TCL DISPLAY TECHNOLOGY HOLDINGS LIMITED
TCL 顯示科技控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 334)

RESULTS ANNOUNCEMENT FOR THE EIGHTEEN MONTHS ENDED 31 DECEMBER 2015

FINANCIAL HIGHLIGHTS

Results

	Eighteen months ended 31 December 2015 *RMB'000*	Twelve months ended 30 June 2014 *RMB'000*	**Change**	**Twelve months ended 31 December 2015#** *RMB'000*	Twelve months ended 31 December 2014# *RMB'000*	**Change**
Revenue	**3,688,161**	2,497,713	**+47.7%**	**2,242,822**	2,614,228	**-14.2%**
Gross profit	**289,616**	234,398	**+23.6%**	**139,603**	238,515	**-41.5%**
Profit for the period/year before deducting listing expense	**168,560**	89,717	**+87.9%**	**72,615**	124,670	**-41.8%**
Profit/(loss) for the period/year	**26,409***	89,717	**-70.6%**	**(69,536)***	124,670	**N/A**
Profit/(loss) attributable to owners of the parent	**26,409***	89,717	**-70.6%**	**(69,536)***	124,670	**N/A**
Basic earnings/(loss) per share *(RMB cents)*	**3.37***	15.28	**-77.9%**	**(7.87)***	21.23	**N/A**

* Included an one-off listing expense of approximately RMB142 million incurred as a result of the reverse takeover of the entire interest in TCL Display by the Company on 17 April 2015 which was deemed as new listing (the details of which are set out in note 15 to this results announcement).

During the current financial period, the financial year-end date of the Company was changed from 30 June to 31 December. The consolidated financial statements presented for the current period therefore cover an eighteen months' period from 1 July 2014 to 31 December 2015. In order to give a better picture of the Company's business performance and results for the twelve months ended 31 December 2015 to the Shareholders and/or investors, this results announcement has included major financial information for the year ended 31 December 2015 on voluntary basis. For more details about the change of financial year-end date, please refer to note 1 to this results announcement.

The board of directors (the "Board") of TCL Display Technology Holdings Limited (the "Company") is pleased to announce the consolidated results and financial position of the Company and its subsidiaries (collectively, the "Group") for the eighteen months ended 31 December 2015 with comparative figures for the corresponding twelve months ended 30 June 2014 as follows.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the eighteen months ended 31 December 2015

	Notes	**Period ended 31 December 2015** ***RMB'000***	Year ended 30 June 2014 *RMB'000* (Restated)
REVENUE	5	**3,688,161**	2,497,713
Cost of sales		**(3,398,545)**	(2,263,315)
Gross profit		**289,616**	234,398
Other income and gains	5	**59,351**	7,074
Selling and distribution expenses		**(53,724)**	(52,104)
Administrative expenses		**(83,770)**	(49,812)
Listing expense*	15	**(142,151)**	–
Other expenses		**(662)**	(2,627)
Finance costs	7	**(9,939)**	(14,013)
PROFIT BEFORE TAX	6	**58,721**	122,916
Income tax expense	8	**(32,312)**	(33,199)
PROFIT FOR THE PERIOD/YEAR		**26,409**	89,717
Attributable to:			
Owners of the parent		**26,409**	89,717
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	10		
Basic		**RMB3.37 cents**	RMB15.28 cents
Diluted		**RMB2.70 cents**	RMB15.28 cents

* Included an one-off listing expense of approximately RMB142 million incurred as a result of the reverse takeover of the entire interest in TCL Display Technology (Huizhou) Co., Ltd. ("TCL Display") by the Company on 17 April 2015 which was deemed as new listing (the details of which were set out in note 15 to this results announcement).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the eighteen months ended 31 December 2015

	Period ended 31 December 2015 *RMB'000*	Year ended 30 June 2014 *RMB'000* (Restated)
PROFIT FOR THE PERIOD/YEAR	**26,409**	89,717
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(4,633)**	–
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	**(4,633)**	–
OTHER COMPREHENSIVE LOSS FOR THE PERIOD/YEAR, NET OF TAX	**(4,633)**	–
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	**21,776**	89,717
Attributable to:		
Owners of the parent	**21,776**	89,717

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**31 December 2015** *RMB'000*	30 June 2014 *RMB'000* (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment		**164,171**	102,294
Intangible assets		**78**	131
Deposits paid for purchase of items of property, plant and equipment		**10,345**	35,545
Deferred tax assets		**18,477**	6,535
Total non-current assets		**193,071**	144,505
CURRENT ASSETS			
Inventories		**158,213**	196,506
Trade and bills receivables	11	**597,538**	564,047
Prepayments, deposits and other receivables		**98,663**	85,191
Cash and cash equivalents		**286,605**	130,445
Total current assets		**1,141,019**	976,189
CURRENT LIABILITIES			
Trade and bills payables	12	**810,176**	772,601
Other payables and accruals		**173,944**	131,135
Interest-bearing bank borrowings	13	**137,185**	56,630
Tax payable		**35,795**	21,360
Total current liabilities		**1,157,100**	981,726
NET CURRENT LIABILITIES		**(16,081)**	(5,537)
TOTAL ASSETS LESS CURRENT LIABILITIES		**176,990**	138,968
NON-CURRENT LIABILITIES			
Deferred income		**13,405**	7,776
Bonds payable	1	**58,646**	–
Total non-current liabilities		**72,051**	7,776
Net assets		**104,939**	131,192

	Note	**31 December 2015** *RMB'000*	30 June 2014 *RMB'000* (Restated)
Net assets		**104,939**	131,192
EQUITY			
Equity attributable to owners of the parent			
Share capital	14	**138,561**	60,880
Reserves		**(33,622)**	70,312
Total equity		**104,939**	131,192

Notes:

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRSs (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

On 25 June 2015, capital restructuring, debt restructuring, an open offer and the Reverse Takeover Transaction (as defined hereinunder) involving a new listing application were completed. The Group acquired the entire equity interest of TCL Display, which constituted a reverse takeover transaction (the "Reverse Takeover Transaction"). TCL Display is principally involved in the manufacture and sale of LCD modules for mobile phones and smart pads. The details of the Reverse Takeover Transaction are set out in the Company's circulars dated 30 June 2014 and 16 February 2015 and in the Company's announcement dated 17 April 2015.

Capital restructuring

During the current period, the Company completed the capital restructuring, which involved the following:

Capital reduction

On 13 March 2015, the nominal value of each of the 772,008,992 shares in issue was reduced from HK$0.10 to HK$0.01 by cancelling HK$0.09 from the paid-up capital of each issued share, resulting in a capital reduction of RMB54,793,000 (the "Capital Reduction"). The Capital Reduction became effective on 13 March 2015.

Share consolidation

Upon the Capital Reduction becoming effective, every ten reorganised shares of HK$0.01 each were consolidated into one new share of HK$0.10 each and the number of issued shares of the Company was reduced from 772,008,992 reorganised shares of HK$0.01 each to 77,200,899 new shares of HK$0.10 each (the "Share Consolidation"). Upon completion of the Share Consolidation, the number of the issued shares of the Company decreased by 694,808,093.

Share premium reduction

The share premium account and contributed surplus account of approximately RMB249,743,000 and RMB128,048,000 respectively as at 30 June 2014, together with the share premium account of RMB191,799,000 and RMB19,999,000 arising from the issuance of the Consideration Shares (as defined hereinunder) and the Open Offer Shares (as defined hereinunder), respectively, were applied to eliminate the accumulated losses of the Company.

Debt restructuring

During the current period, the Company completed the debt restructuring and settled the amounts due to certain creditors of the Company (the "Scheme Creditors") by the way of the schemes of arrangement made between the Company and the Scheme Creditors under Sections 670 and 673 of the Companies Ordinance (Cap. 622) of Hong Kong (the "Hong Kong Scheme") and Section 99 of the Companies Act 1981 of Bermuda (the "Bermuda Scheme", together with the Hong Kong Scheme, hereinafter collectively referred to as the "Schemes") respectively. On 16 April 2015, the Schemes became effective. Pursuant to the Schemes, all amounts due to the Scheme Creditors have been fully discharged through the cash proceeds from the issuance of bond at the principal amount of HK$60,000,000 ("Bond A") to TCL Industries which was transferred to a special purpose vehicle established and controlled by the Hong Kong Scheme Administrator (the "Debt Restructuring").

Bond A was issued in 2 tranches on 17 April 2015 and 25 June 2015 at the respective principal amounts of HK$10,000,000 and HK$50,000,000, with a tenure of 5 years. Interest is chargeable at 7.5% per annum and payable semi-annually in arrears. As at 31 December 2015, the fair value of Bond A approximated to its carrying amount of RMB50,268,000.

The details of the Debt Restructuring are set out in the Company's circulars dated 30 June 2014 and 16 February 2015 and in the Company's announcement dated 17 April 2015.

Acquisition of the entire equity interest in TCL Display

According to the acquisition agreement dated 28 February 2014 entered into among the Company, the vendors and an independent third party (as amended on 30 May 2014 and 18 November 2014), the consideration of HK$550,000,000 for acquisition of the entire equity interest in the TCL Display was satisfied as follows:

(i) HK$340,500,000 by the issuance and allotment of 972,857,143 shares (the "Consideration Shares") by the Company at HK$0.35 per Consideration Share to the vendors and the investor on 17 April 2015. Upon completion of the issuance of the Consideration Shares, the number of the issued shares of the Company increased by 972,857,143, and the amount of the share capital and the share premium account of the Company increased by RMB76,720,000 and RMB191,799,000, respectively.

(ii) HK$199,500,000 by issuance of convertible bonds (the "CB") by the Company to the vendors, with no maturity date, zero coupon rate and an initial conversion price of HK$0.35 per conversion share (subject to adjustment).

The CB holders are entitled to convert the CB into a total of 570,000,000 new ordinary shares of the Company at the initial conversion price during the conversion period starting from 26 December 2015, i.e. the date immediately following 6 months after resumption of trading in the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") until the principal amount has been fully converted and/or redeemed by the Company.

The Company has no obligation to repay any outstanding principal amount of the CB but has the rights at its discretion to redeem any principal amount of the CB at its face value. The CB meets the definition of equity under HKAS 32 and hence, is accounted for as an equity instrument of the Company and the principal amount of HK$199,500,000 (equivalent to RMB157,326,000) was recognised as the convertible bond reserve of the Company.

(iii) HK$10,000,000 by issuance of bonds ("Bond B") on 17 April 2015 to TCL Industries at the principal amount of HK$10,000,000, with a tenure of 3 years at nil interest rate. As at 31 December 2015, the fair value of Bond B approximated to its carrying amount of RMB8,378,000, Bond B was accounted for as a distribution from the Group to a former shareholder of TCL Display. Bond A and Bond B comprise the bonds payable of RMB58,646,000 in the consolidated statement of financial position as at 31 December 2015.

The details of the acquisition of the entire equity interest in TCL Display are set out in the Company's circulars dated 30 June 2014 and 16 February 2015 and in the Company's announcement dated 17 April 2015.

Open Offer

For the period under review, the Company carried out an open offer (the "Open Offer") of 101,441,768 offer shares (the "Open Offer Shares") to raise approximately RMB27,999,000 on the basis of 2 Open Offer Shares for every 1 existing share held by the then qualifying shareholders on the record date (i.e. 19 May 2015) at the offer price of HK$0.35 for each Open Offer Share. Upon completion of the Open Offer, the number of the issued shares of the Company increased by 101,441,768 and the amount of the share capital and the share premium account of the Company increased by RMB8,000,000 and RMB19,999,000, respectively.

The details of the Open Offer are set out in the prospectus and announcement of the Company dated 20 May 2015 and 10 June 2015 respectively.

Reverse Takeover Transaction

On 25 June 2015 (the "Combination Date"), the Reverse Takeover Transaction was completed. However, the Reverse Takeover Transaction does not fulfil the requirements for reverse acquisition in accordance with the HKFRS 3 as the Company was only a non-operating public shell corporation and does not meet the definition of a business under HKFRS 3. Instead, the Reverse Takeover Transaction should be accounted for in the Group's financial statements as a continuation of the financial statements of the legal acquiree – TCL Display, together with a deemed issue of equity, equivalent to the shares held by former shareholders of the Company, and a re-capitalisation of the equity of TCL Display.

This deemed issue of equity is, in effect, an equity-settled share-based payment transaction whereby TCL Display has received the net liabilities of the Company, together with its listing status. Under HKFRS 2, TCL Display should measure the equity-settled share-based payments indirectly by reference to the fair value of the equity instruments issued as there are no goods or services received by TCL Display from this transaction. The increase in equity by TCL Display should be measured by reference to the fair value of the equity that is deemed to have been issued, i.e. RMB78,020,000 (the "Deemed Consideration") in exchange for the net liabilities and listing status of the Company.

However, as the listing status does not qualify for recognition as an intangible asset, it is expensed in profit or loss.

These consolidated financial statements have been prepared as a continuation of the financial statements of TCL Display:

(i) The assets and liabilities of TCL Display are recognised and measured at their carrying amounts;

(ii) The identified assets and liabilities of the Company are recognised and measured initially at their fair value on the Combination Date;

(iii) The amount recognised as issued equity instruments in the consolidated financial statements is determined by adding the issued equity of TCL Display immediately before the Reverse Takeover Transaction and the fair value of the Deemed Consideration;

(iv) The comparative information presented in these consolidated financial statements is restated to be that of TCL Display as adjusted to reflect the Company's legal capital.

Further details of the Reverse Takeover Transaction are set out in note 15 to this results announcement.

Going concern

As at 31 December 2015, the Group recorded net current liabilities of RMB16,081,000 (30 June 2014: RMB5,537,000). In view of this circumstance, the directors of the Company have given consideration to the future liquidity and future performance of the Group in assessing whether the Group will have sufficient cash flows to continue as a going concern. Based on management's estimation of the future cash flows of the Group, the directors of the Company believe that the Group has sufficient cash flows in the foreseeable future to enable it to continue its operations and meet its liabilities as and when they fall due. The directors of the Company therefore are of the opinion that it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

Change of presentation currency

Upon completion of the Reverse Takeover Transaction, the Group changed the presentation currency of its consolidated financial statements from Hong Kong Dollar ("HK$") to RMB because, in the opinion of the directors of the Company, the operations of the Group are mainly carried through TCL Display. The turnover of the Group are entirely contributed by the business in Mainland China from the date of the completion of Reverse Takeover Transaction and changing the presentation currency to RMB could provide users of the financial statements with more comparable information with other companies in similar industries. Comparative figures have been represented in RMB.

The change in presentation currency of the Group and the Company has been applied retrospectively in accordance with HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, and the comparative figures as at 1 July 2013 and 30 June 2014 and for the year ended 30 June 2014 have also been restated to RMB accordingly.

The change in presentation currency has no significant impact on the financial positions of the Group and the Company as at 1 July 2013, 30 June 2014 and 31 December 2015, or the results and cash flows of the Group and Company for the period from 1 July 2014 to 31 December 2015 and the year ended 30 June 2014.

Change of financial year-end date

During the current financial period, the financial year-end date of the Company was changed from 30 June to 31 December to align with financial year-end date of 31 December of TCL Display. The change of financial year-end date of the Company from 30 June to 31 December will achieve consistency between the financial year-end date of the Company and the financial year-end date of TCL Display. This will enable the Company to prepare and update its financial statements for the preparation of consolidated accounts, and enable the Company to better utilise its resources and facilitate better planning and operational processes of the Company. Accordingly, the consolidated financial statements for the current period cover an eighteen months' period from 1 July 2014 to 31 December 2015. The details of the change of financial year-end date are set out in the announcement of the Company dated 13 May 2015.

As a result of the change of financial year-end date, the consolidated financial statements presented for the current period cover a period of eighteen months from 1 July 2014 to 31 December 2015. The corresponding comparative amounts shown for the consolidated statement of profit or loss, consolidated statement of changes in equity, consolidated statement of cash flows and related notes cover a twelve-month period from 1 July 2013 to 30 June 2014, and therefore may not be entirely comparable with the amounts shown for the current period.

In order to give a better picture of the Company's business performance and results for the twelve months ended 31 December 2015, major financial information for the year ended 31 December 2015 have been included in this announcement on voluntary basis.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised standards for the first time for the current period's financial statements.

Amendments to HKAS 19 *Defined Benefit Plans: Employee Contributions*
Annual Improvements to HKFRSs 2010-2012 Cycle
Annual Improvements to HKFRSs 2011-2013 Cycle

The nature and the impact of each amendment is described below:

(a) Amendments to HKAS 19 apply to contributions from employees or third parties to defined benefit plans. The amendments simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction of service cost in the period in which the related service is rendered. The amendments have had no impact on the Group as the Group does not have defined benefit plans.

(b) The *Annual Improvements to HKFRSs 2010-2012 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Details of the amendments that are effective for the current period are as follows:

- HKFRS 8 *Operating Segments*: Clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria in HKFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar. The amendments also clarify that a reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments have had no impact on the Group.

- HKAS 16 *Property, Plant and Equipment and HKAS 38 Intangible Assets*: Clarifies the treatment of the gross carrying amount and accumulated depreciation or amortisation of revalued items of property, plant and equipment and intangible assets. The amendments have had no impact on the Group as the Group does not apply the revaluation model for the measurement of these assets.

- HKAS 24 *Related Party Disclosures*: Clarifies that a management entity (i.e., an entity that provides key management personnel services) is a related party subject to related party disclosure requirements. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment has had no impact on the Group as the Group does not receive any management services from other entities.

(c) The *Annual Improvements to HKFRSs 2011-2013 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Details of the amendments that are effective for the current period are as follows:

- HKFRS 3 *Business Combinations*: Clarifies that joint arrangements but not joint ventures are outside the scope of HKFRS 3 and the scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is applied prospectively. The amendment has had no impact on the Group as the Company is not a joint arrangement and the Group did not form any joint arrangement during the current period.

- HKFRS 13 *Fair Value Measurement*: Clarifies that the portfolio exception in HKFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of HKFRS 9 or HKAS 39 as applicable. The amendment is applied prospectively from the beginning of the annual period in which HKFRS 13 was initially applied. The amendment has had no impact on the Group as the Group does not apply the portfolio exception in HKFRS 13.

- HKAS 40 *Investment Property*: Clarifies that HKFRS 3, instead of the description of ancillary services in HKAS 40 which differentiates between investment property and owner-occupied property, is used to determine if the transaction is a purchase of an asset or a business combination. The amendment is applied prospectively for acquisitions of investment properties. The amendment has had no impact on the Group as the Group does not have any investment property.

In addition, the Company has adopted the amendments to the Listing Rules issued by the Hong Kong Stock Exchange relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current period. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

3. ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 9	*Financial Instruments*[2]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
Amendments to HKFRS 10,HKFRS 12 and HKAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception*[1]
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*[1]
HKFRS 14	*Regulatory Deferral Accounts*[3]
HKFRS 15	*Revenue from Contracts with Customers*[2]
Amendments to HKAS 1	*Disclosure Initiative*[1]
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*[1]
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants*[1]
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*[1]
Annual Improvements 2012-2014 Cycle	Amendments to a number of HKFRSs[1]

1 Effective for annual periods beginning on or after 1 January 2016

2 Effective for annual periods beginning on or after 1 January 2018

3 Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group

Further information about those HKFRSs that are expected to be applicable to the Group is as follows:

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt HKFRS 9 from 1 January 2018. The Group is currently assessing the impact of the standard.

The amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively.

The amendments to HKFRS 11 require that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a business must apply the relevant principles for business combinations in HKFRS 3. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to HKFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2016.

HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. In September 2015, the HKICPA issued an amendment to HKFRS 15 regarding a one-year deferral of the mandatory effective date of HKFRS 15 to 1 January 2018. The Group expects to adopt HKFRS 15 on 1 January 2018 and is currently assessing the impact of HKFRS 15 upon adoption.

Amendments to HKAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements. The amendments clarify:

(i) the materiality requirements in HKAS 1;

(ii) that specific line items in the statement of profit or loss and the statement of financial position may be disaggregated;

(iii) that entities have flexibility as to the order in which they present the notes to financial statements; and

(iv) that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of profit or loss. The Group expects to adopt the amendments from 1 January 2016. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 16 and HKAS 38 clarify the principle in HKAS 16 and HKAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are to be applied prospectively. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2016 as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

4. SEGMENT INFORMATION

For management purposes, the Group operates in one business unit based on its products, and has one reportable operating segment as follows:

The display products segment principally engages in the manufacture and sale of flat panel display products.

No operating segments have been aggregated to form the above reportable operating segment.

Geographical information

(a) Revenue from external customers

	Period ended 31 December 2015	Year ended 30 June 2014
	RMB'000	*RMB'000*
		(Restated)
Mainland China*	**1,708,141**	1,323,117
Other countries/areas	**1,980,020**	1,174,596
	3,688,161	2,497,713

The revenue information above is based on the locations of the customers.

* Mainland China means any part of the PRC excluding Hong Kong, Macau and Taiwan.

(b) Non-current assets

All significant operating assets of the Group are located in Mainland China. Accordingly, no geographical information of segment assets is presented.

Information about major customers

Revenue of approximately RMB1,872,107,000 during the period form 1 July 2014 to 31 December 2015 (year ended 30 June 2014: RMB1,189,687,000) was derived from sales to fellow subsidiaries.

5. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold after allowances for returns and trade discounts.

An analysis of revenue, other income and gains is as follows:

	Period ended 31 December 2015 *RMB'000*	Year ended 30 June 2014 *RMB'000* (Restated)
Revenue		
Sale of goods	**3,688,161**	2,497,713
Other income and gains		
Bank interest income	**2,555**	2,025
Subsidy income*	**12,745**	1,723
Exchange gains, net	**3,853**	762
Gain on disposal of raw materials, samples and scraps	**11,153**	2,478
Gain on a litigation compensation	**28,624**	–
Others	**421**	86
	59,351	7,074

* Subsidy income represented various government grants received by the Group in Mainland China. In the opinion of management, there are no unfulfilled conditions or contingencies relating to these grants.

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	**Period ended 31 December 2015** ***RMB'000***	Year ended 30 June 2014 *RMB'000* (Restated)
Cost of inventories sold		**3,116,260**	2,124,608
Depreciation		**58,011**	30,411
Amortisation of intangible assets		**81**	62
Auditors' remuneration		**1,122**	286
Research and development costs:			
current period/year expenditures		**28,672**	17,478
Minimum lease payments under operating leases		**9,604**	6,131
Employee benefit expense (including directors' remuneration):			
Wages and salaries		**203,734**	107,863
Pension scheme contributions*		**38,643**	19,552
		242,377	127,415
Exchange gains, net	5	**(3,853)**	(762)
Write-down of inventories to net realisable value**		**11,445**	384
Impairment reversal of trade receivables		**–**	(574)
Loss on disposal of property, plant and equipment		**785**	2,485
Listing expense	15	**142,151**	–

* As at 31 December 2015, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (30 June 2014: Nil).

** Write-down of inventories to net realisable value is included in "Cost of sales" in the consolidated statement of profit or loss.

7. FINANCE COSTS

	Period ended 31 December 2015 *RMB'000*	Year ended 30 June 2014 *RMB'000* (Restated)
Interest on bank loans and bonds	**4,532**	4,265
Interest on discounted bills	**5,407**	9,748
	9,939	14,013

8. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period from 1 July 2014 to 31 December 2015 (year ended 30 June 2014: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	Period ended 31 December 2015 *RMB'000*	Year ended 30 June 2014 *RMB'000* (Restated)
Current – Mainland China		
Charge for the year	**44,254**	35,098
Deferred	**(11,942)**	(1,899)
Total tax charge for the year	**32,312**	33,199

9. DIVIDENDS

The Board does not recommend the payment of any dividend by the Company during the period from 1 July 2014 to 31 December 2015.

	Period ended 31 December 2015 *RMB'000*	Year ended 30 June 2014 *RMB'000* (Restated)
Dividends recognised as distribution	**118,163**	62,239

During the period from 1 July 2014 to 31 December 2015, dividends with an aggregate amount of RMB118,163,000 (year ended 30 June 2014: RMB62,239,000) were distributed by TCL Display to its then shareholders before completion of the acquisition of the entire equity interest of TCL Display by the Company.

10. EARNINGS PER SHARE

The calculations of the basic and diluted earnings per share amounts are based on the profit for the period/year attributable to ordinary equity holders of the parent.

The weighted average number of shares used in the calculation of the basic earnings per share for the year ended 30 June 2014 is determined by reference to the pre-combination capital of TCL Display multiplied by the exchange ratio established in the Reverse Takeover Transaction.

The weighted average number of ordinary shares used in the calculation of the basic earnings per share for the period from 1 July 2014 to 31 December 2015 is determined by reference to the pre-combination capital of TCL Display multiplied by the exchange ratio established in the Reverse Takeover Transaction and the weighted average actual number of ordinary shares of the Company in issue after the completion of the Reverse Takeover Transaction.

The weighted average number of ordinary shares used in the calculation of the diluted earnings per share for the period from 1 July 2014 to 31 December 2015 is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

	Period ended 31 December 2015	Year ended 30 June 2014
	RMB'000	*RMB'000*
		(Restated)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	**26,409**	89,717

	Number of shares	
	Period ended 31 December 2015	Year ended 30 June 2014
		(Restated)
Shares		
Weighted average number of ordinary shares in issue during the period/year used in the basic earnings per share calculation	**784,544,431**	587,142,857
Effect of dilution-weighted average number of ordinary shares:		
Convertible bonds	**193,114,753**	–
	977,659,184	587,142,857

11. TRADE AND BILLS RECEIVABLES

	31 December 2015 *RMB'000*	30 June 2014 *RMB'000* (Restated)
Trade receivables	**426,049**	386,995
Bills receivable	**171,489**	177,052
Impairment	**–**	–
	597,538	564,047

The Group's trading terms with its customers are mainly on credit, except for certain customers, where payment in advance is normally required. The credit period is generally 30 to 90 days, depending on the size and credibility of the customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An aged analysis of the trade and bills receivables as at the end of each reporting period, based on the invoice date, is as follows:

	31 December 2015 *RMB'000*	30 June 2014 *RMB'000* (Restated)
Within 1 month	**419,069**	147,684
1 to 2 months	**132,054**	330,335
2 to 3 months	**32,762**	61,187
Over 3 months	**13,653**	24,841
	597,538	564,047

12. TRADE AND BILLS PAYABLES

	31 December 2015 *RMB'000*	30 June 2014 *RMB'000* (Restated)
Trade payables	**674,922**	655,915
Bills payable	**135,254**	116,686
	810,176	772,601

An aged analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	31 December 2015 *RMB'000*	30 June 2014 *RMB'000* (Restated)
Within 30 days	**280,748**	364,374
31 to 60 days	**201,932**	236,425
61 to 90 days	**152,132**	93,499
Over 90 days	**175,364**	78,303
	810,176	772,601

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 120 days.

13. INTEREST-BEARING BANK BORROWINGS

	31 December 2015			30 June 2014 (restated)		
	Effective interest rate (%)	**Maturity**	***RMB'000***	Effective interest rate (%)	Maturity	*RMB'000*
Current						
Bank loans – secured	**0.95**	**2016**	**26,794**	3.43	2014	7,408
Collateralised bank advances – secured	**0.79-0.92**	**2016**	**110,391**	3.13	2014	49,222
			137,185			56,630
Repayable:						
Within one year			**137,185**			56,630

Notes:

(a) The Group had banking facilities of RMB1,220,000,000 (30 June 2014: RMB610,000,000), of which RMB272,437,000 (30 June 2014: RMB36,286,000) had been utilised as at the end of the reporting period.

(b) The Group's bank loans are secured by:

   (i) trade receivables of RMB137,989,000 (30 June 2014: RMB61,528,000); and

   (ii) as at 30 June 2014, certain bank loans of RMB7,408,000 were secured by letters of credit.

   In addition, the Company's ultimate holding company has guaranteed certain of the Group's bank loans up to RMB137,185,000, (30 June 2014: Nil) as at the end of the reporting period.

(c) The Group's bank loans are denominated in US$.

14. SHARE CAPITAL

	31 December 2015	30 June 2014
Authorised*:		
4,000,000,000 (30 June 2014: 2,000,000,000) ordinary shares of HK$0.10 each (HK$'000)	**400,000**	200,000
Issued and fully paid:		
1,721,499,806 (30 June 2014: 772,008,992) ordinary shares (HK$'000)	**172,150**	77,201
Equivalent to RMB'000	**138,561**	60,880

* Pursuant to a special resolution passed on 11 March 2015, the authorised share capital of the Company was increased from HK$200,000,000 to HK$400,000,000 by the creation of 2,000,000,000 additional shares of HK$0.10 each.

A summary of movements in the Company's share capital is as follows:

	Notes	**Number of Shares in issue**	**Share capital** *RMB'000*
At 1 July 2013, 30 June 2014 and 1 July 2014 (restated)		**772,008,992**	60,880
Capital Restructuring	(i)	**(694,808,093)**	(54,793)
Issuance and allotment of Consideration Shares	(i)	**972,857,143**	76,720
Issuance upon Open Offer	(i)	**101,441,768**	8,000
Conversion of the convertible bonds	(ii)	**569,999,996**	47,754
At 31 December 2015		**1,721,499,806**	138,561

Notes:

(i) Details are set out in note 1 to this results announcement.

(ii) On 28 December 2015, the conversion rights attaching to 569,999,996 convertible bonds were exercised at the conversion price of HK$0.35 per conversion share, resulting in the issue of 59,999,996 shares, the increase in the paid-in capital of RMB4,754,000 and the transfer of RMB109,572,000 from the convertible bond reserve to the share premium account.

15. ACQUISITION OF A SUBSIDIARY

As mentioned in note 1 above, on the Combination Date, the Company acquired the entire interest of TCL Display, which constitutes a reverse takeover and TCL Display is treated as the acquirer, for accounting purpose. Accordingly, these consolidated financial statements have been prepared as a continuation of the consolidated financial statements of TCL Display, and the results of the Company have been consolidated since the completion date of the Reverse Takeover Transaction. TCL Display is deemed to have issued shares in exchange for the net liabilities and listing status of the Company which resulted in the listing expense of approximately RMB142,151,000.

Details of the identifiable assets and liabilities of the Company and the listing expense arising from the Reverse Takeover Transaction as at the Combination Date were as follows:

	RMB'000
Cash and cash balances	27,999
Other payables and accruals	(44,814)
Bonds payable	(47,316)
Total identifiable net liabilities at fair value	(64,131)
Listing expense	142,151
Fair value of the deemed shares issued by TCL Display	78,020

An analysis of the cash flows in respect of the Reverse Takeover Transaction is as follows:

	RMB'000
Cash consideration	–
Cash and bank balances acquired	27,999
Net inflow of cash and cash equivalents included in cash flows from investing activities	27,999

16. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	31 December 2015 *RMB'000*	30 June 2014 *RMB'000* (Restated)
NON-CURRENT ASSETS		
Investments in subsidiaries	**164,537**	–
Total non-current assets	**164,537**	–
CURRENT ASSETS		
Prepayment and other receivables	**26,776**	3
Total current assets	**26,776**	3
CURRENT LIABILITIES		
Other payables and accruals	**45,666**	401,719
Interest payable	**1,948**	–
Financial guarantee liabilities	**–**	2,215,966
Total current liabilities	**47,614**	2,617,685
NET CURRENT LIABILITIES	**(20,838)**	(2,617,682)
TOTAL ASSETS LESS CURRENT LIABILITIES	**143,699**	(2,617,682)
NON-CURRENT LIABILITIES		
Bonds payable	**58,646**	–
Total non-current liabilities	**58,646**	–
Net assets	**85,053**	(2,617,682)
EQUITY		
Share capital	**138,561**	60,880
Reserves (note)	**(53,508)**	(2,678,562)
	85,053	(2,617,682)

Note:

A summary of the Company's reserves is as follows:

	Convertible bonds reserve	Share premium account	Contributed surplus	Accumulated losses	Exchange fluctuation reserve	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 July 2013 (restated)	–	249,743	128,048	(3,038,997)	–	(2,661,206)
Loss and total comprehensive loss for the year	–	–	–	(17,356)	–	(17,356)
At 30 June 2014 (restated)	–	249,743	128,048	(3,056,353)	–	(2,678,562)
At 31 July 2014 (restated)	–	249,743	128,048	(3,056,353)	–	(2,678,562)
Profit and total comprehensive income for the period^	–	–	–	2,243,838	–	2,243,838
Issuance and allotment of Consideration shares*	–	191,799	–	–	–	191,799
Issue of the convertible bonds*	157,326	–	–	–	–	157,326
Open offer*	–	19,999	–	–	–	19,999
Capital restructuring*	–	(461,541)	(128,048)	644,382	–	54,793
Conversion of the convertible bonds *(note 14)*	(157,326)	109,572	–	–	–	(47,754)
Exchange differences on translation of foreign operations	–	–	–	–	5,053	5,053
At 31 December 2015	–	109,572	–	(168,133)	5,053	(53,508)

^ The profit and total comprehensive income for the period was mainly attributable to the gain on the Debt Restructuring.

* Details are set out in note 1 to this results announcement.

INDUSTRY REVIEW

In 2015, consumer sentiment has been continually weakened by the weak and unstable global economy as well as the slowdown of the macroeconomy, which has adversely affected the global panel display module market. According to a statistical report recently released by the market research firm International Data Corporation ("IDC"), global mobile phone shipments reached approximately 1.97 billion units in the year, slightly increased by approximately 4.2% when compared to 2014. Of these shipments, smart phones accounted for approximately 1.43 billion units, increased by approximately 14.4% from 2014, yet the 2015 figure revealed a deceleration in growth when compared to the growth of over 20% since 2010. Global personal tablet computer ("tablet") shipments in 2015 were approximately 210 million units, dropped by 10.1% as compared with that in 2014. As evidenced by the IDC's statistical report, the rapid growth experienced in the display module market in the past few years also began to slowdown.

The maturing smart phone and tablet market, as well as the increasing product popularity raised consumers' expectations in visual experience that could be delivered by the end products which prompted device manufacturers to further improve and enhance the function specifications for display panels. On the other hand, the smart device market saw an influx of investments by domestic internet companies to seize greater market share of the internet-related business; the continuous emergence of new brands in the market has resulted in the "high quality – low price" phenomenon in the industry, which further intensified competition in the upstream market of display modules for mobile phones and tablets.

BUSINESS REVIEW

For the eighteen months ended 31 December 2015

The Group is one of the major suppliers of small-to-medium sized (≤10.1") display modules in the People's Republic of China (the "PRC"), and is principally engaged in research and development, manufacture, sale and distribution of the liquid crystal display ("LCD") modules for mobile phones. For the eighteen months ended 31 December 2015 (the "Review Period"), the Group recorded a net profit of approximately RMB26.4 million, as compared to the net profit of approximately RMB89.7 million for the twelve months ended 30 June 2014 (the "Comparative Period"). The significant decrease in net profit during the Review Period was mainly attributable to the one-off listing expense incurred as a result of the reverse takeover of the entire interest in Display Huizhou by the Company which was regarded as a deemed new listing (the details of which were set out in note 15 to this results announcement). Excluding the one-off listing expense, the Group recorded an adjusted profit of approximately RMB169 million during the Review Period, which is 87.9% higher than the profit for the Comparative Period.

During the Review Period, the Group's revenue was approximately RMB3.69 billion, increased by approximately 47.7% compared with the Comparative Period. For the eighteen months ended 31 December 2015, gross profit was approximately RMB290 million, and gross profit margin was down by 1.5 percentage points to approximately 7.9% from approximately 9.4% for the twelve months ended 30 June 2014. Such decrease was primarily due to the decrease in average selling price of products. Net profit was approximately RMB26.4 million, compared to the net profit of approximately RMB89.7 million during the Comparative Period.

During the Review Period, mobile phone LCD module products were still the main source of income for the Group, accounting for approximately 91.9% of the Group's total revenue. Facing with fierce market competition, the mobile phone market in the PRC slowed down since early 2015. The Group's revenue from feature phone LCD module products (size < 3.5") and smart phone LCD module products (size 3.5" – 6") during the Review Period was approximately RMB344 million and approximately RMB3.05 billion respectively, as compared to approximately RMB358 million and approximately RMB2.10 billion during the Comparative Period respectively. On the other hand, benefited from the increased demand from a customer on other mobile device display modules with larger size, revenue from the Group's other mobile device LCD module products (size > 6") increased from approximately RMB40.8 million for the twelve months ended 30 June 2014 to approximately RMB299 million during the Review Period. Revenue from other mobile device LCD module products (size > 6") as a percentage of the Group's total revenue also increased to approximately 8.1% for the Review Period, compared to 1.6% for the Comparative Period.

The Group's revenue by product segments during the Review Period and their respective period-on-period change are as follows:

	Eighteen months ended 31 December 2015		Twelve months ended 30 June 2014		Period-on-Period Change
	RMB'000	***%***	*RMB'000*	*%*	*%*
TFT LCD modules					
– for feature phones (size < 3.5")	**344,108**	**9.3**	357,927	14.3	-3.9
– for smart phones (size 3.5" – 6")	**3,045,474**	**82.6**	2,099,035	84.1	45.1
– for other mobile devices (size > 6")	**298,579**	**8.1**	40,751	1.6	632.7
Total	**3,688,161**	**100.0**	2,497,713	100.0	47.7

The Group's sale volume by product segments during the Review Period and their respective period-on-period change are as follows:

	Eighteen months ended 31 December 2015		Twelve months ended 30 June 2014		Period-on-Period Change
	'000 units	*%*	*'000 units*	*%*	*%*
TFT LCD modules					
– for feature phones (size < 3.5")	**27,564**	**30.9**	22,550	37.2	22.2
– for smart phones (size 3.5" – 6")	**57,905**	**65.0**	37,655	62.1	53.8
– for other mobile devices (size > 6")	**3,632**	**4.1**	413	0.7	779.4
Total	**89,101**	**100.0**	60,618	100.0	47.0

The Group is engaged primarily in the research and development ("R&D") and supply of LCD modules for various reputable international and domestic mobile phone manufacturers on an Original Design Manufacture ("ODM") basis. For the eighteen months ended 31 December 2015, Hong Kong and the PRC were the major markets of the Group. The revenue derived from Hong Kong and the PRC was approximately RMB1.88 billion and approximately RMB1.71 billion respectively, which accounted for an aggregate of approximately 97.4% of the total revenue of the Group. During the Review Period, the Group further deepened the collaboration with LG, a globally renowned consumer electronics brand based in Korea, which brought a significant increase in the sales revenue of the Group from its Korean market, from approximately RMB14.4 million for the twelve months ended 30 June 2014 to approximately RMB95.8 million.

The Group's revenues by geographical regions during the Review Period and the Comparative Period are as follows:

	Eighteen months ended 31 December 2015		Twelve months ended 30 June 2014		Year-on-Year Changes
	RMB'000	*%*	*RMB'000*	*%*	*%*
Hong Kong	**1,884,248**	**51.1**	1,159,453	46.4	62.5
PRC	**1,708,141**	**46.3**	1,323,117	53.0	29.1
Korea	**95,772**	**2.6**	14,434	0.6	563.5
Others	**0**	**0**	709	0	-100.0
Total	**3,688,161**	**100.0**	2,497,713	100.0	47.7

During the Review Period, the Group strengthened its efforts in research and development for product innovation . Thanks to the dedication of the R&D team, On-cell embedded module products have been successfully put into mass production and delivered in the first half of 2015, and have been well-received by core customers. The Group also continued to enhance the development of ultra-thin narrow bezel products, OTP capacity building, power efficiency control and automation production projects, production capacity and core competitiveness of products, which laid a firmer basis for the Group's product research and development. In addition, during the Review Period, the Group launched a meticulous management strategy and actively adjusted the product structure, thereby improving product quality to meet the diverse needs of customers. At the same time, through optimization of the product mix, the Group is able to provide more competitive products and solutions to end customers, thus effectively enhancing customer loyalty and maintaining good relationship with the end customers, as well as expanding the Group's market share.

The Group possesses advanced production technology and facilities and is committed to providing customers with high quality and competitive products. As at 31 December 2015, the Group's plant in Huizhou City, Guangdong Province covered a total gross floor area of over 44,000 sq. m, and was equipped with 24 LCD modules production lines (including 28 units of full lamination assembling equipment). The comprehensive production technologies and facilities further enabled the Group to effectively increase its production efficiency and mitigate against the adverse effect arising from increased production costs.

For the twelve months ended 31 December 2015

For the twelve months ended 31 December 2015, the Group recorded a revenue of approximately RMB2.24 billion, representing a decrease of approximately 14.2% as compared to the twelve months ended 31 December 2014. Sales volume during the year slightly increased by approximately 1.3% to approximately 58.4 million units from last year. Such decrease in revenue was primarily attributable to the price cuts caused by the intense competition in the LCD module market during the year which, in turn, led to the drop of gross profit margin to 6.2%. Net loss of approximately RMB69.5 million was recorded for the twelve months ended 31 December 2015, as compared to the net profit of approximately RMB125 million for the twelve months ended 31 December 2014. Excluding the one-off listing expense, the Group recorded an adjusted net profit of approximately RMB72.6 million for the year, representing a decrease of 41.8% from the net profit of approximately RMB125 million last year.

During the twelve months ended 31 December 2015, mobile phone LCD module products were still the main source of income for the Group, accounting for approximately 91.9% of the Group's total revenue. Facing with fierce market competition, the mobile phone market in the PRC slowed down since early 2015. The Group's revenue from feature phone LCD module products (size < 3.5") and smart phone LCD module products (size 3.5" – 6") during the twelve months ended 31 December 2015 was approximately RMB207 million and approximately RMB1.85 billion respectively, as compared to approximately RMB275 million and approximately RMB2.20 billion during the twelve months ended 31 December 2014 respectively. On the other hand, benefited from the increased demand from a customer on other mobile device display modules with larger size, revenue from the Group's other mobile device LCD module products (size > 6") increased from approximately RMB140 million for the twelve months ended 31 December 2014 to approximately RMB182 million for the twelve months ended 31 December 2015. Revenue from other mobile device LCD module products (size > 6") as a percentage of the Group's total revenue also increased to approximately 8.1% for the twelve months ended 31 December 2015, compared to 5.4% for the prior year.

The Group's revenue by product segments for the twelve months ended 31 December 2015 and their respective year-on-year change are as follows:

	Twelve months ended 31 December 2015		Twelve months ended 31 December 2014		Year-on-Year Change
	RMB'000	***%***	*RMB'000*	*%*	*%*
TFT LCD modules					
– for feature phones (size < 3.5")	**207,312**	**9.3**	274,610	10.5	-24.5
– for smart phones (size 3.5" – 6")	**1,853,188**	**82.6**	2,199,352	84.1	-15.7
– for other mobile devices (size > 6")	**182,322**	**8.1**	140,266	5.4	30.0
Total	**2,242,822**	**100.0**	2,614,228	100.0	-14.2

The Group's sales volume by product segments for the twelve months ended 31 December 2015 and their respective year-on-year change are as follows:

	Twelve months ended 31 December 2015		Twelve months ended 31 December 2014		Year-on-Year Change
	'000 units	***%***	*'000 units*	*%*	*%*
TFT LCD modules					
– for feature phones (size < 3.5")	**17,019**	**29.2**	19,038	33.0	-10.6
– for smart phones (size 3.5" – 6")	**39,067**	**66.9**	36,974	64.2	5.7
– for other mobile devices (size > 6")	**2,273**	**3.9**	1,607	2.8	41.5
Total	**58,359**	**100.0**	57,619	100.0	1.3

For the twelve months ended 31 December 2015, Hong Kong and the PRC were the major markets of the Group. The revenue derived from Hong Kong and the PRC was approximately RMB1.06 billion and approximately RMB1.11 billion respectively, which accounted for an aggregate of approximately 96.8% of the total revenue of the Group. During the twelve months ended 31 December 2015, the Group further deepened the collaboration with LG, a globally renowned consumer electronics brand based in Korea, which brought a significant increase in the sales revenue of the Group from its Korean market, from approximately RMB35.6 million for the twelve months ended 31 December 2014 to approximately RMB72.0 million.

The Group's revenue by geographical regions for the twelve months ended 31 December 2015 and their respective year-on-year change are as follows:

	Twelve months ended 31 December 2015		Twelve months ended 31 December 2014		Year-on-Year Change
	RMB'000	***%***	*RMB'000*	*%*	*%*
Hong Kong	**1,063,644**	**47.4**	1,337,422	51.2	-20.5
PRC	**1,107,227**	**49.4**	1,240,999	47.5	-10.8
Korea	**71,951**	**3.2**	35,616	1.3	102.0
Others	**0**	**0**	191	0	-100.0
Total	**2,242,822**	**100.0**	2,614,228	100.0	-14.2

CHANGE OF COMPANY NAME

Following the resumption of trading in the shares of the Company on the Main Board of the Stock Exchange (the "Resumption"), all conditions to the change of Company name have been fulfilled, and hence the change of the Company's English name from "Proview International Holdings Limited" to "TCL Display Technology Holdings Limited" and the adoption of the Chinese name "TCL顯示科技控股有限公司" as the second name of the Company to replace the Chinese name "唯冠國際控股有限公司" which has been used for identification purposes only became effective on 25 June 2015. The Board believes that the change of Company name provides a new corporate image for the Company and better reflects the business focus and development strategy of the Group in the future.

OUTLOOK

Looking ahead to 2016, the global economic outlook remains uncertain. In view of the continued weakness of the global economy and the on-going economic restructuring in the PRC, the growth of the mobile smart device market will continue to slowdown, and the intensifying market competition will lead to greater price pressure. Meanwhile, the domestic display module market industry has entered a phase of in depth integration and upgrading, and will gradually phase out small and medium-sized enterprises which fail to excel in technology, resources or financial strength, thus increasing the market concentration. Facing with the complex and volatile business environment, the Group will strive to identify new customers, optimize the product structure and strengthen product development capabilities, with a view to meeting the market demand with its better and higher-end products.

The Group's existing customers include a number of well-known international and PRC branded customers. In the following year, apart from reinforcing collaboration with existing customers and strengthening business cooperation with end-customers, the Group will also strive to explore new clients in order to boost sales and expand market share.

In order to maintain the competitiveness of the Group's products, the Group is committed to enhancing its capability in product and technology development. In response to the aspiration of smart device users in higher display quality and power efficiency, on-cell embedded module products have been put into mass production by the Group in first quarter of 2015. As the supply of low-temperature poly-silicon (LTPS) glass panel is expected to increase in the second half of 2016, the Group is confident that stable supply will be secured to meet the market need. On-cell and LTPS LCD module products are expected to account for a greater proportion of the Group's total sales and should contribute to boost sales and gross profit of the Group. Moreover, the development effort on in-cell embedded module products has also borne fruits. Mass production has commenced and the first shipment is scheduled for delivery in the first half of 2016. In 2016, the Group will continue to increase investment in product development, and develop more diversified laminated module products through joint research and development with its core customers. Due to the increasing demand for higher-end laminated module products, the Group expects to maintain a sustained growth in the sales of display module products with full lamination which shall become the Group's driver of growth in the future.

FINANCIAL REVIEW

Results

For the eighteen months ended 31 December 2015

During the Review Period, the audited consolidated revenue of the Group increased by 47.7% to approximately RMB3.69 billion from approximately RMB2.50 billion for the twelve months ended 30 June 2014.

The gross profit margin of the Group decreased from 9.4% to 7.9%.

For the eighteen months ended 31 December 2015, the Group recorded a profit attributable to owners of the parent amounting to approximately RMB26.4 million against profit of approximately RMB89.7 million for the twelve months ended 30 June 2014. Basic earnings per share was RMB3.37 cents, as compared to RMB15.28 cents for the twelve months ended 30 June 2014. The significant decrease in net profit for the eighteen months ended 31 December 2015 was primarily due to (i) the one-off listing expense of approximately RMB142 million, details of which are set out in note 15; and (ii) the price cuts caused by the intense competition in the LCD module market during the eighteen months ended 31 December 2015.

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained robust liquidity position during the Review Period. The Group's principal financial instruments comprise cash and cash equivalents and interest-bearing bank loans. The Group's cash and cash equivalents balance as at 31 December 2015 amounted to approximately RMB287 million, of which 59.8% was in US dollar, 30.3% was in RMB, and 9.9% was in HK dollar. As at 31 December 2015, the Group's interest-bearing bank loans were approximately RMB137 million. As at 31 December 2015, total equity attributable to owners of the parent was approximately RMB105 million (30 June 2014: RMB131 million), and the gearing ratio was 14.7% (30 June 2014: 5.1%). The gearing ratio is calculated based on the Group's total interest-bearing loans (including bank borrowings and bonds payable) divided by total assets.

Pledge of Assets

There was no pledge of assets by the Group as at 31 December 2015.

Capital commitments and contingent liabilities

	31 December 2015 *RMB'000*	30 June 2014 *RMB'000*
Plant and equipment:		
Contracted, but not provided	**17,594**	47,850

As at 31 December 2015, the Group had no significant contingent liabilities (30 June 2014: nil).

Pending Litigation

Upon the schemes of arrangement made between the Company and the certain creditors under Section 670 and 673 of the Companies Ordinance (Cap. 622) of Hong Kong (the "Hong Kong Scheme") and Section 99 of the Companies Act 1981 of Bermuda (the "Bermuda Scheme", together with the Hong Kong Scheme, hereinafter collectively referred to as the "Schemes") becoming effective on 16 April 2015, all litigations which were being undertaking against and for the Group as at 16 April 2015 have been transferred to a special purpose vehicle established and controlled by the Hong Kong Scheme administrators.

The Group had not been involved in any material litigation during the period from Resumption to 31 December 2015.

Foreign exchange risk

The Group's business and operations is facing the international market, thus it is inevitable for the Group to be exposed to the risk of foreign exchange transactions and conversion.

The Group is committed to striking a balance among trades, assets and liabilities that are denominated in foreign currencies to achieve a natural hedging effect. In addition, pursuant to prudent financial management, the Group has not conducted or engaged in any high-risk derivative transactions or leveraged foreign exchange contracts.

Employees and remuneration policies

As at 31 December 2015, the Group had a total of 3,347 employees. During the Review Period, the total staff costs amounted to approximately RMB242 million. The Group has reviewed the remuneration policy by reference to the existing legislations, market conditions, as well as the performances of employees and the Company.

PURCHASE, SALE OR REDEMPTION OF SHARES

To the best knowledge of the directors, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any shares in the Company during the period under review.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 10 May 2016 to Wednesday, 11 May 2016 (both dates inclusive), for the purposes of determining the entitlements of the shareholders of the Company to attend and vote at the AGM. No transfer of the shares may be registered during the said period. In order to qualify to attend and vote at the AGM, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Monday, 9 May 2016.

CORPORATE GOVERNANCE

To the best knowledge of the current directors of the Company, the Company had applied the principles as set out in the Corporate Governance Code ("CG Code") contained in Appendix 14 of the Listing Rules since Resumption up to 31 December 2015. Due to the severe financial difficulties of the Company (together with its then subsidiaries as a group) prior to the Reverse Takeover Transaction and the Resumption and the prolonged suspension in trading of the shares of the Company on the Stock Exchange, the directors of the Company are unable to comment as to whether the Company had complied with the CG Code throughout the period from 1 July 2014 to 24 June 2015.

As disclosed in the circular of the Company dated 30 June 2014, the Company upon Resumption adopted a system of corporate governance and has observed the CG Code wherever appropriate.

In preparing for the Resumption and to demonstrate that the Company has fulfilled all requirements for Resumption, the Company has, among other things:

1. following completion of the acquisition of the entire interest in TCL Display Technology (Huizhou) Co., Ltd. by the Company on 17 April 2015, the Company has adopted the CG Code and Corporate Governance Report with effect from 17 April 2015 which sets out principles of good corporate governance in relation to, among other matters, directors, the chairman and chief executive officer, board composition, the appointment, re-election and removal of directors, their responsibilities and remuneration and communications with shareholders;

2. with effect from 25 June 2015, appointed three independent non-executive directors ("Independent Non-Executive Directors"), namely Ms. Hsu Wai Man Helen, Mr. Xu Yan and Mr. Li Yang, constituting not less than one-third of the members of the Board upon Resumption as required under Rule 3.10A of the Listing Rules;

3. established the audit committee, remuneration committee and nomination committee of the Board with the respective written terms of reference in compliance with the CG Code with effect from 25 June 2015;

4. with effect from 25 June 2015, appointed Ms. Choy Fung Yee ("Ms. Choy"), a partner of the Company's Hong Kong legal adviser, Cheung Tong & Rosa Solicitors, as the company secretary of the Company;

5. adopted, among others, the board diversity policy, the shareholders' communication policy, procedures for shareholders to propose a person for election as a director, code for securities transactions by relevant employees pursuant to the Model Code, and procedure for employees raising concerns about possible improprieties in financial reporting, internal control or other matters, all with effect from 25 June 2015;

6. with effect from 25 June 2015, Ms. Sun Min resigned from the positions of chairman and chief executive officer of the Company and such positions were respectively taken up by Mr. Li Yuguo (who then ceased to be the chairman with effect from 11 August 2015 and on the same date Mr. Yuan Bing took up the position of Chairman of the Company) and Mr. Li Jian in compliance with Code Provision A.2.1; and

7. following the appointment of Ms. Yang Yunfang, executive director of the Company on 20 April 2015 and as at the date of this report, arranged and maintained appropriate insurance coverage for the directors of the Company in compliance with Code Provision A.1.8.

During the period from Resumption on 25 June 2015 to 31 December 2015, the Company has complied with the Code Provisions with the following exceptions:

Under Code Provision A.1.1, the Board shall meet regularly and at least four times a year at approximately quarterly intervals.

As Resumption took place on 25 June 2015 and the audit committee, nomination committee and remuneration committee were established upon Resumption, the Board and the Board committees, including the audit committee, nomination committee and remuneration committee, only convened and held 2 regular board meetings, 2 audit committee meetings, 1 nomination committee meeting and 1 remuneration committee meeting during the period from Resumption to 31 December 2015.

Under Code Provision C.3.3(e)(i), the audit committee must meet, at least twice a year, with the issuer's auditors.

As Resumption took place on 25 June 2015 and the audit committee was established upon Resumption, the audit committee only met once with the Company's auditors in respect of the review of the Company's 2015 interim report. Since Resumption to 31 December 2015, the audit committee also met with the Company's auditors to discuss the nature and scope of the audit and reporting obligations for the eighteen months ended 31 December 2015 before the audit commenced.

Under Code Provision F.1.1, the company secretary should be an employee of the Company and have the day-to-day knowledge of the Company's affairs.

The company secretary of the Company, Ms. Choy, is a partner of the Company's legal advisor, Cheung Tong & Rosa Solicitors. Although Ms. Choy is not an employee of the Company, she has taken primary advisory role to TCL Display Technology (Huizhou) Co., Ltd. (being the subject matter to the Reverse Takeover Transaction) in the capital restructuring, debt restructuring, open offer and the Reverse Takeover Transaction and Resumption. The Company has also assigned Mr. Hui Yuk Fung, the Vice Director of Corporate Finance and Investor Relations of the Company, as the contact person with Ms. Choy. Information in relation to the performance, financial position and other major developments of the Group are speedily delivered to Ms. Choy through the contact person assigned, to enable Ms. Choy to get hold of the Group's development promptly without material delay and with her expertise and experience, the Company is confident that having Ms. Choy as the company secretary is beneficial to the Group's compliance with the relevant board procedures, applicable laws, rules and regulations.

Save as disclosed above, none of the Directors is aware of any information which would reasonably indicate that the Company had not, throughout the period from 25 June 2015 to 31 December 2015, fully complied with the code provisions set out in the CG Code.

AUDIT COMMITTEE

The Audit Committee has reviewed the Group's consolidated financial statements for the eighteen months ended 31 December 2015, including the accounting principles adopted by the Group, with the Company's management. The Audit Committee comprises three members, namely Ms. Hsu Wai Man, Helen (Chairman), Mr. Xu Yan and Mr. Li Yang, all being Independent Non-Executive Directors of the Company.

The figures in respect of the Group's consolidated financial statements for the eighteen months ended 31 December 2015 as set out in this announcement have been agreed by the Group's auditors, Messrs. Ernst & Young.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY

The Board has adopted a code of conduct regarding directors' securities transaction on the same terms as the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Trading in the securities of the Company had been suspended during the period from 10 August 2010 to 24 June 2015.

Specific enquiries have been made with all directors of the Company and they have confirmed that they have complied with the required standard set out in the Model Code and the Company's code of conduct regarding directors' securities transactions during the period under review.

On behalf of the Board
YUAN Bing
Chairman

Hong Kong, 10 March 2016

As at the date of this announcement, the Board comprises Mr. Yuan Bing as Chairman and non-executive Director; Mr. Li Jian, Mr. Ouyang Hongping, Ms. Yang Yunfang and Mr. Zhao Yong as executive Directors; and Ms. Hsu Wai Man Helen, Mr. Xu Yan and Mr. Li Yang as independent non-executive Directors.