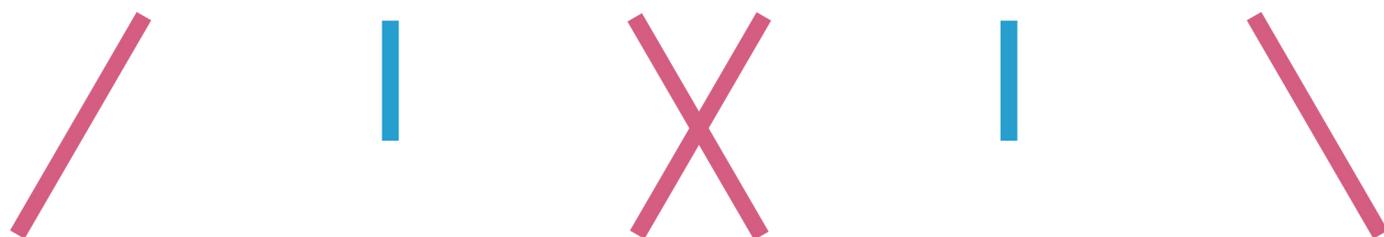


# Primeview Holdings Limited 領視控股有限公司

(Incorporated in the Bermuda with limited liability • 於百慕達註冊成立之有限公司)

Stock Code 股份代號 : 789



INTERIM REPORT  
2017/18 中期報告

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# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Mr. Tse Hoi Chau (*Chairman & Chief Executive Officer*)

Mr. Lin Shao Hua

Mr. Leung Yiu Cho

Ms. Yu Zhong Lian

### Independent Non-executive Directors

Mr. Lau Fai Lawrence

Mr. Lau Yiu Kit

Mr. Zeng Zhaohui

## AUDIT COMMITTEE

Mr. Lau Fai Lawrence (*Chairman*)

Mr. Lau Yiu Kit

Mr. Zeng Zhaohui

## REMUNERATION COMMITTEE

Mr. Zeng Zhaohui (*Chairman*)

Mr. Tse Hoi Chau

Mr. Lau Fai Lawrence

Mr. Lau Yiu Kit

## NOMINATION COMMITTEE

Mr. Lau Fai Lawrence (*Chairman*)

Mr. Tse Hoi Chau

Mr. Lau Yiu Kit

Mr. Zeng Zhaohui

## COMPANY SECRETARY

Mr. Lam Chak On

## AUTHORISED REPRESENTATIVES

Mr. Tse Hoi Chau

Mr. Lam Chak On

## REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

## PRINCIPAL PLACE OF BUSINESS

Unit D, 16/F,

Eton Building,

288 Des Voeux Road Central,

Sheung Wan,

Hong Kong

## PRINCIPAL BANKERS

Hang Seng Bank

The Hongkong and Shanghai Banking Corporation  
Limited



### LEGAL ADVISERS

As to Hong Kong law

Reed Smith Richards Butler  
20th Floor, Alexandra House  
18 Chater Road  
Central  
Hong Kong

As to Bermuda law

Conyers Dill & Pearman  
2901, One Exchange Square  
8 Connaught Place  
Central  
Hong Kong

### AUDITOR

Moore Stephens CPA Limited  
801-806 Silivercord, Tower 1,  
30 Canton Road  
Tsimshatsui

### SHARE REGISTRARS

Principal share registrar and transfer office

MUFG Fund Services (Bermuda) Limited  
The Belvedere Building  
69 Pitts Bay Road  
Pembroke HM08  
Bermuda

Hong Kong branch share registrar and transfer office

Union Registrars Limited  
Suite 3301-04, 33/F  
Two Chinachem Exchange Squares  
338 King's Road  
North Point, HK

### LISTING EXCHANGE INFORMATION

Place of Listing

The Stock Exchange of Hong Kong Limited  
(the "Stock Exchange")

Stock Code

789

### COMPANY'S WEBSITE

[www.primeview.com.hk](http://www.primeview.com.hk)



# Management Discussion and Analysis

## BUSINESS REVIEW

For the six months ended 30 September 2017 (the "Period"), the Group recorded a total turnover of approximately HK\$8,705,000 (for the six months ended 30 September 2016: approximately HK\$29,059,000), representing a decrease of approximately 70.0% as compared with the same period last year. The decrease was primarily attributable to the transformation of the Group's business focus from CDM to e-commerce. Gross profit was approximately HK\$8,457,000 (for the six months ended 30 September 2016: approximately HK\$1,039,000), representing an increase of approximately 714.0% as compared with the same period last year. During the Period, profit attributable to the owners of the Company was approximately HK\$3,179,000 (for the six months ended 30 September 2016 approximately HK\$1,551,000 re-presenting a year-on-year increase of approximately 105%). The increases are attributable to (i) higher gross profit margin contribution from an e-commerce business model which entails a much lower cost of goods sold during the Period, and; (ii) net exchange gain as a result of appreciation of RMB during the Period compare with net exchange loss in the same period in 2016. Profit per share was approximately HK\$0.001 (for the six months ended 30 September 2016 approximately HK\$0.001).

## E-COMMERCE BUSINESS

Following the completion of acquisition of Primeview Technology Limited ("PVT") in October 2016, the Group started a new business segment of developing and selling of software related applications. During the Period, the Group's e-commerce business recorded a turnover of approximately HK\$8,617,000 accounted for approximately 99% of the Group's Turnover.

## RETAIL AND DISTRIBUTION BUSINESS

During the Period, the Group's retailing and distribution business recorded a turnover of approximately HK\$88,000 (for the six months ended 30 September 2016: approximately HK\$95,000), accounting for approximately 1% (2016: 0.3%) of the Group's total turnover and representing a decrease of approximately 7.4% (2016: 84.6%) as compared with the same period last year. While the Group's retail and distribution business has wound down during the Period, the Group is actively seeking suitable business opportunities to levy on its existing technological capabilities and re-enter into the retail segment via internet platforms.

## FINANCIAL REVIEW

For the Period, the Group recorded a total turnover of approximately HK\$8,705,000, representing a decrease of 70.0% as compared with the same period in 2016. During the Period, the turnover of the retailing and distribution and e-commerce businesses were approximately HK\$88,000 and approximately HK\$8,617,000 respectively, accounting for approximately 1% and approximately 99% of the total turnover of the Group. The Group's turnover was derived solely from the PRC during the Period.

During the Period, gross profit increased by approximately 714.0% to approximately HK\$8,457,000. Gross profit margin increased to approximately 96.0% (for the six months ended 30 September 2016: approximately 3.6%). The cost of sales for the Period decreased by approximately 99.1% from approximately HK\$28,020,000 for the six months ended 30 September 2016 to approximately HK\$248,000 for the six months ended 30 September 2017. The decrease in cost of sales is mainly the result of the transformation of the Group's business focus from CDM to e-commerce.



### FINANCIAL REVIEW *(continued)*

Selling and distribution costs for the Period increased by approximately 286.5% to approximately HK\$630,000 as compared to approximately HK\$163,000 for the corresponding period in 2016. This increase in selling expenses is mainly resulted from spending on the promotion of the Group's e-commerce business.

The Group incurred income tax of approximately HK\$37,000 for the six months ended 30 September 2017 (for the six months ended 30 September 2016: Nil).

### Liquidity and Financial Resources

As at 30 September 2017, the Group did not have any borrowings (As at 30 September 2016: Nil). The Group's cash and cash equivalents as at 30 September 2017 in the amount of approximately HK\$39.97 million were principally denominated in Hong Kong Dollars and is placed with licensed banks as current deposits.

### Dividend

The Board does not recommend any interim dividends for the Period.

### Foreign Exchange Exposure

The main business activities of the Group take place in the PRC and Hong Kong. Accordingly, the potential foreign exchange exposure of the Group is mainly attributable to fluctuations of the Renminbi. The Group has not used any forward contracts or hedging products to hedge its interest rate or exchange rate risks during the Period. The management will, nonetheless, continue to monitor foreign currency risks and to learn more relevant information from financial institutions. During the Period, the Group recorded a net exchange gain of approximately HK\$2,434,000. The exchange gain are mainly resulted from depreciation of Renminbi during the Period.

### Significant Investments and Acquisitions

During the Period, the Group did not have any other significant investments, material acquisitions or disposals of subsidiaries or associated companies. The Group continues to seek opportunities to acquire and cooperate with international customers in order to generate better returns for its shareholders. In addition, the Board will decide what the best available source of funding is for investments and acquisitions when suitable opportunities arise.

In October 2017, the Group entered into an acquisition agreement to acquire companies which are principally engaged in the Business of operating online platforms providing fashion jewellery products listing services to business customers in both the PRC and other regions who are mainly fashion accessories manufacturers.

### Contingent Liabilities

Please refer to Note 16 to the Condensed consolidated financial statement for details of contingent liabilities.

### Human Resources

As at 30 September 2017, the Group had 29 employees. During the Period, the total staff cost including directors' emoluments amounted to approximately HK\$2,992,000. To enhance the expertise, product knowledge, marketing skills and overall operational management skills of its employees, the Group organised regular training and development courses for its employees, and provided them with a competitive remuneration package, including salary, allowance, insurance, commission and bonus. Meanwhile, in order to create a harmonious and family-like working atmosphere, the Group emphasizes on communication with employees and continually developing paths for staff promotion.



## Management Discussion and Analysis

### FINANCIAL REVIEW *(continued)*

#### Investor Relations

The Group strongly believes that investor relations are important to a listed company. Maintaining relationships with investors and keeping them abreast of the latest

corporate information and business development in a timely manner would enhance the transparency and corporate governance of the Group, thus strengthening its corporate position. Our investor relationship representatives will more actively participate in various investor-related activities.

#### Fund raising activities and use of proceeds

The below table sets out the use of net proceeds generated from the placing of shares by the Company completed in February 2017 (please refer to the Company's announcements dated 26 January 2017 and 16 February 2017 for details):

Use of proceeds stated in the announcements	Approximate amount to be used as proposed in the announcements	Amount used as at 30 September 2017
Development of software applications and/or mobile game applications, and/or acquire related technology company(ies) that will reinforce the Group's e-commerce sales	HK\$27.8 million	Remain unused and kept as current deposit with a licensed bank
Marketing and promotion for mobile gaming applications	HK\$11.9 million	Remain unused and kept as current deposit with a licensed bank

### PROSPECTS

During the Period, the contribution from e-commerce business accounted for most of the Group's revenue, and the Group benefits from a higher profit margin from the different cost structure underlying the e-commerce business where most of the cost were incurred at the development stage. The Group expects e-commerce will continue to be the main driver in term of both revenue and net profit in the second half of the financial year. Going forward, the Group will focus on the development of its e-commerce business, whereas the Group also seeks suitable business opportunities to enter into the retail segment leveraging on the Group's technological capability. Furthermore, in October 2017 the Group

entered into sales and purchase agreement to acquire two companies to develop our own online platform which is targeting business customers. The Group believes the development of online platform will be a cost efficient way to bring in a stable income stream and it will create synergy with the Group exiting software and development business.

In the coming year, the management of the Group will keep on exploring development strategies that is suitable for the Group. Our primary goal is to safeguard the interest of the Company's shareholders. To achieve this, the Group will create and nurture new profit growth drivers which in time will bring sustainable and stable development to the Group.

# Corporate Governance and Other Information



## CORPORATE GOVERNANCE

### Corporate Governance Practice

The Company has adopted the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company has complied with the code provisions in the CG Code during the Period, except for the following deviation:

Code provision A.2.1 of the CG Code provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. From 21 June 2013 onwards, the roles of chairman and chief executive officer of the Company were performed by Mr. Tse Hoi Chau.

The Board considers that vesting the roles of chairman of the Board and chief executive officer of the Company in the same individual is beneficial to the business prospects and management of the Company. The Board will review the need of appointing suitable candidate to assume the role of chief executive officer if and when necessary.

### Model Code for Directors’ Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as its code of conduct for securities transactions by the Directors. The Company has made specific enquiries of all Directors and all Directors confirmed that they have complied with the required standards set out in the Model Code for the Period.

### Audit Committee

The audit committee of the Company (the “Audit Committee”) was established on 23 April 2008 with written terms of reference in compliance with the CG Code. The Audit Committee comprises three members, all being independent non-executive Directors, namely Mr. Lau Fai Lawrence (Chairman), Mr. Lau Yiu Kit and Mr. Zeng Zhaohui, who together have sufficient accounting and financial management expertise, legal and business experience to discharge their duties and none of them is a former partner of the external auditors of the Company. The Audit Committee has reviewed the unaudited interim financial information and interim report for the Period.

### Remuneration Committee

The remuneration committee of the Company (the “Remuneration Committee”) was established on 23 April 2008 with written terms of reference in compliance with the CG Code. The Remuneration Committee comprises four members, namely Mr. Zeng Zhaohui (Chairman), Mr. Lau Fai Lawrence and Mr. Lau Yiu Kit, the independent non-executive Directors and Mr. Tse Hoi Chau, an executive Director. The primary duties of the Remuneration Committee are to make recommendations to the Board on remuneration of the Directors and senior management of the Company.

### Nomination Committee

The nomination committee of the Company (the “Nomination Committee”) was established on 23 April 2008 with written terms of reference in compliance with the CG Code. The Nomination Committee comprises four members, namely Mr. Lau Fai Lawrence (Chairman), Mr. Lau Yiu Kit and Mr. Zeng Zhaohui, the independent non-executive Directors and Mr. Tse Hoi Chau, an executive Director. The primary function of the Nomination Committee is to review the structure, size, composition and diversity (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company’s corporate strategy.

## Corporate Governance and Other Information

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the Period.

During the Period and up to the date of this report, save as disclosed below, none of the Directors or their respective close associates (as defined in the Listing Rules) is considered to have an interests in a business that directly or indirectly competes with the businesses of the Group. Mr. Tse Kin Lung, the son of Mr. Tse Choi Chau and Ms. Yu Zhonglian (both of whom are executive Directors) and the nephew of Mr. Lin Shao Hua (an executive Director), is interested in a business which involves selling of fashion accessories on major online retail platforms in the PRC which may potentially compete with a business of the Group.

### Long positions in shares of the Company

Name of Directors	Company in which interests are disclosed	Capacity	Number of issued ordinary shares held	Number of shares subject to options granted	Percentage of the issued share capital as at 30 September 2017
Tse Hoi Chau	The Company	Corporate interest	3,525,267,988 (Note 1)	–	63.87%
		Beneficial interest	14,824,000	26,671,400 (Note 2)	0.75%
Lin Shao Hua	The Company	Beneficial interest	–	26,671,400 (Note 2)	0.48%
Leung Yiu Cho	The Company	Beneficial interest	–	22,000,000 (Note 3)	0.41%

#### Notes:

- These shares are held by Walifax Investments Limited ("Walifax") which is wholly and beneficially owned by Mr. Tse Hoi Chau.
- These options were granted by the Company on 28 March 2014 and 9 July 2015 under the Share Option Scheme (the "Share Option Scheme") adopted by the Company on 23 April 2008.
- These options are granted by the Company on 28 March 2014, 9 July 2015 and 27 November 2016 under the Share Option Scheme adopted by the Company.

Save as disclosed above, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO)

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2017, the interests or short positions of the Directors and chief executives in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO) or which were required to be recorded in the register of interests required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as follows:

which were required to be recorded in the register of interests required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.



### DIRECTORS' RIGHT TO ACQUIRE SHARES SHARE OPTION SCHEME

Save as disclosed above, at no time during the Period was the Company, or any of its holding companies, its subsidiaries or its fellow subsidiaries a party to any arrangement to enable the Directors and chief executives of the Company (including their spouses and children under 18 years of age) to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or its associated corporations (within the meaning of Part XV of the SFO).

The Company adopted the Scheme on 23 April 2008. The purpose of the Scheme is to reward participants who have contributed to the Group and to encourage participants to work towards enhancing value of the Company and its shares for the benefits of the Company and the shareholders of the Company as a whole. Details of shares options movements during the Period under the Scheme are as follows:

Name of category	Date of grant share options	Outstanding as at 01.04.2017	Number of share options				Outstanding at 30.09.2017	Validity period of share options	Exercise price (HK\$)
			Granted during the Period	Exercised during the Period	Lapsed during the Period	Cancelled during the Period			
<b>Directors</b>									
Tse Hoi Chau	28.03.2014	6,671,400	-	-	-	-	6,671,400	28.03.2014-27.03.2019	0.4709
	09.07.2015	20,000,000	-	-	-	-	20,000,000	09.07.2015-08.07.2020	0.1470
Lin Shao Hua	28.03.2014	6,671,400	-	-	-	-	6,671,400	28.03.2014-27.03.2019	0.4709
	09.07.2015	20,000,000	-	-	-	-	20,000,000	09.07.2015-09.07.2020	0.1470
Leung Yiu Cho	28.03.2014	6,000,000	-	-	-	-	6,000,000	28.03.2014-27.03.2019	0.4709
	09.07.2015	1,000,000	-	-	-	-	1,000,000	09.07.2015-08.07.2020	0.1470
	27.11.2015	15,000,000	-	-	-	-	15,000,000	27.11.2015-26.11.2020	0.1488
<b>Employees</b>									
In aggregates	27.11.2015	2,000,000	-	-	-	-	2,000,000	27.11.2015-26.11.2020	0.1488
<b>Other participants</b>									
In aggregate	28.03.2014	40,028,400	-	-	-	-	40,028,400	28.03.2014-27.03.2019	0.4709
	09.07.2015	20,200,000	-	-	-	-	20,200,000	09.07.2015-08.07.2020	0.1470
	27.11.2015	224,200,000	-	-	-	-	224,200,000	27.11.2015-26.11.2020	0.1488

**Note 1:** The closing price for the share on 28 March 2014, 9 July 2015 and 27 November 2015, being the date immediately before the share options granted, were HK\$0.2440, HK\$0.1360 and HK\$0.1470, respectively.

**Note 2:** For the share options granted on 28 March 2014, the share options may be exercisable immediately after the date of the grant; for the share options granted on 9 July 2015 and 27 November 2015, 50% of share options may be exercisable immediately after the date of the grant while the remaining 50% of the share options may be exercisable immediately after the 8 July 2015 and 26 November 2016.

## Corporate Governance and Other Information

### SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2017, the following persons (other than Directors or chief executives of the Company) were

interested in 5% or more of the issued share capital of the Company which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the Listing Rules:

Long positions in shares of the Company

Name of shareholders	Capacity	Nature of issued ordinary shares/ underlying shares held	Percentage of the issued share capital as at 30 September 2017
Walifax Investments Limited (Note 1)	Beneficial interest	3,525,627,988	63.87%

Note 1: Walifax Investments Limited is wholly and beneficially owned by Mr. Tse Hoi Chau, its sole director.

Save as disclosed above, as at 30 September 2017, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provision of

Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO.

By order of the Board

**Primeview Holdings Limited**

**Tse Hoi Chau**

*Executive Director*

Hong Kong, 24 November 2017

# Unaudited Condensed Consolidated Income Statement

For the six months ended 30 September 2017 | (Expressed in Hong Kong dollars)

	<i>Notes</i>	For the six months ended 30 September (unaudited)	
		2017 HK\$'000	2016 HK\$'000
<b>Turnover</b>	4	<b>8,705</b>	29,059
Cost of sales		<b>(248)</b>	(28,020)
<b>Gross profit</b>		<b>8,457</b>	1,039
Other revenue	5	<b>23</b>	3
Other net gains (losses)	6	<b>2,346</b>	6,602
Selling and distribution costs		<b>(630)</b>	(163)
Administrative expenses		<b>(6,971)</b>	(5,912)
<b>Profit from operations</b>		<b>3,225</b>	1,569
Finance costs	7	<b>(9)</b>	(18)
<b>Profit before taxation</b>	7	<b>3,216</b>	1,551
Income tax	8	<b>(37)</b>	–
<b>Profit for the period</b>		<b>3,179</b>	1,551
<b>Profit per share (HK\$)</b>			
Basic and diluted	10	<b>0.001</b>	0.001

## Unaudited Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2017 | (Expressed in Hong Kong dollars)

	For the six months ended	
	30 September	
	(unaudited)	
	2017	2016
	HK\$'000	HK\$'000
<b>Profit for the period</b>	<b>3,179</b>	1,551
<b>Other comprehensive income:</b>		
Exchange differences on consolidation	(451)	846
<b>Total comprehensive profit/(loss) for the period, net of tax</b>	<b>2,728</b>	2,397

## Condensed Consolidated Statement of Financial Position

As at 30 September 2017 | (Expressed in Hong Kong dollars)

		As at 30 September 2017 (unaudited) HK\$'000	As at 31 March 2017 (audited) HK\$'000
	<i>Notes</i>		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		795	860
Good will		141,000	141,000
Intangible assets		–	–
Deferred tax assets		–	–
Deposits paid		31,000	53,552
		<b>172,795</b>	195,412
<b>CURRENT ASSETS</b>			
Inventories		–	88
Trade and other receivables	11	73,017	45,061
Cash and cash equivalents		39,966	44,152
		<b>112,983</b>	89,301
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	4,150	5,730
Current tax payable		7,223	7,223
Obligations under finance lease – current portion		173	169
		<b>11,546</b>	13,122
<b>NET CURRENT ASSETS</b>		<b>101,437</b>	76,179
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>274,232</b>	271,591
<b>NON-CURRENT LIABILITIES</b>			
Obligations under finance lease – non-current portion		135	222
<b>NET ASSETS</b>		<b>274,097</b>	271,369
<b>CAPITAL AND RESERVES</b>			
Share capital	13	55,198	55,198
Reserves		218,899	216,171
<b>TOTAL EQUITY</b>		<b>274,097</b>	271,369

## Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2017 | (Expressed in Hong Kong dollars)

	Share capital HK\$'000	Share premium HK\$'000	Other reserves HK\$'000	Translation reserve HK\$'000	PRC statutory reserves HK\$'000	Share- based capital reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
Balance at 1 April 2016	25,698	723,066	(19,518)	18,498	8,641	30,137	(729,303)	57,319
<b>Changes in equity for the six months ended 30 September 2016:</b>								
<b>Total comprehensive profit for the period</b>								
Profit for the Period	-	-	-	-	-	-	1,551	1,551
Other comprehensive profit	-	-	-	846	-	-	-	846
Balance at 30 September 2016	25,698	723,066	(19,518)	19,344	8,641	30,137	(727,652)	59,716
Balance at 1 April 2017	<b>55,198</b>	<b>913,906</b>	<b>(19,518)</b>	<b>19,978</b>	<b>9,436</b>	<b>35,993</b>	<b>(743,624)</b>	<b>271,369</b>
<b>Changes in equity for the six months ended 30 September 2017:</b>								
<b>Total comprehensive profit for the period</b>								
Profit for the Period	-	-	-	-	-	-	3,179	3,179
Other comprehensive profit	-	-	-	(451)	-	-	-	(451)
Balance at 30 September 2017	<b>55,198</b>	<b>913,906</b>	<b>(19,518)</b>	<b>19,527</b>	<b>9,436</b>	<b>35,993</b>	<b>(740,445)</b>	<b>274,097</b>

## Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2017 | (Expressed in Hong Kong dollars)

	For the six months ended	
	30 September	
	(unaudited)	
	2017	2016
	HK\$'000	HK\$'000
Net cash used in operations	(3,476)	(5,286)
Tax paid	(37)	–
Net cash used in operating activities	(3,513)	(5,286)
Net cash (used in)/generated from investing activities	(130)	791
Net cash used in financing activities	(92)	(97)
Net decrease in cash and cash equivalents	(3,735)	(4,592)
Cash and cash equivalents at 1 April	44,152	10,858
Effect of foreign exchange rate changes	(451)	854
Cash and cash equivalents at 30 September	39,996	7,120
<b>Analysis of Pledged bank deposits and cash and cash equivalents:</b>		
Cash and cash equivalents	39,966	7,120

# Notes to the Unaudited Interim Financial Statements

## 1 COMPANY BACKGROUND

The Company was incorporated in Bermuda on 30 May 2007 as an exempted company with limited liability under the Bermuda Companies Act 1981. Its shares have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 16 May 2008. The Company and its subsidiaries (the "Group") are principally engaged in developing and selling software related applications.

## 2 BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 September 2017 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, "Interim financial reporting". The interim condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2017, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

## 3 ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2017, as described in those annual financial statements.

The following new and amended standards are mandatory for the first time for the financial year beginning on 1 April 2017.

Standards/Interpretations	Subject of amendment
Amendment to HKAS7	Disclosure initiative
Amendment to HKAS12	Recognition of Deferred Tax Assets for Unrealised Losses

The adoption of the above new and amended standards and interpretations did not have a material impact on the Interim Financial Information.

## Notes to the Unaudited Interim Financial Statements

### 4 SEGMENT REPORTING

The Group's Operating Segments, based on information reported to Board of directors of the Company, the Group's reportable and operating segments are as follows:

E-commerce Business:	Developing and selling software application
Retailing and Distribution:	Sale of own brand fashion accessories
CDM Sales:	Sale of products at the customer's chosen level of participation in the design process, concurrently works with its customer in designing the products and coordinating the manufacturers according to the customer's desired final design

The segment results for the six months ended 30 September 2017 and 2016 are presented below:

	Retailing and Distribution (Mainland China) HK\$'000	E-commerce Business HK\$'000	Consolidated HK\$'000
Revenue from external customers	88	8,617	8,705
Reportable segment revenue	88	8,617	8,705
Reportable segment profit	12	8,445	8,457
Unallocated expenses			(5,278)
Profit for the period			3,179

	Six months ended 30 September 2016 – unaudited					
	Retailing and distribution			CDM sales HK\$'000	Inter-segment elimination HK\$'000	Consolidated HK\$'000
	Mainland China HK\$'000	Hong Kong HK\$'000	Sub-total HK\$'000			
Revenue from external customers	95	–	95	28,964	–	29,059
Inter-segment revenue	–	–	–	–	–	–
Reportable segment revenue	95	–	95	28,964	–	29,059
Reportable segment profit/(loss)	(681)	–	(681)	8,937	–	8,256
Unallocated expenses						(6,705)
Profit for the period						1,551

## Notes to the Unaudited Interim Financial Statements

### 5 OTHER REVENUE

	For the six months ended 30 September (unaudited)	
	2017	2016
	HK\$'000	HK\$'000
Interest income	15	3
Others	8	–
	<b>23</b>	<b>3</b>

### 6 OTHER NET GAINS (LOSSES)

	For the six months ended 30 September (unaudited)	
	2017	2016
	HK\$'000	HK\$'000
Net exchange gain/(losses)	2,434	(1,788)
Net losses on written-off of plant and equipment	(88)	–
Reversal of impairment losses on inventory recognised	–	8,390
Reversal of impairment losses on other receivables recognised	–	–
	<b>2,346</b>	<b>6,602</b>

## Notes to the Unaudited Interim Financial Statements

### 7 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	For the six months ended 30 September (unaudited)	
	2017 HK\$'000	2016 HK\$'000
<b>(a) Finance costs:</b>		
Interest on obligations under finance lease	9	18
	9	18
<b>(b) Other items:</b>		
Depreciation		
– other assets	122	176
Cost of inventories recognised as an expense	76	28,020

### 8 INCOME TAX

	For the six months ended 30 September (unaudited)	
	2017 HK\$'000	2016 HK\$'000
<b>Current tax – Hong Kong Profits tax</b>		
Under-provision in prior years	(37)	–
<b>Current tax – PRC Enterprise income tax</b>		
Provision for the period	–	–
Over-provision in prior years	–	–
Income tax expense	(37)	–

## Notes to the Unaudited Interim Financial Statements

### 8 INCOME TAX (continued)

Notes:

- (i) Pursuant to the income tax rules and regulations of Bermuda and the British Virgin Islands (the "BVI"), the Group is not subject to income tax in Bermuda and the BVI.
- (ii) No provision for Hong Kong Profits Tax has been made for the six months ended 30 September 2016 as there was no assessable profits in Hong Kong for the Period.
- (iii) Artini Macao Commercial Offshore Limited, a wholly-owned subsidiary of the Company, was established as a Macao offshore company under the Macao Offshore Law and is exempted from the Macao Complementary Tax.
- (iv) Alfreda International Company Limited, a wholly-owned subsidiary of the Company, is subject to the Macao Complementary Tax. No provision is made during the period as the company sustained tax losses.
- (v) Pursuant to the Enterprise Income Tax Law of the People's Republic of China (the "New Tax Law"), effective from 1 January 2008, the statutory income tax rate applicable to the Company's subsidiaries in Shenzhen has changed from 15% to 25% progressively under a 5-year transition period from calendar years 2008 to 2012 (2008: 18%; 2009: 20%; 2010: 22%; 2011: 24%; 2012: 25%).
- (vi) Under the New Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the PRC entities. However, only the dividends attributable to the profits of the financial period starting from 1 January 2008 are subject to the withholding tax. A lower withholding tax rate may be applied if there is a tax treaty arrangement between the PRC and the jurisdiction of the foreign investor. Pursuant to a double tax arrangement between the PRC and Hong Kong, the Group is subject to a withholding tax at the rate of 5% for any dividend payments from certain of the Group's PRC subsidiaries.

### 9 DIVIDENDS

The Board does not recommend an interim dividend for the six months ended 30 September 2017 (for the six months ended 30 September 2016: Nil).

### 10 EARNING PER SHARE

The calculation of the basic and diluted earning per share is as follows:

#### Basic earning per share

	For the six months ended 30 September (unaudited)	
	2017	2016
Earning attributable to owners of the Company (HK\$'000)	3,179	1,551
Weighted average number of ordinary shares At 1 April and at 30 September (number of shares)	5,519,840,644	2,569,840,644
Basic earning per share (HK\$)	0.001	0.001

Diluted earning per share for six-month period ended 30 September 2017 and 30 September 2016 is not presented because the exercise of outstanding share options during the period have anti-dilutive effect on the basic earning per share.

## Notes to the Unaudited Interim Financial Statements

### 11 TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade debtors (net of impairment losses) with the following ageing analysis based on invoice date:

	As at 30 September 2017 (unaudited) HK\$'000	As at 31 March 2017 (audited) HK\$'000
Trade debtors		
Current	3,785	3,800
Less than 3 months past due	–	14,317
3 to 6 months past due	–	3,000
Over 6 months past due	–	7,010
Total trade debtors, net of impairment losses	3,785	28,127
Rental deposits	144	144
Prepayment and other receivables	69,088	16,790
	<b>73,017</b>	45,061

The Group continues to adopt a policy of dealing principally with customers with whom the Group has enjoyed a long cooperation relationship so as to minimise credit risk in its business.

All of the trade and other receivables are expected to be recovered within one year.

Impairment losses in respect of trade debtors are recorded using an allowance for doubtful debt account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors directly.

## Notes to the Unaudited Interim Financial Statements

### 12 TRADE AND OTHER PAYABLES

Included in trade and other payables are trade creditors with the following ageing analysis based on invoice date:

	As at 30 September 2017 (unaudited) HK\$'000	As at 31 March 2017 (audited) HK\$'000
Trade creditors		
By date of invoice:		
Within 3 months	266	88
More than 3 months but within 6 months	–	–
More than 6 months but within 1 year	–	–
Over 1 year	89	691
Trade creditors	355	779
Receipts in advance	62	57
VAT and other tax payables	3,037	1,236
Accrued wages and staff costs	214	201
Accrued charges and other payables	482	3,457
	<b>4,150</b>	<b>5,730</b>

All of the trade and other payables are expected to be settled within one year.

### 13 SHARE CAPITAL

	Unaudited As at 30 September 2017		Audited As at 31 March 2017	
	Number of shares	Amount HK\$'000	Number of shares	Amount HK\$'000
Authorised:				
Ordinary shares of HK\$0.01 each	30,000,000,000	300,000	30,000,000,000	300,000
Issued and fully paid:				
At the beginning and the end of the period	5,519,840,644	55,198	5,519,840,644	55,198

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares ranked equally with regard to the Company's residual assets.

## Notes to the Unaudited Interim Financial Statements

### 14 EVENT AFTER REPORTING PERIOD

#### Acquisition of the entire equity interests of Companies providing online product listing and Wholesale Services

Pursuant to the Company's announcement dated 18 October 2017, China Regent Investments Limited (CRL), a indirect wholly owned subsidiary of the Company, entered into the sale and purchase agreement with Mr. Tse Chi Ho an associate of Mr. Tse Hoi Chau a director of the Company ("Vendors") in relation to the acquisition of the entire equity interest in two Companies (the "Target Companies"), for an aggregate consideration of HK\$2,500,000 (the "Acquisition"). The Target Companies are principally engaged in Business of operating online platforms providing fashion jewellery products listing services to business customers in both the PRC and other regions who are mainly fashion accessories manufacturers. Further details of the above transaction is set out in the Company's announcements dated 18 October 2017.

On 27 October 2017, the Company received a letter from The Stock Exchange of Hong Kong Limited informing its decision to place the Company into first delisting stage under Practice Note 17 of the listing rule. Further details are set out in the Company announcement dated 27 October 2017, 1 November 2017 and 7 November 2017.

### 15 MATERIAL RELATED PARTY TRANSACTIONS

Saved as disclosed elsewhere in these consolidated financial statements, in the opinion of the Directors, the Group did not enter any material related party transaction during the reporting period.

## Notes to the Unaudited Interim Financial Statements

### 16 CONTINGENT LIABILITIES

In relation to the E-commerce Business for the year ended 31 March 2017, PVT has not registered at the PRC local authority for the E-commerce Business (the “PRC Operating Registration Breach”) and has not filed and paid the EIT, value added tax and other relevant taxes (the “PRC Tax Filing Breach”). The Directors are assessing remedial measure such as using another PRC subsidiary of the Group as the operating vehicle for the E-commerce Business. According to the relevant PRC rules and regulations, the PRC Operating Registration Breach would result in all related revenue, amounting to HK\$32,421,000, being forfeited and/or a fine ranging from RMB50,000 to RMB500,000 whereas the PRC Tax Filing Breach would result in a fine ranging from 50% to 500% of the unpaid taxes. With reference to a PRC legal advice, the Directors considered that i) the PRC Operating Registration Breach would not result in all related revenue being forfeited but it would be probable to result in paying an immaterial fine; and ii) the PRC Tax Filing Breach would not result in fine.

### 17 APPROVAL OF INTERIM FINANCIAL STATEMENTS

The interim financial statements of 2017 were approved by the board of directors on 24 November 2017.



**Primeview Holdings Limited**  
領視控股有限公司