Luxey International (Holdings) Limited
薈萃國際（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8041)

Website: http://www.luxey.com.hk

ANNUAL RESULTS 2015

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a high investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchange and Clearing Limited and the Stock Exchange take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement, for which the directors collectively and individually accept full responsibility, includes particulars given in compliance with GEM Listing Rules for the purpose of giving information with regard to the company. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

HIGHLIGHTS

- The Group has recorded a total turnover (including continuing and discontinued operations) of approximately HK$157,654,000 for the year ended 30 June 2015, representing approximately 41.37% decrease comparing to the year ended 30 June 2014.

- The Group's gross profit (including continuing and discontinued operations) amounted to approximately HK$47,344,000 for the year ended 30 June 2015.

- The Group has recorded a loss attributable to owners of the Company for the year ended 30 June 2015 of approximately HK$245,444,000, representing a basic loss per share of HK4.977 cents.

- The Directors do not recommend the payment of any dividend for the year ended 30 June 2015.

- The Group has bank and cash balances of approximately HK$71,773,000; short term borrowings of approximately HK$10,000,000 and no long-term borrowings as at 30 June 2015.

AUDITED ANNUAL RESULTS

The Board of Directors (the "Board") of the Company announces that the audited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 30 June 2015, together with the comparative audited figures for the year ended 30 June 2014, are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2015

	Note	**2015** ***HK$'000***	2014 *HK$'000*
Continuing operations			
Turnover	*4*	**121,251**	96,644
Cost of sales and service rendered		**(98,923)**	(83,628)
Gross profit		**22,328**	13,016
Other income	*5*	**7,256**	7,999
Impairment of goodwill	*13*	**(282,304)**	(65,185)
Selling expenses		**(1,824)**	(3,522)
Administrative expenses		**(37,824)**	(39,259)
Loss from operations		**(292,368)**	(86,951)
Finance costs	*6*	**(4,296)**	(2,348)
Gain on deemed disposal of an associate	*7*	**61,628**	–
Share of losses of an associate	*14*	**(8,070)**	(870)
Loss before tax		**(243,106)**	(90,169)
Income tax credit	*8*	**181**	209
Loss for the year from continuing operations		**(242,925)**	(89,960)
Discontinued operation			
Loss for the year from discontinued operation	*9*	**(9,255)**	(26,141)
Loss for the year	*10*	**(252,180)**	(116,101)

	Note	2015 HK$'000	2014 HK$'000
Attributable to:			
Owners of the Company			
Loss from continuing operations		**(241,664)**	(86,784)
Loss from discontinued operation		**(3,780)**	(17,607)
Loss attributable to owners of the Company		**(245,444)**	(104,391)
Non-controlling interests			
Loss from continuing operations		**(1,261)**	(3,176)
Loss from discontinued operation		**(5,475)**	(8,534)
Loss attributable to non-controlling interests		**(6,736)**	(11,710)
		(252,180)	(116,101)
			(Restated)
Loss per share			
From continuing and discontinued operations			
– basic	*12(a)*	**HK(4.977) cents**	HK(2.117) cents
– diluted	*12(a)*	**HK(4.977) cents**	HK(2.117) cents
From continuing operations			
– basic	*12(b)*	**HK(4.900) cents**	HK(1.760) cents
– diluted	*12(b)*	**HK(4.900) cents**	HK(1.760) cents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2015

	2015	2014
	HK$'000	*HK$'000*
Loss for the year	**(252,180)**	(116,101)
Other comprehensive income:		
Item that will not be reclassified to profit or loss:		
Surplus on revaluation of property, plant and equipment	**1,216**	568
Items that may be reclassified to profit or loss:		
Exchange differences on translating foreign operations	**–**	4
Fair value changes of available-for-sale financial assets	**(4,078)**	88
Reclassification adjustments for amounts transferred to profit or loss of available-for-sale financial assets		
– Disposal	**443**	–
– Impairment losses	**4,078**	–
	443	92
Other comprehensive income for the year, net of tax	**1,659**	660
Total comprehensive income for the year	**(250,521)**	(115,441)
Attributable to:		
Owners of the Company	**(243,785)**	(103,731)
Non-controlling interests	**(6,736)**	(11,710)
	(250,521)	(115,441)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	Note	2015 HK$'000	2014 HK$'000
Non-current assets			
Property, plant and equipment		**19,641**	4,455
Goodwill	*13*	**138,964**	359,811
Investment in an associate	*14*	**–**	17,130
Available-for-sale financial assets		**2,998**	10,506
Deferred tax assets		**412**	–
		162,015	391,902
Current assets			
Inventories		**6,664**	7,810
Trade and other receivables	*15*	**7,364**	14,969
Pledged bank deposits		**641**	165
Bank and cash balances		**71,773**	38,214
		86,442	61,158
Non-current assets held for sale	*21*	**–**	94,756
		86,442	155,914
Current liabilities			
Trade and other payables	*16*	**18,795**	25,817
Loan from a non-controlling shareholder of a subsidiary		**10,000**	–
Employee benefit obligations		**6,444**	5,378
Current tax liabilities		**6,946**	5,516
		42,185	36,711
Liabilities directly associated with non-current assets held for sale	*21*	**–**	74,663
		42,185	111,374
Net current assets		**44,257**	44,540
Total assets less current liabilities		**206,272**	436,442

	Note	2015 HK$'000	2014 HK$'000
Non-current liabilities			
Promissory notes	*17*	**–**	45,703
Deferred tax liabilities		**–**	699
		–	46,402
NET ASSETS		**206,272**	390,040
Capital and reserves			
Share capital	*18*	**225,364**	412,090
Reserves		**(29,925)**	(6,596)
Equity attributable to owners of the Company		**195,439**	405,494
Non-controlling interests		**10,833**	(15,454)
TOTAL EQUITY		**206,272**	390,040

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2015

	Attributable to owners of the Company									
	Share capital *(note 18)* *HK$'000*	**Share premium** *HK$'000*	**Translation reserve** *HK$'000*	**Plant and machinery revaluation reserve** *HK$'000*	**Capital redemption reserve** *HK$'000*	**Investment revaluation reserve** *HK$'000*	**Accumulated losses** *HK$'000*	**Total** *HK$'000*	**Non-controlling interests** *HK$'000*	**Total equity** *HK$'000*
At 1 July 2013	412,090	612,523	(78)	809	150	(531)	(515,738)	509,225	(3,744)	505,481
Total comprehensive income and changes in equity for the year	–	–	4	568	–	88	(104,391)	(103,731)	(11,710)	(115,441)
At 30 June 2014 and 1 July 2014	412,090	612,523	(74)	1,377	150	(443)	(620,129)	405,494	(15,454)	390,040
Total comprehensive income for the year	–	–	–	1,216	–	443	(245,444)	(243,785)	(6,736)	(250,521)
Capital reorganisation *(note 18(b))*	(236,726)	–	–	–	–	–	236,726	–	–	–
Settlement of promissory notes *(note 18(c))*	50,000	–	–	–	–	–	–	50,000	–	50,000
Business combination	–	–	–	–	–	–	–	–	11,283	11,283
Disposal of subsidiaries	–	–	–	–	–	–	–	–	5,470	5,470
Purchase of non-controlling interests	–	–	–	–	–	–	(16,270)	(16,270)	16,270	–
Changes in equity for the year	(186,726)	–	–	1,216	–	443	(24,988)	(210,055)	26,287	(183,768)
At 30 June 2015	**225,364**	**612,523**	**(74)**	**2,593**	**150**	**–**	**(645,117)**	**195,439**	**10,833**	**206,272**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited and with the disclosure requirements of the Hong Kong Companies Ordinance.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS AND REQUIREMENTS

(a) Application of new and revised HKFRSs

In the current year, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 July 2014.

Amendment to HKAS 36, Recoverable amount disclosures for non-financial assets

The amendments reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount based on fair value less costs of disposal is determined using a present value technique. The amendments only affected disclosures on the recoverable amounts of assets or cash-generating units determined based on fair value less costs of disposal.

Amendments to HKFRS 3 (Annual Improvements to HKFRSs 2010-2012 Cycle)

This amendment, applicable prospectively to business combinations for which the acquisition date is on or after 1 July 2014, requires any contingent consideration that is classified as an asset or a liability (i.e. non-equity) to be measured at fair value at each reporting date with changes in fair value recognised in profit or loss. It had no effect on the Group's consolidated financial statements.

(b) New and revised HKFRSs in issue but not yet effective

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective. The directors anticipate that the new and revised HKFRSs will be adopted in the Group's consolidated financial statements when they become effective. The Group is in the process of assessing, where applicable, the potential effect of all new and revised HKFRSs that will be effective in future periods 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.

List of new and revised HKFRSs in issue but not yet effective that are relevant to the Group

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers[1]
Amendments to HKAS 1	Disclosure Initiative[2]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[2]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[2]

1 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

2 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

(c) Amendments to the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange

The Stock Exchange in April 2015 released revised Chapter 18 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the "GEM Listing Rules") in relation to disclosure of financial information in annual reports that are applicable for accounting periods ending on or after 31 December 2015, with earlier application permitted. The Company has not early adopted the amendments.

The Group has assessed the impact of the changes in the GEM Listing Rules on the consolidated financial statements in the period of initial application of the GEM Listing Rules. So far it has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

3. SEGMENT INFORMATION

The Group has three reportable segments as follows:

Swimwear and garment	–	Manufacturing and trading of swimwear and garment products
Apparel and related accessories	–	Trading and retail of apparel and related accessories (discontinued operation)
On-line shopping and advertising	–	Provision of on-line shopping, advertising and media related services

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

Segment profits or losses do not include other income, finance costs, impairment of goodwill and corporate administrative and other operating expenses. Segment assets do not include available-for-sale financial assets, club debenture, goodwill and other assets for general administrative use. Segment liabilities do not include promissory notes and other liabilities for general administrative use.

Information about reportable segment profit or loss, assets and liabilities:

	Swimwear and garment *HK$'000*	Apparel and related accessories (Discontinued operation) *HK$'000*	On-line shopping and advertising *HK$'000*	Total *HK$'000*
Year ended 30 June 2015				
Revenue from external customers	**118,137**	**36,403**	**3,114**	**157,654**
Segment profit/(loss)	**57,077**	**(14,128)**	**(2,673)**	**40,276**
Depreciation	**2,262**	**1,358**	**284**	**3,904**
Gain on deemed disposal of an associate	**61,628**	**–**	**–**	**61,628**
Share of losses of an associate	**8,070**	**–**	**–**	**8,070**
Income tax expense/(credit)	**635**	**–**	**(816)**	**(181)**
Additions to segment non-current assets	**16,320**	**2,141**	**825**	**19,286**
As at 30 June 2015				
Segment assets	**90,616**	**–**	**1,689**	**92,305**
Segment liabilities	**38,634**	**–**	**845**	**39,479**
Year ended 30 June 2014				
Revenue from external customers	93,322	172,233	3,322	268,877
Segment loss	(7,799)	(36,784)	(6,890)	(51,473)
Depreciation	1,604	5,191	422	7,217
Share of losses of an associate	870	–	–	870
Income tax (credit)/expense	(209)	174	–	(35)
Additions to segment non-current assets	148	3,896	569	4,613
As at 30 June 2014				
Segment assets	57,901	94,550	1,916	154,367
Segment liabilities	33,190	74,663	1,435	109,288
Investment in an associate	17,130	–	–	17,130

Reconciliations of segment revenue and profit or loss:

	2015	2014
	HK$'000	*HK$'000*
Revenue		
Total revenue of reportable segments	**157,654**	268,877
Elimination of discontinued operation *(note 9)*	**(36,403)**	(172,233)
Consolidated revenue from continuing operations	**121,251**	96,644
Profit or loss		
Total profit or loss of reportable segments	**40,276**	(51,473)
Impairment of goodwill	**(282,304)**	(65,185)
Other profit or loss	**(10,152)**	557
Elimination of discontinued operation *(note 9)*	**9,255**	26,141
Consolidated loss for the year from continuing operations	**(242,925)**	(89,960)

Reconciliations of segment assets and liabilities:

	2015	2014
	HK$'000	*HK$'000*
Assets		
Total assets of reportable segments	**92,305**	154,367
Goodwill	**138,964**	359,811
Available-for-sale financial assets	**2,998**	10,506
Club debenture	**–**	205
Other assets	**14,190**	22,927
Consolidated total assets	**248,457**	547,816
Liabilities		
Total liabilities of reportable segments	**39,479**	109,288
Promissory notes	**–**	45,703
Other liabilities	**2,706**	2,785
Consolidated total liabilities	**42,185**	157,776

Apart from the above, the totals of other material items disclosed in the segment information are the same as the consolidated totals.

Geographical information:

The Group's revenue from external customers by location of the customers and information about its non-current assets by location of assets are detailed below:

	Revenue		**Non-current assets**	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**37,489**	171,209	**141,761**	377,991
People's Republic of China (the "PRC") except Hong Kong and Macau	**–**	2,925	**2,456**	3,405
Kingdom of Cambodia	**–**	–	**14,800**	–
United Kingdom	**25,916**	23,341	**–**	–
Spain	**20,803**	11,406	**–**	–
Sweden	**18,084**	16,985	**–**	–
Macau	**1,206**	626	**–**	–
United States of America	**5,197**	16,909	**–**	–
Netherlands	**5,829**	5,509	**–**	–
Israel	**4,970**	4,285	**–**	–
France	**832**	475	**–**	–
Denmark	**2,732**	966	**–**	–
Ireland	**21,994**	11,220	**–**	–
Canada	**9,874**	–		
Singapore	**–**	1,465	**–**	–
Others	**2,728**	1,556	**–**	–
Discontinued operation	**(36,403)**	(172,233)	**–**	–
Consolidated total	**121,251**	96,644	**159,017**	381,396

Revenue from major customers:

	2015	2014
	HK$'000	*HK$'000*
Swimwear and garment segment		
Customer a	**21,994**	–
Customer b	**17,791**	–

4. TURNOVER

The Group's turnover which represents sales of goods to customers and revenue from provision of on-line shopping, advertising and media related services are as follows:

	2015 *HK$'000*	2014 *HK$'000*
Sales of goods	**154,540**	265,555
On-line shopping, advertising and media related services income	**3,114**	3,322
	157,654	268,877
Representing:		
Continuing operations	**121,251**	96,644
Discontinued operation (trading and retail of apparel and related accessories) *(note 9)*	**36,403**	172,233
	157,654	268,877

5. OTHER INCOME

	2015 *HK$'000*	2014 *HK$'000*
Alteration income	**41**	223
Commission income	**9**	202
Compensation income	**–**	984
Consultancy fee income	**2,476**	7,779
Distribution right fee income	**696**	2,537
Design fee income	**390**	320
Interest income	**946**	1,611
Interest on other loan written back	**–**	850
Participation fee income	**331**	1,080
Reversal of allowance for receivables	**1,318**	2,076
Reversal of allowance for inventories	**1,425**	–
Reversal of provision for employee benefit obligation	**3**	121
Government grants *(note)*	**3,338**	1,972
Sundry income	**538**	2,130
	11,511	21,885
Representing:		
Continuing operations	**7,256**	7,999
Discontinued operation *(note 9)*	**4,255**	13,886
	11,511	21,885

Note: Government grants were received as refund of value-added tax and export duty. There are no unfulfilled conditions or contingencies attached to the grants.

6. FINANCE COSTS

	2015	2014
	HK$'000	*HK$'000*
Finance lease charges	**1**	8
Interest on bank loans	**458**	1,593
Interest on promissory notes	**4,297**	2,348
Interest on other loans wholly repayable within five years	**421**	1,643
	5,177	5,592
Representing:		
Continuing operations	**4,296**	2,348
Discontinued operation *(note 9)*	**881**	3,244
	5,177	5,592

7. GAIN ON DEEMED DISPOSAL OF AN ASSOCIATE – RICOTEX INDUSTRIAL COMPANY LIMITED

Pursuant to a supplemental agreement ("Supplemental Agreement") dated 30 June 2015 entered into between Ratio Knitting Factory Limited ("Ratio"), a wholly-owned subsidiary of the Company which holds 45% of the issued share capital of Ricotex Industrial Company Limited ("Ricotex"), Billions Field Development Limited and All Full Profit Limited (together holds 55% of the issued share capital of Ricotex), the maximum number of directors of Ricotex was increased from 3 to 5 and 3 out of 5 directors should be nominated by Ratio. A quorum for a meeting was also increased to at least 3 directors. Board resolution was passed on the same date to appoint the 2 additional directors nominated by Ratio.

In the opinion of the directors of the Company, the Group obtained control in Ricotex by virtue of the Supplemental Agreement, and as a result, Ricotex ceased to be an associate of the Group on 30 June 2015 and became and is accounted for as a subsidiary of the Company effective from that date. The Group's interests in Ricotex were re-measured based on the fair value of the shares of Ricotex held by the Group on 30 June 2015. Accordingly, a gain on deemed disposal of approximately HK$61,628,000 was recognised in profit or loss during the year ended 30 June 2015

8. INCOME TAX EXPENSE/(CREDIT)

	2015	2014
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
Provision for the year	**1,397**	252
Overprovision in prior years	**–**	(80)
	1,397	172
Current tax – PRC Enterprise Income Tax		
Provision for the year	**33**	155
Deferred tax	**(1,611)**	(362)
Income tax credit	**(181)**	(35)
Representing:		
Continuing operations	**(181)**	(209)
Discontinued operation *(note 9)*	**–**	174
	(181)	(35)

Hong Kong Profits Tax has been provided at a rate of 16.5% (2014: 16.5%) on the estimated assessable profit for the year.

Tax charges 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 credit and the product of loss before tax multiplied by the Hong Kong Profits Tax rate is as follows:

	2015	2014
	HK$'000	*HK$'000*
Loss before tax		
Continuing operations	**(243,106)**	(90,169)
Discontinued operation *(note 9)*	**(10,754)**	(15,825)
	(253,860)	(105,994)
Tax at the domestic income tax rate of 16.5% (2014: 16.5%)	**(41,887)**	(17,489)
Tax effect of income that is not taxable	**(10,450)**	(929)
Tax effect of expenses that are not deductible	**51,763**	14,595
Tax effect of other temporary differences not recognised	**(182)**	523
Tax effect of tax losses not recognised	**1,618**	3,321
Tax effect of utilisation of tax losses not previously recognised	**(1,054)**	(29)
Effect of different tax rates of subsidiaries	**11**	53
Overprovision in prior years	**–**	(80)
Income tax credit	**(181)**	(35)

9. DISCONTINUED OPERATION

Pursuant to a sale and purchase agreement dated 28 July 2014 entered into between a wholly-owned subsidiary of the Company, Synergy Chain Limited ("Synergy"), and an independent third party, Synergy disposed of 27.3% interests in Charmston (Holdings) Limited ("Charmston"), a company incorporated in Hong Kong, at a consideration of HK$10,000,000. Charmston was engaged in investment holding, with its subsidiaries engaged in trading and retail of apparel and related accessories in Hong Kong. The disposal was completed on 21 October 2014 and the Group discontinued its trading and retail of apparel and related accessories business.

The loss for the year from the discontinued operation is analysed as follows:

	2015	2014
	HK$'000	*HK$'000*
Loss of discontinued operation	**(10,754)**	(15,999)
Write-down of non-current assets held for sale *(note 21)*	**–**	(10,142)
Gain on disposal of discontinued operation *(note 20)*	**1,499**	–
	(9,255)	(26,141)

The results of the discontinued operation for the period from 1 July 2014 to 21 October 2014, which have been included in consolidated profit or loss, are as follows:

	2015	2014
	HK$'000	*HK$'000*
Turnover *(note 4)*	**36,403**	172,233
Cost of sales	**(11,387)**	(54,626)
Gross profit	**25,016**	117,607
Other income *(note 5)*	**4,255**	13,886
Selling expenses	**(21,015)**	(75,668)
Administrative expenses	**(18,129)**	(68,406)
Loss from operations	**(9,873)**	(12,581)
Finance costs *(note 6)*	**(881)**	(3,244)
Loss before tax	**(10,754)**	(15,825)
Income tax expense *(note 8)*	**–**	(174)
Loss for the year	**(10,754)**	(15,999)

During the year, Charmston and its subsidiaries paid approximately HK$175,000 (2014: HK$1,771,000) in respect of operating activities, paid approximately HK$1,867,000 (2014: HK$3,895,000) in respect of investing activities and received approximately HK$5,232,000 (2014: HK$5,700,000) in respect of financing activities.

10. LOSS FOR THE YEAR

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

	Continuing operations		Discontinued operation		Total	
	2015	2014	**2015**	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Auditor's remuneration	**800**	840	**127**	400	**927**	1,240
Cost of inventories sold	**97,248**	83,628	**11,387**	54,626	**108,635**	138,254
Depreciation	**2,944**	2,487	**–**	5,191	**2,944**	7,678
Amortisation of trademark (included in selling expenses)	**–**	–	**–**	416	**–**	416
Reversal of allowance for inventories (included in other income)	**(802)**	–	**–**	–	**(802)**	–
Allowance for inventories (included in cost of sales and service rendered)	**–**	–	**–**	418	**–**	418
Allowance for receivables	**1,427**	2,394	**–**	1,244	**1,427**	3,638
Reversal of allowance for receivables	**(1,318)**	(1,505)	**–**	(571)	**(1,318)**	(2,076)
Loss on disposal of available-for-sale financial assets	**789**	–	**–**	–	**789**	–
Impairment loss of available-for-sale financial assets	**4,078**	–	**–**	–	**4,078**	–
Loss on disposal of property, plant and equipment	**147**	–	**–**	–	**147**	–
Write off of property, plant and equipment	**73**	1,153	**–**	31	**73**	1,184
Impairment of property, plant and equipment	**–**	–	**–**	1,795	**–**	1,795
Net foreign exchange losses	**335**	233	**22**	67	**357**	300
Operating lease charges for land and buildings (including contingent rentals of approximately HK$13,000 (2014: HK$1,023,000))	**3,145**	4,222	**12,782**	41,827	**15,927**	46,049
Staff costs including directors' emoluments						
Salaries, bonus and allowances	**33,863**	38,281	**11,091**	38,977	**44,954**	77,258
Retirement benefit scheme contributions	**2,618**	2,941	**537**	1,813	**3,155**	4,754
Provision/(reversal) for employee benefit obligations	**1,305**	1,448	**–**	(116)	**1,305**	1,332
	37,786	42,670	**11,628**	40,674	**49,414**	83,344

There is a reversal of allowance for receivables of approximately HK$1,318,000 (2014: HK$2,076,000) for the year, being the result of persistent effort on the management of quality of trade receivables and certain long overdue debts are recovered during the year.

Cost of inventories sold includes staff costs, depreciation and operating lease charges of approximately HK$24,214,000 (2014: HK$26,408,000) which are included in the amounts disclosed separately above.

11. DIVIDENDS

The directors do not recommend the payment of any dividend for the year ended 30 June 2015 (2014: Nil).

12. LOSS PER SHARE

(a) From continuing and discontinued operations

Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately HK$245,444,000 (2014: HK$104,391,000) and the weighted average number of ordinary shares of 4,931,793,790 (2014: 4,931,793,790, as adjusted to reflect the bonus issue on 13 July 2015) in issue during the year, as adjusted to reflect the bonus issue on 13 July 2015.

Diluted loss per share

The exercise of the Group's outstanding convertible non-voting preference shares for the years ended 30 June 2015 and 2014 would be anti-dilutive and there were no dilutive potential ordinary shares for the Company's options granted to an investor. Diluted loss per share was same as the basic loss per share from the continuing and discontinued operations for the years ended 30 June 2015 and 2014.

(b) From continuing operations

Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately HK$241,664,000 (2014: HK$86,784,000) and the denominator used is the same as that detailed above for basic loss per share from continuing and discontinued operations.

Diluted loss per share

The exercise of the Group's outstanding convertible non-voting preference shares for the years ended 30 June 2015 and 2014 would be anti-dilutive and there were no dilutive potential ordinary shares for the Company's options granted to an investor, Diluted loss per share was same as the basic loss per share from the continuing operations for the years ended 30 June 2015 and 2014.

(c) From discontinued operation

Basic loss per share from the discontinued operation is HK0.077 cent per share (2014: HK0.357 cent per share), based on the loss for the year from discontinued operation attributable to the owners of the Company of approximately HK$3,780,000 (2014: HK$17,607,000) and the denominator used is the same as that detailed above for basic loss per share from continuing and discontinued operations.

The exercise of the Group's outstanding convertible non-voting preference shares for the years ended 30 June 2015 and 2014 would be anti-dilutive and there were no dilutive potential ordinary shares for the Company's options granted to an investor. Diluted loss per share was same as the basic loss per share from the discontinued operation for the years ended 30 June 2015 and 2014.

13. GOODWILL

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units ("CGUs") that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

	Provision of on-line shopping advertising and media related services – Luxey Online Solutions Limited ("Luxey Online") *(note (a))* *HK$'000*	Swimwear – Easy Time Trading Limited ("Easy Time") *(note (b))* *HK$'000*	Garment and swimwear – Ricotex *(note (c))* *HK$'000*	Apparel and related accessories – Charmston *(note (d))* *HK$'000*	Total *HK$'000*
Cost					
At 1 July 2013, 30 June 2014 and 1 July 2014	75,343	640,966	–	28,793	745,102
Business combination *(note 19)*	–	–	61,457	–	61,457
Write off on disposal of Charmston	–	–	–	(28,793)	(28,793)
At 30 June 2015	75,343	640,966	61,457	–	777,766
Accumulated impairment losses					
At 1 July 2013	32,701	287,405	–	–	320,106
Impairment loss	36,392	–	–	28,793	65,185
At 30 June 2014 and 1 July 2014	69,093	287,405	–	28,793	385,291
Impairment loss	6,250	276,054	–	–	282,304
Write off on disposal of Charmston	–	–	–	(28,793)	(28,793)
At 30 June 2015	75,343	563,459	–	–	638,802
Carrying amount					
At 30 June 2015	–	77,507	61,457	–	138,964
At 30 June 2014	6,250	353,561	–	–	359,811

Notes:

(a) The recoverable amount of the provision of on-line shopping, advertising and media related services CGU is determined from value in use calculation. The key assumptions for the value in use calculation are those regarding the discount rate, growth rate and budgeted gross margin and turnover during the period. The Group estimates discount rate using pre-tax rate that reflect current market assessments of the time value of money and the risks specific to the CGU. The growth rate is based on long-term average economic growth rate of the geographical area in which the business of the CGU operates. Budgeted gross margin and turnover are based on past practices and expectations on market development.

During the six months ended 31 December 2014, the Group prepared cash flow forecasts derived from the most recent financial budgets approved by the directors for the next five (Year ended 30 June 2014: five) years with residual period using the growth rate of 5% (Year ended 30 June 2014: 5%). This rate did not exceed the average long-term growth rate for the relevant markets. The rate used to discount the forecast cash flows from the provision of on-line shopping, advertising and media related services CGU was 13.22%. Based on the past performance, the Group had revised its cash flow forecasts and the recoverable amount of this CGU was negligible. The goodwill allocated to this CGU was thus considered as non-recoverable. The goodwill has therefore been fully impaired through recognition of an impairment loss against goodwill of approximately HK$6,250,000 during the six months ended 31 December 2014 and year ended 30 June 2015 (2014: HK$36,392,000).

(b) The recoverable amount of the swimwear CGU is determined from value in use calculation (2014: fair value less costs of disposal using the income-based approach calculation). The key assumptions for the value in use calculation are similar to the value in use calculation of provision of on-line shopping, advertising and media related services CGU as stated in note (a) above.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the directors for the next five (2014: five) years with residual period using the growth rate of 3.99% (2014: 5%). This rate does not exceed the average long-term growth rate for the relevant markets. The rate used to discount the forecast cash flows from the Group's activities of manufacturing and trading of high-end swimwear and related garment products is 14.96% (2014: 11.55%). The calculation further considered a 17.44% discount on lack of marketability for the controlling interests at 30 June 2014.

Based on the past performance, the Group has revised its cash flow forecasts for this CGU. The recoverable amount of this CGU is approximately HK$82,348,000 as at 30 June 2015, which is lower than the carrying amount of this CGU. The goodwill has therefore been reduced to its recoverable amount through recognition of an impairment loss against goodwill of approximately HK$276,054,000 (2014: HK$Nil) during the year.

(c) The recoverable amount of the garment and swimwear CGU is determined from fair value less costs of disposal using the income-based approach calculation. The key assumptions for the income-based approach calculation are similar to the value in use calculation of provision of on-line shopping, advertising and media related services CGU as stated in note (a) above.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the directors for the next five years with residual period using the growth rate of 3.99%. This rate does not exceed the average long-term growth rate for the relevant markets. The rate used to discount the forecast cash flows from the Group's activities of manufacturing and trading of garment and swimwear is 14.73%. The calculation further considered a 26.69% discount on lack of marketability for the controlling interests.

Key unobservable inputs used in Level 3 fair value measurements are mainly as below:

Description	**Valuation technique**	**Key assumptions**	**Value**
Business enterprise value of Ricotex	Discounted cash flow	Discount rate	14.73%
		Long-term revenue growth rate	3.99%
		Gross profit margin rate	30% – 70%
		Discount for lack of marketability	26.69%

(d) The goodwill allocated to the apparel and related accessories CGU was fully written off after the disposal of Charmston during the year ended 30 June 2015.

The assets and liabilities attributable to the apparel and related accessories CGU had been reclassified to a disposal group held for sale at 30 June 2014 and the goodwill allocated to the apparel and related accessories CGU was considered as non-recoverable. An impairment loss against goodwill of approximately HK$28,793,000 was recognised during the year ended 30 June 2014.

14. INVESTMENT IN AN ASSOCIATE

	2015	2014
	HK$'000	*HK$'000*
Unlisted investments:		
Share of net assets	**–**	17,130

Details of the Group's associate and its subsidiary at 30 June 2014 were as follows:

Name	Place of incorporation/ registration and operation	Issued and paid up capital	Percentage of ownership		Principal activities
			Direct	Indirect	
Ricotex	Hong Kong	Ordinary shares of HK$40,000,000	45%	–	Investment holding and trading of garment products
Ricotex Industrial Co. Ltd.	Kingdom of Cambodia	Registered capital of US$1,000,000/paid up capital of US$Nil	–	45%	Not yet commenced business

The following table shows information of associates that are material to the Group. These associates are accounted for in the consolidated financial statements using the equity method. The summarised financial information presented is based on the HKFRS financial statements of the associate and its subsidiary.

Name	**Ricotex**	
	2015	2014
Principal place of business/country of incorporation	**Hong Kong/Hong Kong**	
Principal activities	**Trading of garment products**	
% of ownership interests/voting rights held by the Group	**45%/45%**	
	HK$'000	*HK$'000*
Non-current assets	**–**	1,756
Current assets	**–**	43,869
Current liabilities	**–**	(7,558)
Net assets	**–**	38,067
Group's share of carrying amount of interests	**–**	17,130
Revenue	**9,573**	–
Loss for the year	**17,934**	1,933
Other comprehensive income	**–**	–
Total comprehensive income	**17,934**	1,933

15. TRADE AND OTHER RECEIVABLES

	2015	2014
	HK$'000	*HK$'000*
Trade and bills receivables	**4,693**	12,107
Prepayments, deposits and other receivables	**2,671**	2,862
	7,364	14,969

The Group normally allows credit terms to customers except for retail customers ranging from 30 to 90 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

The ageing analysis of trade and bills receivables, based on the invoice date, and net of allowance, is as follows:

	2015	2014
	HK$'000	*HK$'000*
Current to 30 days	**2,156**	5,335
31 – 90 days	**1,115**	4,421
91 – 180 days	**717**	2,128
Over 180 days	**705**	223
	4,693	12,107

As at 30 June 2015, an allowance was made for estimated irrecoverable trade and bills receivables of approximately HK$2,258,000 (2014: HK$2,252,000).

Reconciliation of allowance for trade and bills receivables:

	2015	2014
	HK$'000	*HK$'000*
At beginning of year	**2,252**	2,140
Allowance for the year	**1,330**	3,431
Amounts written off	**(6)**	(180)
Reversal of allowance for the year	**(1,318)**	(1,505)
Transfer to non-current assets held for sale	**–**	(1,634)
At end of year	**2,258**	2,252

As of 30 June 2015, trade and bills receivables of approximately HK$1,424,000 (2014: HK$2,351,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade and bills receivables is as follows:

	2015	2014
	HK$'000	*HK$'000*
31 – 90 days	**2**	–
91 – 180 days	**717**	2,128
Over 180 days	**705**	223
	1,424	2,351

The carrying amounts of the Group's trade and bills receivables are denominated in the following currencies:

	2015	2014
	HK$'000	*HK$'000*
Hong Kong dollars	**549**	326
United States dollars	**4,144**	11,751
Renminbi ("RMB")	**–**	30
Total	**4,693**	12,107

16. TRADE AND OTHER PAYABLES

	2015	2014
	HK$'000	*HK$'000*
Trade payables	**1,427**	2,415
Due to a substantial shareholder	**495**	495
Due to an associate	**–**	9,000
Due to a non-controlling shareholder of a subsidiary	**93**	–
Accruals and other payables	**16,780**	13,907
	18,795	25,817

The amount due to a substantial shareholder is unsecured, interest-free and has no fixed terms of repayment. The amounts due to an associate and a non-controlling shareholder of a subsidiary are unsecured, interest-free and repayable on demand.

The ageing analysis of trade payables, based on the date of receipt of goods, is as follows:

	2015	2014
	HK$'000	*HK$'000*
Current to 30 days	**1,385**	2,231
31 – 90 days	**32**	105
91 – 180 days	**–**	19
Over 180 days	**10**	60
	1,427	2,415

The carrying amounts of the Group's trade payables are denominated in the following currencies:

	2015	2014
	HK$'000	*HK$'000*
Hong Kong dollars	**718**	1,679
United States dollars	**18**	56
RMB	**691**	680
Total	**1,427**	2,415

17. PROMISSORY NOTES

	2015	2014
	HK$'000	*HK$'000*
At beginning of year	**45,703**	43,355
Interest charged	**4,297**	2,348
Repayment	**(50,000)**	–
At end of year	**–**	45,703

Promissory notes with principal amount of HK$50,000,000 should be repayable in one lump sum on the fifth anniversary of the date of the issue of the promissory notes at no interest. These promissory notes were stated initially at their fair value and subsequently measured at amortised cost using the effective interest method. The effective interest rate was 5.325%. On 15 December 2014, 312,500,000 series B convertible non-voting preference shares of HK$0.16 each were issued for settlement of promissory notes in the principal amount of HK$50,000,000.

18. SHARE CAPITAL

	2015	2014
	HK$'000	*HK$'000*
Authorised:		
70,000,000,000 (2014: 2,800,000,000) ordinary shares of HK$0.01 (2014: HK$0.25) each	**700,000**	700,000
2,000,000,000 (2014: 2,000,000,000) convertible non-voting preference shares of HK$0.15 each	**300,000**	300,000
312,500,000 series B convertible non-voting preference shares of HK$0.16 each	**50,000**	–
	1,050,000	1,000,000
Issued and fully paid:		
986,358,758 (2014: 986,358,758) ordinary shares of HK$0.01 (2014: HK$0.25) each	**9,864**	246,590
1,103,333,333 (2014: 1,103,333,333) convertible non-voting preference shares of HK$0.15 each	**165,500**	165,500
312,500,000 series B convertible non-voting preference shares of HK$0.16 each	**50,000**	–
	225,364	412,090

A summary of the movements in the authorised and issued share capital of the Company during the years ended 30 June 2015 and 2014 is as follows:

	Note	Number of ordinary shares of HK$0.05 each '000	Number of ordinary shares of HK$0.25 each '000	Number of ordinary shares of HK$0.01 each '000	Number of convertible non-voting preference shares of HK$0.15 each '000	Number of series B convertible non-voting preference shares of HK$0.16 each '000	Par value HK$'000
Authorised:							
At 1 July 2013		14,000,000	–	–	2,000,000	–	1,000,000
Share consolidation	*(a)*	(14,000,000)	2,800,000	–	–	–	–
At 30 June 2014 and 1 July 2014		–	2,800,000	–	2,000,000	–	1,000,000
Capital reorganisation	*(b)*	–	(2,800,000)	70,000,000	–	–	–
Increase in authorised share capital	*(c)*	–	–	–	–	312,500	50,000
At 30 June 2015		–	–	70,000,000	2,000,000	312,500	1,050,000
Issued and fully paid:							
At 1 July 2013		4,931,794	–	–	1,103,333	–	412,090
Share consolidation	*(a)*	(4,931,794)	986,359	–	–	–	–
At 30 June 2014 and 1 July 2014		–	986,359	–	1,103,333	–	412,090
Capital reorganisation	*(b)*	–	(986,359)	986,359	–	–	(236,726)
Settlement of promissory notes	*(c)*	–	–	–	–	312,500	50,000
At 30 June 2015		–	–	986,359	1,103,333	312,500	225,364

Notes:

(a) On 23 April 2014, every 5 shares of HK$0.05 each in the issued and unissued share capital of the Company were consolidated into one consolidated share of HK$0.25 each in the issued and unissued share capital of the Company.

(b) On 20 August 2014, the par value of each issued consolidated share of HK$0.25 was reduced to HK$0.01 by cancelling paid-up capital to the extent of HK$0.24 on each issued consolidated share. Immediately following the capital reduction, each authorised and unissued consolidated share was subdivided into 25 new shares of HK$0.01 each.

(c) By an ordinary resolution passed on 26 November 2014 the authorised share capital was increased from HK$1,000,000,000 divided into 70,000,000,000 ordinary shares of HK$0.01 each and 2,000,000,000 convertible non-voting preference shares of HK$0.15 each to HK$1,050,000,000 divided into 70,000,000,000 ordinary shares of HK$0.01 each, 2,000,000,000 convertible non-voting preference shares of HK$0.15 each and 312,500,000 series B convertible non-voting preference shares of HK$0.16 each by the creation of an additional 312,500,000 series B convertible non-voting preference shares of HK$0.16 each.

On 15 December 2014, 312,500,000 series B convertible non-voting preference shares of HK$0.16 each were issued for settlement of promissory notes in the principal amount of HK$50,000,000.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total liabilities (including current and non-current liabilities as shown in the consolidated statement of financial position) less cash and cash equivalents. Total equity represents the equity as shown in the consolidated statement of financial position.

The gearing ratios at 30 June 2015 and 2014 are as follows:

	2015	2014
	HK$'000	*HK$'000*
Total debt	**42,185**	157,776
Less: cash and cash equivalents	**(71,773)**	(43,565)
Net debt	**(29,588)**	114,211
Total equity	**206,272**	390,040
Gearing ratio	**(14%)**	29%

The decrease in gearing ratio during the year resulted primarily from the decrease of bank and other loans after the disposal of Charmston and settlement of promissory notes by issuance of convertible non-voting preference shares.

The only externally imposed capital requirement is that for the Group to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares. The Group received a report from share registrars on substantial share interests showing the non-public float and it demonstrated continuing compliance with the 25% limit throughout the year.

19. BUSINESS COMBINATION

As referred to in note 7, Ricotex ceased to be an associate of the Company and Ricotex and its subsidiary ("Ricotex Group") has been accounted for as a subsidiary group of the Company since 30 June 2015.

The above business combination has been accounted for using the acquisition method. Ricotex Group is engaged in the manufacture and trading of garment products and swimwear.

The fair value of the identifiable assets and liabilities of Ricotex Group acquired as at its date of business combination is as follows:

	Acquiree's carrying amount before combination	**Fair value adjustments**	**Fair value**
	HK$'000	*HK$'000*	*HK$'000*
Net assets acquired:			
Property, plant and equipment	14,324	476	14,800
Inventories	1,584	–	1,584
Trade and other receivables	2,911	–	2,911
Bank and cash balances	23,712	–	23,712
Loan from a non-controlling shareholder of Ricotex	(10,000)	–	(10,000)
Trade and other payables	(12,398)	–	(12,398)
Deferred tax liabilities	–	(95)	(95)
Net assets	20,133	381	20,514
Non-controlling interests			(11,283)
Goodwill			61,457
Total consideration			70,688
Total consideration, satisfied by:			
Fair value of 45% interests in Ricotex			70,688
Net cash inflow arising on business combination:			
Cash and cash equivalents acquired			23,712

The goodwill arising on the business combination of Ricotex is attributable to the anticipated future operating synergies from the combination.

If the business combination had been completed on 1 July 2014, total Group revenue for the year from continuing operations would have been approximately HK$129,723,000, and loss for the year from continuing operations would have been approximately HK$256,781,000. The proforma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the business combination been completed on 1 July 2014, nor is intended to be a projection of future results.

20. DISPOSAL OF SUBSIDIARIES

As referred to in note 9 above, on 21 October 2014, the Group discontinued its trading and retail of apparel and related accessories business at the time of the disposal of Charmston. At the same time, the Company waived a loan to Charmston of approximately HK$29,000,000.

Net liabilities at the date of disposal were as follows:

	HK$'000
Property, plant and equipment	9,031
Trademark	9,568
Club debenture	205
Inventories	64,422
Trade and other receivables	28,567
Current tax assets	934
Pledged bank deposits	8,049
Bank and cash balances	8,541
Trade and other payables	(56,776)
Bank and other loans	(81,469)
Finance lease payables	(58)
Employee benefit obligations	(368)
Current tax liabilities	(120)
Net liabilities disposed of	(9,474)
Reversal of write-down of non-current assets held for sale	(10,142)
Non-controlling interests	5,470
Waiver of loan to Charmston	29,000
Direct cost to the disposal	723
Fair value of investment in Charmston retained	(7,076)
Gain on disposal of subsidiaries *(note 9)* (*)	1,499
Total consideration – satisfied by cash	10,000
Net cash inflow arising on disposal:	
Cash consideration received	10,000
Cash paid for direct cost	(723)
Cash and cash equivalents disposed of	(8,541)
	736

(*): The portion of the gain attributable to the recognition of investment retained in Charmston at its fair value of approximately HK$8,937,000. The gain is included in loss for the year from discontinued operation.

21. NON-CURRENT ASSETS HELD FOR SALE

On 19 May 2014, the directors resolved to dispose of all or part of its business in the trading and retail of apparel and related accessories in Hong Kong. Negotiations with several interested parties had subsequently taken place. The assets and liabilities attributable to the trading and retail of apparel and related accessories business, which were expected to be sold within twelve months, had been classified as a disposal group held for sale and were presented separately in the consolidated statement of financial position as of 30 June 2014. The disposal group was included in the Group's apparel and related accessories segment.

The major classes of assets and liabilities comprising the disposal group classified as held for sale at 30 June 2014 were as follows:

	HK$'000
Property, plant and equipment	6,890
Trademark	9,568
Club debenture	205
Inventories	43,641
Trade and other receivables	30,866
Current tax assets	62
Pledged bank deposits	8,315
Bank and cash balances	5,351
Total assets classified as held for sale	104,898
Write-down of non-current assets held for sale *(note 9)*	(10,142)
	94,756
Trade and other payables	27,627
Bank and other loans	46,330
Finance lease payables	84
Employee benefit obligations	368
Current tax liabilities	254
Total liabilities associated with assets classified as held for sale	74,663
Net assets of disposal group	20,093

MANAGEMENT DISCUSSION AND ANALYSIS

Voluntarily winding up of Info-Source Media Limited

On 11 January 2013, a special resolution was passed by the shareholders of Info-Source Media Limited ("Info-Source") to voluntarily wind up Info-Source. The Group holds 20% equity interests in Info-Source and classified it as available-for-sale financial assets. The investment was fully impaired during the year ended 31 December 2010. It is the Directors' opinion that the winding up of Info-Source will not have a material impact on the Group's financial position. The voluntarily winding up process had been completed on 19 April 2015.

Subscription agreement and disposal of partial issued share capital of Charmston (Holdings) Limited

(a) On 28 July 2014, (i) Charmston (Holdings) Limited ("Charmston"), a non-wholly owned subsidiary of the Company, (ii) Synergy Chain Limited ("Synergy"), a wholly owned subsidiary of the Company, which held 51% of the issued share capital of Charmston; (iii) Datamax Limited and Capital Master Holdings Limited, which held 49% of the issued share capital of Charmston; and (iv) Hoyden Ventures Limited ("Hoyden"), an independent third party, entered into the subscription agreement pursuant to which Hoyden had conditionally agreed to subscribe for 45% of the total number of issued share of Charmston as enlarged by the subscription at the consideration of HK$30,000,000 in cash ("Subscription").

(b) On 28 July 2014, Synergy entered into the sale and purchase agreement with Hoyden, pursuant to which Hoyden has conditionally agreed to acquire and Synergy has conditionally agreed to sell 273 Charmston shares which represented 15% of the total number of issued share capital of Charmston as enlarged by the Subscription, at the consideration of HK$10,000,000 in cash ("Share Disposal"). Upon completion of the Subscription and Share Disposal, Synergy held approximately 13% of the issued share capital in Charmston. Charmston ceased to be a subsidiary of Company and the financial results and position of the Charmston and its subsidiaries ("Charmston Group") were deconsolidated from the financial statement of the Company.

The Subscription and Share Disposal were completed simultaneously and conditional upon (i) satisfactory due diligence result; (ii) capitalisation or waiver of the existing shareholders loan of Charmston; and (iii) the Company having obtained approval from its shareholders and The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Purchaser also procured discharge of the existing corporate guarantee given by the Company in favour of Charmston's banker.

The Subscription and Share Disposal were approved by the shareholders on 15 October 2014 and completed on 21 October 2014. Details of the Subscription and Share Disposal are set out in the announcement of the Company dated 31 July 2014 and circular dated 25 September 2014.

After the completion of the Subscription and Share Disposal on 21 October 2014, the Group held approximately 13% of the issued share capital of Charmston. Charmston ceased to be a subsidiary of the Company and the financial results and position of Charmston Group were deconsolidated from the financial statements of the Group and were accounted for as available-for-sale financial assets.

Control of an associate

On 30 June 2015, all shareholders of an associate of the Group, Ricotex Industrial Company Limited ("Ricotex"), entered into the supplemental agreement to amend, vary and modify the shareholders agreement relating to Ricotex. Pursuant to the supplemental agreement, the number of directors in the board of directors of Ricotex increased from three to five of which three are appointed by Ratio Knitting Factory Limited ("Ratio"), a wholly owned subsidiary of the Company, which holds 45% of the issued share capital of Ricotex, and two are appointed by other shareholders, Billions Field Development Limited and All Full Profit Limited which together hold 55% of the issued share capital of Ricotex. A quorum for a meeting was also increased to at least three directors. Board resolution was passed on the same day to appoint two additional directors nominated by Ratio. In the opinion of the directors, the increase in voting power due to this amendment caused the Group has the ability to control over Ricotex. As a result, Ricotex ceased to be an associate of the Group and became a non-wholly owned subsidiary of the Company. At the date of deemed disposal of an associate on 30 June 2015, the Group's interest in Ricotex is revalued at fair value and resulting a gain on deemed disposal of an associate of approximately HK$61,628,000 recognized in consolidated statement of profit or loss for the year ended 30 June 2015. The financial results and position of Ricotex and its subsidiary are consolidated in the financial statements of the Company since then.

Capital reorganisation

On 18 March 2014, the Board of Directors proposed to implement the share consolidation and capital reorganisation. Immediately after the share consolidation with effective on 23 April 2014, the Board proposed to implement the capital reorganisation involving (i) a reduction in the par value of each issued consolidated share from HK$0.25 to HK$0.01 and (ii) a subdivision of each authorised but unissued consolidated share into 25 new shares of HK$0.01 each ("Capital Reorganisation"). The Capital Reorganisation was approved by a special resolution passed at the extraordinary general meeting of the Company held on 23 April 2014 and with sanction of an Order of the Grand Court of the Cayman Islands dated 15 August 2014. The Capital Reorganisation became effective on 20 August 2014.

Please refer to announcements dated 18 March 2014, 23 April 2014, 11 August 2014 and 20 August 2014 and circular dated 28 March 2014 for details.

Connected transaction on issuance of series B convertible non-voting preference shares for settlement of promissory notes

On 6 October 2014, the Company and Big Good Management Limited ("Big Good"), a substantial shareholder of the Company, entered into a subscription agreement pursuant to which the Company has conditionally agreed to issue and Big Good has conditionally agreed to subscribe for 312,500,000 series B convertible non-voting preference shares ("Series B CPS") in the principal amount of HK$50,000,000 to be settled by Big Good by way of set off against the promissory notes, which will be due on 31 March 2016. The conversion price of the Series B CPS is HK$0.16 per share. The transaction was approved on 26 November 2014 by an ordinary resolution. On 15 December 2014, 312,500,000 Series B CPS were issued for settlement of the promissory notes in the principal amount of HK$50,000,000.

By an ordinary resolution passed on 26 November 2014 the authorised share capital was increased from HK$1,000,000,000 divided into 70,000,000,000 ordinary shares of HK$0.01 each and 2,000,000,000 convertible non-voting preference shares ("CPS") of HK$0.15 each to HK$1,050,000,000 divided into 70,000,000,000 ordinary shares of HK$0.01 each, 2,000,000,000 CPS of HK$0.15 each and 312,500,000 Series B CPS of HK$0.16 each by the creation of an additional 312,500,000 Series B CPS of HK$0.16 each.

Details of the transaction is set out in the announcements of the Company dated 6 October 2014 and 26 November 2014 and circular dated 10 November 2014.

Bonus issue of shares and warrants

On 18 May 2015, (i) the Board proposed a bonus share issue to the qualifying shareholders on the basis of four bonus shares for every one existing share held on 3 July 2015 (the "Record Date"); and (ii) the Board also proposed the bonus warrant issue to the qualifying shareholders on the basis of one warrant for every one existing share held on the Record Date.

By an ordinary resolution passed on 24 June 2015, a bonus share will be issued to shareholders on the basis of four bonus shares for every one existing share held on the Record Date. The bonus shares will be credited as fully paid at par by way of capitalization of an amount equal to the total par value of bonus shares standing to the credit of the share premium account of the Company. On the same day, another ordinary resolution passed for an issuance of bonus warrant to shareholders on the basis of one warrant for every one existing share held on the Record Date. Each warrant will entitle the holder to subscribe in cash for one share at an initial subscription price of HK$0.18 per warrant share, on the date falling 12 months from the date of issuance of the warrant. Issuance of bonus shares and bonus warrant are completed on 13 July 2015.

Pursuant to the terms of CPS and Series B CPS, the conversion price of the outstanding CPS and Series B CPS are adjusted from HK$0.65 per share to HK$0.13 per share and HK$0.16 per share to HK$0.032 per share respectively as a result of the bonus share issue. The said adjustments take effect immediately after 3 July 2015. No adjustment is required to be made as a result of the bonus warrant issue.

Details of the transaction is set out in the announcements of the Company dated 18 May 2015, 24 June 2015, 25 June 2015, 3 July 2015 and 9 July 2015 and circular dated 5 June 2015.

FINANCIAL REVIEW

Finance results

For the year ended 30 June 2015 (the "Year"), loss attributable to owners of the Company (including continuing and discontinued operations) was approximately HK$245,444,000. Comparing to loss attributable to owners of the Company (including continuing and discontinued operations) for year ended 30 June 2014 of approximately HK$104,391,000, the increase in loss attributable to the owners of the Company was mainly attributable to (i) an allowance for impairment of goodwill made for swimwear cash-generating unit of approximately HK$276,054,000 (2014: HK$Nil) resulting from expecting of economic downturn of European market and increase in production cost in the People's Republic of China (the "PRC") in the coming years; (ii) allowance for impairment of goodwill of approximately HK$6,250,000 (2014: HK$36,392,000) was made for provision of on-line shopping, advertising and media related services cash-generating unit for the Year; (iii) share of losses of an associate of approximately HK$8,070,000 (2014: HK$870,000); (iv) impairment loss of available-for-sale financial assets of approximately HK$4,078,000 (2014: HK$Nil); and partially set off by (v) gain on deemed disposal of an associate of approximately HK$61,628,000 (2014: HK$Nil); and (vi) decrease in loss for the year from discontinued operation during the Year of approximately HK$9,255,000 (2014: HK$26,141,000).

Revenue and Gross Profit

For the Year, the Group's total turnover (including continuing and discontinued operations) and gross profit (including continuing and discontinued operations) were approximately HK$157,654,000 and HK$47,344,000 respectively, as comparing to HK$268,877,000 and HK$130,623,000 respectively for the year ended 30 June 2014.

Details of the decrease in total revenue are discussed below:

Manufacturing and trading of high-end swimwear and garment products ("Swimwear and garment segment")

The turnover generated from Swimwear and garment segment for the Year was approximately HK$118,137,000 (2014: HK$93,322,000). Gross profit for the Year was approximately HK$20,970,000 (2014: HK$11,579,000). Gross profit ratio for the Year was 17.75% (2014: 12.41%). Increase in turnover was mainly due to the Group has successfully received some new orders from several new customers during the Year. Increase in gross profit for the Year was mainly due to the decreased in raw materials costs and better control over the production costs.

Provision of on-line shopping, advertising and media related services ("On-line shopping and advertising segment")

The turnover generated from On-line shopping and advertising segment for the Year was approximately HK$3,114,000 (2014: HK$3,322,000). Gross profit for the Year was approximately HK$1,358,000 (2014: HK$1,437,000). Gross profit ratio for the Year was 43.61% (2014: 43.26%).

Trading and retail of apparel and related accessories ("Apparel and related accessories segment") (discontinued operation)

The turnover generated from Apparel and related accessories segment for the Year was approximately HK$36,403,000 (2014: HK$172,233,000). Gross profit for the Year was approximately HK$25,016,000 (2014: HK$117,607,000). Gross profit ratio for the Year was 68.72% (2014: 68.28%). Significant decrease in turnover is due to the disposal of this segment had been completed in October 2014 and no consolidation is required for this segment upon disposal.

Goodwill acquired from deemed disposal of an associate and business combination

On 30 June 2015, all shareholders of Ricotex entered into a supplemental agreement to amend, vary and modify the shareholders agreement relating to Ricotex. Pursuant to the supplemental agreement, the number of directors in the board of directors of Ricotex increased from three to five of which three are appointed by Ratio, a wholly owned subsidiary of the Company which hold 45% of the issued share capital of Ricotex, and two are appointed by other shareholders, Billions Field Development Limited and All Full Profit Limited which together hold 55% of the issued share capital of Ricotex. A quorum for a meeting was also increased to at least three directors. Board resolution was passed on the same day to appoint the two additional directors nominated by Ratio. In the opinion of the directors, the increase in voting power due to this amendment caused the Group has the ability to control over Ricotex. As a result, Ricotex ceased to be an associate of the Group and became and is a non-wholly owned subsidiary of the Company. The goodwill amounted to approximately HK$61,457,000 arising on the acquisition of Ricotex in this business combination is allocated to the Garment and swimwear cash-generated unit that is expected to benefit from the synergies of the combination.

Impairment of Goodwill

For the Year, the Group's total impairment of goodwill was approximately HK$282,304,000, comparing to approximately HK$65,185,000 for the year ended 30 June 2014.

(i) The impairment of goodwill relates to the provision of on-line shopping, advertising and media related services cash-generating unit ("Provision of on-line shopping, advertising and media related services CGU")

During the six months ended 31 December 2014, the Group carried out reviews of the recoverable amount of the Provision of on-line shopping, advertising and media related services CGU, having regard to continuous losses making generated from the CGU carried on by Luxey Online Solutions Limited as a result of (i) keen competition in the on-line group buying market in Hong Kong; and (ii) the on-line group buying market is slowing down in Hong Kong. The recoverable amount of the Provision of on-line shopping, advertising and media related services CGU is determined from value in use calculation. The key assumptions are those regarding the discount rate, growth rate and budgeted gross margin and turnover during the period. The Group estimates discount rate using pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the CGU. The growth rate is based on long-term average economic growth rate of the geographical area in which the business of the CGU operates. Budgeted gross margin and turnover are based on past practices and expectations on market development.

During the six months ended 31 December 2014, the Group prepared cash flow forecasts derived from the most recent financial budgets approved by the directors for the next five years with the residual period using the growth rate of 5%. This rate did not exceed the average long-term growth rate for the relevant markets. The rate used to discount the forecast cash flows from the Provision of on-line shopping, advertising and media related services CGU was 13.22%. Based on the past performance, the Group had revised its cash flow forecasts for this CGU and the goodwill allocated to this CGU was considered as non-recoverable. The goodwill has therefore been fully impaired through recognition of an impairment loss against goodwill of approximately HK$6,250,000 during the six months ended 31 December 2014 and year ended 30 June 2015 (2014: HK$36,392,000).

(ii) The impairment of goodwill relates to the swimwear cash-generating unit ("Swimwear CGU")

An impairment of goodwill relates to Swimwear CGU was approximately HK$276,054,000 for the Year (2014: HK$Nil).

The recoverable amount of the Swimwear CGU is determined from value in use calculation (2014: fair value less cost of disposal using the income-based approach calculation). The key assumptions for the value in use calculation are similar to the value in use calculation of Provision of on-line shopping, advertising and media related services CGU as stated in note (i) above. The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the Directors for the next five years with residual period using the growth rate of 3.99% (2014: 5%). This rate does not exceed the average long-term growth rate for the relevant markets. The rate used to discount the forecast cash flows from the Group's activities of manufacturing and trading of high-end swimwear and related garment products is 14.96% (2014: 11.55%). The calculation further considered a 17.44% discount on lack of marketability for the controlling interests at 30 June 2014. Based on the past performance and expecting of economic downturn of European market and increase in production costs in the PRC in the coming years, the Group has revised its cash flow forecasts for the Swimwear CGU. The goodwill has therefore been reduced to its recoverable amount through recognition of an impairment loss against goodwill of approximately HK$276,054,000 during the Year (2014: HK$Nil).

Impairment loss of available-for-sale financial assets

Subsequent to the completion of the Subscription and Share Disposal of Charmston on 21 October 2014, the investment in Charmston was accounted for as available-for-sale financial assets. The fair value of approximately HK$7,076,000 was determined from fair value less cost of disposal using the market-based approach calculated based on the average price-to-book ratio and average price-to-sales ratio of several companies listed on the Stock Exchange (the "Comparables").

At 30 June 2015, after considering the termination of a licence agreement with Tonino Lamborghini in February 2015 and a 29.75% (At 21 October 2014: 19.25%) discount on lack of marketability (determined by the density function for the maximum of a Brownian motion process by adopting average annualized volatility of the Comparables and assuming marketing period is approximately 6 (At 21 October 2014: 6) months), the fair value of the available-for-sale financial assets had been reduced to its recoverable amount through recognition of an impairment loss of approximately HK$4,078,000.

Share of result from an associate

The Group had an associated company, 45% equity interests in Ricotex. For the Year, the Group shared loss of HK$8,070,000 (2014: HK$870,000). As at 30 June 2015, due to the supplemental agreement, Ricotex became a non-wholly owned subsidiary of the Company. For details, please refer to "Control of an associate" on page 35.

OPERATIONS

During the Year, the Group maintained an effective cost measures in controlling the cost structure of its operations. Besides, the Group will be extremely prudent in the expansion of its operations in an organic manner. We also believe that it is of the Group's best interest to explore different sources of income while still maintains an effective and efficient overhead structure for our supporting departments in each of the business segments under operation.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2015, the Group had total assets (including continuing and discontinued operations) of approximately HK$248,457,000 (2014: HK$547,816,000). As at 30 June 2015, the Group had short term borrowings (including continuing and discontinued operations) of approximately HK$10,000,000 (2014: HK$36,407,000) and no long-term borrowings (including continuing and discontinued operations) (2014: HK$55,710,000). The decrease of total borrowings (including continuing and discontinued operations) was mainly due to the disposal of Charmston Group during the year. As at 30 June 2015, the Group had bank and cash balances (including continuing and discontinued operations) of approximately HK$71,773,000 (2014: HK$43,565,000). The Group has a current ratio of approximately 2.05 comparing to that of 1.40 as at 30 June 2014. As at 30 June 2015, the Group's gearing ratio of -14% was calculated as net debt divided by total equity (2014: 29%). Net debt is calculated as total liabilities (including current and non-current liabilities as shown in the consolidated statement of financial position) less cash and cash equivalents. Total equity represents the equity as shown in the consolidated statement of financial position.

FOREIGN EXCHANGE EXPOSURE

As most of the Group's business transactions, assets and liabilities are principally denominated in Hong Kong dollars, United States dollars and Renminbi, the Group's exposure to exchange rate risk is limited. It is the Group's treasury policy to manage its foreign currency exposure only when its potential financial impact is material to the Group. The Group will continue to monitor its foreign exchange position and, if necessary, utilise hedging tools, if available, to manage its foreign currency exposure.

CAPITAL STRUCTURE

On 23 April 2014, every 5 shares of HK$0.05 each in the issued and unissued share capital of the Company were consolidated into one consolidated share of HK$0.25 each in the issued and unissued share capital of the Company.

On 20 August 2014, the par value of each issued consolidated share of HK$0.25 was reduced to HK$0.01 by cancelling paid-up capital to the extent of HK$0.24 on each issued consolidated share. Immediately following the capital reduction, each authorised and unissued consolidated share was subdivided into 25 new shares of HK$0.01 each.

By an ordinary resolution passed on 26 November 2014 the authorised share capital was increased from HK$1,000,000,000 divided into 70,000,000,000 ordinary shares of HK$0.01 each and 2,000,000,000 CPS of HK$0.15 each to HK$1,050,000,000 divided into 70,000,000,000 ordinary shares of HK$0.01 each, 2,000,000,000 CPS of HK$0.15 each and 312,500,000 Series B CPS of HK$0.16 each by the creation of an additional 312,500,000 Series B CPS of HK$0.16 each.

By an ordinary resolution passed on 24 June 2015, a bonus share was issued to shareholders on the basis of four bonus shares for every one existing share held on the Record Date. The bonus shares will be credited as fully paid at par by way of capitalization of an amount equal to the total par value of bonus shares standing to the credit of the share premium account of the Company. On the same day, another ordinary resolution passed for an issuance of bonus warrant to shareholders on the basis of one warrant for every one existing share held on the Record Date. Each warrant will entitle the holder to subscribe in cash for one share at an initial subscription price of HK$0.18 per warrant share, on the date falling 12 months from the date of issues of the warrant. Issuance of bonus shares and bonus warrant are completed on 13 July 2015.

As at 30 June 2015, issued and fully paid share capital of the Company included (a) 986,358,758 ordinary shares of HK$0.01 each (At 30 June 2014: 986,358,758 of HK$0.25 each); (b) 1,103,333,333 CPS At 30 June 2014: 1,103,333,333) of HK$0.15 each. Pursuant to the terms of the CPS, the conversion price of the outstanding CPS has been adjusted from HK$0.15 per share to HK$0.13 per share as a result of completion of the rights issue, and further adjusted to HK$0.65 per share as a result of completion of the share consolidation; and (c) 312,500,000 Series B CPS of HK$0.16 each (At 30 June 2014: Nil).

Subsequent to the issuance of bonus share, the conversion price of the outstanding CPS has been adjusted from HK$0.65 per share to HK$0.13 per share; and 312,500,000 Series B CPS has been adjusted from HK$0.16 per share to HK$0.032 per share. These said adjustments shall take effect immediately after 3 July 2015. No adjustment is required to make as a result of the bonus warrant issue for both CPS and Series B CPS.

HEDGING POLICY

The Group does not have any material exposure to fluctuations in exchange or interest rates. Therefore, no hedging measures have been taken at present.

CREDIT POLICY

The credit terms given to customers are generally based on the financial strengths of individual customers. The Group generally allows an average credit term of 30 to 90 days to its trade customers.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2015, the Group had 1,276 full time employees compared with that of 426 in the previous financial year. The staff costs, including directors' remuneration, were approximately HK$49,414,000 (2014: HK$83,344,000). The Group offers a comprehensive remuneration package and benefits to its full time employees in compliance with the regulations in Hong Kong, the PRC and Kingdom of Cambodia ("Cambodia") respectively, including medical scheme, provident fund or retirement fund. In addition, the Group adopts a share option scheme for eligible employees (including Directors) and consultants to provide incentives to participants for their contributions and continuing efforts to promote the interests of the Group.

CONTINGENT LIABILITIES

As at 30 June 2015, the Group did not have any material contingent liabilities.

CHARGE ON ASSETS

The Group has pledged bank deposits of approximately HK$641,000 (2014: HK$8,480,000) to secure banking facilities granted to the Group.

PROSPECTS

For the Swimwear and garment segment, with the effort of our management, the orders on hand increased gradually in comparing with last year. Coupling with the establishment of Ricotex, which is operating a factory in Cambodia, we believed that the contributions of this business segment would be fruitful. Many of our existing swimwear customers placed more emphasis on our future production capacity as well as the cost structures. As such, it is believed that Ricotex can provide workable solutions to tackle these issues while retaining our customers and providing more opportunity to secure new orders in future.

For the Apparel and related accessories segment, the apparel retail market in Hong Kong remained tough and highly competitive in the year of 2014 and the Company was of the view that the retail market would remain harsh in the near future. In view of this, the Group entered into Subscription and Share Disposal on 28 July 2014 which were completed on 21 October 2014, the management of the Group believed that the Subscription would relieve the Company from further straining its cashflow into the Charmston Group. The release of the Company from the corporate guarantee further relieved the Group from the contingent liabilities towards the Charmston Group. The proceeds from the Share Disposal further improved the cash position of the Group.

Given the disappointing past performance of the Charmston Group and the unattractive prospects of the local retail market, the Group will focus its resources in developing its high-end swimwear manufacturing and trading business after completion of the Subscription and Share Disposal.

For the On-line shopping and advertising segment, it has been making losses for several years and this business segment’s performance continues to be impacted by the keen on-line shopping and advertising competitive pressure. The Group is restructuring and transforming to an information technology and marketing services provider in order to alleviate the financial situation of the Group.

The management of the Group continues to formulate its business strategies to optimise the use of its operating and financial resources. It will consider to diversify its operations including but not limited to invest in financial instruments in order to ensure cash availability through managing cash on hand to best meet the Group cash and liquidity needs which management risk. It will also consider to reorganise the non-performing business segments including but not limited to the disposal or downsizing of the non-performing business segments.

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

There are no purchase, sale or redemption of the Company's listed securities by the Group during the Year.

DIVIDENDS

The directors do not recommend the payment of any dividend for the Year (2014: Nil).

COMPETING INTERESTS

The Directors are not aware of, as at 30 June 2015, any business or interest of each Director, substantial shareholder and management shareholders (as defined in the GEM Listing Rules) and their respective associates that competes or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

AUDIT COMMITTEE

The audit committee has reviewed the Group's audited results for the Year.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintain high standards of corporate governance for the Company. During the Year, the Company is in compliance with the Corporate Governance Code (the "CG Code") as set out in Appendix 15 to the GEM Listing Rules except provisions A.2.1, A.4.1 and A.6.7 of the CG Code as detailed below:

Code Provision A.2.1

Under the code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Lau Chi Yuen, Joseph, the chairman of the Company, took up the role of Chief Executive Officer ("CEO") since the position became vacant on 30 June 2014, and thus there has been no segregation of duties during the Year. The Board has evaluated the current situation of the Group and taken into account of the experience and past performance of Mr. Lau Chi Yuen, Joseph, the Board was of the opinion that it was appropriate and in the best interest of the Company at the present stage for vesting the roles of the Chairman and the CEO of the Company in the same person as it helps to facilitates the execution of the Group's business strategies and maximizes the effectiveness of its operation. The Board will nevertheless review this structure from time to time and will consider the segregation of the two roles at the appropriate time.

Code Provision A.4.1

Under the code provision A.4.1 of the CG Code, Non-executive Directors should be appointed for a specific term, subject to re-election. The current Independent Non-executive Directors are not appointed for specific terms, but are subject to retirement and re-election at Annual General Meeting of the Company in line with the Company's Articles of Association. As such, the Company considers that sufficient measures have been taken to ensure the Company's corporate governance practices are no less exacting than those in the CG Code.

Code Provision A.6.7

Under code provision A.6.7 of the CG Code, Independent Non-executive Directors as equal board members, should attend general meetings and develop a balanced understanding of the views of shareholders, certain Directors were unable to attend the general meetings due to their other business engagements.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors of the Company have complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company throughout the Year.

PRELIMINARY ANNOUNCEMENT OF THE RESULTS AGREED BY AUDITOR

The figures in respect of the preliminary announcement of the Group's results for the Year have been agreed by the Group's auditor, RSM Nelson Wheeler, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by RSM Nelson Wheeler 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 RSM Nelson Wheeler on the preliminary announcement.

PUBLICATION ON ANNUAL RESULTS AND ANNUAL REPORT

This results announcement of the Group for the Year is available for viewing on the website of the Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and on the website of the Company at www.luxey.com.hk. The annual report will be despatched to the shareholders of the Company and will also be available for viewing at the aforesaid websites in due course.

By Order of the Board
Luxey International (Holdings) Limited
Lau Chi Yuen, Joseph
Chairman

Hong Kong, 24 September 2015

As at the date of this announcement, the Board comprises two (2) Executive Directors, namely, Mr. Lau Chi Yuen, Joseph (Chairman) and Mr. Lau Chun Fat, George, and three (3) Independent Non-executive Directors, namely Dr. Lee Chung Mong, John, Mr. Tam Wing Kin and Mr. Fung Chan Man, Alex.

This announcement will remain on the GEM website at http://www.hkgem.com on the "Latest Company Announcements" page for 7 days from the date of its posting and on the website of the Company.