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

*(Incorporated in the Bermuda with limited liability)*

**(Stock Code: 789)**

**ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018**

The board (the “Board”) of directors (the “Directors”) of Primeview Holdings Limited (the “Company”) hereby presents the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2018 (the “Period”) together with the comparative figures for the corresponding period in 2017.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

*For the six months ended 30 September 2018*

		<b>For the six months ended 30 September</b>	
		<b>2018</b>	<b>2017</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Revenue</b>	<b>3</b>	<b>117,485</b>	<b>8,705</b>
Cost of sales		<u><b>(86,014)</b></u>	<u><b>(248)</b></u>
<b>Gross profit</b>		<b>31,471</b>	<b>8,457</b>
Other income	<b>4</b>	<b>33</b>	<b>23</b>
Other gains and losses, net	<b>5</b>	<b>1,994</b>	<b>2,346</b>
Net gain on disposal of subsidiaries	<b>14</b>	<b>7,577</b>	<b>–</b>
Selling and distribution expenses		<b>(8,823)</b>	<b>(630)</b>
Administrative expenses		<b>(14,804)</b>	<b>(6,971)</b>
Finance costs	<b>6</b>	<u><b>(5)</b></u>	<u><b>(9)</b></u>
<b>Profit before income tax</b>	<b>7</b>	<b>17,443</b>	<b>3,216</b>
Income tax expense	<b>8</b>	<u><b>(3,743)</b></u>	<u><b>(37)</b></u>
<b>Profit for the period</b>		<b>13,700</b>	<b>3,179</b>

		<b>For the six months ended</b>	
		<b>30 September</b>	
		<b>2018</b>	2017
		<b>(Unaudited)</b>	(Unaudited)
		<b>HK\$'000</b>	HK\$'000
<i>Notes</i>			
<b>Other comprehensive expense for the period, net of income tax</b>			
<b><i>Item that may be reclassified subsequently to profit or loss:</i></b>			
Exchange differences arising on translation of foreign operations		<u>(8,188)</u>	<u>(451)</u>
<b>Total comprehensive income for the period</b>		<u><b>5,512</b></u>	<u>2,728</u>
<b>Earnings per share</b>			
Basic and diluted (HK\$)		<i>10</i> <u><b>0.002</b></u>	<u>0.001</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2018

		As at 30 September 2018 (unaudited) HK\$'000	As at 31 March 2018 (audited) HK\$'000
	Notes		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		905	1,230
Goodwill		2,534	2,534
Intangible assets		31,076	31,094
		<u>34,515</u>	<u>34,858</u>
<b>CURRENT ASSETS</b>			
Inventories		15,474	1,776
Trade and other receivables	11	52,410	76,185
Cash and bank balances		76,536	45,033
		<u>144,420</u>	<u>122,994</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	27,776	12,406
Contract liabilities		628	3,624
Income tax payable		12,684	9,397
Obligations under finance lease – current portion		136	177
		<u>41,224</u>	<u>25,604</u>
<b>NET CURRENT ASSETS</b>		<u>103,196</u>	<u>97,390</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>137,711</u>	<u>132,248</u>
<b>NON-CURRENT LIABILITIES</b>			
Obligations under finance lease – non-current portion		–	45
Deferred tax liabilities		19	23
		<u>19</u>	<u>68</u>
<b>NET ASSETS</b>		<u>137,692</u>	<u>132,180</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	13	55,198	55,198
Reserves		82,494	76,982
<b>TOTAL EQUITY</b>		<u>137,692</u>	<u>132,180</u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1 BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

## 2 PRINCIPAL ACCOUNTING POLICIES

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the Period are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2018.

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 April 2018 for the preparation of the Group’s condensed consolidated financial statements:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

The new and amendments to HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amounts reported and/or disclosures as described below.

## **HKFRS 9 “Financial Instruments”**

HKFRS 9 replaces the provision for HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of HKFRS 9 “Financial Instruments” from 1 April 2018 resulted in changes in accounting policies.

The majority of the Group’s financial assets include loans and receivables previously measured at amortised cost which meet the conditions for classification at amortised cost under HKFRS 9. The new impairment model requires the recognition of impairment provisions based on expected credit losses (“ECL”) rather than only incurred credit losses as is the case under HKAS 39.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. 12-month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

For trade receivables, the Group recognises lifetime ECL, which are assessed individually for debtors with significant balances and collectively using a provision matrix with appropriate groupings. For other financial assets, the Group measures the loss allowance equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

The Group has assessed the ECL model applied as at 1 April 2018 and the change in impairment methodologies has no significant impact of the Group’s condensed consolidated financial statements.

## **HKFRS 15 “Revenue from contracts with customers”**

HKFRS 15 replaces HKAS 18 which covers contracts for goods and services and HKAS 11 which covers construction contracts. Under the new standard, revenue is recognised when control of a good or service is transferred to a customer. Depending on the nature of the contracts, revenue is either recognised over time or at a point in time.

The Group has first time adopted HKFRS 15 from 1 April 2018. The Group has adopted the modified retrospective approach and the comparatives were not restated. The adoption of HKFRS 15 has no impact on the Group’s financial position and results of operations when the Group recognises revenue from sales of goods, other than presentation and disclosures.

Under HKFRS 15, a contract liability is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue. As a result, “Receipts in advance” which were previously included in trade and other payables, amounting to HK\$3,624,000 as at 1 April 2018, are now included under contract liabilities to reflect the terminology of HKFRS 15.

### 3 REVENUE AND SEGMENT INFORMATION

#### a. Revenue

Revenue represents the net amounts received and receivables that are derived from the (i) sales of fashion accessories products during the Period and (ii) sales of software related applications during the six months ended 30 September 2017.

#### b. Segment information

The Group's reportable operating segments for the Period, based on the information reported to the Group's chief operating decision maker for the purpose of resources allocation and assessment of performance, are as follows:

##### *Integrated fashion accessories platform business*

- (i) fashion accessories online wholesale platform, consists of wholesale of a wide selection of fashion accessories products mainly through the Group's self-operated online platform; and
- (ii) others, consists of retail and distribution of fashion accessories products through third-party retail online platforms for retail customers in the People's Republic of China (the "PRC") and third party physical points of sale by authorised distributors and consignees in the PRC and Hong Kong, offline wholesale channels for trading of fashion accessories products to global wholesale customers and PRC wholesale customers.

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

	<b>Fashion accessories online wholesale platform HK\$'000</b>	<b>Others HK\$'000</b>	<b>Consolidated HK\$'000</b>
Six months ended 30 September 2018			
<b>Revenue</b>			
Segment revenue – external sales	<u>98,479</u>	<u>19,006</u>	<u>117,485</u>
<b>Results</b>			
Segment results	<u>17,355</u>	<u>2,421</u>	<u>19,776</u>
Net gain on disposal of subsidiaries			7,577
Other unallocated gains and income			115
Unallocated expenses			
– Rental expenses			(268)
– Salaries and retirement benefit scheme			(2,094)
– Professional fee			(5,574)
– Other unallocated expenses			(2,084)
– Finance cost			<u>(5)</u>
<b>Profit before income tax</b>			<u><b>17,443</b></u>
<b>Segment assets</b>	<b>90,084</b>	<b>39,481</b>	<b>129,565</b>
<b>Segment liabilities</b>	<u><b>(24,483)</b></u>	<u><b>(5,173)</b></u>	<u><b>(29,656)</b></u>

No segment information was presented for the six months ended 30 September 2017 as the Group had only one reportable operating segment engaged in the development and sale of standard software related applications.

Segment results represent the profit earned or loss incurred by each reportable segment without allocation of items not related to the relevant segments and corporate income and expenses.

All assets are allocated to reportable operating segments other than goodwill, intangible assets and other assets that are managed on a central basis.

All liabilities are allocated to reportable operating segments other than deferred tax liabilities, obligations under finance lease and other liabilities that are managed on a central basis.

#### 4 OTHER INCOME

	<b>For the six months ended</b>	
	<b>30 September</b>	
	<b>2018</b>	2017
	<b>(unaudited)</b>	(unaudited)
	<b>HK\$'000</b>	HK\$'000
Interest income	<b>17</b>	15
Others	<b>16</b>	8
	<b>33</b>	23

#### 5 OTHER GAINS AND LOSSES, NET

	<b>For the six months ended</b>	
	<b>30 September</b>	
	<b>2018</b>	2017
	<b>(unaudited)</b>	(unaudited)
	<b>HK\$'000</b>	HK\$'000
Net exchange gain	<b>1,884</b>	2,434
Net gain/(loss) on disposal/written-off of property, plant and equipment	<b>110</b>	(88)
	<b>1,994</b>	2,346

## 6 FINANCE COSTS

	For the six months ended 30 September	
	2018	2017
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Interest on obligations under finance lease	<u>5</u>	<u>9</u>

## 7 PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived at after charging:

	For the six months ended 30 September	
	2018	2017
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Cost of inventories recognised as an expense	86,014	76
Depreciation of property, plant and equipment	278	122
Amortisation of intangible assets	<u>18</u>	<u>–</u>

## 8 INCOME TAX EXPENSE

	For the six months ended 30 September	
	2018	2017
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
<b>Hong Kong Profits tax</b>		
– Current period	3,747	–
– Under-provision in prior years	–	37
<b>Deferred tax</b>		
– Current period	<u>(4)</u>	<u>–</u>
Income tax expense	<u>3,743</u>	<u>37</u>

Hong Kong Profits Tax is calculated at the rate of 16.5% on the estimated assessable profits for the six months ended 30 September 2018 and 30 September 2017.

Under the Law (the “EIT Law”) of the PRC on Enterprise Income Tax and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% for the six months ended 30 September 2018 and 30 September 2017.



## 9 DIVIDENDS

The Board does not declare interim dividends for the Period (2017: Nil).

## 10 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the Period of approximately HK\$13,700,000 (2017: HK\$3,179,000) and the weighted average of approximately 5,519,840,000 (2017: 5,519,840,000) ordinary shares of the Company in issue during the Period.

The basic and diluted earnings per share for the six months ended 30 September 2018 and 30 September 2017 are the same as there were no potential dilutive shares.

## 11 TRADE AND OTHER RECEIVABLES

	As at 30 September 2018 (unaudited) HK\$'000	As at 31 March 2018 (audited) HK\$'000
Aged analysis of trade receivables, presented based on invoice dates		
0 – 30 days	2,659	882
31 – 60 days	1,608	10
61 – 90 days	229	6
91 – 180 days	1,695	–
	<hr/>	<hr/>
	6,191	898
Trade deposit paid	45,208	20,960
Other receivables, deposits and prepayments	1,011	54,327
	<hr/>	<hr/>
	52,410	76,185
	<hr/>	<hr/>

## 12 TRADE AND OTHER PAYABLES

	As at 30 September 2018 (unaudited) HK\$'000	As at 31 March 2018 (audited) HK\$'000
Aged analysis of trade payables, presented based on invoice dates		
0 – 90 days	9,631	1,489
91 – 180 days	10,198	–
181 – 365 days	–	–
Over 365 days	263	1,622
	<u>20,092</u>	<u>3,111</u>
Value-added tax and other tax payables	3,171	2,540
Other payables and accrued charges	4,513	6,755
	<u>27,776</u>	<u>12,406</u>

## 13 SHARE CAPITAL

	As at 30 September 2018		As at 31 March 2018	
	Number of shares '000	Amount HK\$'000	Number of shares '000	Amount HK\$'000
Ordinary shares of par value HK\$0.01 each				
<b>Authorised:</b>				
As at beginning and end of the period/year	<u>30,000,000</u>	<u>300,000</u>	<u>30,000,000</u>	<u>300,000</u>
<b>Issued and fully paid:</b>				
As at beginning and end of the period/year	<u>5,519,840</u>	<u>55,198</u>	<u>5,519,840</u>	<u>55,198</u>

## 14 DISPOSAL OF SUBSIDIARIES

- (a) In June 2018, the Group completed the disposal of its 100% equity interest in Ho Easy Limited, which holds 100% equity interest in another two inactive subsidiaries, to an independent party, for a consideration of USD1 (equivalent to HK\$8). Loss on disposal of the subsidiary amounting to HK\$923,000 was recognised in profit or loss.
- (b) In September 2018, the Group completed the disposal of its 100% equity interest in Huan Hai Limited (the “HHL”, together with the subsidiaries disposed of, the “HHL Group”), to three independent third parties, for a consideration of HK\$18,899,000, in which HK\$8,500,000 is for sale shares of HHL and HK\$10,399,000 is for sale loan owing by HHL to the Group. HHL Group were granted SFO licences but yet to commence business in relation to licensed regulated activities. Gain on disposal of the subsidiary amounting to HK\$8,500,000 was recognised in profit or loss.

The aggregate net assets of the disposed subsidiaries at the dates of disposal were as follows:

	<i>HK\$'000</i>
Cash and bank balances	10,361
Receivables, deposits and prepayments	2,823
Payables and accrued charges	(1,862)
	<hr/>
Total identifiable net assets disposed of	11,322
Net gain on disposal of subsidiaries	7,577
	<hr/>
Total consideration received	18,899
	<hr/>
Net cash inflow arising on the disposal	
Cash consideration received	18,899
Cash and bank balances disposed of	(10,361)
	<hr/>
	8,538
	<hr/>

## 15 MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES

### a. Balances with related parties

Saved as disclosed in these condensed consolidated financial statements, in the opinion of the Directors, the Group did not have any other significant balances with the related parties as at the end of the reporting period.

### b. Key management personnel remuneration

During the six months ended 30 September 2018 and 30 September 2017, the Group had remuneration paid to the Directors and other members of key management of the Group as follows:

	<b>For the six months ended</b>	
	<b>30 September</b>	
	<b>2018</b>	2017
	<b>(unaudited)</b>	(unaudited)
	<b>HK\$'000</b>	HK\$'000
Short-term employee benefits	<b>780</b>	2,000
Post-employment benefits	<b>15</b>	21
	<hr/>	<hr/>
	<b>795</b>	2,021
	<hr/>	<hr/>

## 16 APPROVAL OF INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements were approved by the board of directors of the Company on 27 November 2018.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

The Group's main businesses are broadly divided into (i) fashion accessories business and (ii) software business.

#### **Fashion Accessories Business**

Due to the change in customers' shopping behavior in the PRC and to minimise incurring of fixed costs in operating brick and mortar shops, in recent years the Group has gradually shifted its business strategy in the fashion accessories business from operating physical retail shops to distribution via other channels such as online platforms. Since September 2016, the Group closed down all its retailing points.

Although the Group's concurrent design manufacturing ("CDM") business and retail and distribution business had gradually diminished operations, as being one of the pioneers and having long standing reputation in the industry, the management of the Group remains confident about the fashion accessories industry and believes that a shift of its mode of selling fashion accessories products in response to the modern shopping patterns is the key to the revitalisation of the fashion accessories business. In October 2017, the Group acquired the entire equity interests in Viennois Online Limited and 廣州唯亞智能科技有限公司 (Guangzhou Wei Ya Smart Technology Limited\*) (collectively "Online Platform Group"). Online Platform Group is principally engaged in the business of operating online platforms providing fashion jewellery products listing services to business customers all over the world. Subsequent to this acquisition, the Group commenced the wholesale of fashion accessories products through the self-operated online platform (the "Online Wholesale Platform"), and the development of its new business model of integrated fashion accessories platform business.

The integrated fashion accessories platform business is an all-rounded business model, combining online and offline sales channels, reaching out to the widest range of customers, both in the PRC and internationally, and providing comprehensive products to them. Under the new business model, fashion accessories products are manufactured by third party manufacturers, and sold through different online channels and distributed in retail points operated by the Group's strategic partners. The Group considers that this business model benefit the most to the Group as it requires less capital commitment, less overheads and promotes better liquidity, which were the major reasons for the unsatisfactory performance of the Group's traditional fashion accessories business recorded in the past.

The Online Wholesale Platform, being the major sales channel of the revitalised fashion accessories business, generated revenue and operating profit of approximately HK\$98,479,000 and HK\$17,355,000, respectively during the Period. The Group considers the strategic change in sales methodology was the key to the significant improvement in financial performance of the fashion accessories business as compared with the historical performance under the previous CDM and retail businesses models. The Group is of the view that more and more customers would increase their reliance on placing purchase orders online as this would allow them to react more swiftly to the change of market trends as well as better control of cost as, among others, their merchandising divisions could reduce physical visits to various suppliers for viewing samples and negotiate price.

Apart from the Online Wholesale Platform, the Group also conducted wholesales by traditional offline channels, including the trading of fashion accessories products with the PRC-based customers and overseas customers. Furthermore, the Group reintroduced the retail business through various retail and distribution channels including third-party retail online platforms such as the Vipshop (唯品會) and Tmall (天貓), and distributorship and consignment arrangements with strategic partners to retail customers in Hong Kong and the PRC. During the Period, revenue and operating profit of approximately HK\$19,006,000 and HK\$2,421,000, respectively were generated from all these remaining sales channels.

### **Software Business**

With the new demand on the online sales management software as a result of the online sales trends and increasing demand on the smart accessory wearables, and with a view to broadening its revenue base, the Group acquired Primeview Technology Limited (“PVT”), a company principally engaged in developing and selling software related applications, in October 2016 and commenced its software business. The software business mainly focuses on development and sale of software related applications. Upon the departure of certain PVT management during the year ended 31 March 2018, the Group re-examined its business strategies, commenced to gradually shift its technical team from the software business towards the integrated fashion accessories platform business and eventually abandoned the software business in the same financial year. As a result, the Group recorded no revenue from software business during the Period.

## FINANCIAL REVIEW

The Group's revenue for the Period was approximately HK\$117,485,000 (six months ended 30 September 2017: HK\$8,705,000). The increase in the Group's revenue during the Period was mainly attributable to the turnover from the fashion accessories business of approximately HK\$117,485,000 after its revitalisation, offset with the decrease in revenue from the software business of approximately HK\$8,705,000. Details of which are set out under the section headed "Business Review".

The Group's cost of sales for the Period was approximately HK\$86,014,000 (six months ended 30 September 2017: HK\$248,000), the increase in the Group's cost of sales is in line with the increase in the Group's revenue.

The Group's net gain on disposal of subsidiaries for the Period of approximately HK\$7,577,000 (six months ended 30 September 2017: Nil) represented a gain on disposal of 100% equity interest in HHL of approximately HK\$8,500,000, net off against a loss on disposal of 100% equity interest in Ho Easy Limited of approximately HK\$923,000. For details, please refer to note 14 to the condensed consolidated financial statements.

The Group's selling and distribution expenses for the Period was approximately HK\$8,823,000 (six months ended 30 September 2017: HK\$630,000). The increase in the Group's selling and distribution expenses during the Period was mainly attributable to the large sum of distribution costs such as logistics and shipping costs and the marketing and promotion expenses largely incurred for the Online Wholesale Platform in the Period, which is in line with the increase in the Group's revenue.

The Group's administrative expenses for the Period was approximately HK\$14,804,000 (six months ended 30 September 2017: HK\$6,971,000). The increase in the Group's administrative expenses during the Period was mainly attributable to the aggregate effect of the (i) increase in staff and other costs from the Group's expansion on fashion accessories business; (ii) professional fee incurred in relation to the resumption of trading of its shares on the Stock Exchange; and (iii) consultancy fee paid for the disposal of HHL.

As a result of the foregoing, the Group's profit for the Period was approximately HK\$13,700,000 (six months ended 30 September 2017: HK\$3,179,000).

## **PROSPECTS**

Moving forward, the Group will continue its current multi-channels, multi-products strategy to satisfy different purchase habits of different customers at different locations. The Group plans to expand its retail and distribution networks, including third-party online platforms and physical point of sales via distributorship and consignment, to gain further market share and diversify its income source from retail customers. The Group will also keep exploring and launching new types of services and provide wider variety of products to customers through third-party suppliers with input from its own design team.

The Group considers the “ARTINI” brand has accumulated a significant intrinsic value over the years and is a valuable asset of the Group. As such, the Group is rebranding “ARTINI” and will continue to perform various marketing and promotion activities through both online and offline channels. The Group believes the promotion initiatives will enhance the brand awareness which will in turn boost the development of the integrated fashion accessories platform business, in particular, the retail and distribution channels.

In the long run, the Group believes that by allocating capital and resources more deliberately and effectively and by rebuilding the brand “ARTINI”, the Group is able to re-establish its leading position in the fashion accessories industry.

In the coming year, fashion accessories business will remain as the focus of the Group’s development plan and the Group will continue to evaluate the current business strategies and explore suitable business opportunities to create and nurture new profit growth drivers which in time will bring sustainable and stable development to the Group, and in return safeguard the interest of the shareholders of the Company.



## **LIQUIDITY AND FINANCIAL RESOURCES**

During the Period, the Group generally financed its operations with internally generated resources and its own working capital. The Group's cash and cash equivalents as at 30 September 2018 in the amount of approximately HK\$76,536,000 (31 March 2018: HK\$45,033,000) were principally denominated in Hong Kong Dollars and Renminbi and is placed with licensed banks as current deposits. As at 30 September 2018, the Group did not have any borrowings (31 March 2018: Nil). The Group monitors its capital structure on the basis of gearing ratio, which is calculated as total liabilities over total equity. The gearing ratio of the Group was approximately 30.0% as at 30 September 2018 (31 March 2018: 19.4%).

## **DIVIDENDS**

The Board does not declare any interim dividends for the Period (six months ended 30 September 2017: Nil).

## **CAPITAL STRUCTURE**

There has been no change in the capital structure of the Group during the Period. The capital of the Group only comprises ordinary shares.

## **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 exposures and consider adopting prudent measures as appropriate.

## **CHARGES ON ASSETS**

As at 30 September 2018 and 31 March 2018, the Group did not have any charges on its assets.

## **DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL OF HUAN HAI LIMITED**

On 31 July 2018 (after trading hours), the Board announced that Artist Star International Development Limited (the “Vendor”), a wholly-owned subsidiary of the Company entered into an agreement with three independent third parties (the “Purchasers”), pursuant to which the Purchasers have conditionally agreed to acquire and the Vendor has conditionally agreed to sell 100 shares in HHL, representing the entire issued share capital of HHL and all debts owing by HHL to the Company (which is the ultimate holding company of HHL) (the “Sale Loan”) as at completion date, at a consideration, being the aggregate of (i) HK\$8,500,000; and (ii) the amount of the Sale Loan (the “Disposal”).

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceeds 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

On 10 September 2018, the Disposal was completed as all the conditions precedent pursuant to the agreement in relation to the Disposal have been fulfilled.

Details of the Disposal has been set out in the announcements of the Company dated 31 July 2018 and 10 September 2018.

## **SIGNIFICANT INVESTMENTS**

There was no significant investment held by the Group during the Period.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

Save as disclosed above, the Group had no material acquisitions and disposals of subsidiaries, associates or joint ventures during the Period.

## **CONTINGENT LIABILITIES**

As at 30 September 2018 and 31 March 2018, the Group had no significant contingent liabilities.

## **EMPLOYEES AND EMOLUMENTS**

As at 30 September 2018, the Group had 59 employees. During the Period, the total staff cost including directors' emoluments amounted to approximately HK\$4,653,000. 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 emphasises on communication with employees and continually developing paths for staff promotion.

## **EVENT AFTER THE PERIOD**

No significant events took place subsequent to 30 September 2018.

## **NET PROCEEDS FROM PLACING IN 2017**

On 26 January 2017, the Company entered into a placing agreement with China Investment Securities International Brokerage Limited (the "Placing Agent"), pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best effort basis, up to 510,000,000 placing shares to placees at a price of HK\$0.08 per placing share (the "Placing"), raising gross proceeds and net proceeds of approximately HK\$40.8 million and HK\$39.7 million respectively.

The net price for each placing share was approximately HK\$0.078. The closing price per ordinary share as quoted on the Stock Exchange on 26 January 2017, being the date of the placing agreement was HK\$0.099.

The Board considered that the Placing would expand the Group's talent pool and capabilities to develop software applications and mobile gaming applications with in-app purchases that would reinforce the Group's e-commerce sales.

As stated in the announcement dated 26 January 2017, net proceeds from the Placing of approximately HK\$27.8 million intended to be used for development of such software applications and/or mobile gaming applications, and/or acquire related technological company(ies), and approximately HK\$11.9 million would be used as marketing and promotion for the mobile gaming applications.

On 16 February 2017, the conditions of the Placing have been fulfilled. A total of 510,000,000 placing shares have been successfully placed to not less than six placees at the price of HK\$0.08 per placing share.

Details of the Placing has been set out in the announcements of the Company dated 26 January 2017 and 16 February 2017.

The below table sets out the use of net proceeds from Placing.

Use of proceeds from Placing	Intended use of net proceeds from Placing (Approximate)	Unutilised net proceeds from Placing as at 31 March 2018 (Approximate)	Utilised net proceeds from Placing for the Period (Approximate)	Unutilised net proceeds from Placing as at 30 September 2018 (Approximate)
Development of software applications and/or mobile gaming applications, and/or acquire related technological company(ies)	HK\$27.8 million	–	–	HK\$27.8 million
Marketing and promotion for the mobile gaming applications	HK\$11.9 million	HK\$11.9 million	–	HK\$11.9 million

During the year ended 31 March 2018, the Group utilised proceeds from Placing of HK\$27.8 million for entering into several agreements with independent third parties for the development of software applications in relation to the software business. However, these contracts were ultimately terminated and all the contract sums were subsequently returned to the Group in June 2018 and accordingly the unutilised net proceeds from Placing as at 30 September 2018 were approximately HK\$27.8 million. The unutilised net proceeds from Placing as at 30 September 2018 were deposited with Hong Kong licensed banks.

Due to the changes in the Group's business strategies and its focus on the integrated fashion accessories platform business, the development of the software business and related software applications and/or mobile gaming applications were suspended. The remaining unutilised net proceeds from Placing would tentatively be set aside and deposited with Hong Kong licensed banks until the emergence of other business development opportunities.

The Directors will constantly evaluate the Group's business objectives and the changing market condition to bring sustainable development to the Group. In the event that the Directors consider it necessary to further change the use of net proceeds from the Placing, the Company will make an appropriate announcement in accordance with the relevant provisions of the Listing Rules.

## **CORPORATE GOVERNANCE**

### **Corporate Governance Practice**

The Company has adopted the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Listing Rules. 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 should be separate and should not be performed by the same individual. From 21 June 2013 onwards, the roles of chairman and chief executive 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 of the Company in the same individual is beneficial to the business prospects and management of the Company. In addition, under the supervision by the Board which consists of three independent non-executive Directors, the interests of the shareholders of the Company will be adequately and fairly represented. The Board will review the need of appointing suitable candidate to assume the role of chief executive 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 condensed consolidated interim financial statement and the interim report for the Period.

## SHARE OPTION SCHEME

The Company adopted the share option scheme on 23 April 2008 (the “Share Option Scheme”). The purpose of the Share Option 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. The Share Option Scheme was adopted for a period of 10 years commencing from 23 April 2008. The Share Option Scheme has become expiry on 22 April 2018. Share options granted prior to such expiration shall continue to be valid and exercisable in accordance with the provisions of the Share Option Scheme. Details of shares options movements during the Period under the Share Option Scheme are as follows:

Name of category	Date of grant share options	Outstanding as at 01.04.2018	Number of share options				Outstanding at 30.09.2018	Validity period of share options	Exercise price (HK\$)	
			Granted during the Period	Exercised during the Period	Lapsed during the Period	Cancelled during the Period				
Directors										
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	(Note 2)	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	09.07.2015-08.07.2020	(Note 2)	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	(Note 2)	0.1470
	27.11.2015	15,000,000	-	-	-	-	15,000,000	27.11.2015-26.11.2020	(Note 3)	0.1488
Other participants										
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	(Note 2)	0.1470
	27.11.2015	224,200,000	-	-	-	-	224,200,000	27.11.2015-26.11.2020	(Note 3)	0.1488
		359,771,200	-	-	-	-	359,771,200			

*Notes:*

- (1) The closing price for the shares 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.
- (2) A maximum of 50% of the total number of share options granted to the grantees may be exercisable immediately after the date of grant. The remaining 50% of the total number of share options granted to the grantees may be exercisable after 8 July 2016.
- (3) A maximum of 50% of the total number of the share options granted to the grantees may be exercisable immediately after the date of grant, and the remaining 50% of the total number of the share options granted to the grantees may be exercisable after 26 November 2016.

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

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

## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This interim results announcement is published on the website of Hong Kong Exchanges and Clearing Limited at [www.hkex.com.hk](http://www.hkex.com.hk) and on the website of the Company at [www.primeview.com.hk](http://www.primeview.com.hk). The interim report for the Period will be dispatched to the shareholders of the Company and made available on the above websites in due course.

At the request of the Company, trading in the shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 3 July 2017 and will remain suspended until further notice.

By order of the Board  
**Primeview Holdings Limited**  
**Tse Hoi Chau**  
*Chairman*

Hong Kong, 27 November 2018

*As at the date of this announcement, the executive Directors are Mr. Tse Hoi Chau (Chairman), Mr. Lin Shao Hua, Mr. Leung Yiu Cho and Ms. Yu Zhonglian; and the independent non-executive Directors are Mr. Lau Fai Lawrence, Mr. Lau Yiu Kit and Mr. Zeng Zhaohui.*

\* *For identification purpose only*