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**DBA Telecommunication (Asia) Holdings Limited**

**DBA 電訊 (亞洲) 控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3335)**

**ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2012**

The board (the “Board”) of directors (the “Directors”) of DBA Telecommunication (Asia) Holdings Limited (the “Company”) announces the consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2012 together with the comparative figures. These results have been reviewed by the Company’s audit committee (the “Audit Committee”) and approved by the Board.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 December 2012*

	<i>Notes</i>	<b>2012</b> <i>RMB'000</i>	2011 <i>RMB'000</i>
<b>Revenue</b>		–	5,647,554
Cost of sales		–	(4,990,897)
<b>Gross profit</b>		–	656,657
Other revenue and other net income	4	<b>307</b>	11,493
Selling and distribution expenses		–	(142,637)
General and administrative expenses		<b>(9,285)</b>	(41,902)
Loss on deconsolidation of subsidiaries	5	<b>(2,051,581)</b>	–
<b>(Loss)/profit from operations</b>		<b>(2,060,559)</b>	483,611
Finance costs	6	<b>(433)</b>	(16,501)
<b>(Loss)/profit before tax</b>		<b>(2,060,992)</b>	467,110
Income tax	7	–	(85,807)
<b>(Loss)/profit for the year attributable to owners of the Company</b>	8	<b>(2,060,992)</b>	381,303
<b>Other comprehensive income after tax:</b> <i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating of foreign operations		<b>1,509</b>	546
<b>Other comprehensive income for the year, net of tax</b>		<b>1,509</b>	546
<b>Total comprehensive (loss)/income for the year attributable to owners of the Company</b>		<b>(2,059,483)</b>	381,849
<b>(Loss)/earnings per share</b>	11		
– Basic (RMB cents per share)		<b>(198.00)</b>	36.68
– Diluted (RMB cents per share)		<b>(198.00)</b>	36.22

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2012

	<i>Notes</i>	<b>2012</b> <i>RMB'000</i>	2011 <i>RMB'000</i>
<b>Non-current asset</b>			
Prepaid land lease payments		–	9,526
Property, plant and equipment	<i>12</i>	–	554,226
Intangible assets	<i>13</i>	–	4,677
		<hr/>	<hr/>
		–	568,429
<b>Current assets</b>			
Inventories		–	451,224
Trade receivables		–	567,311
Prepayments, deposits and other receivables		<b>3,595</b>	365,055
Pledged bank deposit		–	210,600
Cash and cash equivalents		<b>1,053</b>	388,560
		<hr/>	<hr/>
		<b>4,648</b>	1,982,750
<b>Current liabilities</b>			
Trade and bills payables		–	490,644
Accruals and other payables		<b>1,359</b>	48,352
Amount due to a shareholder	<i>14</i>	<b>193,989</b>	–
Amounts due to deconsolidated subsidiaries	<i>15</i>	<b>74,184</b>	–
Bank loans		–	106,450
Tax payables		–	27,085
Bonds payables		–	45,727
		<hr/>	<hr/>
		<b>269,532</b>	718,258
<b>Net current (liabilities)/assets</b>		<hr/> <b>(264,884)</b> <hr/>	<hr/> 1,264,492 <hr/>
<b>Total assets less current liabilities</b>		<hr/> <b>(264,884)</b> <hr/>	<hr/> 1,832,921 <hr/>
<b>Non-current liabilities</b>			
Bank loans		–	17,500
<b>NET (LIABILITIES)/ASSETS</b>		<hr/> <b>(264,884)</b> <hr/>	<hr/> 1,815,421 <hr/>
<b>Capital and reserves</b>			
Share capital	<i>16</i>	<b>108,198</b>	108,198
Share premium and reserves		<b>(373,082)</b>	1,707,223
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		<hr/> <b>(264,884)</b> <hr/>	<hr/> 1,815,421 <hr/>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2012*

## 1. GENERAL INFORMATION

DBA Telecommunication (Asia) Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is P.O. Box 309 GT, Uglan House, South Church Street, George Town, Grand Cayman, KY1-1104, Cayman Islands. The address of its principal place of business was Unit 2307, 23rd Floor, Great Eagle Center, 23 Harbour Road, Wan Chai, Hong Kong during the year ended 31 December 2012. Subsequent to end of the reporting period, its principal place of business has been changed to Room 1301, 13/F., Henan Building, 90-92 Jaffe Road, Wan Chai, Hong Kong on 6 June 2014 and Room 1701-02, Chinachem Johnston Plaza, 178-186 Johnston Road, Wan Chai, Hong Kong on 16 May 2016 respectively. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the trading in shares of the Company has been suspended since 6 June 2013.

The Company is an investment holding company. The principal activities of the Company’s subsidiaries are set out in note 21 to the consolidated financial statements.

## 2. BASIS OF PREPARATION

### **Suspension of trading in shares of the Company**

References are made to the Company’s announcements dated 6 June 2013 and 19 June 2013 respectively in relation to, among others things, clarification of the press release and delay in publication of the audited consolidated financial statements of the Company and its subsidiaries (collectively “the Group”) for the year ended 31 December 2012. At the request of the Company, trading in shares of the Company has been suspended since 6 June 2013.

On 5 September 2013, the Stock Exchange issued a letter to the Company stating that it considers it appropriate to impose on the Company the following conditions for resumption of trading in the shares of the Company (the “1st Resumption Conditions”):

- (i) publish all outstanding financial results required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and address any audit qualifications; and
- (ii) complete the independent board committee’s review on the circumstances that had led to the publication of the announcement of the Company dated 28 March 2013 in relation to the Company’s results for the year ended 31 December 2012 and the delay in the dispatch of its 2012 annual report as part of an assessment of the Company’s internal systems and controls, and address any issues identified by the independent board committee, with appropriate disclosure.

Reference is made to the Company’s announcement dated 30 April 2014, certain Company’s subsidiaries in the People’s Republic of China (the “PRC”) have encountered labour disputes since the layoff of employees in the respective subsidiaries of the Company from October 2013 (the “Labour Disputes Event”). The former directors and the chairman of the Company’s board (the “Board”) of directors (the “Directors”) have noticed in March 2014 that certain information and documents were missing and suspected to be removed by previous employees of the Company’s PRC subsidiaries during the Labour Disputes Event (the “Missing Documents”).

For the period from June 2013 to May 2014, there were several changes in the Directors of the Company and senior management of the Group including (i) resignation of three executive Directors on 12 November 2013 and 25 May 2014; (ii) appointment of two new executive Directors on 23 May 2014; (iii) resignation of an executive Director (also as the chief financial officer and the company secretary) on 27 September 2013; and (iv) appointment of the new chief financial officer and the company secretary on 22 October 2013 and 7 October 2013.

Reference is made to the Company's announcement dated 4 July 2014, the Board confirmed that a Bank in PRC issued and filed a writ of summons against a PRC subsidiary of the Company for a breach of loan agreements due to default in repayments of loans in the aggregate principal amount of RMB170 million and all related interests.

By a letter dated 15 January 2015, the Stock Exchange informed the Company was placed in the first stage of the delisting procedures under Practice Note 17 ("PN 17") to the Listing Rules, and the Company was required to submit a viable resumption proposal before 14 July 2015, to address the following resumption conditions (the "2nd Resumption Conditions"):

- (i) address the 1st Resumption Conditions imposed by the Stock Exchange;
- (ii) demonstrate sufficient operations or assets under Rule 13.24 of the Listing Rules; and
- (iii) demonstrate that the Company has an adequate financial reporting system and internal control procedures to meet its obligations under the Listing Rules.

The Company submitted its resumption proposal (the "Resumption Proposal") in response to the 2nd Resumption Conditions to the Stock Exchange on 26 June 2015. Following their submission, the Company received a letter from the Stock Exchange on 28 July 2015 stating, amongst others, that the first delisting stage was expired on 14 July 2015 and the Stock Exchange considered that the Resumption Proposal failed to satisfy the 2nd Resumption Conditions. Upon to the abovementioned, the Company was placed in the second delisting stage under PN 17 to the Listing Rules, and the Company was required to submit a viable resumption proposal at least 10 business days before 27 January 2016, to address the following resumption conditions (the "3rd Resumption Conditions"):

- (i) publish all outstanding financial results and address any audit qualifications;
- (ii) demonstrate sufficient operations or assets under Rule 13.24 of the Listing Rules;
- (iii) complete the independent board committee's review on relevant audit issues as stated in the announcement of the Company dated 19 June 2013 (the "Audit Issues") and circumstances that had led to the publication of the preliminary results announcement and the delay in the dispatch of the Company's annual report for the year ended 31 December 2012, address any issues identified by the independent board committee, address the Stock Exchange's concerns on whether the Audit Issues indicate any irregularities and demonstrate that there is no reasonable regulatory concern about management integrity which will pose a risk to investors and damage market confidence; and
- (iv) demonstrate that the Company has an adequate financial reporting system and internal control procedures to meet its obligations under the Listing Rules.

At the end of the second delisting stage, the Company did not provide a viable resumption proposal to the Stock Exchange to demonstrate its sufficiency of operations or assets for listing. Therefore, the Stock Exchange placed the Company in the third delisting stage on 9 March 2016. If the Company fails to submit a viable resumption proposal to address the 3rd Resumption Conditions to the Stock Exchange at the end of the third delisting stage (i.e. 8 September 2016), the Company's listing will be cancelled.

On 19 August 2016, the Company has (1) filed the new listing application to the Stock Exchange in relation to the proposed acquisition which constitutes a very substantial acquisition and reverse takeover involving a new listing application; and (2) submitted the updated resumption proposal in response to the resumption conditions to the Stock Exchange.

## **Proposed restructuring of the Group**

The restructuring of the Group consists of:

- (i) Winding-up of International Intelligent System Limited (“IIS”) and Skyban International Holdings Limited (“Skyban”);
- (ii) Capital reorganisation;
- (iii) Placing of new shares;
- (iv) Debt restructuring by way of scheme;
- (v) Issuance of notes; and
- (vi) Acquisition

### ***(i) Winding-up of IIS and Skyban***

Since December 2013, the original business which consists of information technology business, intelligent self-services business and agency business have been suspended gradually (the “Original Business”). The Board considers that the suspension of the business operations of its subsidiaries in PRC was mainly attributable to (a) the labour disputes aroused from the layoff of employees in the respective subsidiaries of the Company from October 2013; and (b) the lack of working capital of the Group to carry out its normal operations due to (i) the failure to achieve functionality upgrade and replacement of the intelligent self-service terminals of the Group, and (ii) the low confidence of the Group’s relationship banks, which ceased and terminated certain borrowings of the Group. The Company had attempted to resume the business operations of its PRC subsidiaries but eventually failed. Accordingly, the Board is of the view that its PRC business operations are no longer viable and the Group should search for other sustainable and viable business opportunities. In view of the above, the Board resolved to wind-up IIS and Skyban, which would in return, carves out the Original Business. On 28 May 2015, IIS and Skyban were placed into liquidation by resolutions of their sole member respectively. Mrs. Kerry Graziola of Deloitte Ltd. in British Virgin Islands and Mr. Darach E. Haughey of Deloitte Touche Tohmatsu in Hong Kong were appointed as the Joint Liquidators of IIS and Skyban.

### ***(ii) Capital reorganisation***

The capital reorganisation (the “Capital Reorganisation”) comprises (i) capital reduction; and (ii) authorized share capital increase. Other than the expenses incurred in the Capital Reorganisation, the implementation of the Capital Reorganisation will not alter the underlying assets, business operation or financial position of the Group, or affect the interests of the shareholders.

In addition, upon the Capital Reduction becoming effective, the credit standing to the share premium account of the Company to the extent of approximately HK\$213 million will be reduced to zero and such credit will be applied to set off the accumulated losses of the Company or part thereof as permitted by the laws of the Cayman Islands (“Share Premium Reduction”). The Share Premium Reduction does not require the approval of the Existing Shareholders or the Grand Court of the Cayman Islands.

### ***(iii) Placing of new shares***

On 22 July 2016, the Company entered into the placing agreement (the “Placing Agreement”) with the placing agent, pursuant to which the Company appointed the placing agent and the placing agent agrees to act as placing agent to place, on a best effort basis, the 50,000,000 placing shares at a price of HK\$0.6 per placing share to not less than six placees who and whose ultimate beneficial owners are independent third parties, subject to the conditions of the Placing Agreement. The Company intends to use the net proceeds as to the scheme funds. The placing shares will be issued pursuant to the specific mandate to be sought from the shareholders at the extraordinary general meeting. The placing completion is subject to the fulfilment of the conditions in the Placing Agreement.

**(iv) Debt restructuring by way of scheme**

The Company will implement scheme of arrangement in Hong Kong to settle all its debts of the Company. Under the scheme, scheme cash consideration and creditors' shares will be applied as full and final settlement to the creditors of the scheme. Pursuant to the scheme, each creditor shall receive scheme cash consideration (equivalent to HK\$0.10 per HK\$1.00 of their admitted claim) and creditors' shares (on the basis of a fixed pool of initially 218,441,017 new shares (after Capital Reorganisation of the Company) ("New Shares") (or such other number as may be agreed and approved by The Stock Exchange and High Court of Hong Kong), each HK\$1.00 of admitted claims will be converted to 0.8138 New Shares (round down nearest share)). In addition to the scheme cash consideration and creditors' shares, all necessary scheme costs and preferential claims of the Company, if any, will be settled under the scheme.

**(v) Issuance of notes**

On 18 September 2014, the Company and the investor (the "Investor") entered into the notes facility agreement (the "Notes Facility Agreement") with respect that the Company will issue the notes in aggregate principal amount of HK\$30,000,000 to the Investor at zero interest rate for 12 months from the respective issue date of the notes. The holder of the notes may, before the expiry of the respective notes, extend the term of the respective notes for a further term of 12 months. Subsequently on 30 December 2014, the Company entered into a supplemental agreement (the "Supplemental Agreement") with the Investor whereas the Company and the Investor agreed that the completion date for the subscription of the notes with principal amount of HK\$20,000,000 be extended from on or before 30 December 2014 to on or before 31 January 2015. Pursuant to the Notes Facility Agreement, the Company has agreed to provide the Investor the right to subscribe up to 85,714,285 warrants, which will entitle the holder the right to subscribe 85,714,285 shares at an exercise price of HK\$0.35 per share (subject to adjustment pursuant to the Notes Facility Agreement) during the period of 12 months after the Company's shares resume trading and necessary approval from the Stock Exchange is obtained. Please refer to the Company's announcement dated 18 September 2014 and 31 December 2014 for details.

On 21 July 2016, the Company and the second investor (the "Second Investor") entered into the notes facility agreement (the "Second Notes Facility Agreement") with respect that the Company will issue the notes in aggregate principal amount of HK\$40,000,000 to the Second Investor at zero interest rate for 12 months from the respective issue date of the notes. The holder of the notes may, before the expiry of the respective notes, extend the term of the respective notes for a further term of 12 months. Pursuant to the Second Notes Facility Agreement, the Company has agreed to provide the Second Investor the right to subscribe for up to 80,000,000 warrants, which will entitle the holder the right to subscribe 80,000,000 shares at an exercise price of HK\$0.50 per share during the period of 12 months after the Company's shares resume trading and necessary approval from the Stock Exchange is obtained. Please refer to the Company's announcement dated 4 August 2016 for details.

**(vi) Acquisition**

The Company is endeavoring to meet the Stock Exchange's requirements, in particular it is in the process of conducting certain group restructuring and has been in active negotiation for a possible acquisition which may constitute a reverse takeover for the Company if materialised. On 29 May 2015, the Company entered into a memorandum of understanding with Jing Chen International Investment (Holdings) Limited and Ka Wah Investment Holdings Limited (together refer to "Vendors"), pursuant to which the Company conditionally agreed to purchase and the Vendors conditionally agreed to dispose of the entire issued share capital of a target Company ("Proposed Acquisition") for a preliminary consideration of HK\$600,000,000 (subject to further negotiation) which shall be satisfied by the issue of 1,000,000,000 consideration shares at the issue price of HK\$0.60 per consideration share by the Company to the Vendors.

On 19 June 2015, the Company as the purchaser and the Vendors have entered into a conditional sale and purchase agreement in relation to the Proposed Acquisition (the “Acquisition Agreement”). Completion of the Acquisition Agreement is conditional on, amongst others, the grant of a waiver in respect of the obligation of the Vendors and the parties acting in concert (as defined under the Takeovers Code) with them to make a mandatory general offer to other shareholders of the Company in respect of the shares of the Company.

### **Deconsolidation of subsidiaries**

The consolidated financial statements have been prepared based on the books and records maintained by the Group. However, as a result of the Labour Disputes Event and the Missing Documents, by that time, the Directors considered that the control over the following subsidiaries had been lost. Since then, the Directors neither had control over the operating and financial activities, nor any access to the underlying accounting books and records of those subsidiaries. Due to the lack of control and financial information, the Directors considered that it was impracticable to consolidate the results, assets, liabilities and cash flows of these subsidiaries from 1 January 2012.

- (1) 沃眾智能系統服務(中國)有限公司  
(Wozhong Intelligent System Service (China) Co., Ltd.)\*
- (2) 沃眾電子支付技術服務(福建)有限公司  
(Wozhong e-Payment Technology Service (Fujian) Co., Ltd.)\*
- (3) 沃眾廣告(福州)有限公司  
(Wozhong Advertising (Fuzhou) Co., Ltd.)\*
- (4) 福建締邦實業有限公司  
(Fujian Create State Industry Co., Ltd.)\*
- (5) 天邦電訊(福建)有限公司  
(Skyban Telecommunication (Fujian) Limited)\*

\* *The English name is for identification purpose only*

### **Going concern basis**

The Group incurred a loss attributable to owners of the Company of approximately RMB2,060,992,000 for the year ended 31 December 2012 and as at 31 December 2012 the Group had net current liabilities and net liabilities of approximately RMB264,884,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The consolidated financial statements have been prepared on a going concern basis on the basis that the proposed restructuring of the Group will be successfully completed, and that, following the restructuring, the Group will continue to meet in full its financial obligations as they fall due in the foreseeable future.

Should the Group be unable to achieve a successful restructuring and to continue its business as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value of the Group’s assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.



### 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 January 2012. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of those new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

### 4. OTHER REVENUE AND OTHER NET INCOME

	2012 <i>RMB’000</i>	2011 <i>RMB’000</i>
Bank interest income	–	3,518
Reversal of staff welfare payable	–	7,569
Gain on repurchase of bonds payable	307	405
Sundry income	–	1
	<u>307</u>	<u>11,493</u>

### 5. LOSS ON DECONSOLIDATION OF SUBSIDIARIES

As disclosed in note 2 to these consolidated financial statements, the Directors considered that the control over certain subsidiaries had been lost. Since then, the Directors neither had control over the operating and financial activities, nor any access to the underlying accounting books and records of those subsidiaries. Due to the lack of control and financial information, the Directors considered that it was impracticable to consolidate the results, assets, liabilities and cash flows of these subsidiaries from 1 January 2012.

Net assets of these subsidiaries as at the date of loss of control were as follows:

	<i>RMB’000</i>
Property, plant and equipment	554,226
Prepaid land lease payments	9,755
Intangible assets	4,677
Inventories	451,224
Trade receivables	567,311
Prepayments, deposits and other receivables	364,048
Pledged bank deposit	210,600
Cash and cash equivalents	388,163
Trade and bills payables	(490,644)
Accruals and other payables	(47,266)
Bank loans	(123,950)
Tax payables	(27,085)
Net amounts due from the Group	<u>190,522</u>
Loss on deconsolidation of subsidiaries	<u>2,051,581</u>
Net cash outflow arising on deconsolidation of subsidiaries:	
Pledged bank deposit	210,600
Cash and cash equivalents	<u>388,163</u>
	<u>598,763</u>

## 6. FINANCE COSTS

	<b>2012</b> <i>RMB'000</i>	2011 <i>RMB'000</i>
Default interest on bonds payable	433	5,203
Interest on bank loans wholly repayable within five years	–	8,506
Other finance charges	–	2,792
	<u>433</u>	<u>16,501</u>

## 7. INCOME TAX

	<b>2012</b> <i>RMB'000</i>	2011 <i>RMB'000</i>
Current tax – Provision for the PRC enterprise income tax	–	85,807

No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profits arising in Hong Kong for each of the years ended 31 December 2012 and 2011.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

The reconciliation between the income tax and the (loss)/profit before tax are as follows:

	<b>2012</b> <i>RMB'000</i>	2011 <i>RMB'000</i>
(Loss)/profit before tax	<u>(2,060,992)</u>	<u>467,110</u>
Notional tax on (loss)/profit before tax, calculated at the rates applicable to (loss)/profits in the tax jurisdictions concerned	(340,064)	119,748
Tax effect of profits entitled to tax exemption in the PRC	–	(35,015)
Tax effect of non-deductible expense and unused tax losses not recognised	340,064	4,521
Others	–	(3,447)
	<u>–</u>	<u>85,807</u>

The Group had no significant deferred tax for each of the years ended 31 December 2012 and 2011.

## 8. (LOSS)/PROFIT FOR THE YEAR

The Group's (loss)/profit for the year is stated after charging the following:

	2012 <i>RMB'000</i>	2011 <i>RMB'000</i>
Amortisation of intangible assets	–	556
Amortisation of prepaid land lease payments	–	228
Auditor's remuneration	1,219	1,353
Loss on disposal of property, plant and equipment	–	8
Cost of inventories	–	4,990,897
Depreciation	–	43,179
Less: Amount included in research cost	–	(126)
	–	43,053
Operating lease payments in respect of premises	1,038	2,500
Equity-settled share-based payment expenses for consultants and suppliers	–	1,350
Staff costs (including directors' remuneration – note 9):		
Salaries, bonus and allowances	3,248	71,802
Retirement benefits scheme contributions	63	2,600
Equity settled share-based payment expenses	217	2,235
	3,528	76,637
Research cost	–	11,683

## 9. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS

(a) The emoluments of each Director were as follows:

		For the year ended 31 December 2012					
Name of Director	<i>Notes</i>	Directors' Fee <i>RMB'000</i>	Discretionary bonuses <i>RMB'000</i>	Salaries, allowances and benefits in kind <i>RMB'000</i>	Retirement benefit scheme contributions <i>RMB'000</i>	Share-based payments <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Executive Directors:</b>							
Mr. Yu Longrui	(vii)	–	128	1,540	22	–	1,690
Mr. Zheng Feng		–	–	–	–	–	–
Mr. Chan Wai Chuen	(iii)	–	149	895	22	163	1,229
Mr. Yu Longhui	(vii)	–	–	–	–	–	–
Mr. Yeung Shing	(iv)	–	–	–	–	–	–
<b>Independent Non-executive Director:</b>							
Mr. Yu Lun	(vi)	–	–	–	–	–	–
Mr. Zheng Qingchang	(i)	–	–	–	–	–	–
Mr. Yun Lok Ming	(v)	74	6	–	–	–	80
Mr. Jiang Weiliang	(ii)	–	–	–	–	–	–
		74	283	2,435	44	163	2,999

For the year ended 31 December 2011

Name of Director	Notes	For the year ended 31 December 2011					Total RMB'000
		Directors' Fee RMB'000	Discretionary bonuses RMB'000	Salaries, allowances and benefits in kind RMB'000	Retirement benefit scheme contributions RMB'000	Share-based payments RMB'000	
<b>Executive Directors:</b>							
Mr. Yu Longrui	(vii)	–	131	1,567	20	–	1,718
Mr. Zheng Feng		–	23	186	1	173	383
Mr. Chan Wai Chuen	(iii)	–	76	1,062	20	1,037	2,195
Mr. Yu Longhui	(vii)	–	22	181	1	–	204
Mr. Yeung Shing	(iv)	–	16	196	20	216	448
<b>Independent Non-executive Director:</b>							
Mr. Yu Lun	(vi)	66	–	–	–	–	66
Mr. Zheng Qingchang	(i)	66	–	–	–	–	66
Mr. Yun Lok Ming	(v)	82	–	–	–	–	82
		<u>214</u>	<u>268</u>	<u>3,192</u>	<u>62</u>	<u>1,426</u>	<u>5,162</u>

Notes:

- (i) Resigned on 31 December 2012
- (ii) Appointed on 31 December 2012 and resigned on 8 May 2014
- (iii) Resigned on 27 September 2013
- (iv) Resigned on 12 November 2013
- (v) Resigned on 28 February 2014
- (vi) Resigned on 8 May 2014
- (vii) Resigned on 25 May 2014

(b) **Five highest paid individuals' emoluments**

Three (2011: four) of the five highest paid individuals of the Group were the Directors whose emolument is set out in the above. The details of the remaining employees' emoluments of the Company were as follows:

	2012 RMB'000	2011 RMB'000
Salaries and other benefits	411	223
Contributions to retirement scheme	19	20
Share-bases payments	–	156
	<u>430</u>	<u>399</u>

The emoluments of the remaining two (2011: one) individual with highest emoluments are from nil up to RMB802,000 (equivalent of HK\$1,000,000) (2011: nil up to RMB816,000 (equivalent of HK\$1,000,000)).

- (c) During the year, no emoluments were paid by the Group to any of the Directors as an inducement to join or upon joining the Group or as compensation for loss of office.

## 10. DIVIDEND

	2012 <i>RMB'000</i>	2011 <i>RMB'000</i>
Final dividend paid of nil (2011: HK2.50 cents) per ordinary share	–	21,114

## 11. (LOSS)/EARNINGS PER SHARE

### (a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share attributable to owners of the Company is based on the loss of approximately RMB2,060,992,000 (2011: a profit of approximately RMB381,303,000) for the year attributable to owners of the Company and the weighted average number of 1,040,900,000 (2011: 1,039,465,000) ordinary shares in issue during the year, calculated as follows:

Weighted average number of ordinary shares:

	2012 <i>'000</i>	2011 <i>'000</i>
Issued ordinary shares at 1 January	1,040,900	1,037,500
Effect of share options exercised	–	1,965
Weighted average number of ordinary shares at 31 December	<u>1,040,900</u>	<u>1,039,465</u>

### (b) Diluted (loss)/earnings per share

For the year ended 31 December 2011, the calculation of diluted earnings per share is based on the profit of approximately RMB381,303,000 attributable to owners of the Company and the weighted average number of approximately 1,052,653,000 ordinary shares, calculated as follows:

Weighted average number of ordinary shares (diluted):

	2011 <i>'000</i>
Weighted average number of ordinary shares used in the calculation of basic earnings per share	1,039,465
Effect of deemed issue of shares under the Company's share option scheme for nil consideration	<u>13,188</u>
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	<u>1,052,653</u>

For the year ended 2012, the effects of all potential ordinary shares are anti-dilutive.

## 12. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Leasehold improvements RMB'000	Plant and machinery RMB'000	Furniture, fixtures and equipment RMB'000	Motor vehicles RMB'000	Intelligent self-service terminals RMB'000	Construction in progress RMB'000	Total RMB'000
<b>Cost:</b>								
At 1 January 2011	18,583	421	54,400	8,662	4,609	400,503	119,138	606,316
Additions	-	-	90	847	2,901	-	63,085	66,923
Transfer	124,008	-	-	-	-	58,215	(182,223)	-
Disposals	-	-	-	(9)	-	-	-	(9)
Exchange differences	-	(18)	-	(8)	-	-	-	(26)
At 31 December 2011 and 1 January 2012	142,591	403	54,490	9,492	7,510	458,718	-	673,204
Deconsolidation of subsidiaries	(142,591)	(403)	(54,490)	(8,894)	(7,510)	(458,718)	-	(672,606)
Exchange differences	-	-	-	(7)	-	-	-	(7)
At 31 December 2012	-	-	-	591	-	-	-	591
<b>Accumulated depreciation:</b>								
At 1 January 2011	9,580	421	12,720	5,252	3,516	44,336	-	75,825
Charge for the year	836	-	4,034	860	490	36,959	-	43,179
Disposals	-	-	-	(1)	-	-	-	(1)
Exchange differences	-	(18)	-	(7)	-	-	-	(25)
At 31 December 2011 and 1 January 2012	10,416	403	16,754	6,104	4,006	81,295	-	118,978
Deconsolidation of subsidiaries	(10,416)	(403)	(16,754)	(5,506)	(4,006)	(81,295)	-	(118,380)
Exchange differences	-	-	-	(7)	-	-	-	(7)
At 31 December 2012	-	-	-	591	-	-	-	591
<b>Carrying amounts:</b>								
At 31 December 2012	-	-	-	-	-	-	-	-
At 31 December 2011	132,175	-	37,736	3,388	3,504	377,423	-	554,226

### 13. INTANGIBLE ASSETS

	2012 <i>RMB'000</i>	2011 <i>RMB'000</i>
<b>Cost:</b>		
At 1 January	5,557	5,557
Deconsolidation of subsidiaries	<u>(5,557)</u>	<u>–</u>
At 31 December	<u>–</u>	<u>5,557</u>
<b>Accumulated amortisation:</b>		
At 1 January	880	324
Charge for the year	–	556
Deconsolidation of subsidiaries	<u>(880)</u>	<u>–</u>
At 31 December	<u>–</u>	<u>880</u>
<b>Carrying amount:</b>		
At 31 December	<u>–</u>	<u>4,677</u>

### 14. AMOUNT DUE TO A SHAREHOLDER

The amount due to a shareholder is unsecured, interest-free and has no fixed term of repayment.

### 15. AMOUNTS DUE TO DECONSOLIDATED SUBSIDIARIES

The amounts due to deconsolidated subsidiaries are unsecured, interest-free and has no fixed term of repayment.

### 16. SHARE CAPITAL

<b>Ordinary shares of HK\$0.10 each</b>	<b>Number of shares '000</b>	<i>HK\$'000</i>
Authorised:		
At 31 December 2012 and 2011	<u>4,000,000</u>	<u>400,000</u>
	<b>Number of shares '000</b>	<i>RMB'000</i>
Issued and fully paid:		
At 31 December 2012 and 2011	<u>1,040,900</u>	<u>108,198</u>

#### Capital management

The Group's primary objective when managing capital is to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly revise and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Consistent with industry practice, the Group monitors its capital structure on the basis of a net debt-to-capital ratio. For this purpose, the Group defined net debt as total debt (which includes interest-bearing loans and borrowings, trade and other payables and convertible bonds) less cash and cash equivalents.

As the Group had a net deficiency in capital at 31 December 2012, the Group's gearing ratio as at that dates were not applicable. The Directors have given careful consideration on the measures currently undertaken in respect of the Group's liquidity position. The Directors believe that the Group will be able to meet in full its financial obligations as they fall due upon the completion of the proposed restructuring of the Group, as further explained in note 2 to these consolidated financial statements.

## 17. RESERVES

### (a) Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

### (b) Company

	Share premium <i>RMB'000</i>	Foreign currency translation reserve <i>RMB'000</i>	Contributed surplus <i>RMB'000</i>	Share option reserve <i>RMB'000</i>	Accumulated losses <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2011	215,491	(126,917)	249,912	8,861	(204,894)	142,453
Exchange difference on translation into presentation currency	-	(15,684)	-	-	-	(15,684)
Exercise of share options	4,678	-	-	(1,220)	-	3,458
Lapse of share options	-	-	-	(1,274)	1,274	-
Equity settled share-based transactions	-	-	-	3,585	-	3,585
Final dividends paid	-	-	-	-	(17,596)	(17,596)
Loss for the year	-	-	-	-	(12,219)	(12,219)
At 31 December 2011 and 1 January 2012	220,169	(142,601)	249,912	9,952	(233,435)	103,997
Exchange difference on translation into presentation currency	-	(2,146)	-	-	-	(2,146)
Equity settled share-based transactions	-	-	-	292	-	292
Final dividends paid	-	-	-	-	(21,114)	(21,114)
Loss for the year	-	-	-	-	(382,519)	(382,519)
At 31 December 2012	220,169	(144,747)	249,912	10,244	(637,068)	(301,490)



(c) **Nature and purpose of reserves of the Group and the Company**

(i) ***Share premium account***

Under the Companies Law (Revised) of the Cayman Islands, the share premium account of the Company is distributable to the shareholders of the Company provided that immediately following the date on which a dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) ***Foreign currency translation reserve***

The foreign currency translation reserve comprise all foreign exchange differences arising from the translation of the financial statement of foreign operations.

(iii) ***Contributed surplus***

The contributed surplus represents the difference between the nominal value of the ordinary shares issued by the Company and the net asset value of subsidiaries acquired through an exchange of shares pursuant to the group reorganisation prior to the listing of the Company's share on 11 May 2006.

(iv) ***Special reserve***

The special reserve represents the differences between the nominal value and premium of the shares of the subsidiaries acquired and the nominal value of the Company's shares issued for their acquisition at the time of group reorganisation.

(v) ***Share option reserve***

The share option reserve comprises the portion of the fair value of unexercised share options granted that has been recognized in accordance with the accounting policy adopted for share-based payments.

**18. COMMITMENTS**

(a) **Lease commitments**

As at 31 December 2012 and 2011, the Group had commitments for future minimum lease payments under noncancellable operating leases in respect of premises which fall due as follows:

	<b>2012</b> <b><i>RMB'000</i></b>	2011 <i>RMB'000</i>
Within one year	<b>1,252</b>	1,964
In the second to fifth year inclusive	<b>522</b>	702
	<b><u>1,774</u></b>	<b><u>2,666</u></b>

(b) **Capital commitments**

The Directors were not aware of any significant capital commitments of the Group at the end of the reporting period.

**19. CONTINGENT LIABILITIES**

The Directors were not aware of any significant contingent liabilities of the Group at the end of the reporting period.

## 20. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2012 <i>RMB'000</i>	2011 <i>RMB'000</i>
<b>Non-current assets</b>		
Investments in subsidiaries	<u>63</u>	<u>204,784</u>
<b>Current assets</b>		
Prepayments, deposits and other receivables	3,338	649
Amounts due from subsidiaries	–	134,161
Cash and cash equivalents	<u>415</u>	<u>253</u>
	<u>3,753</u>	<u>135,063</u>
<b>Current liabilities</b>		
Accruals and other payables	1,016	1,060
Amounts due to subsidiaries	–	80,865
Amount due to a shareholder	193,989	–
Amounts due to deconsolidated subsidiaries	2,103	–
Bonds payable	<u>–</u>	<u>45,727</u>
	<u>197,108</u>	<u>127,652</u>
<b>Net current (liabilities)/assets</b>	<u>(193,355)</u>	<u>7,411</u>
<b>NET (LIABILITIES)/ASSETS</b>	<u>(193,292)</u>	<u>212,195</u>
<b>Capital and reserves</b>		
Share capital	108,198	108,198
Reserves	<u>(301,490)</u>	<u>103,997</u>
<b>TOTAL EQUITY</b>	<u>(193,292)</u>	<u>212,195</u>

## 21. INVESTMENTS IN SUBSIDIARIES

Particulars of the Company's principal subsidiaries at 31 December 2012 are as follows:

Name	Place of incorporation/ registration	Issued and paid-up capital	Percentage of ownership interest		Principal activities
			Direct	Indirect	
Skyban International Holdings Limited	British Virgin Islands	20,000 ordinary shares of US\$1 each	100%	–	Investment holding
International Intelligent System Limited	British Virgin Islands	10,000 ordinary shares of US\$1 each	100%	–	Investment holding
Tianrun Investment (China) Limited	British Virgin Islands	10,000 ordinary shares of US\$1 each	100%	–	Dormant

## 22. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, there are certain updates on the Group's business and financial restructuring in progress, and further details of which are stated in note 2 to these consolidated financial statements.

## **SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2012 as set out in the preliminary announcement have been agreed by the Group's auditors, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2012. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by ZHONGHUI ANDA CPA Limited on the preliminary announcement.

## **EXTRACT OF INDEPENDENT AUDITOR'S REPORT ON THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**

The auditor of the Company has expressed qualified opinion on the Company's consolidated financial statements of the Group for the year ended 31 December 2012, an extract of which is as follows:

### **Basis for disclaimer of opinion**

#### ***1. Opening balances and corresponding figures***

The consolidated financial statements of the Company for the year ended 31 December 2011 which form the basis for the corresponding figures presented in the current year's consolidated financial statements were not audited by us. There were no satisfactory audit procedures for us to ascertain the existence, accuracy, presentation and completeness of the opening balances and corresponding figures shown in the current year's consolidated financial statements.

#### ***2. Loss on deconsolidation of subsidiaries***

As explained in note 2 to the consolidated financial statements, the existing Directors had been unable to obtain complete set of books and records together with the supporting documents for the certain subsidiaries of the Company in the People's Republic of China. As such, the existing management considered that they have lost the control over those subsidiaries which could have been deconsolidated from the Group since 1 January 2012.

No sufficient evidence has been provided to satisfy ourselves as to whether the Company had lost control of those subsidiaries since 1 January 2012. In addition, no sufficient evidence has been provided to satisfy ourselves as to the amounts of assets and liabilities of those subsidiaries deconsolidated. As a result, we are unable to satisfy ourselves that the loss on deconsolidation of those subsidiaries of approximately RMB2,051,581,000 for the year ended 31 December 2012 was fairly stated.

### **3. *Share option reserve***

Given the fact that the supporting documents relating to the share options granted by the Company to its ex-directors and eligible persons were incomplete, we are unable to obtain sufficient appropriate audit evidence to verify the presentation and accuracy of the carrying amount of the share option reserve of approximately RMB10,244,000 as at 31 December 2012 and the appropriateness and validity of approximately RMB292,000 debited to the consolidated profit or loss for the year ended 31 December 2012.

### **4. *Amount due to a shareholder***

Given the inherent limitations arising from the consequential correlation impact to certain associated audit qualifications points, (1), (2), (5), (6), (7) and 8(d), as described in our disclaimer of opinion paragraphs, we have been unable to obtain sufficient audit evidence in respect of the accuracy and completeness of the amount due to a shareholder of approximately RMB193,989,000 shown in the consolidated statement of financial position as at 31 December 2012. There were no other satisfactory audit procedures that we could perform to satisfy ourselves whether the aforesaid balance was fairly stated as at 31 December 2012.

### **5. *Amounts due to deconsolidated subsidiaries***

No sufficient evidence have been received by us up to the date of this report in respect of the amounts due to deconsolidated subsidiaries of approximately RMB74,184,000 shown in the consolidated statement of financial position as at 31 December 2012. There were no other satisfactory audit procedures that we could perform to satisfy ourselves whether the aforesaid balance was fairly stated as at 31 December 2012.

### **6. *Commitments and contingent liabilities***

No sufficient evidence has been provided to satisfy ourselves as to the existence and completeness of the disclosures of commitments and contingent liabilities as at 31 December 2012.

### **7. *Related party transactions and disclosures***

No sufficient evidence has been provided to satisfy ourselves as to the existence, accuracy and completeness of the disclosures of the key management personnel compensation, related party transactions for the year ended 31 December 2012 and balances as at 31 December 2012 as required by Hong Kong Accounting Standard (“HKAS”) 24 (Revised) “Related Party Disclosures”.

### **8. *Other disclosures in the consolidated financial statements***

No sufficient evidence has been provided to satisfy ourselves as to the accuracy and completeness of the disclosures as required by the following in relation to:

- (a) Hong Kong Financial Reporting Standard (“HKFRS”) 2 “Share-based Payment” for the presentation of share option scheme in the notes to consolidated financial statements;

- (b) HKFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” for the presentation of continuing and discontinued operations in the consolidated statement of profit or loss and other comprehensive income and notes to consolidated financial statements;
- (c) HKFRS 8 “Operating Segments” for the presentation of segment information in the notes to consolidated financial statements;
- (d) HKAS 7 “Statement of Cash Flows” for the presentation of the non-cash transaction in the notes to consolidated financial statements.
- (e) HKAS 19 “Employee Benefits” for the staff costs as disclosed in note 11 to the consolidated financial statements.

Any adjustments to the figures as described from points 1 to 8 above might have a significant consequential effect on the Group’s results and cash flows for the two years ended 31 December 2012 and 2011 and the financial position of the Group as at 31 December 2012 and 2011, and the related disclosures thereof in the consolidated financial statements.

#### **Material uncertainty relating to the going concern basis**

In forming our opinion, we have considered the adequacy of the disclosures made in note 2 to the consolidated financial statements which explains that a proposal for the resumption of trading in the Company’s shares and the proposed restructuring of the Group has been submitted to The Stock Exchange of Hong Kong Limited to pursue a restructuring of the Company.

The consolidated financial statements have been prepared on a going concern basis on the assumption that the proposed restructuring of the Company will be successfully completed, and that, following the restructuring, the Group will continue to meet in full its financial obligations as they fall due in the foreseeable future. The consolidated financial statements do not include any adjustments that would result from a failure to complete the restructuring. We consider that the disclosures are adequate. However, in view of the extent of the uncertainty relating to the completion of the restructuring, we disclaim our opinion in respect of the material uncertainty relating to the going concern basis.

#### **Disclaimer of opinion**

Because of the significance of the matters as described in the basis for disclaimer of opinion paragraphs and the material uncertainty relating to the going concern basis, we have not been able to obtain sufficient appropriate audit evidence to provides a basis for and audit opinion. Accordingly, we do not express an opinion on the consolidated financial statements and whether the consolidated financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Financial Review**

The Group's general and administrative expenses was approximately RMB9.3 million representing a decrease of approximately RMB32.6 million compared to FY2011 mainly due to certain subsidiaries were deconsolidated from the consolidated financial statements of the Group from 1 January 2012.

The loss attributable to owners of the Company was approximately RMB2,061.0 million for FY2012, representing a basic loss per share of RMB198.0 cents as compared to a profit of approximately RMB381.3 million for FY2011, representing a basic earnings per share of RMB36.7 cents. The difference was mainly attributable to the deconsolidation of subsidiaries.

### **Segment information**

The Group has no revenue generated for FY2012.

### **Liquidity, financial resources and gearing ratio**

As at 31 December 2012, bank and cash balances of the Group were approximately RMB1.1 million (as at 31 December 2011: approximately RMB599.2 million).

As the Group had a net deficiency in capital as at 31 December 2012, the Group's gearing ratio as that dates were not applicable (as at 31 December 2011: 39%).

### **Assets and liabilities**

As at 31 December 2012, the Group had total assets of approximately RMB4.6 million (31 December 2011: approximately RMB2,551.2 million), total liabilities of approximately RMB269.5 million (31 December 2011: approximately RMB735.8 million). The net liabilities of the Group as at 31 December 2012 were approximately RMB264.9 million (net assets as at 31 December 2011: approximately RMB1,815.4 million).

### **Significant investments and acquisition**

The Group did not have any significant investment nor did it make any material acquisition or disposal of subsidiaries throughout the year ended 31 December 2012.

### **Charges on group assets**

The Group had no charge as at 31 December 2012. As at 31 December 2011, the Group had buildings, construction in progress – buildings and prepaid lease payments with an aggregate carrying value of approximately RMB140 million, which were pledged to secure bank facilities granted to the Group.

## **Reserves**

As at 31 December 2012, the Company did not have any reserves available for distribution. Details of movements in the reserves of the Company and the Group during the year are set out in note 17 to the consolidated financial statements and in the consolidated statement of change in equity for the year then ended, respectively.

## **Exposure to exchange rate fluctuation**

The Group does not engage in interest rate or foreign exchange speculative activities.

## **Capital structure**

There was no change in the Company's share capital during the year.

## **Capital commitments**

The Group and the Company did not have any significant capital commitments as at 31 December 2012 and 2011.

## **Contingent liabilities**

The Group and the Company did not have any significant contingent liabilities as at 31 December 2012 and 2011.

## **Employees**

As at 31 December 2012, the Group had 9 (2011: 798) employees. The total of employee remuneration, including that of the Directors, for the year ended 31 December 2012 amounted to approximately RMB3.5 million (2011: approximately RMB76.6 million). The Group remunerates its employees based on their performance, experience and the prevailing industry practice.

## **COMPETING INTEREST**

None of the Directors of the Company had an interest in a business which competes or may compete with the business of the Group.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the year ended 31 December 2012, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed shares.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

To the best knowledge of the current Directors of the Company, the Company had adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"). Trading in the securities of the Company was suspended

since 6 June 2013. During the year, the Company was not aware of any non-compliance with the required standards as set out in the Model Code.

## **AUDIT COMMITTEE**

The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2012, including the accounting principles adopted by the Group, with the Company's management. The Audit Committee comprises three members, namely Mr. Chen Xiao, Mr. Yue Fang\* and Mr. Zou Jinshi\*, all being Independent Non-Executive Directors of the Company.

The figures in respect of the Group's consolidated financial statements for the year ended 31 December 2012 as set out in this announcement have been agreed by the Group's auditors, Messrs. ZHONGHUI ANDA CPA Limited.

## **CORPORATE GOVERNANCE CODE**

The Company is committed to achieve high standard of corporate governance to safeguard the interests of all shareholders and to enhance corporate value and accountability.

To the best knowledge of the current Directors of the Company, the Company had applied the principles as set out in the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 of the Listing Rules.

Due to the severe financial difficulties of the Group and the prolonged suspension in trading of the shares of the Company on the Stock Exchange, the Directors are unable to comment as to whether the Company had complied with the CG Code throughout the year ended 31 December 2012. On 19 August 2016, the Company submitted to the Stock Exchange the updated resumption proposal. Reference of the said submission is made to and as disclosed in the Company's announcement dated 19 August 2016.

## **SUSPENSION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 6 June 2013 and will remain suspended until further notice.

By order of the Board  
**DBA Telecommunication (Asia) Holdings Limited**  
**Yu Yixiang**  
*Chairman and Chief Executive Director*

Hong Kong, 12 October 2016

*As at the date of this announcement, Mr. Yu Yixiang (Chairman and Chief Executive Director), Mr. Zheng Feng and Mr. Mo Mingqiang are the executive Directors; Mr. Chen Xiao, Mr. Yue Fang\* and Mr. Zou Jinshi\* are the independent non-executive Directors.*

\* for identification purpose only