



世達科技(控股)有限公司

World Wide Touch Technology (Holdings) Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1282



INTERIM REPORT
2015

CORPORATE PROFILE

World Wide Touch Technology (Holdings) Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability on 17 July 2009.

The Company and its subsidiaries (collectively, the “Group”) are principally engaged in the development of a range of high-technology products; trading and providing services with respect to automation related equipment; and strategic investment and development in technologies mainly relating to biometric security, high-speed wireless data transmission and communications.

Since July 2013, the Group has expanded its biometric service offerings and launched the world’s first biometric fingerprint privacy protection platform and devices — FingerQ and PrivacQ — to strengthen its position as the leading provider of patented biometric security solutions for both the consumer and enterprise markets.

In addition to the biometric security technology, the Group will implement a diversified strategy to expand its business, and focus on the development of financial, asset management and technology investment businesses. The Group also intends to tap the energy-saving lighting industry and invest domestic financial enterprises, to grasp the opportunities of the booming financial market and the economic development of restructuring and upgrading in the PRC.

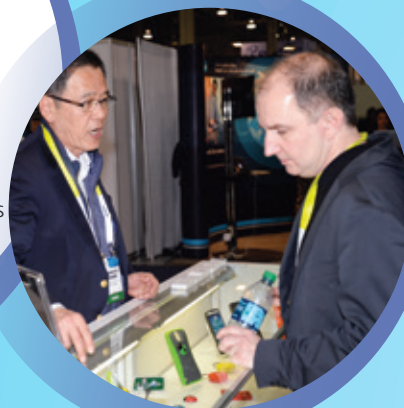
In order to provide more financial resources to support and enhance the business of the Group, the Company entered into a subscription agreement on 9 May 2015 to allot and issue 18,611,994,100 subscription shares at the subscription price of HK\$0.18 per subscription shares with an aggregate consideration of HK\$3,350,158,938 (the “Transaction”). The Transaction was completed on 3 August 2015.

The Company was listed on the main board of The Stock Exchange of Hong Kong Limited on 15 December 2010 (Stock code: 1282).

2015 International Consumer Electronics Show

Las Vegas, USA from January 6 to 9, 2015

FingerQ and PrivacQ were greatly received at International CES 2015, and networked with industry professionals from across the world, exploring business opportunities.





Mobile World Congress 2015

Barcelona, Spain from March 2 to 5, 2015

FingerQ's contactless token Q-Card, Q-Lock, Q-Club and PrivacQ were enthusiastically received at MWC 2015, and met with industry professionals around the world, expanding the Group's business network.

GSMA Mobile World Congress Shanghai 2015

Shanghai, China from July 15 to 17, 2015

FingerQ and PrivacQ received overwhelming response, which facilitated the Group's efforts to build relationship with GSMA operators and industry professionals around the world.



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Wong Kwok Fong — *Chairman and Chief Executive Officer* (resigned on 3 August 2015)
Ms. Ching Pui Yi — *Chief Operating Officer* (resigned on 3 August 2015)
Mr. Tan Hui Kiat — *Corporate Affairs Officer* (resigned on 3 August 2015)
Mr. Yao Jianhui — *Chairman and Chief Executive Officer* (appointed on 3 August 2015)
Mr. Huang Wei (appointed on 3 August 2015)
Mr. Zhang Bowen (appointed on 3 August 2015)

Non-Executive Director

Mr. Li Minbin (appointed on 3 August 2015)

Independent Non-Executive Directors

Mr. Wong Chun Bong
Professor Lee Kwok On, Matthew
Mr. Chan Wai

AUDIT COMMITTEE

Mr. Wong Chun Bong (*Chairman*)
Professor Lee Kwok On, Matthew
Mr. Chan Wai

NOMINATION COMMITTEE

Mr. Wong Kwok Fong — *Chairman* (resigned on 3 August 2015)
Mr. Yao Jianhui — *Chairman* (appointed on 3 August 2015)
Mr. Wong Chun Bong
Mr. Chan Wai

REMUNERATION COMMITTEE

Mr. Chan Wai (*Chairman*)
Mr. Wong Kwok Fong (resigned on 3 August 2015)
Mr. Yao Jianhui (appointed on 3 August 2015)
Mr. Wong Chun Bong

STRATEGIC INTELLECTUAL PROPERTY AND TECHNOLOGY COMMITTEE

Mr. Wong Kwok Fong — *Chairman* (resigned on 3 August 2015)
Mr. Yao Jianhui — *Chairman* (appointed on 3 August 2015)
Mr. Tan Hui Kiat (resigned on 3 August 2015)
Mr. Zhang Bowen (appointed on 3 August 2015)
Professor Lee Kwok On, Matthew

COMPANY SECRETARY

Ms. Kwok Ling Yee, Pearl Elizabeth

PRINCIPAL BANKERS

Bank of China Limited
China CITIC Bank International Limited
Hang Seng Bank Limited

LEGAL ADVISER

As to Hong Kong Law:
Sidley Austin

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman, KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 2601–2, 26/F, Tower 2, Nina Tower
8 Yeung Uk Road, TWTL 353, Tsuen Wan
New Territories, Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands



HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

LISTING VENUE

Main Board of The Stock Exchange of
Hong Kong Limited

STOCK CODE

1282

COMPANY WEBSITE

<http://www.wwtt.hk>

Report on Review of Interim Financial Information



羅兵咸永道

**TO THE BOARD OF DIRECTORS OF
WORLD WIDE TOUCH TECHNOLOGY (HOLDINGS) LIMITED**
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 6 to 33, which comprises the interim condensed consolidated statement of financial position of World Wide Touch Technology (Holdings) Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2015 and the related interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six months then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 21 August 2015

Condensed Consolidated Statement of Financial Position

As at 30 June 2015

	Note	As at 30 June 2015 HK\$'000 (Unaudited)	As at 31 December 2014 HK\$'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	7	73,885	81,547
Land use right		4,633	4,690
Intangible assets	7	70,184	75,373
Investments in associates		10,006	12,595
Available-for-sale financial assets	8	273,751	187,262
Deferred income tax assets		9,490	5,992
Prepayments and other receivables	10	4,615	6,017
Trade receivables	9	—	1,763
		446,564	375,239
Current assets			
Inventories		91,772	107,091
Trade receivables	9	112,453	134,073
Prepayments, deposits and other receivables	10	13,222	17,238
Amount due from a related party	22(e)	2,517	2,684
Financial assets at fair value through profit or loss		1,101	1,162
Cash and cash equivalents		218,811	239,792
		439,876	502,040
Total assets		886,440	877,279
EQUITY			
Owner's equity attributable to the Company's equity holders			
Share capital	11	292,708	292,708
Share premium	11	565,489	565,489
Other reserves and accumulated deficits		(314,108)	(367,039)
		544,089	491,158

	Note	As at 30 June 2015 HK\$'000 (Unaudited)	As at 31 December 2014 HK\$'000 (Audited)
Liabilities			
Non-current liabilities			
Bank borrowings	12	43,743	58,333
Deferred income tax liabilities		1,232	1,524
		44,975	59,857
Current liabilities			
Trade and bills payables	13	71,820	69,584
Accruals and other payables	14	40,821	51,577
Bank borrowings	12	176,916	197,244
Current income tax liabilities		7,819	7,859
		297,376	326,264
Total liabilities		342,351	386,121
Total equity and liabilities		886,440	877,279
Net current assets		142,500	175,776
Total assets less current liabilities		589,064	551,015

The notes on pages 11 to 33 form an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2015

	Note	Six months ended 30 June 2015 HK\$'000 (Unaudited)	Six months ended 30 June 2014 HK\$'000 (Unaudited)
Revenue	6	250,890	423,701
Cost of sales		(220,933)	(411,851)
Gross profit		29,957	11,850
Other gain — net	15	3,347	18,846
Other income	15	1,999	684
Distribution costs		(10,816)	(15,840)
Administrative expenses		(57,911)	(75,443)
Operating loss	16	(33,424)	(59,903)
Finance costs — net	17	(2,108)	(469)
Share of losses of associates		(389)	(3,216)
Provision for impairment on investments in associates		(2,200)	(6,119)
Loss before income tax		(38,121)	(69,707)
Income tax credit	18	3,239	1,562
Loss attributable to equity holders of the Company		(34,882)	(68,145)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Fair value gain/(loss) on available-for-sale financial assets		87,813	(55,930)
Other comprehensive income/(loss) for the period		87,813	(55,930)
Total comprehensive income/(loss) for the period attributable to equity holders of the Company		52,931	(124,075)
Loss per share for loss attributable to equity holders of the Company			
— basic (expressed in Hong Kong cents per share)	19	(1.19)	(2.33)
— diluted (expressed in Hong Kong cents per share)	19	(1.19)	(2.33)
Dividends	20	—	11,708

The notes on pages 11 to 33 form an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2015

	Share capital	Share premium	Merger reserve	Capital reserve	Share option reserve	Statutory reserve	Available-for-sale financial assets	Exchange reserve	Accumulated deficits	Total
	HK\$;000	HK\$;000	HK\$;000	HK\$;000	HK\$;000	HK\$;000	HK\$;000	HK\$;000	HK\$;000	HK\$;000
(Unaudited)										
For the six months ended 30 June 2015										
At 1 January 2015	292,708	565,489	(215,150)	12,411	2,224	33,987	(88,215)	(387)	(111,909)	491,158
Loss for the period	—	—	—	—	—	—	—	—	(34,882)	(34,882)
Other comprehensive income:										
Fair value gain on available-for-sale Financial assets	—	—	—	—	—	—	87,813	—	—	87,813
Total other comprehensive income	—	—	—	—	—	—	87,813	—	—	87,813
Total comprehensive income	—	—	—	—	—	—	87,813	—	(34,882)	52,931
At 30 June 2015	292,708	565,489	(215,150)	12,411	2,224	33,987	(402)	(387)	(146,791)	544,089
(Unaudited)										
For the six months ended 30 June 2014										
At 1 January 2014	292,708	565,489	(215,150)	12,411	2,224	33,545	29,078	22	483,393	1,203,720
Loss for the period	—	—	—	—	—	—	—	—	(68,145)	(68,145)
Other comprehensive loss:										
Fair value loss on available-for-sale Financial assets	—	—	—	—	—	—	(55,930)	—	—	(55,930)
Total other comprehensive loss	—	—	—	—	—	—	(55,930)	—	—	(55,930)
Total comprehensive loss	—	—	—	—	—	—	(55,930)	—	(68,145)	(124,075)
Dividend relating to 2013 paid during the period	—	—	—	—	—	—	—	—	(11,708)	(11,708)
Transfer to statutory reserve	—	—	—	—	—	216	—	—	(216)	—
At 30 June 2014	292,708	565,489	(215,150)	12,411	2,224	33,761	(26,852)	22	403,324	1,067,937

The notes on pages 11 to 33 form an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Statement of Cash Flows

For the year ended 30 June 2015

	Six months ended 30 June 2015 HK\$'000 (Unaudited)	Six months ended 30 June 2014 HK\$'000 (Unaudited)
Cash flows from operating activities		
Cash generated from operations	15,993	2,855
Interest paid	(4,085)	(2,806)
Profits tax paid	(590)	(1,800)
Net cash generated from/(used in) operating activities	11,318	(1,751)
Cash flows from investing activities		
Purchase of property, plant and equipment	(660)	(5,741)
Additions of intangible assets	(3,062)	(11,904)
Purchase of available-for-sale financial assets	—	(113,802)
Proceed received on disposal of property, plant and equipment and intangible assets	51	9
Proceed received on disposal of available-for-sale financial assets	4,731	152,055
Interest received	2,067	2,922
Prepayment for acquisition of property, plant and equipment and financial assets	(503)	—
Amount due from a related party	—	(2,572)
Net cash generated from investing activities	2,624	20,967
Cash flows from financing activities		
Drawdown of bank borrowings	169,285	207,027
Repayments of bank borrowings	(204,236)	(294,404)
Capital repayment of finance lease obligations	—	(893)
Dividends paid	—	(11,708)
Net cash used in financing activities	(34,951)	(99,978)
Net decrease in cash and cash equivalents	(21,009)	(80,762)
Cash and cash equivalents at beginning of the period	239,792	325,892
Exchange gains/(losses) on cash and cash equivalents	28	(52)
Cash and cash equivalents at end of the period	218,811	245,078

The notes on pages 11 to 33 form an integral part of this condensed consolidated interim financial information.

Notes to the Condensed Consolidated Interim Financial Information

1 GENERAL INFORMATION

World Wide Touch Technology (Holdings) Limited (the “Company”) was incorporated in the Cayman Islands on 17 July 2009 as an exempted company with limited liability under Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively the “Group”) are principally engaged in the manufacturing of a range of high-technology products, and the trading of and provision of services with respect to automation-related equipment.

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 15 December 2010.

This condensed consolidated interim financial information is presented in thousands of units of Hong Kong dollars, unless otherwise stated. This condensed consolidated interim financial information has been approved for issue on 21 August 2015.

This condensed consolidated interim financial information has been reviewed, not audited.

Key events

On 9 May 2015, the Company, Mr. Wong Kwok Fong and Ms. Ching Pui Yi entered into a subscription agreement with eight investors (the “Investors”) pursuant to which the Investors have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 18,611,994,100 subscription shares at the subscription price of HK\$0.18 per subscription shares with an aggregate consideration of HK\$3,350,158,938 (the “Transaction”). The Transaction was completed on 3 August 2015.

Upon completion of the Transaction, the Investors held 86.40% of the enlarged issued share capital of the Company assuming the share options granted by the Company have not yet been exercised and held 86.37% of the enlarged issued share capital of the Company assuming the share options granted by the Company have been exercised in full.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2015 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

Notes to the Condensed Consolidated Interim Financial Information [continued]

3 ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2014, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

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

The following amendments and interpretations to existing standards that have been issued and effective for annual periods beginning on or after 1 January 2015 with no material impact on the Group's result of operations and financial positions:

HKAS 19 (2011) (Amendment)	Defined benefit plans: employee contributions
HKFRSs (Amendment)	Annual improvements to HKFRSs 2010–2012 cycle
HKFRSs (Amendment)	Annual improvements to HKFRSs 2011–2013 cycle

The following new and amended standards and interpretations to the existing standards that have been issued but are not effective for the financial year beginning 1 January 2015 with no early adoption:

		Effective for annual periods beginning on or after
HKFRSs (Amendment)	Annual improvements to HKFRSs 2012–2014 cycle	1 January 2016
HKFRS 10 and HKAS 28 (Amendment)	Sale or contribution of assets between an investor and its associate or joint venture	1 January 2016
HKFRS 10, HKFRS 12 and HKAS 28 (Amendment)	Investment entities: applying the consolidation exception	1 January 2016
HKFRS 11 (Amendment)	Accounting for acquisitions of interests in joint operations	1 January 2016
HKAS 16 and 38 (Amendment)	Clarification of acceptance methods of depreciation and amortisation	1 January 2016
HKAS 16 and 41 (Amendment)	Agriculture: bearer plants	1 January 2016
HKAS 27 (Amendment)	Equity method in separate financial statements	1 January 2016
HKAS 1 (Amendment)	Disclosure initiative	1 January 2016
HKFRS 14	Regulatory deferred accounts	1 January 2016
HKFRS 15	Revenue from contracts with customers	1 January 2017
HKFRS 9	Financial instruments	1 January 2018

3 ACCOUNTING POLICIES *(continued)*

Management is in the process of making an assessment of the impact of these standards, amendments and interpretations to existing standards and is not yet in a position to state whether they will have a significant impact on the Group's result of operations and financial position.

4 ESTIMATES

The preparation of 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 expense. Actual results may differ from these estimates.

In preparing these 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 the same as those that applied to the consolidated financial statements for the year ended 31 December 2014.

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

5.1 Financial risk factors

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

The condensed consolidated interim financial information do 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 as at 31 December 2014.

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

5.2 Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to settle the payables of the Group. Due to the dynamic nature of the underlying businesses, senior management of the Group aims to maintain flexibility in funding by keeping committed credit lines available. Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities except bank borrowings.

Notes to the Condensed Consolidated Interim Financial Information (continued)

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

5.2 Liquidity risk (continued)

The table below analyses the Group's bank borrowings and interest payables into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	On demand HK\$'000	Within one year HK\$'000	Between one and two years HK\$'000	Between two and five years HK\$'000	Total HK\$'000
At 30 June 2015					
Bank borrowings and interest payables (note i)	104,616	75,474	30,849	14,888	225,827
At 31 December 2014					
Bank borrowings and interest payables (note i)	143,077	58,298	31,555	30,136	263,066

Note i:

Where the loan agreement contains a repayable on demand clause which gives the lender the unconditional right to call the loan at any time, the amounts repayable are classified in the earliest time bracket in which the lender could demand repayment. Based on the internal information provided by management, it is expected that the lender will not exercise its rights to demand repayment. The expected cash flows with reference to the schedule of repayments set out in the loan agreements are as follows:

	On demand HK\$'000	Within one year HK\$'000	Between one and two years HK\$'000	Between two and five years HK\$'000	Total HK\$'000
At 30 June 2015					
Bank borrowings and interest payables	24,269	155,990	30,849	14,888	225,996
At 31 December 2014					
Bank borrowings and interest payables	10,000	191,737	31,555	30,136	263,428

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS *(continued)*

5.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined 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/(liabilities) that are measured at fair value at 30 June 2015 and 31 December 2014:

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
As at 30 June 2015				
Assets				
Financial assets at fair value through profit or loss	1,101	—	—	1,101
Available-for-sale financial assets	169,842	—	74,391	244,233
	170,943	—	74,391	245,334
At 31 December 2014				
Assets				
Financial assets at fair value through profit or loss	1,162	—	—	1,162
Available-for-sale financial assets	83,353	—	74,391	157,744
Liabilities				
Contingent consideration payable in relation to acquisition of a subsidiary	—	—	(9,672)	(9,672)
	84,515	—	64,719	149,234

Notes to the Condensed Consolidated Interim Financial Information (continued)

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

5.3 Fair value estimation (continued)

In 2015, there were no transfer of financial assets between Level 1, Level 2 and Level 3.

Transfers between Levels 2 and 3 for the period ended 30 June 2014 are addressed in the Level 3 reconciliation in Note 5.5 below.

5.4 Available-for-sale financial asset measured at cost

As at 30 June 2015 and 31 December 2014, the available-for-sale financial asset was measured at cost less impairment, if any, because it is a startup business or in the new products development stage, in which there are uncertainties as to the future performance of these new products and accordingly, the fair value cannot be determined reliably. In accordance with HKAS 39, under these circumstances, the carrying amount of the investment in unquoted security of HK\$29,518,000 became its cost (Note 8).

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

The following table presents the changes in Level 3 instruments for the six months ended 30 June 2015:

	Available-for-sale financial assets HK\$'000	Contingent consideration payable in relation to acquisition of a subsidiary HK\$'000
Opening balance at 1 January 2015	74,391	(9,672)
Losses recognised in profit or loss	—	(339)
Settlement during the period	—	10,011
Closing balance at 30 June 2015	74,391	—
Change in unrealised losses for the period included in profit or loss for liabilities held at end of the reporting period, under 'Finance costs' (Note 17)	—	339

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS *(continued)*

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

The following table presents the changes in Level 3 instruments for the six months ended 30 June 2014:

	Available-for-sale financial assets HK\$'000	Contingent consideration payable in relation to acquisition of a subsidiary HK\$'000
Opening balance at 1 January 2014	74,391	(16,949)
Transfer from Level 3 (Note)	(46,807)	—
Losses recognised in profit or loss	—	(1,010)
Settlement during the period	—	9,002
	<hr/>	<hr/>
Closing balance at 30 June 2014	27,584	(8,957)
	<hr/>	<hr/>
Change in unrealised losses for the period included in profit or loss for liabilities held at end of the reporting period, under 'Finance costs' (Note 17)	—	585

Note:

As at 30 June 2014, the available-for-sale financial asset was measured at cost less impairment, if any, because it is in the new products development stage, in which there are uncertainties as to the future performance of the new products and accordingly, the fair value cannot be determined reliably. In accordance with HKAS 39, under these circumstances, the carrying amount of the investment in unlisted shares of HK\$46,807,000 became its new cost (Note 8). As at 31 December 2014 and 30 June 2015, the fair value of the available-for-sale financial asset was determined by the information available from recent transaction.

The fair value of contingent consideration payable in relation to acquisition of a subsidiary is recognised based on the estimated net profit of Gallant Tech Limited and its subsidiaries (the "Gallant Tech Group") for the year ended 31 December 2014. This implies the potential undiscounted amount of all future payments that the Group could be required to make under this arrangement would vary by a change of assumed probability — adjusted net profit of Gallant Tech Group.

Notes to the Condensed Consolidated Interim Financial Information [continued]

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS *(continued)*

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

The Group's policy is to recognise 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.

Description	Fair value at 30 June 2015 (HK\$'000)	Valuation technique(s)	Unobservable inputs	Unobservable inputs	Relationship of unobservable inputs to fair value	
Equity security	48,886	Market comparable approach using equity allocation method	Volatility	60%	The higher the volatility, the higher the fair value	
			Discounted cash flow using equity allocation method	Weighted average cost of capital	21.5%	The higher the weighted average cost of capital, the lower the fair value
			Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value	
Equity security	27,509	Discounted cash flow	Weighted average cost of capital	33%	The higher the weighted average cost of capital, the lower the fair value	
			Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value	

5.6 Group's valuation processes

The Group's finance department performs the valuations of financial assets required for financial reporting purposes, including Level 3 fair values. The finance department reports directly to the chief financial officer ("CFO") and the audit committee ("AC"). Discussions of valuation processes and results are held between the CFO, AC and the valuation team at least once every month, in line with the Group's monthly reporting dates.

Changes in Level 2 and 3 fair values are analysed at each reporting date during the monthly valuation discussions between the CFO, AC and the finance department. As part of that discussion, the finance department presents a report that explains the reasons for the fair value movements.

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS *(continued)*

5.7 Fair value of financial assets/(liabilities) measured at amortised cost

The fair value of financial assets/(liabilities) measured at amortised cost approximate their carrying amount.

6 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer of the Company (the “CEO”) that are used to make strategic decisions.

The CEO considered the business from a perspective of different product categories. The reportable operating segments were classified as Automation, Life Energy, Life Security and Life Touch.

Other products include mainly the communication- and automotives-related products. These are not qualified as reportable segment as these segments do not meet the quantitative threshold required by HKFRS 8 and, accordingly, the segment information of these operations are included in “Other Segments”.

Sales between segments are carried out at arm’s length. The Group’s revenue by segment is as follows:

	Six months ended 30 June 2015			Six months ended 30 June 2014		
	Total segment revenue HK\$’000 (Unaudited)	Inter segment revenue HK\$’000 (Unaudited)	Revenue from external customers HK\$’000 (Unaudited)	Total segment revenue HK\$’000 (Unaudited)	Inter segment revenue HK\$’000 (Unaudited)	Revenue From External customers HK\$’000 (Unaudited)
Automation	155,003	(45)	154,958	200,562	(954)	199,608
Life Energy	8,543	—	8,543	24,584	—	24,584
Life Security	74,145	—	74,145	88,671	—	88,671
Life Touch	1,026	—	1,026	53,432	—	53,432
Other Segments	12,218	—	12,218	57,406	—	57,406
Total	250,935	(45)	250,890	424,655	(954)	423,701

Notes to the Condensed Consolidated Interim Financial Information (continued)

6 SEGMENT INFORMATION (continued)

Reportable segment information is reconciled to loss before income tax as follows:

	Six months ended 30 June 2015 HK\$'000 (Unaudited)	Six months ended 30 June 2014 HK\$'000 (Unaudited)
Operating (loss)/profit		
Automation	408	(607)
Life Energy	88	30
Life Security	1,586	1,913
Life Touch	(2,863)	(19,764)
Other Segments	(455)	1,059
Total	(1,236)	(17,369)
Unallocated		
Depreciation shared by various reportable segments	(2,871)	(8,735)
Amortisation of land use right	(57)	(58)
Other gain — net	3,347	18,846
Other income	1,999	684
Other distribution costs and administrative expenses	(34,606)	(53,271)
Finance costs — net	(2,108)	(469)
Share of losses of associates	(389)	(3,216)
Provision for impairment on investments in associates	(2,200)	(6,119)
Loss before income tax	(38,121)	(69,707)

The revenue from external parties reported to the CEO is measured in a manner consistent with that of the annual financial statements for the year ended 31 December 2014.

The CEO assesses the performance of the operating segments based on a measure of operating profit, which are in a manner consistent with that of the annual financial statements for the year ended 31 December 2014.

Other gain — net, other income, distribution and administrative expenses, depreciation and amortisation of land use right are not allocated to segments, as they are inseparable for each product and not attributable to particular reportable segments. Finance costs — net and share of losses and impairment provision of associates are not allocated to segments, as this type of activities are managed by the central finance and accounting function, which manages the working capital of the Group.

6 SEGMENT INFORMATION *(continued)*

During the period ended 30 June 2015, the Group recorded a provision for impairment of inventories of HK\$257,000 (2014: Nil) and HK\$743,000 (2014: Nil) in the segment results of Life Security and Other Segments respectively. No provision for impairment of inventories has been made for Life Touch, Life Energy and Automation.

The assets attributable to different reportable segments are reconciled to total assets as follows:

	As at 30 June 2015 HK\$'000 (Unaudited)	As at 31 December 2014 HK\$'000 (Audited)
Segment assets		
Automation	191,530	197,611
Life Energy	7,837	7,652
Life Security	72,424	91,425
Life Touch	5,522	9,091
Other Segments	17,176	22,843
Segment assets for reportable and other segments	294,489	328,622
Unallocated:		
Property, plant and equipment shared by various reportable segments	42,473	45,278
Land use right	4,633	4,690
Available-for-sale financial assets	273,751	187,262
Investments in associates	10,006	12,595
Deferred income tax assets	9,490	5,992
Inventories shared by various reportable segments	52,338	61,939
Prepayments, deposits and other receivables shared by various reportable segments	15,070	20,780
Financial assets at fair value through profit or loss	1,101	1,162
Cash and cash equivalents	183,089	208,959
Total assets	886,440	877,279

The amounts provided to the CEO with respect to total assets are measured in a manner consistent with that of the annual consolidated financial statements for the year ended 31 December 2014. Segment assets represented property, plant and equipment, intangible assets, trade receivables, prepayments, deposits and other receivables, amount due from a related party, cash and cash equivalents, goodwill and inventories attributable to various reportable segments.

Notes to the Condensed Consolidated Interim Financial Information (continued)

6 SEGMENT INFORMATION (continued)

Unallocated segment assets comprise property, plant and equipment, prepayments, deposits and other receivables and inventories shared by various reportable segments, cash and cash equivalents, land use right, deferred income tax assets, investments in associates, financial assets at fair value through profit or loss and available-for-sale financial assets which are inseparable for each product and are not attributable to particular reportable segments.

7 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

During the current interim period, the Group incurred expenditures of approximately HK\$660,000 (six months ended 30 June 2014: HK\$5,741,000) and HK\$3,062,000 (six months ended 30 June 2014: HK\$11,904,000) for property, plant and equipment and intangible assets, respectively.

8 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	As at 30 June 2015 HK\$'000 (Unaudited)	As at 31 December 2014 HK\$'000 (Audited)
Listed shares	169,842	83,353
Unlisted shares	103,909	103,909
	273,751	187,262

Certain unlisted shares of aggregated carrying amount of HK\$74,391,000 (2014: HK\$74,391,000) are measured at fair value determined by using discounted cash flow approaches which are not based on observable inputs.

Certain unlisted shares of aggregated carrying amount of HK\$29,518,000 (2014: HK\$29,518,000) are measured at cost (Note 5.4).

The fair values of listed shares are determined on the basis of their quoted market prices at the end of reporting period.

At the end of reporting period, the Group's available-for-sale financial assets were individually reviewed for impairment by management. There was no provision for impairment recognised in the condensed consolidated statement of comprehensive income for the six months ended 30 June 2015 and 2014. The Group does not hold any collateral over these balances.

No available-for-sale financial assets were pledged as security for bank borrowings of the Group at the end of the reporting period.

9 TRADE RECEIVABLES

	As at 30 June 2015 HK\$'000 (Unaudited)	As at 31 December 2014 HK\$'000 (Audited)
Trade receivables	116,163	136,504
Less: Provision for impairment on receivables	(3,710)	(668)
Trade receivables — net	112,453	135,836
Less: non-current portion	—	(1,763)
Current portion	112,453	134,073

As at 30 June 2015, trade receivables of HK\$3,710,000 (2014: HK\$668,000) were impaired and provided for. Amounts due from these customers were aged over 120 days. The amount of provision for impairment of HK\$3,042,000 has been included in “cost of sales” in the condensed consolidated statement of comprehensive income for the six months ended 30 June 2015 (for the six months ended 30 June 2014: Nil).

The Group generally grants a credit period of 30 days to 90 days to its customers. For customers of automation products, a credit period ranging from 30 days to 60 days after acceptance is granted. The ageing analysis of trade receivables based on invoice date is as follows:

	As at 30 June 2015 HK\$'000 (Unaudited)	As at 31 December 2014 HK\$'000 (Audited)
0 to 30 days	47,099	58,365
31 to 60 days	23,571	29,584
61 to 90 days	19,006	23,758
91 to 120 days	8,503	8,694
Over 120 days	17,984	16,103
	116,163	136,504

Notes to the Condensed Consolidated Interim Financial Information (continued)

9 TRADE RECEIVABLES (continued)

Movements on the provision for impairment of trade receivables are as follows:

	As at 30 June 2015 HK\$'000 (Unaudited)	As at 31 December 2014 HK\$'000 (Audited)
At 1 January	668	828
Provision of impairment on trade receivables	3,042	131
Reversal of provision of impairment on trade receivables	—	(291)
At 30 June/31 December	3,710	668

10 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June 2015 HK\$'000 (Unaudited)	As at 31 December 2014 HK\$'000 (Audited)
Non-current		
Prepayments for purchase of property, plant and equipment and intangible assets	—	1,317
Prepaid insurance for a director	4,615	4,700
	4,615	6,017
Current		
Prepayments for purchase of inventories, property, plant and equipment and intangible assets	1,451	245
Utility and other deposits	3,665	3,573
Value-added tax recoverable	1,399	2,287
Escrow account receivable	86	3,390
Other	6,621	7,743
	13,222	17,238

11 SHARE CAPITAL AND PREMIUM

	Number of shares (thousands)	Nominal value of ordinary shares HK\$'000	Share premium HK\$'000	Total HK\$'000
At 1 January 2014, 30 June 2014, 1 January 2015 and 30 June 2015	2,927,084	292,708	565,489	858,197

12 BANK BORROWINGS

	As at 30 June 2015 HK\$'000 (Unaudited)	As at 31 December 2014 HK\$'000 (Audited)
Non-current		
Bank loans, secured	43,743	58,333
Current		
Bank loans, secured	105,700	99,767
Trust receipts loans, secured	71,216	97,477
	176,916	197,244
Total bank borrowings	220,659	255,577

Notes to the Condensed Consolidated Interim Financial Information (continued)

12 BANK BORROWINGS (continued)

The Group's borrowings at the end of reporting period were repayable as follows:

	As at 30 June 2015 HK\$'000 (Unaudited)	As at 31 December 2014 HK\$'000 (Audited)
Within one year	176,916	197,244
Between one and two years	29,167	29,167
Between two and five years	14,576	29,166
	220,659	255,577

Bank borrowings are secured by corporate guarantees provided by the Company and certain of its subsidiaries.

Certain of the Group's bank facilities are subject to covenants, whereby the Group is required to meet certain key performance indicators. The Group did not fulfil the tangible net worth as required by banking facilities of approximately HK\$30,000,000 (2014: HK\$30,000,000), in which approximately HK\$24,269,000 (2014: HK\$10,000,000) had been utilised as of 30 June 2015. The lender has not requested early repayment of these loans upon the failure of fulfilment of such covenant clause and the Group will repay these loans in full in September 2015. Subsequent to the end of reporting period, the Group obtained new capital as mentioned in "Key events", and the tangible net worth required by the above banking facilities is fulfilled.

13 TRADE AND BILLS PAYABLES

The ageing analysis of the trade and bills payables based on invoice date is as follows:

	As at 30 June 2015 HK\$'000 (Unaudited)	As at 31 December 2014 HK\$'000 (Audited)
0 to 30 days	50,587	42,022
31 to 60 days	14,551	14,253
61 to 90 days	1,587	2,886
91 to 120 days	58	3,317
Over 120 days	5,037	7,106
	71,820	69,584

14 ACCRUALS AND OTHER PAYABLES

	As at 30 June 2015 HK\$'000 (Unaudited)	As at 31 December 2014 HK\$'000 (Audited)
Payable for purchase of property, plant and equipment	555	1,701
Salary and wages payable	5,621	9,098
Accrued operating expenses	2,655	2,064
Advance receipts from customers	14,561	9,864
Provision for value-added tax and other taxes in the People's Republic of China ("PRC")	4,602	5,252
Contingent consideration in relation to acquisition of a subsidiary (Note)	—	9,672
Commission payables	137	1,368
Other accruals and other payables	12,690	12,558
	40,821	51,577

Note:

On 16 January 2012, the Group acquired 100% of the issued shares in Gallant Tech Limited. Total consideration amounts to approximately HK\$80.2 million, which includes cash payment of HK\$58.8 million, amount payable of HK\$0.2 million and estimated contingent consideration of approximately HK\$21.2 million.

The contingent consideration arrangement requires the Group to pay the former owner of Gallant Tech Group up to a maximum undiscounted amount of approximately HK\$27,300,000 based on the net profit of Gallant Tech Group for the years ending 31 December 2012, 31 December 2013 and 31 December 2014.

The potential undiscounted amount of all future payments that the Group could be required to make under this arrangement is between HK\$0 and HK\$27,300,000. The fair value of the contingent consideration arrangement of HK\$21,243,000 was estimated by the income approach after discounting the probability weighted earn-out ratio. The fair value estimates are based on a discount rate of 7% and assumed probability-adjusted net profit in Gallant Tech Group of ranging from HK\$5,500,000 to HK\$11,900,000 for the years ending 31 December 2012, 31 December 2013 and 31 December 2014.

For the six months ended 30 June 2015, settlement of HK\$10,011,000 (six months ended 30 June 2014: HK\$9,002,000) was made to the former owner of Gallant Tech Group based on the net profit of Gallant Tech Group for the year ended 31 December 2014 and an accretion of interest of HK\$339,000 (six months ended 30 June 2014: HK\$585,000) at an effective interest rate has been recognised in profit or loss for the contingent consideration arrangement.

Notes to the Condensed Consolidated Interim Financial Information (continued)

15 OTHER GAIN AND OTHER INCOME — NET

	Six months ended 30 June 2015 HK\$'000 (Unaudited)	Six months ended 30 June 2014 HK\$'000 (Unaudited)
Other gain — net		
Fair value loss on financial asset at fair value through profit or loss	(60)	(87)
Gains on disposal of available-for-sale financial assets, net	3,407	18,933
	3,347	18,846
Other income		
Recovery of bad debt	—	291
Written off of other payables	1,051	—
Other	948	393
	1,999	684

16 OPERATING LOSS

The following items have been charged to the operating loss during the period:

	Six months ended 30 June 2015 HK\$'000 (Unaudited)	Six months ended 30 June 2014 HK\$'000 (Unaudited)
Amortization of intangible assets	8,256	7,833
Amortization of land use right	57	58
Depreciation of property, plant and equipment	7,976	33,636
Loss on disposal of property, plant and equipment	295	78
Provision for impairment on inventories	1,000	—
Provision for impairment on trade receivables	3,042	—

For the six months ended 30 June 2015, raw materials, work in progress and finished goods of HK\$1,000,000 (for the six months ended 30 June 2014: Nil) in total are considered as obsolete. The amount of provision for impairment has been included in “cost of sales” in the condensed consolidated statement of comprehensive income.

17 FINANCIAL COSTS — NET

	Six months ended 30 June 2015 HK\$'000 (Unaudited)	Six months ended 30 June 2014 HK\$'000 (Unaudited)
Finance income		
— interest income on bank deposits	1,915	2,922
Finance costs		
— Bank loans	(2,983)	(2,374)
— Finance lease obligations	—	(6)
— Trust receipt loans	(701)	(426)
— Notional accretion of interest on contingent consideration payable (Note 14)	(339)	(585)
	(4,023)	(3,391)
Finance cost — net	(2,108)	(469)

18 INCOME TAX CREDIT

	Six months ended 30 June 2015 HK\$'000 (Unaudited)	Six months ended 30 June 2014 HK\$'000 (Unaudited)
Current income tax		
— Hong Kong profit tax	(158)	—
— People's Republic of China ("PRC") enterprise income tax	(392)	(1,985)
— Overprovision of PRC enterprise income tax in respect of prior year	—	2,686
	(550)	701
Deferred income tax	3,789	861
	3,239	1,562

Notes to the Condensed Consolidated Interim Financial Information (continued)

18 INCOME TAX CREDIT (continued)

Provision for income tax

Hong Kong profit tax has been provided at the rate of 16.5% on the estimated assessable profit for the six months ended 30 June 2015 (for the six months ended 30 June 2014: 16.5%).

The statutory income tax rate applicable to entities operating in the PRC is 25% (for the six months ended 30 June 2014: 25%).

19 LOSS PER SHARE

(a) Basic

The basic loss per share for the period is calculated by dividing the loss attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue.

	Six months ended 30 June 2015 (Unaudited)	Six months ended 30 June 2014 (Unaudited)
Loss attributable to equity holders of the Company (HK\$'000)	(34,882)	(68,145)
Weighted average number of ordinary shares in issue (thousands)	2,927,084	2,927,084
Basic loss per share (Hong Kong cents)	(1.19)	(2.33)

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options. For the share options, a calculation is done 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 as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

Diluted loss per share is the same as basic loss per share because the effect of the assumed conversion of the share options of the Company was anti-dilutive.

20 DIVIDENDS

	Six months ended 30 June 2015 HK\$'000 (Unaudited)	Six months ended 30 June 2014 HK\$'000 (Unaudited)
2013 final dividend paid — HK\$0.4 cents per share	—	11,708

No interim dividend was declared by the board of directors for the six months ended 30 June 2015 (for the six months ended 30 June 2014: Nil).

21 OPERATING LEASE COMMITMENTS

The Group leases various offices and warehouses under non-cancellable operating lease agreements. The future aggregate minimum lease payments under non-cancellable operating leases of the Group were as follows:

	As at 30 June 2015 HK\$'000 (Unaudited)	As at 31 December 2014 HK\$'000 (Audited)
No later than one year	5,555	6,373
Later than one year and not later than five years	2,168	4,692
	7,723	11,065

Notes to the Condensed Consolidated Interim Financial Information (continued)

22 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

- (a) The Group has renewed a three-year residential premises lease agreement with Mr. Wong Kwok Fong on 15 December 2013, pursuant to which Heshan World Fair Electronics Technology Limited agreed to lease from Mr. Wong Kwok Fong certain residential premises in Jiangmen, the PRC, at an annual rental of RMB1,200,000 as residences for the Group's senior management ("Existing Lease Agreement"). The Existing Lease Agreement was early terminated on 31 December 2014 and a new lease agreement was entered to renew the Existing Lease Agreement for a term of three years commencing from 1 January 2015 at an annual rental of RMB408,000.

(b) **Key management compensation**

	Six months ended 30 June 2015 HK\$'000 (Unaudited)	Six months ended 30 June 2014 HK\$'000 (Unaudited)
Directors' fees	1,053	933
Basic salaries, housing allowances, other allowances and benefits in kind	4,376	4,878
Contributions to pension plans	27	56
	5,456	5,867

- (c) During the period, Mr. Wong Kwok Fong provided certain premises to the Group's employees as staff quarters at no charge (2014: Same).
- (d) Mr. Wong Kwok Fong and Ms. Ching Pui Yi have agreed to fully indemnify the Group and hold the Group harmless for all costs and expenses in relation to the Group's failure to obtain the requisite licences and permits and any demolish costs for certain properties of the Group.
- (e) A loan has been advanced to Mr. Kam Yun Kwong, a key management executive of the Group in April 2014. The loan is interest bearing at HIBOR plus 2% per annum and repayable on demand.

23 SHARE — BASED PAYMENTS

Share options were granted to directors, certain members of the senior management and employees of the Company on 17 June 2013 (the “Date of Grant”). The exercise price of the granted options is HK\$0.42, which represents the highest of (i) the official closing price of HK\$0.41 per Company’s share as stated in the daily quotation sheets issued by The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on the Date of Grant; (ii) the average closing price of HK\$0.42 per Company’s share as stated in the daily quotation sheets issued by the Stock Exchange for the five trading days immediately preceding the Date of Grant; and (iii) the nominal value of the Company’s share. Options are granted unconditionally and vested immediately on the Date of Grant. The options are exercisable in ten years starting from the Date of Grant. The Group has no legal or constructive obligation to repurchase or settle options in cash.

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

	Exercise price in HK\$ per share option	Options (thousands)
At 1 January 2015	0.42	12,020
Expired	—	(500)
At 30 June 2015	0.42	11,520

All outstanding options were exercisable upon the Date of Grant. No option was exercised during the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

The fair value of options granted during the period ended 30 June 2014 determined using Binomial-Model was HK\$0.19 per option. The significant inputs into the model was share price of HK\$0.41 at the Date of Grant, exercise price shown above, volatility of 65%, dividend yield of 2%, an expected option life of ten years and an annual risk-free interest rate of 1.59%. The volatility is assumed based on the daily share price volatility of the Company and comparable companies for a historical observation period equal to the life of the options. Since the Company has a trading history shorter than the life of the options, volatility was calculated with reference to comparable companies listed in Hong Kong and in the same industry as the Company.

No share option expenses were recognised in the condensed consolidated statement of comprehensive income for the six months ended 30 June 2015 (For the six months ended 30 June 2014: Nil).

Management Discussion and Analysis

BUSINESS REVIEW

The electronic manufacturing service (“EMS”) industry continued to be gloomy during the first half of 2015 and the Group continued to execute a range of strategic and transformative measures including elimination of low-margin and labor-intensive business segments, and effective allocation of resources to business segments with higher demand and greater growth potential such as biometric security technology.

During the first half of 2015, the Group’s revenue for Automation products accounted for 61.8% (corresponding period in 2014: 47.1%) of the Group’s total revenue; Life Energy products accounted for 3.4% (corresponding period in 2014: 5.8%); Life Security products accounted for 29.5% (corresponding period in 2014: 20.9%); Life Touch products accounted for 0.4% (corresponding period in 2014: 12.6%); and Other Segments accounted for 4.9% (corresponding period in 2014: 13.6%).

AUTOMATION

Gallant Tech Limited (“Gallant Tech”) has continued as a major source of revenue for the Group. In the first half of 2015, Gallant Tech recorded a revenue of HK\$155.0 million (corresponding period in 2014: HK\$199.6 million), accounting for 61.8% (corresponding period in 2014: 47.1%) of the Group’s total revenue.

LIFE ENERGY

The Life Energy product segment consists of wireless charging devices. Revenue from wireless charging devices recorded a decrease of 65.0% to HK\$8.6 million compared to the corresponding period in 2014. Notwithstanding the drop in the revenue in this sector, the Group expects wireless power solutions to continue to gain momentum. The two strategic investments made by the Group in PowerMat, an innovative leader in the global wireless charging industry in 2011 and 2012, have strengthened its presence in the fast-growing wireless charging market.

LIFE SECURITY

The Life Security product segment consists mainly of biometric fingerprint modules used in notebook computers. In the first half of 2015, revenue from the Life Security segment decreased by 16.5% to HK\$74.1 million.

The Group continues to actively participate in major international exhibitions to promote its biometric security technology, strengthen the FingerQ brand, and explore partnership opportunities with leading industry players around the world. In particular, the Group continues to place effort in making its FingerQ platform more user-friendly by attracting more applications developers and strategic partners to integrate more features onto the secure platform, and supporting top-tier mainstream operating systems including iOS, Android and Windows for PCs.

LIFE TOUCH

In order to relocate its resources to higher margin segments and maximise investment returns, the Group continued to downsize its Life Touch business. During the review period, the Life Touch product segment contributed revenue of HK\$1.0 million to the Group.

OTHER SEGMENTS

The Group's other segments primarily consist of communications and automotive-related products. During the review period, revenue from communication and automotive-related products decreased by 99.3% and 90.3% to HK\$0.1 million and HK\$2.9 million, respectively.

TECHNOLOGY INVESTMENT AND PARTNERSHIP

The Group invests substantial resources in developing and enabling partnerships with a number of industry-leading companies specialising in biometric security, wireless data transmission and communication technologies. The goal of the Group is to provide users with a compelling experience through a diversified product and services portfolio, so as to provide the best secured technology solutions for both the consumer and enterprise markets.

BIOMETRIC SECURITY TECHNOLOGY

Bio-Key International

Bio-Key International, Inc. ("Bio-Key") is a US public company that is listed and traded on the OTCQB. Bio Key develops and delivers advanced biometric finger identification solutions to commercial and government enterprises, systems integrators, and custom application developers. Their solutions are used in local embedded OEM products as well as in some of the world's largest identification deployments to improve security, guarantee identity, and help reduce identity theft. As at 30 June 2015, the Group held 1,066,500 shares of Bio-Key.

The Group intends to further invest in Bio-Key as the Board believes such strategic investment will enable it to actively participate in that company's business operations and further enhance its technology knowhow and capability in the biometric security arena.

Kili Corporation

Kili Corporation ("Kili") is a private technology company that is principally engaged in the authentication and secure payment software technology for the civilian market, including the development of fingerprint biometric systems for identification purposes servicing the electronic banking sector. As at 30 June 2015, the Group held 2,472,320 shares of Kili, representing 18.42% of Kili's total shares.

Electronic banking and payment transactions represent a market with huge growth potential due to the increasing demand for internet transactions and payments, while correspondingly the needs for security and data privacy by both individuals and corporations are becoming ever more critical. This strategic investment enhances the Group's technology expertise and capability in integrated circuits and security aspects.

IDEX ASA

IDEX ASA ("IDEX") is a Norwegian public company listed on the Oslo Axess market of the Oslo Børs ("Oslo Stock Exchange"). As at 30 June 2015, the Group held a total of 21,673,299 IDEX ASA shares. As both the Group and IDEX are in the business of the development and sales of information technology-related products and in particular fingerprint biometric systems, the investment represents a valuable opportunity to strengthen long-term strategic business collaboration with IDEX and approach the European market.

Management Discussion and Analysis (continued)

Link Mobility Group

Link Mobility Group (“Link Mobility”) is a leading provider of mobile solutions and mobile services in the Nordic and Baltic countries which is listed on the Oslo Axess market of the Oslo Stock Exchange. As at 30 June 2015, the Group holds 680,081 shares at a value of approximately HK\$23.1 million. This investment enhances the Group’s partnership with Link Mobility to deliver leading-edge solutions for e-commerce and mobile payment services as well as to develop business in Europe.

WIRELESS DATA TRANSMISSION TECHNOLOGY

Keyssa Inc. (“Keyssa”) is a US privately-held company whose principal business is developing wireless technology for data transfer. This investment is expected to strengthen the Group’s position in the wireless data transfer and mobile internet market. As at 30 June 2015, the Group held 2,511,954 Keyssa shares.

COMMUNICATION TECHNOLOGY

Advanced Radio Device Technologies, Inc.

The principal business of Advanced Radio Device Technologies, Inc. (“ARDT”) is the research and development, sales and marketing of semiconductor solutions for communications and related equipment. As at 30 June 2015, the Group held a total of 143,333 shares, representing a 43% stake in ARDT.

Due to the poor financial performance of ARDT, the Group decided to make an impairment provision for its interest in ARDT in the amount of HK\$2.2 million during the period under review (corresponding period in 2014: Nil).

Tekmar, Inc.

Tekmar, Inc specialises in the development, manufacturing and sale of carrier-grade wireless telecommunication systems and components, including RF filters for 4G LTE FDD and TDD infrastructure. As at 30 June 2015, the Group held a total of 666,667 Tekmar shares, representing at 37.78% stake in that company.

As a result of the continued loss sustained and the financial difficulties currently faced by Tekmar, the Group, after strategic consideration, has made the provision for the impairment of all its interest in Tekmar during 2014.

FINANCIAL REVIEW

Revenue

The revenue of the Group for the six months ended 30 June 2015 amounted to HK\$250.9 million (corresponding period in 2014: HK\$423.7 million), analysed by business segment as follows:

	For the six months ended 30 June				
	2015		2014		% change
	HK\$ million		HK\$ million		
Automation	155.0	61.8%	199.6	47.1%	(22.3)%
Life Energy	8.6	3.4%	24.6	5.8%	(65.0)%
Life Security	74.1	29.5%	88.7	20.9%	(16.5)%
Life Touch	1.0	0.4%	53.4	12.6%	(98.1)%
Other Segments	12.2	4.9%	57.4	13.6%	(78.7)%
	250.9	100%	423.7	100%	(40.8)%

During the period under review, the Group's revenue fell by 40.8% to HK\$250.9 million as compared with the corresponding period in 2014.

Gross Profit and Margin

The gross profit for the six months ended 30 June 2015 amounted to HK\$30.0 million, an increase of HK\$18.1 million as compared with the corresponding period in 2014. The increase was mainly due to a decrease in depreciation caused by the impairment losses made on the carrying amounts of certain assets of the Group such as machineries in 2014.

Other Gain — Net

The net other gain decreased by HK\$15.5 million as compared with the corresponding period in 2014 mainly due to the decrease in gain from the disposals of shares in investee companies by the Group compared to the same period in 2014.

Distribution Costs

During the period under review, distribution costs decreased to HK\$10.8 million from HK\$15.8 million. The decrease was mainly caused by the (i) decrease in data storage fee for FingerQ and PrivacQ, (ii) decrease in the promotional activities for FingerQ and PrivacQ and (iii) decrease in commission arising from decrease in revenue at Automation.

Administrative Expenses

During the period under review, administrative expenses decreased to HK\$57.9 million from HK\$75.4 million mainly due to the decrease in depreciation caused by the impairment losses made on the carrying amounts of certain assets of the Group in 2014 and the reduction in staff costs.

Management Discussion and Analysis (continued)

Finance Costs — net

The net finance costs increased by HK\$1.6 million as compared with the corresponding period in 2014 mainly due to the new term loans of HK\$50 million and revolving loans of HK\$34.8 million borrowed from Bank of China Limited in December 2014 and April 2015 respectively.

Loss for the Period

Loss for the period was HK\$34.9 million, as compared to a loss of HK\$68.1 million during the corresponding period in 2014.

FINANCIAL RESOURCES REVIEW

Liquidity Financial Resources and Debt Structure

Adhering to a conservative financial management system, the Group continued to maintain a healthy and solid liquidity position. As at 30 June 2015, the Group's cash and cash equivalents totalled HK\$218.8 million (31 December 2014: HK\$239.8 million). Working capital represented by net current assets amounted to HK\$142.5 million (31 December 2014: HK\$175.8 million). The Group's current ratio was 1.5 (31 December 2014: 1.5).

Bank borrowings are mainly denominated in US Dollars and Hong Kong Dollars and carry LIBOR or HIBOR plus rates, which included trust receipt loans amounting to HK\$71.2 million (31 December 2014: HK\$97.5 million) and bank loans amounting to HK\$149.4 million (31 December 2014: HK\$158.1 million). These bank borrowings were secured by corporate guarantees provided by the Company and certain of its subsidiaries. As at 30 June 2015, the Group was in a net cash deficit position of HK\$1.8 million (31 December 2014: net cash deficit position of HK\$15.8 million), representing total debts exceeded the bank balances and cash at the end of the reporting period.

Capital Commitments

At 30 June 2015, the Group did not have any contracted but not provided for capital commitments (31 December 2014: Nil) and authorised but not contracted for capital commitments (31 December 2014: Nil).

Currency Exposure and Management

During the period, the Group's receipts were mainly denominated in US dollars and Hong Kong dollars. The Group's payments were mainly made in US dollars, Hong Kong dollars and Renminbi.

In respect of the Renminbi, as the Group's production plant is located in the PRC, most of the labour costs and manufacturing overheads were denominated in Renminbi. Therefore, the appreciation of Renminbi will adversely affect the Group's profitability. The Group will closely monitor the trend of Renminbi and, if necessary, consider entering into foreign exchange forward contracts with reputable financial institutions to reduce potential exposure to currency fluctuations.

During the period under review, the Group has not entered into any foreign exchange forward contracts.

Future plans for capital investments and expected source of funding

Currently, the Group's operating and capital expenditures are mainly financed by its internal resources such as operating cash flow and shareholders' equity, and to an extent by bank loans. The Group has sufficient resources of funding and unutilised banking facilities to meet future capital expenditure and working capital requirement.

EMPLOYEES

As of 30 June 2015, the Group employed approximately 600 (31 December 2014: 700) full-time staff principally in Hong Kong and the PRC.

The Group remunerates and provides benefits for its employees based on current industry practice. Discretionary bonuses are awarded to staff based on the financial performance of the Group and performance of individual staff.

In addition, share options are granted to eligible employees in accordance with the terms of the Company's share option scheme adopted on 24 November 2010.

BUSINESS OUTLOOK

Biometrics security technology has been at the center of converging market forces driving the digital identity revolution. Consumers are increasingly reliant on biometric security as mobile and digital device penetration deepens in our work as well as our daily life. As a global biometric security technology provider, the Group is committed to create innovative and secure hardware, software and technological solutions for both the consumer and enterprise markets.

In the first half of 2015, the Group has actively utilised top-tier industry events across the world to explore and form business partnerships with industry players to expand its product portfolio and market reach. Notable here is the Group's participation in the 2015 International Consumer Electronics Show in Las Vegas, 2015 Mobile World Congress in Barcelona and 2015 GSMA Mobile World Congress in Shanghai.

On 9 May 2015, the Company, Mr. Wong Kwok Fong and Ms. Ching Pui Yi, has entered into a subscription agreement with eight investors. The share subscription represents a significant milestone in its development. Since the beginning of 2014, the Group has commenced its transformation plan to wind down as a labor intensive manufacturing focused enterprise and develop into a value-added, innovative biometrics security technology provider. Upon the completion of the Share Subscription, the Group will have more financial resources to prudently explore the deployment of biometric security technology in mobile payment and healthcare services, and strengthen its position as the leading provider of patented biometric security solutions internationally.

In addition to the biometric security technology business, the Group intends to tap the energy-saving lighting industry through the acquisition of Shenzhen-based Optoelectronic Enterprise, a company engaged in research, development and manufacturing of crystal semiconductors and carbon electrodes. The Group believes this represents a lucrative investment opportunity as the demand for energy-saving products in China increases apace with economic development, improved quality of life and higher priority of environmental protection. The Group also plans to allocate resources to acquire equity interest in a domestic financial enterprise to diversify and extend the Group's business into the booming financial sector in China.

The Share Subscription has broadened the Group's shareholder base, and it will strengthen the capital base and support future business development. Looking ahead, the Group will continue to push the frontiers of product innovation and create technological solutions that anticipate the changing demand of consumers, market trends and competitive forces. The Group will continue to leverage its competitive advantages to thrive in these dynamic industries, delivering value-added products to enrich people's lives and maximise shareholder returns.

Other Information

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2015 (2014: HK\$Nil cents per share).

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

On 9 May 2015, the Company, Mr. Wong Kwok Fong and Ms. Ching Pui Yi entered into a subscription agreement with eight investors pursuant to which the investors agreed to subscribe for 18,611,994,100 new shares at an aggregate consideration of HK\$3,350,158,938. Save for such share subscription, neither the Company, nor any of its subsidiaries, purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2015. As at 30 June 2015, the share subscription has not been completed.

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

As at 30 June 2015, the interests and short positions of the Directors and chief executives of the Company or their respective associates in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

Long positions in shares and underlying shares of the Company

Name of director	Capacity and nature of interests	Number of shares held	Approximate percentage of shareholding
Mr. Wong Kwok Fong ^(Note)	Interest in controlled corporation	1,927,778,827	65.86%
	Beneficial owner	83,268,000	2.84%
	Interest of spouse	30,700,061	1.05%
Ms. Ching Pui Yi ^(Note)	Interest in controlled corporation	1,927,778,827	65.86%
	Beneficial owner	30,700,061	1.05%
	Interest of spouse	83,268,000	2.84%
Mr. Tan Hui Kiat	Beneficial owner	8,836,017	0.30%

Notes:

Mr. Wong Kwok Fong and Ms. Ching Pui Yi hold as to 50% each in the issued share capital of Anglo Solution Limited, which in turn holds the entire issued share capital of Soar Plan Holdings Limited. Soar Plan Holdings Limited is the beneficial owner of 1,927,778,827 shares in the Company.

Mr. Wong Kwok Fong, Ms. Ching Pui Yi and Mr. Tan Hui Kiat resigned as directors of the Company on 3 August 2015.

Save as disclosed above, as at 30 June 2015, none of the Directors or chief executives of the Company or their respective associates had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company under section 352 of the SFO or as otherwise noticed to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from the Scheme (as defined in the section headed "Share Option Scheme" below), at no time during the six months ended 30 June 2015 was the Company or any of its subsidiaries, holding companies or fellow subsidiaries a party to any arrangements to enable the Directors or the chief executives of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. Save for the disclosed, none of the Directors or chief executives of the Company or their spouses or children under the age of 18, was granted any right to subscribe for the equity or debt securities of the Company or any other body corporate nor had exercised any such right during the six months ended 30 June 2015.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2015, the persons, other than the Directors or chief executives of the Company, who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Long position in the shares and underlying shares of the Company

Name of substantial shareholders	Capacity and nature of interest	Number of shares held	Approximate percentage of shareholding
Anglo Solution Limited ^(Note)	Interest in a controlled corporation	1,927,778,827	65.86%
Soar Plan Holdings Limited ^(Note)	Beneficial owner	1,927,778,827	65.86%

Notes:

The entire issued share capital of Soar Plan Holdings Limited is held by Anglo Solution Limited which is in turn held as to 50% each by Mr. Wong Kwok Fong and Ms. Ching Pui Yi.

Other Information (continued)

On 9 May 2015, the Company, Mr. Wong Kwok Fong and Ms. Ching Pui Yi entered into a subscription agreement with eight investors pursuant to which the investors agreed to subscribe for 18,611,994,100 new shares. Pursuant to the subscription agreement and in compliance with Part XV of the SFO, the following persons have notified the Company of their respective interest in the Shares which have been recorded in the register required to be kept by the Company under section 336 of the SFO. These interests are subject to completion which has not been completed as at 30 June 2015.

Long position in the shares and underlying shares of the Company

Name of Substantial shareholders	Capacity and nature of interest	Number of shares held	Approximate percentage of shareholding ^(Note 7)
Tinmark Development Limited <i>(Note 1)</i>	Beneficial owner	10,771,835,600	368.01%
Yao Jianhui <i>(Note 1)</i>	Interest in a controlled corporation	10,771,835,600	368.01%
前海人壽保險股份有限公司	Beneficial owner	4,219,560,000	144.16%
Fang Jianfu	Beneficial owner	833,333,300	28.47%
New Ethics Limited (新德有限公司) <i>(Note 2)</i>	Beneficial owner	621,211,000	21.22%
Ye Weiqing <i>(Note 2)</i>	Interest in a controlled corporation	621,211,000	21.22%
State Leap Limited (國騰有限公司) <i>(Note 3)</i>	Beneficial owner	579,796,000	19.81%
Chen Muwei <i>(Note 3)</i>	Interest in a controlled corporation	579,796,000	19.81%
Golden Chain International Limited <i>(Note 4)</i>	Beneficial owner	538,484,000	18.40%
Manavutiveth Siri <i>(Note 4)</i>	Interest in a controlled corporation	538,484,000	18.40%
Robust Sino Limited (強華有限公司) <i>(Note 5)</i>	Beneficial owner	528,028,500	18.04%
Liu Chunbin <i>(Note 5)</i>	Interest in a controlled corporation	528,028,500	18.04%
Dawnfield Investments Limited (旭田投資有限公司) <i>(Note 6)</i>	Beneficial owner	519,745,700	17.76%
Chen Zhijun <i>(Note 6)</i>	Interest in a controlled corporation	519,745,700	17.76%

- Note 1:* The entire issued share capital of Tinmark Development Limited is held by Mr. Yao Jianhui, who is therefore deemed to be interested in such Shares.
- Note 2:* The entire issued share capital of New Ethics Limited (新德有限公司) is held by Mr. Ye Weiqing, who is therefore deemed to be interested in such Shares.
- Note 3:* The entire issued share capital of State Leap Limited (國騰有限公司) is held by Mr. Chen Muwei, who is therefore deemed to be interested in such Shares.
- Note 4:* The entire issued share capital of Golden Chain International Limited is held by Mr. Manavutiveth Siri, who is therefore deemed to be interested in such Shares.
- Note 5:* The entire issued share capital of Robust Sino Limited (強華有限公司) is held by Mr. Liu Chunbin, who is therefore deemed to be interested in such Shares.
- Note 6:* The entire issued share capital of Dawnfield Investments Limited (旭田投資有限公司) is held by Mr. Chen Zhijun, who is therefore deemed to be interested in such Shares.
- Note 7:* Before increase of Authorised Share Capital to HK\$50,000,000,000.

Save as disclosed above, as at 30 June 2015, the Company has not been notified of any interests or short positions in the shares or underlying shares of the Company which were required to be recorded in the register kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME

The Company operates a share option scheme (the “Scheme”), which was adopted pursuant to a resolution in writing passed by the shareholders of the Company on 24 November 2010, for the purpose of providing incentive or reward to eligible participants for their contributions to, and continuing efforts to promote the interests of, the Company and to enable the Group to recruit and retain employees of high calibre. The Scheme became effective on 24 November 2010 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

Eligible participants of the Scheme include the following:

- (i) Full-time or part-time employees; and
- (ii) Full-time or part-time executive directors and independent non-executive directors of any member of the Group.

As of the date of this report, the total number of shares of the Company available for issue under the Scheme is 285,000,000 shares, representing approximately 1.32% of the issued share capital of the Company as of the date of this report.

Other Information (continued)

The total number of shares issued and which may fall to be issued upon exercise of the options granted and to be granted under the Scheme (including exercised, cancelled and outstanding options) to each eligible person, in any 12-month period up to the date of grant shall not exceed 1% of the shares in issue as of the date of grant. Any further grant of options in excess of this 1% limit shall be subject to the issue of a circular by the Company and the approval of the shareholders in general meeting with such eligible persons and his associates abstaining from voting and other requirements prescribed under the Listing Rules from time to time.

Any grant of options to a Director, chief executive or to a substantial shareholder of the Company or any of their respective associates is required to be approved by the Independent Non-Executive Directors (excluding the Independent Non-Executive Director who is the grantee of the options). Where any grant of options to a substantial shareholder or an Independent Non-Executive Director or any of their respective associates, would result in the shares issued and to be issued upon exercise of all options granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of the offer of such grant:

- (i) representing in aggregate over 0.1% of the shares in issue on the date of the offer;
- (ii) having an aggregate value in excess of HK\$5 million, based on the closing price of the Company's shares at the date of such grant,

such further grant of options will be subject to the issue of a circular by the Company and the approval of the shareholders in general meeting on a poll at which all connected persons of the Company shall abstain from voting in favour at such meeting and other requirements prescribed under the Listing Rules from time to time.

The offer of a grant of share options may be accepted by the date specified in the offer letter, upon payment of a nominal consideration of HK\$1 by the grantee.

There is no general requirement that an option must be held for any minimum period before it can be exercised but the Board is empowered to impose at its discretion any such minimum period at the time of grant of any particular option.

Upon acceptance, the date of grant of any particular option is deemed to be the date of the Board resolution approving the grant in accordance with the Scheme. The period during which an option may be exercised will be determined by the Board at its absolute discretion, save that no option may be exercised more than 10 years from the date of grant. No option may be granted more than 10 years after the date of approval of the Scheme. Subject to earlier termination in accordance with the terms of the Scheme, the Scheme shall be valid and effective for a period of 10 years from the date of adoption of the Scheme by the shareholders.

Details of the share options outstanding as at 30 June 2015 which have been granted under the scheme are as follows:

	Number of options (in thousands)				Held at 30 June 2015	Exercised price per share	
	Held at 1 January 2015	Granted during the year	Expired during the year	Exercise during the year		HK\$	Exercisable period
Executive directors							
Wong Kwok Fong	2,920	—	—	—	2,920	0.420	17 June 2013 to 16 June 2023
Ching Pui Yi	2,000	—	—	—	2,000	0.420	17 June 2013 to 16 June 2023
Tan Hui Kiat	800	—	—	—	800	0.420	17 June 2013 to 16 June 2023
Independent Non-Executive directors							
Wong Chung Bong	—	—	—	—	—	—	—
Professor Lee Kwok On Matthew	—	—	—	—	—	—	—
Chan Wai	—	—	—	—	—	—	—
Total for directors	5,720	—	—	—	5,720		
Employees ^(Note)	6,300	—	(500)	—	5,800	0.420	17 June 2013 to 16 June 2023
Total	12,020	—	(500)	—	11,520		

Note:

On 1 February 2015, 500,000 options granted lapsed in accordance with the terms of the Scheme.

At 16 June 2013, the date before the options were granted, the market value per share was HK\$0.395. The value of the options granted to employees is at HK\$2.1 million:

	HK\$'000
Wong Kwok Fong	540
Ching Pui Yi	370
Tan Hui Kiat	148
Employees	1,073
	2,131

Other Information (continued)

UPDATE OF DIRECTORS' AND CHIEF EXECUTIVES' INFORMATION

The changes in information of directors and the chief executives of the Company subsequent to the six months ended 30 June 2015 are set out as below:

- (1) Mr. Wong Kwok Fong has resigned as an executive Director, the Chief Executive Officer of the Company, the chairman of the Board, the chairman of each of the nomination committee and strategic intellectual property and technology committee, a member of the remuneration committee of the Board and an authorised representative of the Company for the purpose of Rule 3.05 of the Listing Rules and for accepting service of process and notice on behalf of the Company under Part 16 of the Companies Ordinance with effect from 3 August 2015, and he has been redesignated as the Chief Technology Officer of the Company;
- (2) Ms. Ching Pui Yi has resigned as an executive Director and Chief Operating Officer of the Company with effect from 3 August 2015, and she has been redesignated as the Operation Director of the Company;
- (3) Mr. Tan Hui Kiat has resigned as an executive Director, the Corporate Affairs Officer and a member of strategic intellectual property and technology committee with effect from 3 August 2015, and he has been redesignated as the Project Management Director of the Company;
- (4) Mr. Yao Jianhui has been appointed as an executive Director, the Chief Executive Officer of the Company, the chairman of the Board and the chairman of the nomination committee and strategic intellectual property and technology committee, a member of the remuneration committee of the Board and an authorised representative of the Company for the purpose of Rule 3.05 of the Listing Rules with effect from 3 August 2015;
- (5) Mr. Huang Wei has been appointed as an executive Director with effect from 3 August 2015;
- (6) Mr. Zhang Bowen has been appointed as an executive Director and a member of the strategic intellectual property and technology committee with effect from 3 August 2015;
- (7) Mr. Li Minbin has been appointed as a non-executive Director with effect from 3 August 2015; and
- (8) Ms. Kwok Ling Yee, Pearl Elizabeth, Chief Financial Officer and Company Secretary, has been appointed as an authorised representative of the Company for accepting service of process and notice on behalf of the Company under Part 16 of the Companies Ordinance with effect from 3 August 2015.

The biographical details of the directors and senior management of the Company are set out in the Company's website.

CORPORATE GOVERNANCE

The Company is maintaining a high standard of corporate governance with a view to enhancing the management of the Company as well as preserving the interests of the shareholders as a whole. The Board is of the view that the Company has complied with the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), except that there is no separation of the roles of Chairman and Chief Executive Officer as stipulated in the code provision A.2.1 of the CG Code. Mr. Wong Kwok Fong (“Mr. Wong”) currently assumes the roles of both the Chairman and the Chief Executive Officer of the Company. Mr. Wong is one of the founders of the Group and has extensive experience in manufacturing, supply chain and marketing functions in electronics and technologies. The Board believes that by holding both roles, Mr. Wong will be able to provide the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long-term business strategies of the Group. As such, the structure is beneficial to the business prospects of the Group. Furthermore, the Company’s present management structure comprises sufficient number of independent non-executive directors, and thus the Board believes that a balance of power and authority have been and will be maintained.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) set out in Appendix 10 to the Listing Rules as the code of conduct of the Group regarding securities transactions of the directors of the Company. All directors of the Company have confirmed that throughout the six months ended 30 June 2015, they have complied with the provisions of the Model Code.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference set out in the CG Code. The principal duties of the audit committee includes the review and supervision of the Group’s financial reporting matters and internal control procedures. The audit committee comprises three independent non-executive directors of the Company, namely Mr. Wong Chun Bong, Professor Lee Kwok On, Matthew and Mr. Chan Wai.

The Audit Committee and the external auditors of the Company has reviewed the accounting principles and practices adopted by the Group and the unaudited condensed interim financial statement of the Group for the six months ended 30 June 2015.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

(1) Share subscription agreement

On 9 May 2015, the Company, Mr. Wong Kwok Fong and Ms. Ching Pui Yi entered into a subscription agreement with eight investors (the “Investors”) pursuant to which the Investors have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 18,611,994,100 subscription shares at the subscription price of HK\$0.18 per subscription shares with an aggregate consideration of HK\$3,350,158,938 (the “Transaction”). The transaction was completed on 3 August 2015.

Other Information (continued)

Upon completion of the Transaction, the Investors held 86.40% of the enlarged issued share capital of the Company assuming the share options granted by the Company have not yet been exercised and held 86.37% of the enlarged issued share capital of the Company assuming the share options granted by the Company have been exercised in full.

(2) Change of company name

Pursuant to the announcement dated 5 August 2015 and the circular dated 14 August 2015, the Company proposed to change its name to Bao Neng Financial and Technology Limited (寶能金科有限公司). The Company further announced on 20 August 2015 that the Board is considering to propose another English name and dual foreign name for the Shareholders' consideration. Further information in relation to the proposed change of the name of the Company will be announced and communicated to the Shareholders in due course.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express our appreciation to the management team and staff of the Group for their contribution during the period and also to give our sincere gratitude to all our shareholders and business partners for their continuous support.

By order of the Board

World Wide Touch Technology (Holdings) Limited

Yao Jianhui

Chairman and Chief Executive Officer

Hong Kong, 21 August 2015