 to 17th January 2021 are 25 percent, 50 percent, 75 percent and 100 percent respectively.

A new share option scheme of the Company (the "New Option Scheme") was approved and adopted by the shareholders of the Company at its special general meeting held on 2nd November 2015. No options were granted under the New Option Scheme for the six months ended 30th June 2016.

CONTINGENT LIABILITIES

Details of contingent liabilities was discussed in note 19 to the financial information.

PURCHASE, SALE AND REDEMPTION OF SHARES

During the six months ended 30th June 2016, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed shares.

CORPORATE GOVERNANCE CODE

The Company is committed to ensuring and maintaining high standards of corporate governance.

During the six months period ended 30th June 2016, the Company has complied with all the code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules, except for deviations from code provisions A.2.1 and A.4.1 of the CG Code, the reasons for which are explained below.

The Board will continue to review and further improve the Company's corporate governance practices and standards, so as to ensure that its business activities and decision-making processes are regulated in a proper and prudent manner.

Chairman and Chief Executive Officer

Code provision A.2.1 stipulates that the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual.

Dr Hsuan, Jason currently holds the offices of chairman and chief executive officer of the Company. The Board believes that vesting the roles of both positions in Dr Hsuan provides the Group with strong and consistent leadership and allows for more effective planning and execution of long term business strategies. The Board also believes that the Company already has a strong corporate governance structure in place to ensure effective supervision of the management. Such a structure provides many of the benefits of having a separate chairman and chief executive officer. It includes:

— Having a majority of non-executive directors and independent non-executive directors on the Board;

— Having an Audit Committee consisting solely of independent non-executive directors;

— Having a majority of independent non-executive directors on the Remuneration Committee and Nomination Committee; and

— Ensuring that independent non-executive directors have free and direct access to the Company's management, internal audit division, external auditors and independent professional advisers, whenever it is considered necessary.

The Board believes that these measures will ensure that independent non-executive directors continue to monitor the Group's management and review and provide recommendations on key issues relating to strategy, risk and integrity in an efficient manner. The Board continuously reviews the effectiveness of the Group's corporate governance structure, in order to assess whether any changes, including the separation of the roles of chairman and chief executive officer, are necessary.

Re-election of Directors

Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

The Company's non-executive directors are not appointed for a specific term. However, one-third of all the directors of the Company for the time being are subject to retirement by rotation at each annual general meeting, pursuant to bye-law 99 of the Bye-laws of the Company. The Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those stipulated in the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own code of conduct regarding securities transactions by directors of the Company (the "Internal Rules"), the terms of which is no less exacting than the required standards set out in the Model Code in the Listing Rules.

Specific enquiries have been made with all the directors, who have confirmed that they complied with the required standards set out in the Model Code and in the Internal Rules during the six months ended 30th June 2016.

Relevant employees who are likely to be in possession of unpublished price-sensitive information regarding the Group are subject to compliance with the Company's Code for Securities Transactions by Relevant Employees (the "RE Code") in respect of their dealings in the securities of the Company. The terms of the RE Code are likewise no less exacting than the required standards set out in the Model Code.

AUDIT COMMITTEE

The Company has established the Audit Committee with specific written terms of reference that are in line with the relevant provisions of the CG Code. The terms of reference of the Audit Committee adopted by the Board are published on the websites of the Company, the Exchange and Singapore Exchange Limited ("SGX").

The Audit Committee regularly meets the external auditors to discuss any areas of concern regarding the audits and review. It reviews the quarterly, interim and annual results before these are submitted to the Board. In reviewing the Group's financial results, the Committee focuses not only on the impact of changes in accounting policies and practices, but also on compliance with accounting standards, Listing Rules and legal requirements.

The Company provides the Audit Committee with sufficient resources, including the advice of the external auditors and internal auditors at the Company's expense, to enable it to discharge its duties.

The Audit Committee is chaired by Mr Chan Boon Teong, and its other members are Dr Ku Chia-Tai and Mr Wong Chi Keung. All of whom are independent non-executive directors of the Company. Mr Wong Chi Keung is a fellow member of Hong Kong Institute of Certified Public Accountants, The Association of Chartered Certified Accountants and CPA Australia, an associate member of The Institute of Chartered Secretaries and Administrators and The Chartered Institute of Management Accountants.

NOMINATION COMMITTEE

The Company has established the Nomination Committee with specific written terms of reference that are in line with the relevant provisions of the CG Code. The terms of reference of the Nomination Committee adopted by the Board are published on the websites of the Company, the Exchange and SGX.

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board and making recommendations on any proposed changes to the Board of the Company and succession planning for the Directors.

The Nomination Committee is chaired by Dr Hsuan, Jason, the chairman and chief executive officer of the Company. The other members include Ms Wu Qun, a non-executive director of the Company, Mr Chan Boon Teong, Dr Ku Chia-Tai and Mr Wong Chi Keung, all of whom are independent non-executive directors of the Company.

REMUNERATION COMMITTEE

The Company has established the Remuneration Committee with specific written terms of reference that are in line with the relevant provisions of the CG Code. The terms of reference of the Remuneration Committee adopted by the Board are published on the websites of the Company, the Exchange and SGX.

The Remuneration Committee determines, with delegated responsibility, the remuneration packages of individual executive director and senior management with reference to their performance.

The Remuneration Committee is chaired by Mr Chan Boon Teong, an independent non-executive director who also serves as chairman of the Audit Committee. The other members include Dr Ku Chia-Tai and Mr Wong Chi Keung, both of whom are independent non-executive directors of the Company, Dr Hsuan, Jason, the chairman and chief executive officer of the Company and Ms Bi Xianghui, a non-executive director of the Company.

INVESTMENT COMMITTEE

The Company has established the Investment Committee with specific written terms of reference. The terms of reference of the Investment Committee adopted by the Board are published on the websites of the Company, the Exchange and SGX.

The Investment Committee is responsible for reviewing the investment evaluation policies, evaluating investment proposals and making recommendations to the Board. It also reviews and reports to the Board the performance, forecast and business plan of the investments on a regular basis.

The Investment Committee is chaired by Dr Hsuan, Jason, the chairman and chief executive officer of the Company. The other members include Ms Wu Qun, Dr Li Jun and Mr Hideki Noda, all of whom are non-executive directors of the Company and Mr Chan Boon Teong, an independent non-executive director of the Company.

INFORMATION DISCLOSURE COMMITTEE

The Company has established the Information Disclosure Committee with specific written terms of reference.

The Information Disclosure Committee is responsible for reviewing any information which may give rise to disclosure obligations and making recommendations on disclosure decision to the board of directors of the Company or make any disclosure decision as delegated by the board.

The Information Disclosure Committee is chaired by Dr Hsuan, Jason, the chairman and chief executive officer of the Company. The other members include Ms Bi Xianghui and Mr Hideki Noda, both of them are non-executive directors of the Company, Mr Chan Boon Teong, an independent non-executive director of the Company (Mr Wong Chi Keung is an alternate member of Mr Chan Boon Teong) and Mr Shane Tyau, the senior vice president and chief financial officer of the Company.

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51(B) of the Listing Rules, the changes in information of Directors of the Company subsequent to the date of the 2015 Annual Report of the Company are set out below:

Mr Wong Chi Keung resigned as a responsible officer for asset management, advising on securities and corporate finance for Greater China Capital Limited (formerly known as Sinox Fund Management Limited) under the SFO of Hong Kong with effect from 16th April 2016.

REVIEW OF INTERIM RESULTS

The unaudited condensed consolidated interim financial information for the six months ended 30th June 2016 have been reviewed by the Group's auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. The Audit Committee has reviewed the interim results for the six months ended 30th June 2016.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30th June 2016 (six months ended 30th June 2015: Nil).

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company gives high priority in ensuring our shareholders are provided with timely and equal access to accurate, complete and balanced information of the Company. The Board shall maintain open communications with shareholders and will regularly review its shareholders' communication policy to ensure its effectiveness.

The Company uses a number of formal communication channels to account for its performance to its shareholders, including annual reports and interim reports, quarterly results announcements, annual general meeting and video conferencing.

The management personnel responsible for investor relations hold regular meetings with the media, equity research analysts, fund managers and investors. The Company also holds presentations, road shows and conference calls for the international investment community from time to time.

Detailed information about the Company, including all information released by the Company to the Exchange, press releases, presentation materials on financial results, general corporate information and information of our board members and senior management are also posted on the Company's website at www.tpv-tech.com.

BOARD COMPOSITION

As at the date of this report, the Board of the Company comprises one executive director, namely Dr Hsuan, Jason, and five non-executive directors, namely Mr Liu Liehong, Ms Wu Qun, Dr Li Jun, Ms Bi Xianghui and Mr Hideki Noda, and three independent non-executive directors, namely Mr Chan Boon Teong, Dr Ku Chia-Tai and Mr Wong Chi Keung.

On behalf of the Board

Dr Hsuan, Jason
Chairman and Chief Executive Officer

Hong Kong, 18th August 2016

Condensed Consolidated Interim Income Statement

FOR THE SIX MONTHS ENDED 30TH JUNE 2016

	Note	Unaudited Six months ended 30th June 2016 US$'000	 2015 US$'000 (restated)
Revenue	6	**4,578,209**	5,110,746
Cost of sales		**(4,141,422)**	(4,740,391)
Gross profit		**436,787**	370,355
Other income		**33,887**	31,496
Other losses — net		**(32,740)**	(787)
Selling and distribution expenses		**(183,095)**	(210,198)
Administrative expenses		**(110,805)**	(102,239)
Research and development expenses		**(106,183)**	(108,270)
Operating profit/(loss)	6 & 7	**37,851**	(19,643)
Finance income		**4,688**	3,678
Finance costs		**(20,149)**	(29,168)
Finance costs — net	8	**(15,461)**	(25,490)
Share of profits/(losses) of:			
Associates		**3,082**	1,432
Joint venture		**(2)**	(3)
Profit/(loss) before income tax		**25,470**	(43,704)
Income tax expense	9	**(19,923)**	(19,240)
Profit/(loss) for the period		**5,547**	(62,944)

Condensed Consolidated Interim Income Statement (Continued)

FOR THE SIX MONTHS ENDED 30TH JUNE 2016

	Note	**Unaudited Six months ended 30th June 2016 US$'000**	2015 US$'000 (restated)
Profit/(loss) attributable to:			
Owners of the Company		**2,692**	(63,683)
Non-controlling interests		**2,855**	739
		5,547	(62,944)
Profit/(loss) per share attributable to owners of the Company			
— Basic and diluted	10	**US0.11 cent**	(US2.71) cents
Dividends	11	**—**	—

The accompanying notes are an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Interim Statement of Comprehensive Income

FOR THE SIX MONTHS ENDED 30TH JUNE 2016

	Unaudited	
	Six months ended 30th June	
	2016	2015
	US$'000	US$'000
		(restated)
Profit/(loss) for the period	**5,547**	(62,944)
Other comprehensive income/(loss), net of tax		
Items that may be reclassified to profit or loss		
Fair value gains/(losses) on available-for-sale financial assets	**70**	(5)
Currency translation differences	**132**	25,626
Release of exchange reserve to profit or loss upon closure of a subsidiary	**623**	—
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of pension obligation, net of tax	**(551)**	—
Other comprehensive income for the period, net of tax	**274**	25,621
Total comprehensive income/(loss) for the period	**5,821**	(37,323)
Total comprehensive profit/(loss) attributable to:		
— Owners of the Company	**2,927**	(38,021)
— Non-controlling interests	**2,894**	698
	5,821	(37,323)

The accompanying notes are an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Interim Balance Sheet

AS AT 30TH JUNE 2016

	Note	Unaudited 30th June 2016 US$'000	Audited 31st December 2015 US$'000
Assets			
Non-current assets			
Intangible assets	12	**468,518**	448,849
Property, plant and equipment	12	**519,785**	554,257
Land use rights	12	**19,266**	19,718
Investment properties	12	**195,643**	198,241
Investments in associates		**63,175**	61,237
Investment in a joint venture		**1,347**	1,349
Derivative financial instruments		**44,127**	63,161
Available-for-sale financial assets		**4,818**	4,758
Financial assets at fair value through profit or loss	13	**21,086**	21,560
Deferred income tax assets		**76,078**	77,958
Prepayments and other assets	14	**76,625**	76,547
Long-term bank deposits		**40,603**	40,892
		1,531,071	1,568,527
Current assets			
Inventories		**1,156,243**	1,284,391
Trade receivables	14	**2,002,780**	2,098,651
Deposits, prepayments and other receivables	14	**214,749**	291,098
Financial assets at fair value through profit or loss	13	**37,193**	59,129
Current income tax recoverable		**8,396**	5,833
Derivative financial instruments		**120,901**	170,325
Pledged bank deposits		**3,726**	3,670
Short-term bank deposits		**45,199**	32,643
Cash and cash equivalents		**373,135**	417,312
		3,962,322	4,363,052
Total assets		**5,493,393**	5,931,579

Condensed Consolidated Interim Balance Sheet (Continued)

AS AT 30TH JUNE 2016

	Note	Unaudited 30th June 2016 US$'000	Audited 31st December 2015 US$'000
Equity			
Equity attributable to owners of the Company			
Share capital	15	**23,456**	23,456
Other reserves		**1,600,046**	1,600,121
		1,623,502	1,623,577
Non-controlling interests		**9,424**	6,530
Total equity		**1,632,926**	1,630,107
Liabilities			
Non-current liabilities			
Borrowings and loans	16	**272,423**	441,081
Deferred income tax liabilities		**34,022**	35,180
Pension obligations		**12,630**	20,652
Other payables and accruals	17	**75,510**	49,129
Derivative financial instruments		**38,821**	44,834
Provisions	18	**1,813**	2,583
		435,219	593,459

Condensed Consolidated Interim Balance Sheet (Continued)

AS AT 30TH JUNE 2016

	Note	**Unaudited 30th June 2016 US$'000**	Audited 31st December 2015 US$'000
Current liabilities			
Trade payables	17	**2,006,195**	2,215,034
Other payables and accruals	17	**766,912**	1,043,571
Current income tax liabilities		**10,129**	21,097
Provisions	18	**188,275**	153,774
Derivative financial instruments		**165,359**	128,572
Borrowings and loans	16	**288,378**	145,965
		3,425,248	3,708,013
Total liabilities		**3,860,467**	4,301,472
Total equity and liabilities		**5,493,393**	5,931,579

The accompanying notes are an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Interim Statement of Changes in Equity

FOR THE SIX MONTHS ENDED 30TH JUNE 2016

	Unaudited													
	Attributable to owners of the Company													
	Share capital US$'000	Share premium US$'000	Capital reserve US$'000	Share redemption reserve US$'000	Employee share-based com-pensation reserve US$'000	Exchange reserve US$'000	Reserve fund US$'000 (Note (a))	Merger difference US$'000 (Note (b))	Available-for-sale financial assets fair value reserve US$'000	Assets revaluation surplus US$'000	Other Reserves US$000 (Note (c))	Retained profits US$'000	Non-controlling interests US$'000	Total equity US$'000
Balance as at 1st January 2016	23,456	759,464	68,202	12	19,951	(127,936)	103,185	45,441	482	41,387	(142,564)	832,497	6,530	1,630,107
Comprehensive income														
Profit for the period	—	—	—	—	—	—	—	—	—	—	—	2,692	2,855	5,547
Other comprehensive income/(loss) for the period, net of tax														
Fair value gains on available-for-sale financial assets	—	—	—	—	—	—	—	—	70	—	—	—	—	70
Remeasurement of pension obligation, net of tax	—	—	—	—	—	—	—	—	—	—	—	(551)	—	(551)
Currency translation differences														
— Group	—	—	—	—	—	1,237	—	—	—	—	—	—	39	1,276
— Associates and a joint venture	—	—	—	—	—	(1,144)	—	—	—	—	—	—	—	(1,144)
Release of exchange reserve to profit or loss upon closure of a subsidiary (Note (d))	—	—	—	—	—	623	—	—	—	—	—	—	—	623
Other comprehensive income/(loss) for the period, net of tax	—	—	—	—	—	716	—	—	70	—	—	(551)	39	274
Total comprehensive income/(loss) for the period ended 30th June 2016	—	—	—	—	—	716	—	—	70	—	—	2,141	2,894	5,821
Total transactions with owners, recognized directly in equity														
2015 final dividends paid	—	—	—	—	—	—	—	—	—	—	—	(3,002)	—	(3,002)
Total transactions with owners, recognized directly in equity	—	—	—	—	—	—	—	—	—	—	—	(3,002)	—	(3,002)
Balance as at 30th June 2016	23,456	759,464	68,202	12	19,951	(127,220)	103,185	45,441	552	41,387	(142,564)	831,636	9,424	1,632,926

The accompanying notes are an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Interim Statement of Changes in Equity (Continued)

FOR THE SIX MONTHS ENDED 30TH JUNE 2016

	Unaudited (restated)													
	Attributable to owners of the Company													
	Share capital US$'000	Share premium US$'000	Capital reserve US$'000	Share redemption reserve US$'000	Employee share-based com-pensation reserve US$'000	Exchange reserve US$'000	Reserve fund US$'000 (Note (a))	Merger difference US$'000 (Note (b))	Available-for-sale financial assets fair value reserve US$'000	Assets revaluation surplus US$'000	Other reserves US$000 (Note (c))	Retained profits US$'000	Non-controlling interests US$'000	Total equity US$'000
Balance as at 1st January 2015 (previously stated)	23,456	759,464	68,202	12	19,925	(122,057)	96,174	10,001	479	41,387	(142,915)	924,222	(8,188)	1,670,162
Common control business combination	—	—	—	—	—	13,043	—	32,378	—	—	—	(51,190)	—	(5,769)
Balance as at 1st January 2015 (restated)	23,456	759,464	68,202	12	19,925	(109,014)	96,174	42,379	479	41,387	(142,915)	873,032	(8,188)	1,664,393
Comprehensive (loss)/income														
(Loss)/profit for the period	—	—	—	—	—	—	—	—	—	—	—	(63,683)	739	(62,944)
Other comprehensive income/(loss) for the period, net of tax														
Fair value losses on available-for-sale financial assets	—	—	—	—	—	—	—	—	(5)	—	—	—	—	(5)
Currency translation differences														
— Group	—	—	—	—	—	25,924	—	—	—	—	—	—	(41)	25,883
— Associates and a joint venture	—	—	—	—	—	(257)	—	—	—	—	—	—	—	(257)
Other comprehensive income/(loss) for the period, net of tax	—	—	—	—	—	25,667	—	—	(5)	—	—	—	(41)	25,621
Total comprehensive income/(loss) for the period ended 30th June 2015	—	—	—	—	—	25,667	—	—	(5)	—	—	(63,683)	698	(37,323)
Total transactions with owners, recognized directly in equity														
Employee share option scheme:														
— Employee share-based compensation benefits	—	—	—	—	26	—	—	—	—	—	—	—	—	26
2014 final dividends paid	—	—	—	—	—	—	—	—	—	—	—	(3,002)	—	(3,002)
Dividend to non-controlling interest	—	—	—	—	—	—	—	—	—	—	—	—	(216)	(216)
Total transactions with owners, recognized directly in equity	—	—	—	—	26	—	—	—	—	—	—	(3,002)	(216)	(3,192)
Balance as at 30th June 2015	23,456	759,464	68,202	12	19,951	(83,347)	96,174	42,379	474	41,387	(142,915)	806,347	(7,706)	1,623,878

The accompanying notes are an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Interim Statement of Changes in Equity (Continued)

FOR THE SIX MONTHS ENDED 30TH JUNE 2016

Notes:

(a) In accordance with the relevant PRC regulations applicable to wholly foreign owned enterprises, the PRC subsidiaries are required to appropriate to reserve fund an amount of not less than 10% of the profit after income tax, calculated based on PRC accounting standards. Should the accumulated total of this reserve fund reach 50% of the registered capital of the PRC subsidiaries, except for the TPV Technology (Suzhou) Company Limited whereas this is 30% of its registered capital, the subsidiaries will not be required to make any further appropriation. Pursuant to the relevant PRC regulations, this reserve can be used for making up losses and increase of capital.

(b) The merger difference of the Group was created as a result of: (a) the acquisition of entities under common control in 2015; and (b) the difference between the aggregate nominal value of the share capital of the subsidiaries acquired pursuant to a corporate reorganization (the "Reorganization"), which was completed on 21st September 1999, in preparation for a listing of the Company's shares on the Exchange, over the nominal value of the share capital of the Company issued in exchange thereof.

(c) Other reserves primarily arose from the acquisition of the remaining 30% equity interest in TP Vision Holding B.V. and its subsidiaries (collectively "TP Vision Group"), representing any differences between the amount by which the non-controlling interests are adjusted (to reflect the changes in the interests in the subsidiaries) and the fair value of the consideration paid.

(d) Upon the closure of Sangfei Mobility PTE Limited (a foreign operation of the group) in February 2016, the cumulative amount of the exchange differences relating to this subsidiary, recognized in other comprehensive income and accumulated in separate component of equity, was reclassified from equity to profit or loss (as a reclassification adjustment).

Condensed Consolidated Interim Statement of Cash Flows

FOR THE SIX MONTHS ENDED 30TH JUNE 2016

	Unaudited Six months ended 30th June **2016** **US$'000**	 2015 US$'000 (restated)
Cash flows from operating activities		
Net cash generated from/(used in) operations	**283,349**	(107,700)
Interest paid	**(15,014)**	(20,193)
Income tax paid	**(31,152)**	(30,711)
Net cash generated from/(used in) operating activities	**237,183**	(158,604)
Cash flows from investing activities		
Proceeds from disposals of property, plant and equipment and land use rights	**2,487**	24,369
Purchase of property, plant and equipment and investment property	**(53,687)**	(76,895)
Purchase of intangible assets	**(10,024)**	(3,849)
Proceeds from disposal of financial assets at fair value through profit or loss	**64,375**	1,670
Purchase of financial assets at fair value through profit or loss	**(39,031)**	—
Purchase of available-for-sale financial assets	**(486)**	(313)
Changes in short-term bank deposits	**(12,556)**	(8,339)
Inception of long-term bank deposits	**—**	(20,276)
Interest received	**4,977**	3,678
Net cash used in investing activities	**(43,945)**	(79,955)

Condensed Consolidated Interim Statement of Cash Flows (Continued)

FOR THE SIX MONTHS ENDED 30TH JUNE 2016

	Unaudited Six months ended 30th June	
	2016	2015
	US$'000	US$'000 (restated)
Cash flows from financing activities		
Inception of long-term borrowings and loans	**—**	243,996
Repayment of long-term borrowings and loans	**(21,650)**	(19,980)
Net repayment of short-term borrowings and loans	**(2,847)**	(11,041)
Net (payment)/proceeds of payables under discounting arrangements	**(209,612)**	1,899
Dividends paid to owners and non-controlling interests	**(3,002)**	(3,218)
Net cash (used in)/generated from financing activities	**(237,111)**	211,656
Net decrease in cash and cash equivalents	**(43,873)**	(26,903)
Cash and cash equivalents at beginning of the period	**417,312**	492,250
Exchange losses on cash and cash equivalents	**(304)**	(9,636)
Cash and cash equivalents at end of the period	**373,135**	455,711

The accompanying notes are an integral part of this condensed consolidated interim financial information.

Notes to the Condensed Consolidated Interim Financial Information

1 GENERAL INFORMATION

TPV Technology Limited (the "Company") and its subsidiaries (together, the "Group") design, manufacture and sell computer monitors, flat TV products and other display products. The Group manufactures mainly in the People's Republic of China (the "PRC"), Europe and Latin America and sells to Europe, the PRC, North and South America, Asian countries and the rest of the world.

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda.

The Company has its primary listing on the Exchange and secondary listing on SGX.

This condensed consolidated interim financial information is presented in US dollars, unless otherwise stated.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30th June 2016 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31st December 2015, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

On 31st August 2015, the Group acquired the entire issued shares of Shenzhen Sang Fei Consumer Communications Company Limited ("Sang Fei"), of which CEC is the ultimate holding company. The acquisition of Sang Fei and its subsidiaries (collectively "Sang Fei Group") is considered as a business combination under common control, which is accounted for using merger accounting method in accordance with the guidance set out in Accounting Guideline 5 'Merger accounting for common control combinations' issued by HKICPA. The comparative amounts in the condensed consolidated financial information have been restated accordingly.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

3 ACCOUNTING POLICIES

The accounting policies applied to this condensed consolidated interim financial information are consistent with those of the annual financial statements for the year ended 31st December 2015 as described in those annual financial statements except that income tax is accrued using the tax rate that would be applicable to expected total annual earnings.

(a) The following amendments to standards and annual improvements are mandatory for the first time for the financial year beginning 1st January 2016 and currently relevant to the Group:

- Amendments to HKFRS 10, HKFRS 12 and HKAS 28, "Investments entities applying the consolidation exception"
- Amendments to HKFRS 11, "Accounting for acquisitions of interests in joint operations"
- HKFRS 14, "Regulatory deferral accounts"
- Amendments to HKAS 1, "The disclosure initiative"
- Amendments to HKAS 16 and HKAS 38, "Clarification of acceptable methods of depreciation and amortization"
- Amendments to HKAS 16 and HKAS 41, "Agriculture: Bearer plants"
- Amendment to HKAS 27, "Equity method in separate financial statements"
- Annual improvements to HKFRSs — 2012–2014 cycle

The Group has adopted these standards and the adoption of these standards did not have significant impacts on the Group's results and financial position.

There are no other new standards or amendments to standards that are effective for the first time for this interim period that could be expected to have a material impact on the Group.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

3 ACCOUNTING POLICIES (CONTINUED)

(b) The following new standards, amendments to standards and annual improvement have been issued but are not effective for the financial year beginning 1st January 2016 and have not been early adopted by the Group:

HKFRS 9,"Financial Instruments"	1st January 2018
Amendments to HKFRS 10 and HKAS 28, "Sale or contribution of assets between an investor and its associate or joint venture"	Note
HKFRS 15, "Revenue from Contracts with Customers"	1st January 2018
HKFRS 16, "Leases"	1st January 2019

Note: To be announced by HKICPA

The directors of the Company are in the process of assessing the financial impact of the adoption of the above new standards, amendments to standards and annual improvement. The directors of the Company will adopt the new standards, amendments to standards and annual improvement when they become effective.

4 ESTIMATES

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were similar to those that were applied to the consolidated financial statements for the year ended 31st December 2015.

5 FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31st December 2015.

There have been no significant changes in the treasury department or in any risk management policies since year end.

5.2 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of banking facilities. The Group aims to maintain flexibility in funding by keeping credit lines available at all time.

Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group Finance. Group Finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed banking facilities (Note 16) and complying with covenants (where applicable) on its banking facilities.

Surplus cash held by the operating entities over and above balance required for working capital management is transferred to the Group Treasury. Group Treasury invests surplus cash mainly in time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts. At the balance sheet date, the Group holds cash and bank balances of US$373,135,000 (31st December 2015: US$417,312,000), short-term bank deposits of US$45,199,000 (31st December 2015: US$32,643,000), long-term bank deposits of US$40,603,000 (31st December 2015: US$40,892,000) and trade receivables of US$2,002,780,000 (31st December 2015: US$2,098,651,000) that are expected to generate cash inflows for managing liquidity risk. In addition, the Group holds listed equity securities for trading of US$37,193,000 (31st December 2015: US$59,129,000), which could be realized to provide a further source of cash if needed.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.3 Fair value estimation

The table below analyzes financial instruments carried at fair value by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorized into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's financial assets and liabilities that are measured at fair value as at 30th June 2016 and 2015. Refer to Note 12 for disclosures of the investment properties that are measured at fair value.

	As at 30th June 2016			
	Level 1 US$'000	**Level 2 US$'000**	**Level 3 US$'000**	**Total US$'000**
Assets				
Available-for-sale financial assets	**885**	**—**	**3,933**	**4,818**
Financial assets at fair value through profit or loss	**37,193**	**—**	**21,086**	**58,279**
Derivatives financial instruments	**—**	**165,028**	**—**	**165,028**
	38,078	**165,028**	**25,019**	**228,125**
Liabilities				
Derivatives financial instruments	**—**	**(204,180)**	**—**	**(204,180)**
Other payable — contingent consideration payable	**—**	**—**	**(2,693)**	**(2,693)**
	—	**(204,180)**	**(2,693)**	**(206,873)**

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.3 Fair value estimation (Continued)

	As at 30th June 2015			
	Level 1	Level 2	Level 3	Total
	US$'000	US$'000	US$'000	US$'000
Assets				
Available-for-sale financial assets	789	—	3,969	4,758
Financial assets at fair value through profit or loss	59,129	—	21,560	80,689
Derivatives financial instruments	—	233,486	—	233,486
	59,918	233,486	25,529	318,933
Liabilities				
Derivatives financial instruments	—	(173,406)	—	(173,406)
Other payable — contingent consideration payable	—	—	(2,504)	(2,504)
	—	(173,406)	(2,504)	(175,910)

The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between Level 1, Level 2 and Level 3 fair value hierarchy classifications.

There were no significant changes in valuation techniques during the period.

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.4 Valuation techniques used to derive Level 2 fair values

Level 2 derivatives financial instruments comprise foreign exchange forward contracts and options contracts. These foreign exchange forward contracts and options contracts have been stated at fair value using forward exchange rates at the reporting date, with resulting value discounted back to its present value. The effects of discounting are generally insignificant for Level 2 derivatives financial instruments.

5.5 Fair value measurements using significant unobservable inputs (Level 3)

	Available-for-sale financial assets Note (i) US$'000	Financial assets at fair value through profit or loss Note(ii) US$'000	Other payable-contingent consideration payable Note (iii) US$'000
Six months period 30th June 2016			
Opening balance	3,969	21,560	(2,504)
Additions	486	—	—
Loss on remeasurement of fair value	(1)	—	—
Unwinding of interests (Note 8)	—	—	(188)
Exchange differences	(521)	(474)	(1)
Closing balance	3,933	21,086	(2,693)

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.5 Fair value measurements using significant unobservable inputs (Level 3) (Continued)

	Available-for-sale financial assets Note (i) US$'000	Financial assets at fair value through profit or loss Note(ii) US$'000	Other payable-contingent consideration payable Note (iii) US$'000
Six months period 30th June 2015			
Opening balance	5,168	22,557	(4,928)
Additions	313	—	—
Gain on remeasurement of fair value	2	—	—
Unwinding of interests (Note 8)	—	—	(558)
Exchange differences	(385)	(14)	(393)
Closing balance	5,098	22,543	(5,879)

Notes:

(i) The Government of Argentina has implemented certain policies to demand companies doing businesses in Argentina to balance their imports with exports to enhance international trade balance. The Argentina subsidiary of the Group has therefore invested in an investment vehicle to comply with the international trade requirements in Argentina since July 2012. This investment vehicle mainly pursues underlying investments to enhance the exports of Argentina. The underlying investments mainly comprise cash, temporary investments in a guaranteed fund, a mine and other assets. The fair value of the investments was determined based on a combination of cost, income and market approaches (such as minerals price for estimation of future project revenue).

(ii) The fair value measurement assumption of financial assets at fair value through profit or loss was set out in Note 13.

(iii) The valuation of contingent consideration payable primarily is based on the projected revenue of TP Vision Group and the adjusted operating profits of the Group's TVs segment. The key assumptions adopted in the long term projections include sales growth not exceeding 5% for the next five years, a perpetual growth not exceeding 3% beyond the fifth year and a discount rate of 15%. Other key assumptions applied in the valuation include the expected improvement in gross profit margin and reduction in costs. Management determined these key assumptions based on their experience in the industry and expectations on market development. If the future earnings before interest and tax ("EBIT"), revenue or gross margin increased with all other variables held constant, the contingent consideration would have been increased.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.6 Group's valuation processes

The Group's finance department reviews the valuations of the Group's financial instruments and non-financial assets that are stated at fair value for financial reporting purposes, including Level 3 fair values. These valuation results are then reported to the chief financial officer and group senior management for discussions in relation to the valuation processes and the reasonableness of the valuation results.

5.7 Fair value of financial assets and liabilities measured at amortized cost

The fair values of the trade and other receivables, pledged bank deposits, short-term bank deposits with original maturities over 3 months, trade payables and other payables and accruals (excluding contingent consideration payable) as at 30th June 2016 approximate their carrying amounts due to their short maturities.

The fair values of the long-term bank deposits, borrowings and loans (including bank overdraft, bank borrowings and loans) as at 30th June 2016 approximate their carrying amounts as they bear interest at floating rates that are market dependent.

6 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker ("CODM"), Dr Hsuan, Jason, Chairman and Chief Executive Officer of the Company, that are used to make strategic decisions and resources allocation.

The Group's businesses are managed according to the nature of their operations and the products and services they provide.

The Group is organized on a worldwide basis into three main operating segments: (i) Monitors; (ii) TVs; and (iii) Others. Others mainly comprise the sales of spare parts, phones, tablets and all-in-one computers.

There are differences in the basis of reportable segments from the last interim financial information. The Group acquired Sang Fei Group in 2015 which does not meet the quantitative thresholds required by HKFRS 8 for reportable segments. Management has concluded that it should be aggregated into "Others" segment as there are similar phone products. The comparative segment information for the six months ended 30th June 2015 has been restated to align with the presentation of the current period's segment information disclosure.

The Group's CODM assesses the performance of the operating segments based on adjusted operating profit/(loss). Expenses, where appropriate, are allocated to operating segments with reference to revenue contributions of respective segments. Finance income, finance costs, share of profits/(losses) of associates and a joint venture and unallocated income and expenses are not included in the result for each operating segment that is reviewed by the Group's CODM.

Capital expenditure represents additions of intangible assets, property, plant and equipment and land use rights.

Segment assets consist primarily of intangible assets, property, plant and equipment, land use rights, inventories, trade receivables, deposits, prepayments and other receivables, and derivative financial assets. They exclude investment properties, investments in associates, investment in a joint venture, available-for-sale financial assets, deferred income tax assets, financial assets at fair value through profit or loss, long-term bank deposits, current income tax recoverable, pledged bank deposits, short-term deposits, cash and cash equivalents and other unallocated assets, which are managed centrally.

Information relating to segment liabilities is not disclosed as such information is not regularly reported to the CODM.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

6 SEGMENT INFORMATION (CONTINUED)

The revenue reported to the CODM is measured in a manner consistent with that in the condensed consolidated interim income statement and is categorized according to the final destination of shipment.

The following tables present revenue and operating profit/(loss) information regarding the Group's reportable segments for the six months ended 30th June 2016 and 2015 respectively.

	For the six months ended 30th June 2016			
	Monitors US$'000	**TVs US$'000**	**Others US$'000**	**Total US$'000**
Revenue	**2,239,314**	**2,086,102**	**252,793**	**4,578,209**
Adjusted operating profit/(loss)	**81,183**	**(61,372)**	**5,396**	**25,207**
Depreciation of property, plant and equipment	**(21,273)**	**(41,211)**	**(126)**	**(62,610)**
Amortization of land use rights	**—**	**—**	**(254)**	**(254)**
Amortization of intangible assets	**(3,361)**	**(5,407)**	**(3,116)**	**(11,884)**
Impairment loss on intangible assets	**(231)**	**(695)**	**(3,375)**	**(4,301)**
Impairment loss on property, plant and equipment	**(414)**	**(621)**	**—**	**(1,035)**
Provision for restructuring	**(3,434)**	**(50,991)**	**(51)**	**(54,476)**
Capital expenditure	**(10,550)**	**(48,129)**	**(2,146)**	**(60,825)**

6 SEGMENT INFORMATION (CONTINUED)

	For the six months ended 30th June 2015 (restated)			
	Monitors	TVs	Others	Total
	US$'000	US$'000	US$'000	US$'000
Revenue	2,429,776	1,980,098	700,872	5,110,746
Adjusted operating profit/(loss)	52,691	(81,553)	(2,368)	(31,230)
Depreciation of property, plant and equipment	(19,714)	(48,101)	(1,493)	(69,308)
Amortization of land use rights	—	—	(167)	(167)
Amortization of intangible assets	(3,022)	(7,319)	(3,688)	(14,029)
Reversal of restructuring provision	—	755	—	755
Capital expenditure	(43,797)	(28,659)	(8,704)	(81,160)

The following tables present segment assets as at 30th June 2016 and 31st December 2015 respectively.

	As at 30th June 2016			
	Monitors	**TVs**	**Others**	**Total**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Segment assets	**2,052,935**	**2,373,103**	**162,024**	**4,588,062**

	As at 31st December 2015			
	Monitors	TVs	Others	Total
	US$'000	US$'000	US$'000	US$'000
Segment assets	2,167,897	2,568,788	240,234	4,976,919

6 SEGMENT INFORMATION (CONTINUED)

A reconciliation of total adjusted operating profit/(loss) for reportable segments to total profit/(loss) before income tax is provided as follows:

	Six months ended 30th June	
	2016	2015
	US$'000	US$'000
		(restated)
Adjusted operating profit/(loss) for reportable segments	**25,207**	(31,230)
Unallocated income	**24,646**	21,914
Unallocated expenses	**(12,002)**	(10,327)
Operating profit/(loss)	**37,851**	(19,643)
Finance income	**4,688**	3,678
Finance costs	**(20,149)**	(29,168)
Share of profits of associates	**3,082**	1,432
Share of loss of a joint venture	**(2)**	(3)
Profit/(loss) before income tax	**25,470**	(43,704)

6 SEGMENT INFORMATION (CONTINUED)

A reconciliation of segment assets to total assets is provided as follows:

	As at 30th June 2016 US$'000	As at 31st December 2015 US$'000
Segment assets	**4,588,062**	4,976,919
Investment properties	**195,643**	198,241
Investments in associates	**63,175**	61,237
Investment in a joint venture	**1,347**	1,349
Available-for-sale financial assets	**4,818**	4,758
Deferred income tax assets	**76,078**	77,958
Financial assets at fair value through profit or loss	**58,279**	80,689
Long-term bank deposits	**40,603**	40,892
Current income tax recoverable	**8,396**	5,833
Pledged bank deposits	**3,726**	3,670
Short-term bank deposits	**45,199**	32,643
Cash and cash equivalents	**373,135**	417,312
Other unallocated assets	**34,932**	30,078
Total assets	**5,493,393**	5,931,579

6 SEGMENT INFORMATION (CONTINUED)

The analysis of revenue by geographical area is as follows:

	Six months ended 30th June	
	2016	2015
	US$'000	US$'000
		(restated)
The PRC	**1,892,955**	2,022,983
Europe	**1,106,324**	1,074,926
North America	**894,820**	1,123,623
South America	**259,818**	313,106
Rest of the world	**424,292**	576,108
	4,578,209	5,110,746

For the six months ended 30th June 2016, revenues of approximately US$404,523,000 (for the six months ended 30th June 2015: US$572,601,000) are derived from a single external customer. These revenues are attributable to the sales of TVs (for the six month ended 30th June 2015: monitors and others). This customer is also the largest debtor at the reporting date.

Non-current assets, other than financial instruments and deferred income tax assets by geographical area, are as follows:

	As at 30th June 2016	As at 31st December 2015
	US$'000	US$'000
The PRC	**647,956**	684,824
Europe	**95,111**	98,023
North America	**11,939**	11,692
South America	**52,129**	50,597
Rest of the world	**461,629**	440,307
	1,268,764	1,285,443

Notes to the Condensed Consolidated Interim Financial Information (Continued)

7 OPERATING PROFIT/(LOSS)

The following items have been credited/(charged) to the operating profit/(loss) during the interim period:

	Six months ended 30th June	
	2016	2015
	US$'000	US$'000 (restated)
Realized and unrealized (losses)/gains on foreign exchange forward and options contracts — net	**(68,907)**	49,894
Realized and unrealized gains on cross currency interest rate swaps — net	**—**	11,040
Net exchange gains/(losses)	**30,292**	(69,554)
(Losses)/gains on disposal of property, plant and equipment	**(536)**	1,373
Net fair value gains on revaluation of investment properties (Note 12)	**—**	5,426
Losses on disposal of intangible assets	**(7)**	—
Loss on closure of a subsidiary	**(623)**	—
Gains on disposal of financial assets at fair value through profit or loss and available-for-sale financial assets	**7,370**	1,670
Fair value gains/(losses) on financial assets at fair value through profit or loss	**3,019**	(636)
Employee benefit expenses (including directors' emoluments)	**(238,313)**	(253,236)
Operating lease rental for land, buildings and machinery	**(10,635)**	(14,092)
Amortization of intangible assets (Note 12)	**(11,884)**	(14,029)
Amortization of land use rights (Note 12)	**(254)**	(167)
Depreciation of property, plant and equipment (Note 12)	**(62,610)**	(69,308)
Impairment losses on intangible assets (Note 12)	**(4,301)**	—
Impairment losses on property, plant and equipment (Note 12)	**(1,035)**	—
Write-back/(write-down) of inventories to net realizable value	**24,096**	(6,785)
Reversal of/(provision for) impairment of trade receivables	**339**	(1,458)
Provision for impairment of other receivables	**(2,608)**	—
Write off of value-added tax recoverable	**(601)**	(3,073)
Provision for value-added tax recoverable	**(2,518)**	—
Charge for warranty provision (Note 18)	**(88,180)**	(105,343)
(Provision for)/reversal of restructuring and other provisions (Note 18)	**(56,243)**	590

Notes to the Condensed Consolidated Interim Financial Information (Continued)

8 FINANCE COSTS — NET

	Six months ended 30th June	
	2016	2015
	US$'000	US$'000
		(restated)
Interest expenses		
— Interest expense on bank borrowings and factoring arrangements	**(14,046)**	(17,844)
— Interest expense on loans	**(968)**	(2,347)
Unwinding of interests		
— Unwinding of interests on license fee payable	**(4,947)**	(8,419)
— Unwinding of interests on contingent consideration payable	**(188)**	(558)
Finance costs	**(20,149)**	(29,168)
Interest income on cash at bank and bank deposits	**4,688**	3,678
Finance costs — net	**(15,461)**	(25,490)

9 INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group had no estimated assessable profits/(losses) generated in Hong Kong for the six months ended 30th June 2016 (six months ended 30th June 2015: same).

Taxation on profits has been calculated on the estimated assessable profits/(losses) for the six months ended 30th June 2016 at the rates of taxation prevailing in the countries/places in which the Group operates. Income tax expense is recognized based on management's estimate of the weighted average annual income tax rate expected for the full financial year.

The amount of taxation charged to the condensed consolidated interim income statement represents:

	Six months ended 30th June	
	2016	2015
	US$'000	US$'000
		(restated)
Current income tax	**(17,835)**	(12,316)
Deferred income tax charge	**(2,088)**	(6,924)
Income tax expense	**(19,923)**	(19,240)

10 EARNINGS/(LOSS) PER SHARE

(a) Basic

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30th June	
	2016	2015 (restated)
Profit/(loss) attributable to owners of the Company (US$'000)	**2,692**	(63,683)
Weighted average number of ordinary shares in issue (thousands)	**2,345,636**	2,345,636
Basic earnings/(loss) per share (US cents per share)	**0.11**	(2.71)

(b) Diluted

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Its calculation is made to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated above is compared with the number of shares that would have been issued assuming the exercise of the share options.

Diluted earnings/(loss) per share for the six months ended 30th June 2016 and 2015 equal basic profit/(loss) per share as the exercise of the outstanding share options would be anti-dilutive.

11 DIVIDENDS

The board of directors does not recommend the payment of interim dividend for the six months ended 30th June 2016. (Six months ended 30th June 2015: Nil)

Notes to the Condensed Consolidated Interim Financial Information (Continued)

12 INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT, LAND USE RIGHTS AND INVESTMENT PROPERTIES

	Intangible assets US$'000	Property, plant and equipment US$'000	Land use rights US$'000	Investment properties US$'000
Six months ended 30th June 2016				
Opening net book amount at 1st January 2016	**448,849**	**554,257**	**19,718**	**198,241**
Exchange differences	**355**	**6,877**	**(198)**	**(2,598)**
Additions	**35,282**	**25,543**	**—**	**—**
Disposals	**(7)**	**(3,023)**	**—**	**—**
Impairment (Note 7)	**(4,301)**	**(1,035)**	**—**	**—**
Amortization/depreciation (Note 7)	**(11,884)**	**(62,610)**	**(254)**	**—**
Reclassification	**224**	**(224)**	**—**	**—**
Closing net book amount at 30th June 2016	**468,518**	**519,785**	**19,266**	**195,643**
Six months ended 30th June 2015 (restated)				
Opening net book amount at 1st January 2015	454,765	609,742	20,565	188,087
Exchange differences	(3,341)	(8,795)	(30)	—
Additions	33,175	47,985	—	5,484
Disposals	—	(6,929)	—	—
Amortization/depreciation (Note 7)	(14,029)	(69,308)	(167)	—
Revaluation gains (Note 7)	—	—	—	5,426
Closing net book amount at 30th June 2015	470,570	572,695	20,368	198,997

Notes to the Condensed Consolidated Interim Financial Information (Continued)

12 INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT, LAND USE RIGHTS AND INVESTMENT PROPERTIES (CONTINUED)

Fair value using significant unobservable inputs (Level 3)

	As at 30th June 2016 US$'000	As at 31st December 2015 US$'000
Recurring fair value measurements		
Investment properties:		
— Industrial buildings — the PRC	**101,324**	101,324
— Industrial building — Poland	**7,818**	7,818
— Office and commercial building — the PRC	**86,501**	89,099
	195,643	198,241

The valuation of industrial buildings and commercial building in the PRC and Poland was determined using the sale comparison approach. Recent sale prices of comparable properties in physical close proximity near reporting date are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square meter.

Management performs the valuation of investment properties semi-annually. These valuation results are then reported to the board of directors for discussions and review in relation to the valuation processes and the reasonableness of the valuation results.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

13 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30th June 2016 US$'000	As at 31st December 2015 US$'000
Current		
Listed securities, at market value:		
— Equity securities — Taiwan	**—**	2,301
— Equity securities — Argentina	**37,193**	56,828
	37,193	59,129
Non-current		
Unlisted securities		
— Equity securities — The PRC (Note)	**21,086**	21,560
	58,279	80,689

Note:

Top Victory Investments Limited ("TVI"), a wholly owned subsidiary of the Group, entered into a Supplemental Joint Venture Agreement and a Supplemental Investment Agreement dated 20th January 2014 (collectively, "JV Agreement") with China Electronics Corporations ("CEC") and its subsidiaries and other independent third parties to establish a joint venture company in Nanjing, the PRC ("Nanjing JV"), which engages in research and development, manufacturing and selling of color filters, LCD panels and modules (the "Products").

Under the JV Agreement, the registered capital of Nanjing JV is RMB17,500,000,000 (approximately US$2,635,741,000. TVI owns 0.8% equity interests and contributes RMB140,000,000 (approximately US$21,086,000) in proportion to its equity interest.

Pursuant to the JV Agreement, TVI may exercise an option (the "Put Option") to require other shareholders of Nanjing JV to acquire the 0.8% equity interests in Nanjing JV at a price equivalent to the original registered capital contributed by TVI (i.e. RMB140,000,000, approximately US$21,086,000 plus an interest of 4% per annum. TVI has a right to exercise the Put Option within three years from (i) the fourth anniversary of the registration date of Nanjing JV; and (ii) the date on which Nanjing JV issues its first invoice in relation to the Products, whichever is earlier.

The investment is classified as a non-current financial asset at fair value through profit or loss as management does not expect to realize the investment within twelve months after the reporting date.

This investment together with the Put Option is required under HKFRSs to be stated at fair value. The valuation is based on the expected future returns realizable from this investment as forecasted by management taking into consideration the discounting effects as well as the Group's right to exercise the Put Option. The directors consider the carrying value of this instrument (including the Put Option) approximates its fair value, considering the option right to sell the equity interest to other shareholders.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

14 TRADE AND OTHER RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER ASSETS

	As at 30th June 2016 US$'000	As at 31st December 2015 US$'000
Non-current		
Prepayments	**1,030**	1,792
Other assets (Note a)	**38,354**	37,783
Other receivables	**37,241**	36,972
	76,625	76,547
Current		
Trade receivables	**2,025,860**	2,121,565
Less: provision for impairment of trade receivables	**(23,080)**	(22,914)
Trade receivables, net	**2,002,780**	2,098,651
Deposits	**6,329**	5,858
Prepayments	**40,982**	34,582
Other receivables		
— Value-added tax recoverable	**110,309**	185,456
— Others	**57,129**	65,202
	214,749	291,098
Total	**2,294,154**	2,466,296

14 TRADE AND OTHER RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER ASSETS (CONTINUED)

Note:

(a) As at 30th June 2016, the non-current other assets of US$38,354,000 (31st December 2015: US$37,783,000) relate to cash placed in an escrow account for certain customer care obligations arising in TP Vision Group as set out in Trademark License Agreement between TP Vision Group and Koninklijke Philips N.V. ("Philips"). The receivable is classified as non-current as the related obligations fall due in more than one year.

The Group's sales are primarily on credit terms from 30 to 120 days and certain of its export sales are on letters of credit or documents against payment.

The ageing analysis of gross trade receivables based on invoice date was as follows:

	As at 30th June 2016 US$'000	As at 31st December 2015 US$'000
0–30 days	**1,095,334**	992,171
31–60 days	**527,114**	735,090
61–90 days	**278,544**	251,521
91–120 days	**44,258**	46,791
Over 120 days	**80,610**	95,992
	2,025,860	2,121,565

Included in the trade receivables were an amount of US$35,235,000 (31st December 2015: US$54,611,000) overdue from a few customers in South America, which the directors have assessed and considered to be fully recoverable based on, among others, agreed settlement plans with these debtors. It also included an amount of US$11,920,000 (31st December 2015: US$10,363,000) overdue from a customer in Russia which the Group is recovering from credit insurance.

No significant defaults in the past was noted for existing customers with trade receivables that are neither past due nor impaired as at 30th June 2016.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

14 TRADE AND OTHER RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER ASSETS (CONTINUED)

As at 30th June 2016, gross trade receivables of US$90,851,000 (31st December 2015: US$107,634,000) were past due but not impaired. The ageing analysis of these past due trade receivables is as follows:

	As at 30th June 2016 US$'000	As at 31st December 2015 US$'000
1–90 days	**61,102**	48,746
91–120 days	**4,700**	1,189
Over 120 days	**25,049**	57,699
	90,851	107,634

As at 30th June 2016, gross trade receivables of US$31,521,000 (31st December 2015: US$30,230,000) were impaired. The amount of the provision was US$23,080,000 as at 30th June 2016 (31st December 2015: US$22,914,000). The ageing analysis of these impaired receivables is as follows:

	As at 30th June 2016 US$'000	As at 31st December 2015 US$'000
Over 120 days	**31,521**	30,230

Notes to the Condensed Consolidated Interim Financial Information (Continued)

15 SHARE CAPITAL

	As at 30th June 2016 US$'000	As at 31st December 2015 US$'000
Authorized:		
4,000,000,000 (2015: 4,000,000,000) ordinary shares of US$0.01 each	**40,000**	40,000
Issued and fully paid:		
2,345,636,139 (2015: 2,345,636,139) ordinary shares of US$0.01 each	**23,456**	23,456

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

		Number of share options (thousands)				
Expiry date	**Exercise price in HK$ per share option**	**As at 1st January 2016**	**Granted during the period**	**Exercised during the period**	**Lapsed during the period**	**As at 30th June 2016**
17th January 2021	**HK$5.008**	**29,470**	**—**	**—**	**(6,900)**	**22,570**

For the six months ended 30th June 2016, 6,900,000 share options (six months ended 30th June 2015: 1,200,000) were lapsed as a result of the cessation of employment of certain employees.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

16 BORROWINGS AND LOANS

	As at 30th June 2016 US$'000	As at 31st December 2015 US$'000
Non-current		
Loans (Note)	**—**	98,392
Bank borrowings	**272,423**	342,689
	272,423	441,081
Current		
Loans (Note)	**99,878**	—
Bank overdraft	**4,933**	32,649
Bank borrowings	**183,567**	113,316
	288,378	145,965
Total borrowings and loans	**560,801**	587,046

16 BORROWINGS AND LOANS (CONTINUED)

Movements in borrowings and loans are analyzed as follows:

	Six months ended 30th June	
	2016	2015
	US$'000	US$'000 (restated)
As at 1st January	**587,046**	488,520
Inception of long-term borrowings and loans	**—**	243,996
Net repayment of short-term borrowings and loans	**(2,847)**	(11,041)
Repayment of long-term borrowings and loans	**(21,650)**	(19,980)
Exchange differences	**(1,748)**	(14,703)
As at 30th June	**560,801**	686,792

Note:

As part of the acquisition of the remaining 30% equity interests of TP Vision Group on 30th May 2014, Philips, has transferred to AOC Holdings Limited ("AOC"), a wholly-owned subsidiary of the Group, its rights and obligation as a lender under all outstanding loans and stand-by facilities between Philips and TP Vision Group. To preserve the original funding arrangement, Philips, AOC and TPV concurrently entered into new loan agreements, whereby Philips made available to AOC loans and stand-by facilities of the same terms. TPV agreed to irrevocably and unconditionally guarantee to Philips the punctual performance by AOC of its obligations under the new loan agreements.

Loans represent two tranches of term loans ("Term Loan") provided by Philips, the ex-shareholder of TP Vision Group. The Term Loan is unsecured, interest bearing at EURIBOR plus margin ranging from 1.8% to 2.7% per annum. As at 30th June 2016, loans amounting to EUR30,000,000 and EUR60,000,000 are repayable on 1st April 2017 and 30th May 2017 respectively. Loan amounting to EUR121,000,000 was repaid upon maturity on 1st April 2015.

The Group has the following available and undrawn bank loan and trade finance facilities:

	As at 30th June 2016	As at 31st December 2015
	US$'000	US$'000
Total available and undrawn facilities	**2,538,429**	2,320,946

Notes to the Condensed Consolidated Interim Financial Information (Continued)

17 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	As at 30th June 2016 US$'000	As at 31st December 2015 US$'000
Non-current		
License fee payable	**68,850**	44,700
Contingent consideration payable (Note a)	**2,693**	2,504
Accrued employee benefits	**875**	847
Others	**3,092**	1,078
	75,510	49,129
Current		
Trade payables	**2,006,195**	2,215,034
Other payables and accruals		
— Accrued employee benefits	**94,120**	101,812
— Accrued operating expenses	**112,682**	134,612
— Duty and tax payable other than income tax	**46,662**	53,641
— License fee payable	**36,981**	60,735
— Payables under discounting arrangement	**155,033**	364,645
— Payables for purchase of property, plant and equipment	**70,992**	99,136
— Royalty payables	**124,530**	141,005
— Others	**125,912**	87,985
	766,912	1,043,571
Total	**2,848,617**	3,307,734

Note:

(a) The Group has recognized the contingent consideration payable at fair value based upon the terms as stipulated in the Sale and Purchase Agreement and the supplementary agreements with reference to the projected revenue of TP Vision Group and the adjusted operating profits of Group's TVs segment. The contingent consideration payable shall be re-measured at fair value resulting from events or factors emerging after the acquisition date, with any resulting gain or loss recognized in the condensed consolidated income statement.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

17 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS (CONTINUED)

The ageing analysis of trade payables based on invoice date was as follows:

	As at 30th June 2016 US$'000	As at 31st December 2015 US$'000
0–30 days	**942,138**	885,150
31–60 days	**491,011**	628,630
61–90 days	**322,779**	339,067
Over 90 days	**250,267**	362,187
	2,006,195	2,215,034

18 PROVISIONS

	Six months ended 30th June					
	2016			2015 (restated)		
	Warranty provision US$'000	**Restructuring and other provisions US$'000**	**Total US$'000**	Warranty provision US$'000	Restructuring and other provisions US$'000	Total US$'000
As at 1st January	**152,876**	**3,481**	**156,357**	118,973	7,243	126,216
Exchange differences	**(1,298)**	**(1,570)**	**(2,868)**	(5,672)	(361)	(6,033)
Charged/(credited) to the income statement (Note 7)	**88,180**	**56,243**	**144,423**	105,343	(590)	104,753
Utilized during the period	**(87,744)**	**(20,080)**	**(107,824)**	(99,020)	(2,188)	(101,208)
As at 30th June	**152,014**	**38,074**	**190,088**	119,624	4,104	123,728

18 PROVISIONS (CONTINUED)

Analysis of warranty and other provisions:

	As at 30th June 2016			As at 31st December 2015		
	Warranty provision US$'000	Restructuring and other provisions US$'000	Total US$'000	Warranty provision US$'000	Restructuring and other provisions US$'000	Total US$'000
Non-current liabilities	—	1,813	1,813	—	2,583	2,583
Current liabilities	152,014	36,261	188,275	152,876	898	153,774
Total	152,014	38,074	190,088	152,876	3,481	156,357

The Group gives warranties on certain products and undertakes to repair or replace items that fail to perform satisfactorily within an average period ranging from twelve months to thirty-six months. The provisions as at 30th June 2016 and 31st December 2015 have been made for expected warranty claims on products sold for which it is expected that the majority of this provision will be utilized in the next twelve months.

The restructuring provision primarily refers to restructuring projects put in place in 2016, including the transfer of the operation of a wholly-owned subsidiary of the Company in Brazil located in the city of Jundiai for the production of IT products being transferred to an existing plant in the city of Manaus. Besides, there was the conversion of the Innovation and Development Center in Ghent, Belgium, into an innovation, development and technical support center. Some of the activities at the site are being transferred to the existing innovation and development centers of the Group in mainland China and Taiwan. During the six months ended 30th June 2016, restructuring costs of US$54,476,000 (six months ended 30th June 2015: reversal of US$755,000) were provided for restructuring programs. An amount of US$20,036,000 (six months ended 30th June 2015: US$2,183,000) was utilized in the period. An amount of US$33,601,000 (as at 31st December 2015: US$753,000) is expected to be utilized within the next twelve months.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

19 CONTINGENT LIABILITIES

The Group, in the ordinary course of its business, is involved in various claims, lawsuits, investigations, and legal proceedings that arise from time to time. Although the directors do not expect that the outcome in any of these cases will have a material adverse effect on the Group's financial position or results of operations, the results of those cases are inherently unpredictable. The directors are of the opinion that the details of these cases are sensitive and disclosures are therefore not set out in full.

(a) In July 2010, a third party company filed a complaint in the United States of America against the Group. The complaint concerns claims of compensation related to indemnity obligations as provided in an agreement between the parties. The court dismissed the case according to a commercial settlement between the parties during the period.

(b) In 2011, a claim was made by a third party seeking repossession of a relatively small piece of land now owned by TP Vision Group. The matter is currently under consideration by the legal authorities. Under the terms of the Share Purchase Agreement with Philips, any damages arising from this claim will be fully indemnified by Philips.

(c) In 2013, the Civil Code of one specific country requires that all companies producing or importing goods with an audio/video replication functionality must pay 1% of turnover (either import or production value) fees to copyrights owners (unnamed list of authors) through the local union of copyright owners.

(d) In May 2014, the U.S. International Trade Commission instituted an investigation based on an amended complaint filed by a third party company against the Group and many other third party companies. The investigation concerns the alleged infringement of certain patents in respect of tuner technology by certain digital televisions ("Patent I").

On 8th March 2016, the case was dismissed by the U.S. Court of Appeals for the Federal Circuit.

(e) In June 2014, a third party company filed a complaint in the United States of America against the Group. The complaint concerns a dispute that arises as a result of a patent license agreement regarding digital televisions sold in the European countries.

In January 2016, the Company and the third party entered into a commercial settlement to dismiss the contractual dispute. The directors are of opinion that the net settlement amount is not significant and has been recognized in the income statement in December 2015. The Company considers the terms and settlement amount are confidential and sensitive, therefore full disclosure is not set out in the financial statements.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

19 CONTINGENT LIABILITIES (CONTINUED)

(f) In November 2014, a third party company filed a complaint in Germany against the Group. The complaint concerns claims of damages related to alleged infringement of a patent in respect of LED technology by certain computer monitors ("Patent II").

As far as the Group is concerned, it is alleged among other matters that:

(i) they had infringed Patent II by manufacturing, using, distributing, offering and importing monitors in Germany; and

(ii) as a consequence of the infringement, the plaintiff is entitled to compensation for damages.

On 1st February 2016, both parties reached a commercial settlement agreement to dismiss the case.

(g) In December 2014, a third party company filed a complaint in the United States of America against the Group and one of its associated companies. The complaint concerns claims of damages related to alleged infringement of certain patents in respect of technology of the manufacture of certain televisions and monitors ("Patent III").

As far as the Group and its associated company are concerned, it is alleged among other matters that:

(i) they have been infringing and continue to infringe the Patent III, and contributing to and actively inducing the infringement of Patent III by others in the United States of America; and

(ii) as a consequence of the infringement, the plaintiff has been damaged and will continue to sustain damages unless the court enjoins them from further infringement of Patent III.

In April 2016, the parties reached a commercial settlement to dismiss the case.

19 CONTINGENT LIABILITIES (CONTINUED)

(h) In July 2015, a third party company filed a complaint in the United States of America against the Group and one of its associated companies. The complaint concerns claims of damages related to alleged infringement of certain patents in respect of technology of the manufacture of certain televisions ("Patent IV").

As far as the Group and its associated company are concerned, it is alleged among other matters that:

(i) they have been infringing and continue to infringe the Patent IV, and contributing to and actively inducing the infringement of Patent IV by others in the United States of America; and

(ii) as a consequence of the infringement, the plaintiff has been damaged and will continue to sustain damages unless the court enjoins them from further infringement of Patent IV.

20 COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

	As at 30th June 2016 US$'000	As at 31st December 2015 US$'000
Property, plant and equipment and other non-current assets	**2,964**	4,352

20 COMMITMENTS (CONTINUED)

(b) Operating lease commitments — Group as lessee

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	As at 30th June 2016 US$'000	As at 31st December 2015 US$'000
No later than one year	**13,613**	15,600
Later than one year and no later than five years	**23,298**	26,748
Later than five years	**12,768**	13,486
	49,679	55,834

(c) Operating lease commitments — Group as lessor

The Group leases various offices and warehouses under non-cancellable operating lease arrangements. The lease terms are between 1 and 20 years, and the majority of lease arrangements are renewable at the end of the lease period.

The future aggregate minimum lease payment receivables under non-cancellable operating leases are as follows:

	As at 30th June 2016 US$'000	As at 31st December 2015 US$'000
No later than one year	**8,369**	7,546
Later than one year and no later than five years	**39,714**	13,451
Later than five years	**102,314**	13,818
	150,397	34,815

Notes to the Condensed Consolidated Interim Financial Information (Continued)

21 RELATED PARTY TRANSACTIONS

As at 30th June 2016, the major shareholders of the Company are CEC, Mitsui and Innolux, which owned 37.05%, 18.20% and 6.42% of the Company's issued shares respectively.

The Group is controlled by CEC, which indirectly owns 37.05% of the Company's shares. The directors regard CEC, a state-owned enterprise established under the laws of the PRC, as being the ultimate holding company of the Company. CEC is an enterprise directly administered by State-owned Assets Supervision and Administration Commission of the State Council.

For the purpose of related party disclosure, the Group has identified to the extent practicable whether its customers and suppliers are state-owned enterprises. Many state-owned enterprises have multi-layered corporate structures and the ownership structures change over time as a result of transfers and privatization programs. In the ordinary course of the Group's business, the Group has certain transactions with state-owned enterprises including but not limited to sales and purchases of goods and services, payments for utilities, acquisition and sales of property, plant and equipment and land use rights and depositing and borrowing money.

21 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Significant transactions with related parties

During the six months ended 30th June 2016 and 2015, the Group had the following significant transactions with its associates and its substantial shareholders, CEC and Innolux.

All of the transactions were carried out in the normal course of the Group's business and on terms as agreed between the transacting parties. They are summarized as follows:

	Six months ended 30th June	
	2016	2015
	US$'000	US$'000 (restated)
Sales of goods to associates	**187,542**	173,349
Sales of goods to CEC and its subsidiaries	**447**	6,824
Purchases of goods and services from associates (Note (i))	**(95,495)**	(84,678)
Purchase of goods from CEC and its subsidiaries	**(17,568)**	(102,927)
Purchases of goods from Innolux and its subsidiaries	**(125,260)**	(385,876)
Rental income from associates	**1,088**	379
Royalty paid to CEC and its subsidiaries	**(123)**	(146)
Reimbursement of warranty cost from an associate	**1,678**	2,176
Interest income from CEC and its subsidiaries	**—**	66
Interest expense to CEC and its subsidiaries	**—**	(213)
Rental expense to CEC and its subsidiaries	**(175)**	(404)

Note (i) Amount included the sub-contracting fee paid to Chi Lin Optoelectronics Co., Ltd and its subsidiaries (collectively, "Chi Lin"), an associate of the Group, for sub-contracting services provided. During the period, the Group entered into the sub-contracting arrangement with Chi Lin, under which spare parts amounted to US$84,791,000 (2015: US$196,189,000) were transferred to Chi Lin for further processing and finished goods amounted to US$126,901,000 (2015: US$212,102,000) were purchased back from Chi Lin.

21 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Key management compensation

Key management includes directors (executive and non-executive) and senior management. The compensation paid or payable to key management for employee services is shown below:

	Six months ended 30th June	
	2016	2015
	US$'000	US$'000
Salaries and other short-term employee benefits	**1,246**	895
Share-based payments	**—**	3
	1,246	898

(c) Period/year-end balances

	As at 30th June 2016	As at 31st December 2015
	US$'000	US$'000
Receivables from associates (Note (i))	**115,816**	86,888
Receivables from substantial shareholders and their subsidiaries (Note (i))		
— CEC and its subsidiaries	**224**	143
Payables to associates (Note (ii))	**79,627**	78,475
Payables to substantial shareholders and their subsidiaries (Note (ii))		
— CEC and its subsidiaries	**8,774**	26,082
— Innolux and its subsidiaries	**34,392**	50,723
	43,166	76,805

Notes to the Condensed Consolidated Interim Financial Information (Continued)

21 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Period/year-end balances (Continued)

Notes:

(i) Receivables from associates and substantial shareholders were mainly presented in the condensed consolidated interim balance sheet within “trade receivables” and “deposits, prepayments and other receivables”.

(ii) Payables to associates and substantial shareholders were mainly presented in the condensed consolidated interim balance sheet within “trade payables” and “other payables and accruals”.

22 SEASONALITY OF OPERATIONS

The sales of computer monitors and flat TVs are subject to seasonal fluctuations, with relatively higher demand in the third and fourth quarters of the year due to seasonal holiday periods.

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