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**Jimei 集美 지메이**

**JIMEI INTERNATIONAL ENTERTAINMENT GROUP LIMITED**

**集美國際娛樂集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1159)**

## **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014**

### **ANNUAL RESULTS**

The board (the “Board”) of directors (the “Directors”) of Jimei International Entertainment Group Limited (formerly known as Sinogreen Energy International Group Limited) (the “Company”) is pleased to announce the annual consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2014, together with the corresponding comparative figures for the year ended 31 December 2013 as follows:

### **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*For the year ended 31 December 2014*

	<i>Notes</i>	<b>2014</b> <b>HK\$'000</b>	2013 <i>HK\$'000</i>
Revenue	2	<b>52,165</b>	75,791
Cost of goods sold		<b>(50,779)</b>	(74,645)
Gross profit		<b>1,386</b>	1,146
Other revenue		<b>393</b>	348
Other gains and losses		<b>1,187</b>	319
Gain on derecognition of promissory notes		–	87,500
Gain on derecognition of convertible bonds		–	271,909
Administrative expenses		<b>(16,497)</b>	(12,655)
Finance costs	4	<b>(4,205)</b>	(10,530)

		2014	2013
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
(Loss)/profit before taxation	5	<b>(17,736)</b>	338,037
Income tax credit	6	<u>–</u>	<u>6,274</u>
<b>(Loss)/profit for the year, attributable to owners of the Company</b>		<b><u>(17,736)</u></b>	<b><u>344,311</u></b>
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange difference on translating of foreign operation		<b>(625)</b>	384
Increase in fair value of available-for-sale investments		<b><u>394</u></b>	<u>224</u>
<b>Other comprehensive income for the year, net of tax</b>		<b><u>(231)</u></b>	<b><u>608</u></b>
<b>Total comprehensive income for the year, attributable to owners of the Company</b>		<b><u>(17,967)</u></b>	<b><u>344,919</u></b>
<b>(Loss)/earnings per share</b>	8		(Restated)
– Basic		<b><u>HK cents (6.79)</u></b>	<b><u>HK cents 222.11</u></b>
– Diluted		<b><u>HK cents (6.79)</u></b>	<b><u>HK cents 38.83</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2014

	<i>Notes</i>	<b>2014</b> <b>HK\$'000</b>	2013 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		1,327	11,423
Intangible asset		–	–
Goodwill		–	–
Available-for-sale investments		<u>7,330</u>	<u>6,936</u>
		<u><b>8,657</b></u>	<u>18,359</u>
<b>Current assets</b>			
Trade and other receivables	9	25,548	51,773
Pledged bank deposits		–	59,224
Bank balances and cash		<u>157,053</u>	<u>10,101</u>
		<u><b>182,601</b></u>	<u>121,098</u>
<b>Current liabilities</b>			
Trade and other payables	10	1,886	17,933
Borrowings		7,758	88,129
Current tax liabilities		42	42
Promissory notes		<u>–</u>	<u>–</u>
		<u><b>9,686</b></u>	<u>106,104</u>
<b>Net current assets</b>		<u><b>172,915</b></u>	<u>14,994</u>
<b>Total assets less current liabilities</b>		<u><b>181,572</b></u>	<u>33,353</u>
<b>Non-current liabilities</b>			
Convertible bonds		<u>36,874</u>	<u>–</u>
<b>Net assets</b>		<u><b>144,698</b></u>	<u><b>33,353</b></u>
<b>Capital and reserves attributable to owners of the Company</b>			
Share capital	11	49,356	84,283
Reserves		<u>95,342</u>	<u>(50,930)</u>
		<u><b>144,698</b></u>	<u><b>33,353</b></u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2014*

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

### **New and revised HKFRSs applied in the current year**

In the current year, the Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) which are relevant to the Group’s operations.

Amendments to HKAS 32

Offsetting Financial Assets and Financial Liabilities

The application of the new and revised HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## 2. REVENUE

The Group is principally engaged in trading of chemical products, and energy conservation and environmental protection products. Turnover, which is also the Group’s revenue, represents the net invoiced value of sales for the year.

## 3. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker (“CODM”), for the purpose of resource allocation and assessment of segment performance focuses on types of goods sold.

The Group currently has only one operating segment, namely chemical products, and energy conservation and environmental protection products, which engages in the business of trading of chemical products, and energy conservation and environmental protection products.

## Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segments:

### For the year ended 31 December 2014

	<b>Chemical products, and energy conservation and environmental protection products segment and consolidated total <i>HK\$'000</i></b>
<b>Revenue – External sales</b>	<b>52,165</b>
Segment loss	(1,585)
<b>Unallocated income/(expense) items:</b>	
Central administration costs and directors' salaries	(13,526)
Other revenue	393
Gain on disposal of a warehouse	1,187
Finance costs	(4,205)
Loss before taxation	<b>(17,736)</b>

### For the year ended 31 December 2013

	<b>Chemical products, and energy conservation and environmental protection products segment and consolidated total <i>HK\$'000</i></b>
<b>Revenue – External sales</b>	<b>75,791</b>
Segment profit	550
<b>Unallocated income/(expense) items:</b>	
Central administration costs and directors' salaries	(11,740)
Other revenue	348
Gain on derecognition of promissory notes	87,500
Gain on derecognition of convertible bonds	271,909
Finance costs	(10,530)
Profit before taxation	<b>338,037</b>

Segment results represent profit/(loss) earned by each segment without absorption of unallocated income/(expense) items, as this is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

### Segment assets and liabilities

The reconciliation between the segment assets and liabilities and the respective consolidated balances is as follows:

	<b>2014</b>	2013
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Assets</b>		
Segment assets	<b>12,931</b>	109,613
Bank balances and cash	<b>157,053</b>	10,101
Other unallocated assets	<b>21,274</b>	19,743
	<hr/>	<hr/>
Consolidated assets	<b>191,258</b>	139,457
	<hr/> <hr/>	<hr/> <hr/>
<b>Liabilities</b>		
Segment liabilities	<b>1,886</b>	35,287
Unallocated liabilities	<b>44,674</b>	70,817
	<hr/>	<hr/>
Consolidated liabilities	<b>46,560</b>	106,104
	<hr/> <hr/>	<hr/> <hr/>

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than property, plant and equipment, available-for-sale investments, other receivables and bank balances and cash; and
- all liabilities are allocated to operating segments other than other loans and current tax liabilities, promissory notes and convertible bonds.

**Other segment information**

**For the year ended 31 December 2014**

	<b>Chemical products, and energy conservation and environmental protection products segment HK\$'000</b>	<b>Unallocated HK\$'000</b>	<b>Consolidated HK\$'000</b>
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:			
Additions to non-current assets	–	306	306
Depreciation of property, plant and equipment	–	829	829
Gain on disposal of property, plant and equipment	–	(1,187)	(1,187)
Finance costs	–	4,205	4,205
	<u>–</u>	<u>4,205</u>	<u>4,205</u>

For the year ended 31 December 2013

	<b>Chemical products, and energy conservation and environmental protection products segment HK\$'000</b>	<b>Unallocated HK\$'000</b>	<b>Consolidated HK\$'000</b>
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:			
Additions to non-current assets	11,146	356	11,502
Depreciation of property, plant and equipment	56	48	104
Loss on disposal of property, plant and equipment	–	14	14
Finance costs	–	10,530	10,530
	<u>11,146</u>	<u>10,530</u>	<u>10,530</u>

### Information about major customers

Revenues from major customers of the corresponding years are as follows:

	<b>2014</b>	2013
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Customer A	<b>24,251</b>	8,049
Customer B <sup>1</sup>	<b>8,305</b>	–
Customer C <sup>1</sup>	<b>7,613</b>	–
Customer D <sup>1</sup>	<b>6,984</b>	–
Customer E	<b>2,879</b>	7,575
Customer F	<b>2,133</b>	7,535
Customer G	–	23,076
Customer H	–	17,386
Customer I	–	7,244
Customer J	–	1,262
	<b><u>52,165</u></b>	<u>72,127</u>

<sup>1</sup> *The Group derived no revenue from Customers B to D for the year ended 31 December 2013.*

All of the above amounts are contributed from trading of chemical products, and energy conservation and environmental protection products.

### Geographical information

The Group's operations are mainly located in Hong Kong and the PRC.



The following table provides an analysis of revenue from external customers derived from Hong Kong, which is the country of domicile of the Group for the purpose of HKFRS 8, and non-Hong Kong, irrespective of the origin of the goods and information about its non-current assets by geographical location of the assets.

	<b>Revenue from external customers</b>	
	<b>2014</b>	2013
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Sales of chemical products, and energy conservation and environmental protection products		
Hong Kong	<b>40,169</b>	57,016
PRC (excluding Hong Kong)	<b>11,996</b>	18,775
	<u><b>52,165</b></u>	<u>75,791</u>
	<b>Non-current assets</b>	
	<b>2014</b>	2013
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Hong Kong	<b>442</b>	10,114
PRC (excluding Hong Kong)	<b>885</b>	1,309
	<u><b>1,327</b></u>	<u>11,423</u>

*Note:* Non-current assets exclude financial instruments.

#### 4. FINANCE COSTS

	<b>2014</b>	2013
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Effective interests on borrowings wholly repayable within five years:		
Convertible bonds	<b>1,651</b>	10,184
Borrowings	<b>2,554</b>	346
	<u><b>4,205</b></u>	<u>10,530</u>

**5. (LOSS)/PROFIT BEFORE TAXATION FOR THE YEAR**

	<b>2014</b>	2013
	<b>HK\$'000</b>	<b>HK\$'000</b>
(Loss)/profit before taxation for the year has been arrived at after charging/(crediting):		
Directors' remuneration	<u>4,161</u>	<u>1,829</u>
Other staff costs		
– Salaries and other benefits	5,268	1,523
– Retirement benefits scheme contribution	<u>246</u>	<u>55</u>
	<u>5,514</u>	<u>1,578</u>
Total staff costs	<u>9,675</u>	<u>3,407</u>
Auditor's remuneration	550	1,150
Depreciation of property, plant and equipment	829	104
Cost of inventories recognised as expense	50,779	74,645
Management fee (included in administrative expenses)	–	595
(Gain)/loss on disposal of property, plant and equipment (included in other gains and losses)	(1,187)	14
Gain on derecognition of convertible bonds	–	(271,909)
Gain on derecognition of promissory notes	<u>–</u>	<u>(87,500)</u>

**6. INCOME TAX CREDIT**

	<b>2014</b>	2013
	<b>HK\$'000</b>	<b>HK\$'000</b>
Current tax – PRC		
– current year	–	42
Deferred tax credit		
– current year	<u>–</u>	<u>(6,316)</u>
Income tax credit	<u>–</u>	<u>(6,274)</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years. No provision for Hong Kong Profits Tax has been made in the consolidated financial statements since the group entities have no assessable profits in Hong Kong for both years.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, tax rate of the PRC subsidiaries is 25% for the years.

## 7. DIVIDENDS

No dividend has been paid or declared during each of the years ended 31 December 2014 and 2013. The directors do not recommend the payment of a final dividend for 2014 (2013: nil).

## 8. (LOSS)/EARNINGS PER SHARE

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

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
<b>(Loss)/profit</b>		
(Loss)/profit for the purpose of basic (loss)/earnings per share	<b>(17,736)</b>	344,311
Effects of dilutive potential ordinary shares:		
Gain on derecognition of convertible bonds	–	(271,909)
Release of deferred tax liabilities arising from convertible bonds upon derecognition	–	(4,635)
Interest on convertible bonds (net of tax)	–	8,503
(Loss)/profit for the purpose of diluted (loss)/earnings per share	<b><u>(17,736)</u></b>	<b><u>76,270</u></b>

	2014 '000	2013 '000 (Restated)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purposes of basic (loss)/earnings per share	<b>261,168</b>	155,018
Effect of dilutive potential ordinary shares:		
– convertible bonds	–	41,398
Weighted average number of ordinary shares for the purposes of diluted (loss)/earnings per share	<b>261,168</b>	196,416

The weighted average number of ordinary shares for the year ended 31 December 2013 for the purpose of basic earnings per share has been adjusted for the share consolidation on 11 September 2014.

For the year ended 31 December 2014, the computation of diluted loss per share does not assume the conversion of the Company's outstanding convertible bonds since their exercise would result in decrease in loss per share for the year then ended.

## 9. TRADE AND OTHER RECEIVABLES

	2014 HK\$'000	2013 HK\$'000
Trade debtors and bills receivable	<b>12,931</b>	50,389
Other receivables		
– Prepayments	<b>941</b>	1,384
– Trade and other deposits	<b>11,676</b>	–
	<b>25,548</b>	51,773

The Group generally allows credit periods of 30 to 180 days (2013: 30 to 90 days) to its trade customers. The Group did not hold any collateral from the trade debtors and bills receivable.

Trade debtors (net of impairment losses) with the following ageing analysis, based on invoice dates, as of the end of reporting period:

	<b>2014</b>	2013
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Less than 1 month	–	50,389
1 to 3 months	–	–
More than 3 months but less than 12 months	<b>7,464</b>	–
Over 12 months	–	–
	<u>–</u>	<u>–</u>
	<b><u>7,464</u></b>	<b><u>50,389</u></b>

Bills receivable with the following ageing analysis, based on invoice dates, as of the end of reporting period:

	<b>2014</b>	2013
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Less than 1 month	–	–
1 to 3 months	–	–
More than 3 months but less than 12 months	<b>3,127</b>	–
Over 12 months	<b>2,340</b>	–
	<u>–</u>	<u>–</u>
	<b><u>5,467</u></b>	<b><u>–</u></b>

#### 10. TRADE AND OTHER PAYABLES

	<b>2014</b>	2013
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Trade creditors	<b>177</b>	8,818
Other payables	<b>692</b>	1,502
Trade deposits received	<b>1,017</b>	7,613
	<u>–</u>	<u>–</u>
	<b><u>1,886</u></b>	<b><u>17,933</u></b>

## 11. SHARE CAPITAL

	Number of shares	Nominal value HK\$'000
Ordinary shares of HK\$0.1 each		
<b>Authorised:</b>		
At 1 January 2013, 31 December 2013 and 2014	<u>20,000,000,000</u>	<u>2,000,000</u>
<b>Issued and fully paid:</b>		
At 1 January 2013 (par value of HK\$0.10 each)	702,356,000	70,236
Placing of new shares ( <i>note (a)</i> )	<u>140,468,000</u>	<u>14,047</u>
At 31 December 2013 (par value of HK\$0.10 each)	842,824,000	84,283
Effect of Share Consolidation ( <i>note (b)(i)</i> )	(674,259,200)	–
Capital reduction ( <i>note (b)(ii)</i> )	–	(67,427)
Placing of new shares ( <i>note (c)</i> )	<u>325,000,000</u>	<u>32,500</u>
At 31 December 2014 (par value of HK\$0.10 each)	<u>493,564,800</u>	<u>49,356</u>

- (a) On 7 June 2013, the Company entered into a placement arrangement with an independent investor for the issuance of 140,468,000 new ordinary shares at HK\$0.21 per share under the general mandate of the Company. The transaction was completed on 26 June 2013. These newly issued shares rank pari passu in all respects with the existing ordinary shares of the Company in issue. Total proceeds from the placement are HK\$29,084,000 after the deduction of direct issue costs of HK\$414,000.

The excess of the gross proceeds of HK\$29,498,000 from the placement over the nominal value of the ordinary shares issued of HK\$14,047,000 amounting to HK\$15,451,000 has been recorded in the share premium account.

- (b) Pursuant to a special resolution passed at the Special General Meeting (“SGM”) of the Company held on 11 September 2014:
- (i) Every five issued shares of HK\$0.1 each were consolidated into one new share of HK\$0.50 each (the “Share Consolidation”). The consolidated shares after the Share Consolidation ranked pari passu in all respects with each other;
  - (ii) The par value of each issued ordinary share reduced from HK\$0.50 to HK\$0.10 by cancelling HK\$0.40 of the paid-up capital on each issued ordinary share such that the nominal value of each issued ordinary share be reduced from HK\$0.50 to HK\$0.10 (“Capital Reduction”).
  - (iii) The entire amount standing to the credit of the Company’s share premium account will be cancelled (“Share Premium Reduction”). Whereby the entire amount of the credit arising from the Capital Reduction and the Share Premium Reduction will be transferred to the contributed surplus account of the Company and the entire amount standing to the credit of the contributed surplus account of the Company will be applied to set off against part of the accumulated losses of the Company.
- (c) On 11 July 2014, the Company entered into a subscription agreement with then independent investors for the issuance of 325,000,000 new ordinary shares at HK\$0.35 per share, which is subject to the approval of the Shareholders at the SGM. On 11 September 2014, a special resolution regarding to the subscription agreement was passed at the SGM of the Company and the transaction was completed on 19 September 2014. And these newly issued shares rank pari passu in all respects with the existing ordinary shares of the Company in issue. Total proceeds from the placement are HK\$108,885,000 after the deduction of direct issue costs of HK\$4,865,000.

The excess of the gross proceeds of HK\$113,750,000 from the placement over the nominal value of the ordinary shares issued of HK\$32,500,000 amounting to HK\$81,250,000 has been recorded in the share premium account.

## **SUMMARY OF THE INDEPENDENT AUDITOR'S REPORT**

### **BASIS FOR QUALIFIED OPINION**

In the year ended 31 December 2009, the Group completed the acquisition of Pacific Choice Holdings Limited and its directly wholly owned subsidiary, Precise Media Limited (“Precise Media”) and its indirectly wholly owned subsidiary United Opto-Electronics (Suzhou) Co., Ltd (the “PRC Subsidiary”). Collectively these entities are referred to as the “Pacific Choice Group”. As part of the acquisition consideration, convertible bonds and promissory notes were issued. In the year of acquisition, the Group determined that it lost control of the PRC Subsidiary after November 2009 and the PRC Subsidiary was deconsolidated and recognised as an available-for-sale investment from 1 December 2009 onwards. In the acquisition of the Pacific Choice Group, the Group acquired an intangible asset of HK\$668,000,000. Also in the year of acquisition, the Group fully impaired the carrying amount of the intangible asset.

In prior years, there were limitations in the scope of our audit work on the loss of control of these subsidiaries and their deconsolidation, the impairment of the intangible assets, the valuation of the convertible bonds and promissory notes on initial recognition and the amounts allocated to liability component and equity component. The liability component of the convertible bonds and the promissory notes were measured at amortised cost. Due to the limitations in our work on the initial value of these liabilities, we were unable to satisfy ourselves as to whether the carrying amounts of the liabilities in subsequent years and the interest expense charged to profit or loss were free from material misstatements.

During the year ended 31 December 2013, the Group disposed of its equity interests in Precise Media. As part of the disposal arrangement, the convertible bonds and the promissory notes were cancelled. Due to the scope limitations encountered in prior years remained unresolved as of the date of disposal, we were unable to satisfy ourselves as to whether (i) any results of operation relating to the PRC Subsidiary for year ended 31 December 2013 would have been recognised had there been no deconsolidation in 2009, (ii) the effects on consolidated statement of comprehensive income for the year ended 31 December 2013 arising from the disposal were free from material misstatements, (iii) the gain on derecognition of the convertible bonds of HK\$276,544,000 and the promissory notes of HK\$87,500,000 recognised in the profit or loss for the year ended 31 December 2013 were free from material misstatements, and (iv) interest expense on the liability component of the convertible bonds of HK\$10,184,000 charged to the profit or loss for the year ended 31 December 2013 was free from material misstatement.



Due to the above limitations, we disclaimed our opinion on the Group's performance and cash flows for the year ended 31 December 2013. Our opinion on the current year's financial statements is modified because of the possible effect of the above matters on the comparability of the current year's figures and the corresponding figures.

## **QUALIFIED OPINION**

In our opinion, except for the possible effects on the corresponding figures of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2014, and of its loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

## **BUSINESS AND OPERATIONAL REVIEW**

The Group reported a loss attributable to owners of the Company of approximately HK\$17,736,000 for the year ended 31 December 2014 as compared with a profit of approximately HK\$344,311,000 in the year of 2013. The loss was mainly attributable to the absence of a one-off gain for the year ended 31 December 2014. Basic loss per share for the year amounted to approximately 6.79 HK cents (2013: restated basic earnings per share were 222.11 HK cents). Net assets of the Group were approximately HK\$144,698,000 at the end of the year as compared to net assets of approximately HK\$33,353,000 as at 31 December 2013. The increase in net assets was attributable to the receipt of net proceeds of approximately HK\$108,900,000 for the issue of 325,000,000 new shares of the Company during the year 2014.

As disclosed in the annual report of the Company for the year ended 31 December 2013, the Group has successfully wound down an acquisition of the liquid crystal on silicon ("LCoS") television business ("Acquisition") and the convertible bonds and promissory notes issued to the vendors ("Vendors") in consideration of the Acquisition, which involved (i) the disposal of the patents related to the LCoS television production to Taiwan Micro Display Corp. ("TMDC"), the original vendor who sold the LCoS television business to the Vendors, and the termination of certain agreements with TMDC, in return TMDC had returned HK\$187,200,000 convertible bonds to the Group for cancellation; and (ii) a judgment from the High Court in Hong Kong handed down in June 2013 in favour of the Group, declaring that the Group was entitled to terminate the acquisition agreement and to the return to the Group of convertible bonds in the principal amount of HK\$112,800,000 and promissory

notes in the amount of HK\$87,500,000, and cash of HK\$275,000,000 from the vendors, plus relevant interests thereof. Following the completion of the aforesaid winding down, the Group cancelled the convertible bonds of HK\$187,200,000 issued to TMDC, as well as the convertible bonds of HK\$112,800,000 and promissory notes of HK\$87,500,000 issued to the Vendors. For accounting treatment of the aforesaid cancellations, certain assets and liabilities of the Group were derecognised, resulting in a one-off gain of approximately HK\$359,400,000 for the year ended 31 December 2013.

## **FUTURE PLANS AND PROSPECTS**

While the Group will diversify its trading businesses by exploring various sales channel and possible related products and at the same time, expand its business and revenue base by developing and providing green solutions to today's critical challenges of energy efficiency and environmental protection, it will continue to look for new business opportunities.

The past few months marked an important milestone in the Group's development. With the Subscription of 325,000,000 shares of the Company completed on 19 September 2014 and the new directors on board on 3 November 2014, the Group has been actively exploring the possibility of extending its business into the gaming and entertainment market to broaden its income sources. Apart from Dr. Lam Yin Lok, our new Board of directors includes Mr. Hung Ching Fung and three independent non-executive Directors, namely Mr. Daniel Domingos António, Mr. Kwok Chi Chung and Mr. Chow Wing Tung, all of who have extensive experience in the gaming and entertainment industry as well as the accounting and financial sector; while Mr. Chau Chit remains as our executive Director. Under the leadership of an experienced and energetic core management team, we have full confidence to maintain the steady development of our business, as we inject new ideas and momentum to the Group and chart it on a new course.

At the special general meeting of the Company held on 18 December 2014, the resolution of change of name of the Company to "Jimei International Entertainment Group Limited" and the adoption of a new Chinese name "集美國際娛樂集團有限公司" was unanimously passed by the Shareholders. The new name of the Company brings a fresh corporate image and more accurately reflects the Group's commitment to diversifying its business in the future. As the new management team has fully participated in formulating a clear development roadmap of the Group, we expect the business diversification approach to bring new momentum and start a new chapter in the development history of the Group.

## **MATERIAL ACQUISITION AND DISPOSAL**

There is no material acquisition and disposal conducted by the Company during the year that should be notified to the shareholders of the Company.

## **DIVIDEND**

The Board does not recommend the payment of a final dividend for the year ended 31 December 2014.

## **CAPITAL STRUCTURE**

As at 31 December 2014, the Group's shareholders' equity was approximately HK\$144,698,000 (2013: HK\$33,353,000). As at 31 December 2014, the proportion of short term and long term interest bearing debts to shareholders' equity was 0.05 (2013: 2.12).

## **LIQUIDITY AND FINANCIAL RESOURCES**

The Group generally finances its operation by internally generated cash flow.

Prudent financial management and selective investment criteria have enabled the Group to maintain a stable financial position. As at 31 December 2014, the Group's bank balances and cash amounted to approximately HK\$157,053,000 (2013: HK\$10,101,000).

As at 31 December 2014, the current ratio was approximately 18.85 (2013: approximately 1.14) based on current assets of approximately HK\$182,601,000 (2013: HK\$121,098,000) and current liabilities of approximately HK\$9,686,000 (2013: HK\$106,104,000).

## **EXPOSURE TO FLUCTUATION IN EXCHANGE RATES**

Most of the Group's assets, liabilities and business transactions are denominated in Hong Kong dollars, Renminbi and US dollars which have been relatively stable during the year. The Group was not exposed to material exchange risk and has not employed any financial instruments for hedging purposes.

## **EMPLOYEES AND REMUNERATION POLICIES**

The Group had a total of 25 employees as at 31 December 2014 (2013: 10). The Group's remuneration policies are primarily based on prevailing market salary levels and the performance of the respective companies and individuals concerned. Employees may also participate in the share option scheme of the Group.

## **CONTINGENT LIABILITY**

As at 31 December 2014, the Group had no significant contingent liability (2013: nil).

## **MAJOR CORPORATE EVENTS**

During the reporting period, the Company conducted following major events:

1. The Capital Reorganisation involving the Share Consolidation, the Capital Reduction, the Share Premium Reduction and the Transfer: Pursuant to the special resolutions passed at the special general meeting of the Company held on 11 September 2014, every five then issued shares of HK\$0.10 each were consolidated into one Consolidated Share of HK\$0.50 and the paid-up capital of the Consolidated Shares was cancelled to the extent of HK\$0.40 per Consolidated Share so as to form a New Share of HK\$0.10, whereby the entire amount standing to the credit of the Company's share premium account was cancelled and the entire amount of the credit arising from the Capital Reduction and the Share Premium Reduction was transferred to the contributed surplus account of the Company and the entire amount standing to the credit of the contributed surplus account of the Company was applied to set off against part of the accumulated losses of the Company.
2. The Subscription: On 11 July 2014, the Company entered into a subscription agreement with Reach Luck International Limited ("Reach Luck"), Creative Cosmo Limited, and New Elect International Limited in respect of the issue and allotment of an aggregate of 325,000,000 New Shares to the Subscribers at the Subscription Price of HK\$0.35 per Subscription Share, of which, 295,000,000 Shares were subscribed by Reach Luck at an aggregate consideration of HK\$103,250,000; and the convertible notes in principal amount of HK\$55,650,000 were issued to Reach Luck. The Subscription was completed on 19 September 2014. The net proceeds were approximately HK\$164,400,000.

3. The Change of Company Name and Change of Stock Short Name: Pursuant to the special resolutions passed by the Shareholders at the special general meeting of the Company held on 18 December 2014 and as certified by the Certificate of Incorporation on Change of Name and the Certificate of Secondary Name of the Company issued by the Registrar of Companies in Bermuda on 23 December 2014, the change of English name of the Company to “Jimei International Entertainment Group Limited” and the secondary name of the Company to “集美國際娛樂集團有限公司” came into effect from 23 December 2014. The Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 13 January 2015, certifying the registration of the said new name of the Company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) with effect from that date. With effect from 21 January 2015, the stock short name for trading in the Shares on The Stock Exchange of Hong Kong Limited was changed to “JIMEI INT ENT” in English and to “集美國際娛樂” in Chinese.

## **COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES**

The Directors consider that the Company has complied with all applicable provisions of the Corporate Governance Code contained in Appendix 14 (the “Code”) of the Listing Rules throughout the year ended 31 December 2014 except for deviation as stated below:

### **Code Provision A.2.1**

Under code provision A.2.1, the roles of chairman and chief executive officer (“CEO”) should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and CEO of the Company should be clearly established and set out in writing. Detail of deviation of this code is explained in the relevant paragraph headed under “CHAIRMAN AND CHIEF EXECUTIVE OFFICER” below.

## **CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

Under the code provision A.2.1, the roles of chairman and CEO should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and CEO of the Company should be clearly established and set out in writing. The roles of the chairman and the CEO of the Company were not separated and were performed by the same individual, Mr. Chau Chit for the period from 1 January 2014 to 2 November 2014. The Directors meet regularly to consider major matters affecting the operations of the Group. As such, the Directors consider that this structure will not impair the balance of power and authority between the Directors and the management of Group and believes that this structure will enable the Group to make and implement decisions promptly and efficiently.

Since 3 November 2014, the role of the chairman has been performed by Dr. Lam Yin Lok to reflect a change in operating structure in which the chairman and the CEO can devote more time and attention on their respective functions.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, the Directors have complied with such code of conduct and the required standard of dealings and its code of conduct regarding securities transactions by the Directors throughout the year ended 31 December 2014.

## **AUDIT COMMITTEE**

As required by Rule 3.21 of the Listing Rules, the Company has established an Audit Committee with written terms of reference which deal clearly with its authority and duties. Its principal duties are to review and supervise the Group's financial reporting process and internal control systems.

The audit committee of the Board has discussed with the external auditors of the Company on the accounting principles and practices adopted by the Group and the consolidated results of the Group for the year ended 31 December 2014, and is of the opinion that the preparation of the consolidated results complied with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures have been made.

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

During the year ended 31 December 2014, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

## **PUBLICATION OF RESULTS AND ANNUAL REPORT**

The results announcement is available for reviewing on the website of Hong Kong Exchanges and Clearing Limited at [www.hkex.com.hk](http://www.hkex.com.hk) under "Latest Listed Companies Information" and the website of the Company at [www.aplushk.com/clients/1159](http://www.aplushk.com/clients/1159). The annual report will be dispatched to the shareholders and will also be available on these websites.

By Order of the Board  
**Jimei International Entertainment Group Limited**  
**Dr. Lam Yin Lok**  
*Chairman*

Hong Kong, 30 January 2015

*As at the date of this announcement, our executive Directors are Dr. Lam Yin Lok, Mr. Hung Ching Fung and Mr. Chau Chit; and our independent non-executive Directors are Mr. Daniel Domingos António, Mr. Kwok Chi Chung and Mr. Chow Wing Tung.*