TAI SHING

Tai Shing International (Holdings) Limited
泰盛國際（控股）有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8103)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2014

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

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

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

*This announcement, for which the directors (the "**Directors**") of Tai Shing International (Holdings) Limited (the "**Company**", together with its subsidiaries, the "**Group**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM (the "**GEM Listing Rules**") for the purpose of given information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

* *For identification purpose only*

RESULTS

The board of Directors (the "Board") presents the audited consolidated financial information of the Group for the year ended 31 March 2014, together with the audited comparative figures for the corresponding year in 2013.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2014

	Notes	2014 HK$'000	2013 HK$'000
Revenue	4	**49,302**	51,857
Cost of services		**(49,192)**	(34,294)
Gross profit		**110**	17,563
Other income and gains	4	**34,373**	7,904
Selling and distribution expenses		**(39)**	(629)
Administrative expenses		**(19,008)**	(57,385)
Other losses and expenses	5	**(211,974)**	(223,286)
Finance costs	6	**(8,179)**	(3,289)
Share of profit/(loss) of associate		**51**	(85)
Loss before tax		**(204,666)**	(259,207)
Income tax expense	8	**(2,353)**	(1,324)
Loss for the year	9	**(207,019)**	(260,531)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		**(759)**	1,791
Reclassification adjustment relating to foreign operations disposed of during the year		**(172)**	–
Total comprehensive expense for the year		**(207,950)**	(258,740)

	Notes	**2014**	2013
		HK$'000	*HK$'000*
Loss for the year attributable to:			
Owners of the Company		**(207,019)**	(260,531)
Non-Controlling interests		**–**	–
		(207,019)	(260,531)
Total comprehensive expense attributable to:			
Owners of the Company		**(207,950)**	(258,750)
Non-controlling interests		**–**	10
		(207,950)	(258,740)
Loss per share	*11*		
– Basic		**HK20.36 cents**	HK54.34 cents
– Diluted		**N/A**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2014

	Notes	**2014** **HK$'000**	2013 HK$'000
Non-current Assets			
Plant and equipment		**5,514**	4,230
Intangible assets		**6,555**	34,500
Interests in associates		**18,156**	18,105
Available-for-sale investments		**4,864**	4,864
Disposal receivables		**13,963**	–
Deposits paid for acquisition of subsidiaries		**–**	40,000
Deposit paid for acquisition of investment		**20,126**	25,000
		69,178	126,699
Current Assets			
Inventories		**9,470**	15,420
Trade and other receivables	*12*	**30,067**	45,582
Disposal receivables		**1,425**	3,000
Deposits and prepayments		**11,863**	17,167
Amounts due from customers for contract work		**10,274**	18,882
Financial assets at fair value through profit or loss		**493**	519
Pledged bank deposits		**288**	1,248
Bank balances and cash		**6,386**	9,725
		70,266	111,543
Assets classified as held for sale		**–**	20,500
		70,266	132,043
Current Liabilities			
Amounts due to customers for contract work		**20,942**	21,828
Trade and other payables	*13*	**86,006**	64,891
Receipts in advance		**5,226**	7,689
Warranty provision		**–**	–
Amount due to a shareholder		**–**	17,435
Bank borrowings		**17,654**	–
Promissory note payable		**10,000**	10,124
Convertible bonds/notes	*14*	**–**	14,287
Derivative financial instruments of convertible bonds/notes	*14*	**–**	379
Amount due to noteholder		**15,000**	–
Obligations under finance leases		**439**	1,096
Income tax payable		**8,565**	6,262
		163,832	143,991
Net Current Liabilities		**(93,566)**	(11,948)
		(24,388)	114,751

	Notes	**2014** *HK$'000*	2013 *HK$'000*
Capital and Reserves			
Share capital		**54,161**	35,597
Share premium and reserves		**(100,665)**	75,197
(Deficit)/equity attributable to owners of the Company		**(46,504)**	110,794
Non-controlling interests		**–**	2,693
Total (Deficit)/Equity		**(46,504)**	113,487
Non-current Liabilities			
Convertible bonds/notes	*14*	**22,076**	–
Derivative financial instruments of convertible bonds/notes	*14*	**2**	–
Obligations under finance leases		**38**	1,264
		22,116	1,264
		(24,388)	114,751

NOTES

1. GENERAL

Tai Shing International (Holdings) Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability. The shares of the Company are listed on the Growth Enterprise Market (the "GEM") of the Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Trading of shares of the Company on the GEM of the Stock Exchange was suspended on 2 July 2013 and has not been resumed up to the date of this announcement.

The functional currency of the Company is Renminbi ("RMB"). The consolidated financial statements are presented in Hong Kong dollar ("HK$") as the directors of the Company consider that HK$ is the appropriate presentation currency for the users of the Group's financial statements given that the shares of the Company are listed on the Stock Exchange.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

In preparing the consolidated financial statements, the Directors have considered the future liquidity of the Group. As at 31 March 2014, the Group had recorded net current liabilities and net liabilities of approximately HK$93,566,000 and HK$46,504,000 respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding the aforesaid conditions, the consolidated financial statements have been prepared on a going concern basis on the assumption that the Group will be able to operate as a going concern for the foreseeable future. In the opinion of the directors, the Group can meet its financial obligations as and when they fall due within the next year from the date of approval of these consolidated financial statements, after taking into consideration of the following measures and arrangements made subsequent to the reporting date:

(a) On 15 April 2014, a bank loan of RMB15,000,000 was granted to and utilised by a subsidiary of the Company. The bank loan, which is secured by pledge of certain properties owned by a third party, is repayable on or before 15 May 2015.

(b) On 8 December 2014 and 22 December 2014, the Group sold its inventories of printing press and raw cottons for the cash consideration of HK$400,000 and HK$10,000,000 respectively. The consideration for the sale of printing press is receivable by the Group by instalments, being HK$250,000 and HK$150,000 which fall due on 31 December 2014 and 30 June 2015 respectively. The consideration for the sale of raw cottons of HK$10,000,000 is receivable by the Group by instalments, being HK$2,500,000, HK$4,000,000, HK$2,000,000 and HK$1,500,000 which fall due on 30 June 2015, 30 September 2015, 31 December 2015 and 31 March 2016 respectively.

(c) On 15 January 2015, the Company entered into an agreement with the holder of the promissory note with the principal amount of HK$10,000,000 under which the noteholder has agreed for the repayment by the Company of the promissory note together with interest thereon amounted to a total of HK$13,040,000 by five instalments, being HK$2,000,000, HK$2,000,000, HK$3,000,000, HK$3,000,000 and HK$3,040,000 which fall due on 30 April 2015, 30 June 2015, 31 August 2015, 31 October 2015 and 31 December 2015 respectively.

(d) On 1 April 2015, all the warrants were converted into 57,380,000 new shares of the Company at the subscription price of HK$0.19 per share, giving rise to a proceed of approximately HK$10,902,000 (before expense).

(e) On 20 April 2015, the Group entered into an agreement with a third party for the disposal of the technical know-how for a cash consideration of HK$7,000,000, a deposit of which amounted to HK$700,000 was received by the Group. The outstanding cash consideration of HK$6,300,000 is receivable by the Group by six instalments, being HK$1,000,000, HK$1,000,000, HK$1,000,000, HK$1,000,000, HK$1,000,000 and HK$1,300,000 which fall due on 30 June 2015, 30 August 2015, 30 October 2015, 31 December 2015, 28 February 2016 and 31 March 2016 respectively.

(f) On 21 April 2015, the Company entered into an agreement with a third party, under which loan facility to the extent of HK$50,000,000 is granted to the Company for a period of two years from the date of the agreement. The loan carries interest at 1.25% per month and is secured by the floating charge over all the assets of the Company. The loan has not been utilised up to the date of this announcement.

In light of the measures and arrangements implemented to date, the directors are of the view that the Group has sufficient cash resources to satisfy its working capital and other financial obligations for the next twelve months from the date of this announcement, after having taken into account of the Group's projected cash flows, current financial resources and capital expenditure requirements with respect to the development of its businesses. Accordingly, the directors are of the view that it is appropriate to prepare these consolidated financial statements on a going concern basis.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to restate the value of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these potential adjustments have not been reflected in this announcement.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

New and revised HKFRSs applied in current year

In the current year, the Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"):

Amendments to HKFRSs	Annual improvements to HKFRSs 2009-2011 Cycle
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associate and Joint Ventures
HK(IFRIC) – Int 20	Stripping Costs In the Production Phase of a Surface Mine

Except as described below, the application of the new and revised HKFRSs in the current year has had no material effect on the amounts reported in the Group's consolidated financial statements.

HKFRS 13"Fair Value Measurement"

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based Payment", leasing transactions that are within the scope of HKAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application. In accordance with the transitional provisions of HKFRS 13, the Group has applied the new fair value measurement and disclosure requirements prospectively. Except as aforementioned, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Amendments to HKAS 1 "Presentation of Items of Other Comprehensive Income"

The Group has applied the amendments to HKAS 1 "Presentation of Items of Other Comprehensive Income". Upon the adoption of the amendments to HKAS 1, the consolidated statement of comprehensive income is renamed as the consolidated statement of profit or loss and other comprehensive income. Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRSs	Annual improvements to HKFRSs 2010-2012 cycle[2]
Amendments to HKFRSs	Annual improvements to HKFRSs 2011-2013 cycle[3]
Amendments to HKFRSs	Annual improvements to HKFRSs 2012-2014 cycle[4]
HKFRS 9	Financial Instruments[7]
HKFRS 14	Regulatory Deferral Accounts[4]
HKFRS 15	Revenue from Contracts with Customers[6]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosure[8]
Amendments to HKFRS 10, HKFRS 12 and HKFRS 27	Investor Entities[1]
Amendments to HKFRS 11	Accounting for Acquisition of Interests in Joint Operations[4]
Amendments to HKAS 1	Disclosure Initiative[5]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[5]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[5]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[3]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[5]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[5]
HK (IFRIC) – Int 21	Levies[1]

[1] Effective for annual periods beginning on or after 1 January 2014,

[2] Effective for annual periods beginning on or after 1 July 2014, with limited exemptions. Earlier application permitted.

[3] Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.

[4] Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application is permitted.

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

[6] Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

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

[8] Available application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued on 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset and give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designed as at fair value through profit or loss, HKFRS 9 requires that amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types or transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Company anticipate that the application of HKFRS 9 in the future may have significant impacts on amounts reported in respect of the Group's financial assets and financial liabilities. Regarding the Group's financial assets and liabilities, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 15 Revenue from Contracts with Customers

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company anticipate that the application of HKFRS 15 in the future may have material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

The directors of the Company anticipate that the application of other new and revised HKFRSs in issue but not yet effective will have no material impact on the consolidated financial statements.

4. REVENUE AND OTHER INCOME AND GAINS

Revenue, which is also the turnover of the Group, represents income from systems development and professional services rendered and software licensing, net of sales related taxes.

	2014	2013
	HK$'000	*HK$'000*
Revenue from provision of		
Systems development services	**39,119**	45,541
Professional services	**10,183**	6,316
Software licensing (Note a)	**–**	–
Total revenue	**49,302**	51,857
Other income and gains		
Interest income from bank deposits	**36**	61
Imputed interest income on disposal receivables	**2,235**	–
Exchange gain	**300**	–
Value added tax refunded (Note b)	**2,110**	2,091
Rental income	**122**	122
Sundry income	**103**	–
Gain on disposal of financial assets at fair value through profit or loss	**22**	72
Gain on disposal of subsidiaries	**6,387**	–
Gain on disposal of plant and equipment	**1,295**	–
Gain on change in fair value of derivative financial instruments of convertible bonds/notes	**17,056**	2,295
Reversal of impairment loss in respect of:		
– trade receivables	**2,318**	2,149
– retention receivables	**–**	273
– other receivables	**2,389**	841
Total other income and gains	**34,373**	7,904

Notes:

a. A subsidiary of the Company, 鑫約福(上海)貿易有限公司 ("Fullmark Shanghai"), entered into a co-operation agreement with a shareholder of the Group's associate (the "Contracting Party") in March 2010, pursuant to which (i) Fullmark Shanghai and the Contracting Party have agreed to jointly develop the Chinese version of the InsureLink System owned by the Group, (ii) Fullmark Shanghai shall licence the InsureLink System and provide related technical support services to the Contracting Party and the end-users of the InsureLink System; and (iii) Fullmark Shanghai and the Contracting Party shall jointly promote the licensing of the InsureLink System to other companies in the People's Republic of China (the "PRC"). Pursuant to the co-operation agreement, Fullmark Shanghai shall be entitled to receive 75% of the revenue from such licensing business and the Contracting Party guaranteed that the revenue to be received by Fullmark Shanghai shall not be less than RMB20,000,000 per annum.

The guaranteed revenue from the Contracting Party of RMB20,000,000 for each of the years ended 31 March 2014 and 31 March 2013 pursuant to the co-operation agreement was not received by the Group. As it is not probable that the economic benefits associated with the revenue from the Contracting Party will flow to the Group, such income for the year has not been recognised.

b. A tax concession was granted by the PRC tax authorities to the Company's subsidiary, Beijing Tongfang Electronic Science & Technology Limited ("Beijing Tongfang") for the sales of certain self-developed computer software products. Under this concession, Beijing Tongfang is entitled to a refund of value added tax paid in excess of an effective rate of 3%. The value added tax refunded is included in other income and gains.

5. OTHER LOSSES AND EXPENSES

	2014	2013
	HK$'000	*HK$'000*
Research and development expenditure	**–**	16,000
Impairment loss recognised in respect of:		
– Intangible assets	**26,945**	115,189
– Available-for-sale investments	**102,507**	20,736
– Disposal receivables	**1,347**	23,600
– Deposits paid for acquisition of subsidiaries	**20,000**	–
– Deposit paid for acquisition of investment	**4,874**	–
– Inventories	**5,950**	22,799
– Trade receivables	**10,745**	8,989
– Other receivables	**39,406**	10,406
– Assets classified as held for sale	**–**	4,266
Loss on disposal of available-for-sale investment	**–**	1,183
Loss on change in fair value of financial assets at FVTPL	**200**	4
Loss on change in fair value of promissory note payable	**–**	114
	211,974	223,286

6. FINANCE COSTS

	2014	2013
	HK$'000	*HK$'000*
Interest on bank borrowings repayable within one year	**1,200**	934
Imputed interest on promissory note payable	**1,138**	210
Imputed interest on convertible bonds/notes	**5,022**	1,961
Interest on amount due to noteholder	**496**	–
Finance costs on finance leases	**323**	184
	8,179	3,289

7. SEGMENT INFORMATION

The Group has adopted HKFRS 8 "Operating Segments" which requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance.

For management purposes, the Group is currently organised into three operating divisions – systems development, professional services and insurance brokerage business.

Systems development	–	Provision of systems development, maintenance and installation as well as consulting service and software licensing.
Professional services	–	Provision of information technology engineering and technical support services.
Insurance brokerage business	–	Provision of brokerage services.

(a) Segment revenues and results

The following is an analysis of the Group's revenues and results by reportable segments.

	Year ended 31 March							
	Systems development		**Professional services**		**Insurance brokerage business**		**Consolidated**	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
TURNOVER								
Revenue from external customers	**39,119**	45,541	**10,183**	6,316	**–**	–	**49,302**	51,857
RESULT								
Segment results	**(36,604)**	(140,645)	**3,769**	(10,038)	**–**	–	**(32,835)**	(150,683)
Interest income							**2,271**	61
Unallocated income							**27,978**	2,417
Unallocated expenses							**(193,952)**	(107,628)
Finance costs							**(8,179)**	(3,289)
Share of profit/(loss) of associate							**51**	(85)
Loss before tax							**(204,666)**	(259,207)

There were no sales between the reportable segments for both of the years ended 31 March 2014 and 2013.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment results represents the results of each segment without allocation of interest income, central administration costs and directors' remunerations, finance costs, and share of results of associates. This is the measure reported to the chief operating decision maker of the Group for the purposes of resource allocation and assessment of segment performance.

(b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments.

	At 31 March							
	Systems development		Professional services		Insurance brokerage business		Consolidated	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
ASSETS								
Segment assets	**35,286**	70,706	**7,883**	7,995	**–**	–	**43,169**	78,701
Unallocated corporate assets								
– Plant and equipment							**66**	755
– Intangible assets							**6,555**	9,500
– Interests in associates							**18,156**	18,105
– Available-for-sale investments							**4,864**	4,864
– Disposal receivables							**15,388**	3,000
– Deposits paid for acquisition of subsidiaries							**–**	40,000
– Deposit paid for acquisition of investment							**20,126**	25,000
– Inventories							**9,470**	15,420
– Other receivables, deposits and prepayments							**14,483**	31,405
– Financial assets at fair value through profit or loss							**493**	519
– Pledged bank deposits							**288**	1,248
– Bank balances and cash							**6,386**	9,725
– Assets classified as held for sale							**–**	20,500
Total assets							**139,444**	258,742
LIABILITIES								
Segment liabilities	**45,745**	57,693	**18,355**	3,017	**–**	–	**64,100**	60,710
Unallocated corporate liabilities								
– Other payables							**48,074**	33,698
– Amount due to a shareholder							**–**	17,435
– Bank borrowings							**17,654**	–
– Promissory note payable							**10,000**	10,124
– Convertible bonds/notes							**22,076**	14,287
– Derivative financial instruments of convertible bonds/notes							**2**	379
– Amount due to noteholder							**15,000**	–
– Obligations under finance leases							**477**	2,360
– Income tax payable							**8,565**	6,262
Total liabilities							**185,948**	145,255

For the purposes of monitoring segment performance and allocating resources between segments:

- all major assets are allocated to reportable segments other than interests in associates, available-for-sale investments, disposal receivables deposits paid for acquisition of subsidiaries and investment, inventories, other receivables, deposits and prepayments, financial assets at FVTPL, pledged bank deposits, bank balances and cash and assets classified as held for sale. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and
- all major liabilities are allocated to reportable segments other than amount due to a shareholder, bank borrowings, promissory note payable, convertible bonds/note, derivative financial instruments of convertible bonds/notes, amount due to noteholder, obligations under finance leases and income tax payable. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

(c) Geographical information

For the two years ended 31 March 2014 and 2013, over 90% of the Group's revenue are derived from customers based in the PRC and accordingly, no further analysis of the Group's revenue by geographical location.

Information about the Group's assets presented based on the location are detailed below:

	2014	2013
	HK$'000	*HK$'000*
Hong Kong	**66,775**	104,016
PRC	**72,669**	154,726
	139,444	258,742

(d) Other segment information

Amounts included in the measure of segment profit or loss or segment assets:

	For the year ended 31 March							
	Systems development		Professional services		Unallocated		Consolidated	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Other segment information								
Depreciation of plant and equipment	**380**	165	**76**	11	**758**	1,878	**1,214**	2,054
Amortisation of intangible assets	**–**	27,465	**–**	–	**1,000**	3,486	**1,000**	30,951
Impairment loss recognised in respect of:								
– intangible assets	**25,000**	109,716	**–**	–	**1,945**	5,473	**26,945**	115,189
– available-for-sale investments	**–**	–	**–**	–	**102,507**	20,736	**102,507**	20,736
– disposal receivables	**–**	–	**–**	–	**1,347**	23,600	**1,347**	23,600
– deposits paid for acquisition of subsidiaries	**–**	–	**–**	–	**20,000**	–	**20,000**	–
– deposit paid for acquisition of investment	**–**	–	**–**	–	**4,874**	–	**4,874**	–
– inventories	**–**	13,149	**–**	–	**5,950**	9,650	**5,950**	22,799
– trade receivables	**10,486**	8,454	**259**	530	**–**	5	**10,745**	8,989
– other receivables	**39,406**	9,275	**–**	1,131	**–**	–	**39,406**	10,406
– assets classified as held for sale	**–**	–	**–**	–	**–**	4,266	**–**	4,266
Research and development expenditure	**–**	–	**–**	–	**–**	16,000	**–**	16,000
(Gain)/loss on disposal of:								
– plant and equipment	**6**	–	**1**	–	**(1,302)**	77	**(1,295)**	77
– available-for-sale investment	**–**	–	**–**	–	**–**	1,183	**–**	1,183
Loss/(gain) on change in fair value of:								
– financial assets at fair value through profit or loss	**–**	–	**–**	–	**200**	4	**200**	4
– promissory note payable	**–**	–	**–**	–	**–**	114	**–**	114
– derivative financial instruments of convertible bonds/notes	**–**	–	**–**	–	**(17,056)**	(2,295)	**(17,056)**	(2,295)
Reversal of impairment loss in respect of:								
– trade receivables	**(2,318)**	(2,149)	**–**	–	**–**	–	**(2,318)**	(2,149)
– retention receivables	**–**	(273)	**–**	–	**–**	–	**–**	(273)
– other receivables	**(1,639)**	(841)	**–**	–	**(750)**	–	**(2,389)**	(841)
Gain on disposal of financial assets at fair value through profit or loss	**–**	–	**–**	–	**(22)**	(72)	**(22)**	(72)
Gain on disposal of subsidiaries	**–**	–	**–**	–	**(6,387)**	–	**(6,387)**	–
Additions to non-current assets (Note)	**2,016**	2,037	**436**	201	**367**	38,516	**2,819**	40,754

Note: Non-current assets excluded financial instruments.

e) Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group as follows:

	Revenue generated from	2014	2013
		HK$'000	HK$'000
Customer A	System development	**10,663**	N/A*

* Revenue from the customer A for the corresponding prior year did not contribute over 10% of the total revenue for that year.

8. INCOME TAX EXPENSE

	2014	2013
	HK$'000	HK$'000
Current tax		
– PRC Enterprise Income Tax	**2,353**	1,324

(i) No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group has no assessable profit for the year.

(ii) Under the Law of the PRC on Enterprise Income Tax ("EIT Law") and Implementation Regulation of the EIT Law, the standard tax rate applicable to PRC Enterprise Income Tax is 25%.

9. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	2014	2013
	HK$'000	HK$'000
Staff costs		
Salaries and other benefits	**3,596**	6,431
Retirement benefits scheme contributions	**366**	1,144
	3,962	7,575
Auditors' remuneration	**650**	560
Amortisation of intangible assets	**1,000**	30,951
Depreciation of plant and equipment	**1,214**	2,054
Loss on disposal of plant and equipment	**–**	77
Operating lease charges in respect of land and buildings	**684**	488

10. DIVIDENDS

No dividend was paid or proposed during the year ended 31 March 2014, nor has any dividend been proposed since the end of the reporting date (2013: Nil).

11. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss for the year attributable to owners of the Company of HK$207,019,000 (2013: HK$260,531,000) and on the weighted average number of 1,016,769,000 (2013: 479,439,000) ordinary shares in issue during the year.

Diluted loss per share is not presented because the Group sustained a loss for both of the years presented and the impact of conversion of convertible bonds/notes and exercise of share options and warrants, if any, is regarded as anti-dilutive.

12. TRADE AND OTHER RECEIVABLES

	2014	2013
	HK$'000	*HK$'000*
Trade and bills receivables	**70,303**	69,241
Less: Impairment loss recognised	**(50,281)**	(44,627)
	20,022	24,614
Retention receivables	**6,073**	2,382
Less: Impairment loss recognised	**(949)**	(931)
	5,124	1,451
Other receivables	**80,757**	57,392
Less: Impairment loss recognised	**(75,836)**	(37,875)
	4,921	19,517
	30,067	45,582

Notes:

(a) Trade and bills receivables

Trade receivables are due for settlement in accordance with the terms of the underlying agreements with the customers. Trade receivables with balances that are more than 9 months overdue are requested for settlement of all outstanding balances before any further credit is granted.

Impairment loss is recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of customers.

An aged analysis of trade and bills receivables based on dates of invoices, net of impairment loss recognised, is as follows:

	2014	2013
	HK$'000	*HK$'000*
0-30 days	**6,074**	9,859
31-90 days	**3,683**	3,023
Over 90 days	**10,265**	11,732
	20,022	24,614

Movements in impairment losses on trade receivables are as follows:

	2014	2013
	HK$'000	*HK$'000*
At beginning of the year	**44,627**	37,710
Exchange realignment	**487**	77
Recognised during the year	**10,745**	8,989
Reversal during the year	**(2,318)**	(2,149)
Derecognised on disposal of subsidiaries	**(3,260)**	–
At end of the year	**50,281**	44,627

Trade receivables amounting to approximately HK$50,281,000 at 31st March 2014 (2013: HK$44,627,000) were individually determined to be impaired and impairment loss on these receivables has been made in full. The Group does not hold any collateral over these balances.

An analysis of trade and bills receivables at 31 March 2014 and 31 March 2013 not impaired is as follows:

			Past due but not impaired		
	Total	**Neither past due nor impaired**	**Not more than 90 days**	**More than 90 days but less than 1 year**	**Over 1 year**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
31 March 2014	20,022	1,231	8,526	8,371	1,894
31 March 2013	24,614	5,620	7,262	11,732	–

Trade and bills receivables that were neither past due nor impaired relate to a wide range of customers who has no recent history of default. Trade and bills receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

(b) Retention receivable

Retention receivables, net of impairment loss recognised, amounted to approximately HK$5,124,000 as at 31 March 2014 (2013: HK$1,451,000) are due for settlement after a period of more than 12 months.

Movements in impairment losses of retention receivables are as follows:

	2014	2013
	HK$'000	*HK$'000*
At beginning of the year	**931**	1,201
Exchange realignment	**18**	3
Reversal during the year	**–**	(273)
At end of the year	**949**	931

Retention receivables amounting to approximately HK$949,000 at 31 March 2014 (2013: HK$931,000) were individually impaired and impairment loss on these receivables has been made in full. The Group does not hold any collateral over these balances.

(c) Other receivables:

	2014	2013
	HK$'000	*HK$'000*
Advances to third parties	**77,459**	51,213
Advances to staff of the Group	**3,298**	6,179
	80,757	57,392
Less: Impairment loss recognised	**(75,836)**	(37,875)
	4,921	19,517

The other receivables are unsecured, interest free and repayable on demand.

Movements in impairment losses of other receivables are as follows:

	2014	2013
	HK$'000	*HK$'000*
At beginning of the year	**37,875**	28,179
Exchange realignment	**1,057**	131
Recognised during the year	**39,406**	10,406
Reversal during the year	**(2,389)**	(841)
Derecognised on disposal of subsidiaries	**(113)**	–
At end of the year	**75,836**	37,875

Other receivables amounted to approximately HK$75,836,000 at 31 March 2014 (2013: HK$37,875,000) were individually impaired and impairment loss on these receivables has been made in full. The Group does not hold any collateral over these balances.

13. TRADE AND OTHER PAYABLES

	2014	2013
	HK$'000	*HK$'000*
Trade payables	**33,053**	21,326
Amount due to a former shareholder	**17,754**	–
Accrued expenses and other payables	**35,199**	43,565
	86,006	64,891

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

	2014	2013
	HK$'000	*HK$'000*
0-30 days	**15,558**	2,388
31-90 days	**336**	2,619
Over 90 days	**17,159**	16,319
	33,053	21,326

The average credit period granted by the suppliers of the Group is 30-90 days (2013: 30-90 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

14. CONVERTIBLE BONDS/NOTES AND DERIVATIVE FINANCIAL INSTRUMENTS OF CONVERTIBLE BONDS/NOTES

	Convertible bonds/notes		**Derivative financial instruments of convertible bonds/notes**	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
2013 Convertible Bonds	**22,076**	–	**2**	–
2012 Convertible Notes	**–**	14,287	**–**	379
	22,076	14,287	**2**	379
Amounts included in current liabilities	**–**	(14,287)	**–**	(379)
Amounts included in non-current liabilities	**22,076**	–	**2**	–

(a) 2013 Convertible Bonds

On 2 April 2013, the Company issued convertible bonds with an aggregate principal amount of HK$85,000,000 ("2013 Convertible Bonds") for the acquisition of the entire equity interest in Tirack Holdings Corporation ("Tirack"). The 2013 Convertible Bonds are interest free and mature on 1 April 2016 ("2013 CB Maturity Date") which is the third anniversary of the date of issue. The 2013 Convertible Bonds entitle the holder thereof to convert the bonds into shares at any time after the date of issue up to the 2013 CB Maturity Date at the conversion price of HK$0.175 per share ("2013 CB Convertible Option"). The Company is entitled an option to early redeem at any time from 2 April 2013 to the 2013 CB Maturity Date the outstanding 2013 Convertible Bonds at their principal amount ("2013 CN Redemption Option"). Unless previously converted, redeemed and cancelled, the 2013 Convertible Bonds are redeemed at 100% of the outstanding principal amount at the 2013 CB Maturity Date.

During the year, the 2013 Convertible Bonds with the principal amount of HK$55,000,000 were converted into 314,285,712 ordinary shares of the Company at the conversion price of HK$0.175 per share.

The 2013 Convertible Bonds contain a debt component and derivative component (including 2013 CN Conversion Option and the 2013 CN Redemption Option). The 2013 CN Conversion Option is classified as a derivative financial liability as it will be settled other than by an exchange of a fixed amount of cash for a fixed number of the Company's own equity instruments on the basis that the 2013 Convertible Bonds are denominated in Hong Kong dollar, a foreign currency of the Company.

The fair value of the debt component of the 2013 Convertible Bonds was estimated to be HK$53,688,000 on the initial recognition date. In subsequent periods, the debt component is carried at amortised cost using the effective interest method. The effective interest rate of the debt component is 16.55% per annum. The derivative component is measured at fair value at the date of issue and in subsequent periods with changes in fair value recognised in profit or loss.

The fair value of the 2013 CB Conversion Option and 2013 CN Redemption Option at the date of issue and at 31 March 2014 is calculated using Binomial Option Pricing Model. Major parameters adopted in the calculation of fair value are set out below:

	2 April 2013 (date of issue)	**31 March 2014**
Share price	HK$0.142	HK$0.017
Conversion price	HK$0.175	HK$0.175
Risk-free rate	0.223%	0.454%
Option life	3.001 years	2.006 years
Volatility	88.589%	60.254%
Dividend yield	0%	0%

Risk free interest rate was estimated based on the yields of the Hong Kong government bonds and treasury bills.

The volatility of the underlying shares during the life of the options was estimated based on the average historical price of the shares of the comparable companies, excluding outliers, over the expected bond period.

The dividend yield was estimated with reference to the historical dividend payment record and the expected dividend payment in the next two years of the Company.

Movements of the debt component and derivative component of the 2013 Convertible Bonds during the year are as follows:

	Debt component *HK$'000*	Derivative component *HK$'000*	Total *HK$'000*
At 1 April 2012 and 31 March 2013	–	–	–
Issue of the 2013 Convertible Bonds	53,688	23,819	77,507
Imputed interest for the year	4,309	–	4,309
Conversion during the year	(35,921)	(7,140)	(43,061)
Gain on change in fair value for the year	–	(16,677)	(16,677)
At 31 March 2014	22,076	2	22,078

(b) 2012 Convertible Notes

On 3 May 2012, the Company issued Hong Kong dollar denominated convertible notes with principal amount of HK$15,000,000 ("2012 Convertible Notes") to a third party. The 2012 Convertible Notes, which were unsecured and interest free, were mature on 2 August 2013 ("2012 CN Maturity Date") which is fifteen months from the date of issue of the 2012 Convertible Notes. The 2012 Convertible Notes entitled the holder thereof to convert the notes into shares at any time after the date of issue up to the 2012 CN Maturity Date at the initial conversion price of HK$0.25 per share ("2012 CN Conversion Option"). The Company was entitled an option to early redeem at any time from 3 May 2012 to the 2012 CN Maturity Date the outstanding 2012 Convertible Notes at their principal amount. Unless previously converted, redeemed and cancelled, the Convertible Notes were redeemed at 100% of the outstanding principal amount on the 2012 CN Maturity Date.

The 2012 Convertible Notes contain a debt component and derivative component (including 2012 CN Conversion Option and redemption option ("2012 CN Redemption Option")). The 2012 CN Conversion Option is classified as a derivative financial liability as it will be settled other than by an exchange of a fixed amount of cash for a fixed number of the Company's own equity instruments on the basis that the 2012 Convertible Notes are denominated in Hong Kong dollar, a foreign currency of the Company.

The fair value of the debt component of the 2012 Convertible Notes was estimated to be HK$12,326,000 on the initial recognition date. In subsequent periods, the debt component is carried at amortised cost using the effective interest method. The effective interest rate of the debt component is 21.7% per annum. The derivative component is measured at fair value at the date of issue and in subsequent periods with changes in fair value recognised in profit or loss.

The fair value of the 2012 CN Conversion Option at the date of issue and at 31 March 2013 is calculated using the Black-Scholes Option Pricing Model. Major parameters adopted in the calculation of fair value are set out below:

	3 May 2012 (date of issue)	31 March 2013
Share price	HK$0.255	HK$0.148
Conversion price	HK$0.25	HK$0.25
Risk-free rate	0.174%	0.065%
Option life	1.25 years	5 months
Volatility	93.943%	53.316%
Dividend yield	0%	0%

Risk free interest rate was estimated based on the yields of the Hong Kong government bonds and treasury bills.

The volatility of the underlying shares during the life of the options was estimated based on the historical price of the Company.

The dividend yield was estimated with reference to the historical dividend payment record and the expected dividend payment in the next two years of the Company.

The fair value of the 2012 CN Redemption Option at date of issue and at 31 March 2013 was insignificant.

The 2012 Convertible Notes, which were not converted into new shares of the Company during the maturity period, remained unsettled and have been reclassified to amount due to noteholder on their maturity date.

Movements of the debt component and derivative component of the 2012 Convertible Notes during the year are as follows:

	Debt component	**Derivative component**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
At 1 April 2012	–	–	–
Issue of the 2012 Convertible Notes	12,326	2,674	15,000
Imputed interest for the year	1,961	–	1,961
Gain on change in fair value	–	(2,295)	(2,295)
At 31 March 2013	14,287	379	14,666
Imputed interest for the year	713	–	713
Reallocated to amount due to noteholder	(15,000)	–	(15,000)
Gain on change in fair value	–	(379)	(379)
At 31 March 2014	–	–	–

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is an extract from the independent auditor's report on the consolidated financial statements of the Group for the year ended 31 March 2014.

Basis for Disclaimer of Opinion

(a) *Opening balances and corresponding figures*

Our audit opinion on the consolidated financial statements of the Group for the year ended 31 March 2013 (the "2013 Financial Statements"), which form the basis for the corresponding figures presented in the current year's consolidated financial statements, was disclaimed because of the significance of the possible effect of the limitations on the scope of our audit, details of which are set out in our report dated 25 August 2014 and matters described in (b) to (f) below. Accordingly, we are unable to carry out audit procedures on the opening balances as to whether the 2013 Financial Statements give a true and fair view of the state of affairs of the Group as at 31 March 2013 and 1 April 2013 and of the Group's loss and cash flows for the year ended 31 March 2013.

(b) *Intangible assets*

Included in intangible assets of the Group is the InsureLink System which was fully impaired as at 31 March 2014. Impairment losses on the InsureLink System amounted to HK$25,000,000 and HK$78,341,000 have been recognised in profit or loss in respect of the current year and the comparative prior year respectively. In the absence of adequate supporting documents, we are unable to obtain sufficient appropriate audit evidence to ascertain that such impairment losses are appropriately recognised for the respective years.

(c) *Deposits paid for acquisition of subsidiaries*

As at 31 March 2014, deposit amounted to HK$20,000,000 was paid by the Group for the possible acquisition of a subsidiary, Fame Thrive Limited, the negotiation of which was terminated subsequent to that date. Impairment loss of HK$20,000,000 on the deposit paid has been recognised in profit or loss in respect of the current year. In the absence of adequate supporting documents, we are unable to obtain sufficient appropriate audit evidence to assess whether (i) such impairment loss is appropriately recognised for the current year; and (ii) no impairment loss on such deposit is required to be made in respect of the comparative prior year.

(d) Deposit paid for acquisition of investment

As at 31 March 2014, (i) deposit amounted to HK$25,000,000 was paid by the Group for the possible acquisition of equity interest in Gold Depot Limited, the negotiation of which was terminated subsequent to that date; and (ii) on 7 November 2014, the Company entered into a settlement agreement with the relevant contracting party under which refund of the deposit paid is payable by the contracting party in cash by instalments. In the absence of adequate supporting documents, we are unable to obtain sufficient audit evidence to assess whether the outstanding instalments totalled HK$25,000,000 will be paid by the contracting party and the impairment losses, if any, on the deposit paid which are required to be made for the current year and the comparative prior year.

(e) Disposal receivables

Included in disposal receivables are receivables from the disposal of a subsidiary, 上海景福保險經紀有限公司, amounted to HK$16,735,000 at 31 March 2014, against which impairment loss amounted to HK$1,347,000 has been recognised in respect of the current year. On 16 February 2015, the Company entered into a deed of settlement with the purchaser, under which the outstanding receivable is revised from RMB15,000,000 to HK$17,700,000 and is payable by the purchaser by seven instalments. The assets of the subsidiary as at 31 March 2013 were included in the assets classified as held for sale presented in the consolidated statement of financial position as at that date. In the absence of adequate supporting documents, we are unable to obtain sufficient audit evidence to assess whether (i) the outstanding receivables totalled HK$17,700,000 will be received by the Group in accordance with the payment schedule; (ii) any additional impairment loss on such receivables is required to be recognised for the current year; and (iii) any additional impairment loss on the assets of the subsidiary at 31 March 2013 is required to be recognised in respect of the comparative prior year.

(f) Going concern basis of accounting

The consolidated financial statements have been prepared on a going concern basis notwithstanding that at 31 March 2014, the Group recorded net current liabilities and net liabilities of approximately HK$93,566,000 and HK$46,504,000 respectively. In addition, the Group also recorded net current liabilities of approximately HK$11,948,000 as at 31 March 2013. These conditions together with other matters as referred to in paragraph (b) to (e) above indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. Should the going concern assumption be inappropriate, adjustments may have to be made to reflect the situation that assets may need to be realised at other than the amounts at which they are currently recorded in the consolidated statement of financial position. In addition, the Group may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. We consider that appropriate disclosures have been made in the consolidated financial statements. However, in the absence of appropriate supporting documents to substantiate that the Group is able to operate as a going concern in the foreseeable future, we disclaim our opinion in respect of the going concern basis adopted in the preparation of the consolidated financial statements.

Any adjustments that might have found to be necessary in respect of the matters set out in the aforementioned paragraphs (a) to (f) may have a significant effect on the state of affairs of the Group as at 31 March 2014 and of its loss and cash flows for the year then ended. Our audit opinion on the consolidated financial statements for the year ended 31 March 2013 was modified for the reasons stated in paragraphs (a) to (f). Our opinion on the current year's consolidated financial statements is also modified because of the possible effect of these matters on the comparability of the current year's figures and the corresponding figures presented in current years' consolidated financial statements.

Disclaimer of opinion

Because of the significance of the matters described in the above section of Basis for Disclaimer of Opinion, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the consolidated financial statements. In all other material respects, in our opinion, the consolidated financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

MANAGEMENT RESPONSE TO AUDIT OPINION

InsureLink System

The audit opinion covers only whether impairment losses are appropriately recognised in current and prior financial years, i.e. the timing of recognition of impairment but not the measurement.

The Management considered that it would not be cost-effective to further invest in the InsureLink System based on the following reasons:

a) The relevant experienced staff has left Fullmark SH;

b) Increasing high cost of recruiting and maintaining technical and professional employees coupled with the relatively reducing revenue growth of the industry;

c) Major companies, having increased investment in information technology, launched financial products based on its own platform; eventually, it would be very difficult for InsureLink System, being an independent Internet trading platform, in cooperating with other insurance intermediaries and agents; and

d) The uncertainty relating the introduction of the regulatory policies and regulations is increasing.

Since the above factors mainly emerged in the current financial year, the Board considered that it is appropriate to impair the InsureLink System in full in the current period and the carrying amount of Insurelink System of nil (after impairment) as at 31 March 2014 is fairly presented.

In short, this shall not have any effect on the consolidated financial statements of the Group in future periods.

Fame Thrive Limited

Shortly after the expiration of the exclusivity period for the acquisition of the Fame Thrive Limited, the Company has demanded the payment of the earnest money from the prospective seller. Despite the repeated demands, the prospective seller still failed to repay the earnest money. Legal action was taken against the prospective seller on 18 November 2014 and a bankruptcy order was finally made on 18 March 2015. In view of the above, full impairment was made in the current financial year. For details, please refer to the section headlined "Possible acquisition of the entire issued share capital of Fame Thrive Limited" in the announcement. As the legal action was taken in late 2014, the Board considered that it is appropriate to recognise the impairment in the current period and the carrying amount of nil (after impairment) of such earnest money as at 31 March 2014 is fairly presented. The audit report covers only whether such impairment loss is appropriately recognised in the current and prior financial years and therefore shall not have any effect on the consolidated financial statements of the Group in future periods.

Deposit paid for acquisition of investment and Disposal receivables

The Directors have assessed the financial capability of the receivable owners by examining the documents and information provided by them and are of the view that they are able to settle on time. The Company has obtained assets proofs and other documents such as settlement agreements from both debtors and provided to the auditors. However, the auditors advised the Company that they were unable to ascertain the indebtedness of the debtors. As at the date of this announcement, there are no overdue payment according to the respective settlement schedules. For details, please refer to notes (ii) and (iv) of the section headed "SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITION AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES DURING THE PERIOD UNDER REVIEW" in this announcement.

Going concern basis of accounting

The financial statements have been prepared on a going concern basis. The Directors are of the view that the Group can meet its financial obligations in the coming twelve months. The Company will take concrete steps to conduct further equity and/or debt fund raising to meet the working capital requirement of the Company. The Company is currently on good terms with the major creditors of the Group, including the holder of the HK$15 million Convertible Note and the holder of the HK$10 million promissory note. The Company has successfully agreed with the holder of the promissory note to extend the repayment terms. The Company will also take steps to improve cash flow by tightening credit terms and collection of receivables.

The Directors are of the view that the Group does not have a going concern issue and there will be sufficient working capital for the operations of the Group. As at the date of this report, all the warrant holders have exercised their rights for issuance of shares and the Group has successfully raised HK$10.9 million and the Company has obtained a facility of HK$50 million for 24 months, the Company is in process of executing the following actions:- (i) in addition to the Second December 2012 Placing, the Company commenced discussion with other equity and debt financiers regarding the provision of financing to the Company either before or upon the resumption of trading in the shares of the Company; the Directors are of the view that approximately additional HK$20 million to HK$30 million could be raised from such financing activities; the Directors believe that the discussion with such financiers will become more concrete when the resumption date of trading in the shares of the Company getting closer. The Company has appointed a financial advisor to facilitate the above mentioned discussion with the financiers; (ii) as disclosed in the paragraph above in the section "Significant investments, material acquisitions and disposals of subsidiaries and affiliated companies during the period under review", the Company is currently taking all reasonable and economical steps to recover the receivables of the Company, and the Directors are of the view that approximately HK$44 million could be recovered before 30 September 2016; (iii) the Company has already commenced the negotiation with the convertible note holder, the principal amounts of the aforesaid instrument being HK$15 million, to change into a longer term instrument or to extend the repayment of the instrument and to repay by instalments. The Directors believe that such negotiation with the convertible note holder will become more concrete when the resumption date of trading in the shares of the Company getting closer.

Base on the above projection and the financing facility obtained in 2015, the Board is of the view that with this facility, the Company is able to meet the coming obligations and working capital requirements. Therefore, the Directors are of the view that the Group can meet its financial obligations in the coming twelve months.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE

During the year ended 31 March 2014, the Group recorded a turnover of approximately HK$49.3 million (2013: HK$51.9 million), representing a decrease of approximately 5% as compared with the turnover for the year ended 31 March 2013. Other income and gains increased by HK$26.5 million were mainly contributed by the change in fair value of financial instruments and gain on disposal of subsidiaries. Together with the decrease of research and development expenditure by HK$16 million and the Group has also reduced the administrative expenses by HK$38.4 million though the cost of services has slightly increased by HK$14.9 million. As a result, the Group's loss was significant decreased by HK$53.5 million.

The Group recorded a loss attributable to owners of the Company amounted to approximately HK$207 million for the year under review (2013: HK$260.5 million).

FUTURE PROSPECTS

The Group will continue to look for opportunities to create shareholders' value through making investments into and/or acquiring interests in companies or projects that have promising outlooks and prospects. The Group intends to broaden its perspective beyond the IT sector and potentially also invest into and/or make acquisitions in other industries (including renewable energy and other "green" businesses, the financial industry, and more traditional non-IT businesses) so long as such investments/ acquisitions can bring value and are beneficial to the Company and its shareholders as a whole. In addition, it was stated previously that the Group intended to enter into the financial and financial services sector. As at the date of this announcement, the Group has already commenced its proprietary trading business. The Group also successfully renewed its money lending business recently. Trading in securities, printing services and money lending have now also become the principal businesses of the Group. The Board is of the view that these new principal businesses together with the existing businesses will bring further value to the shareholders as a whole in the coming future.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 March 2014, the equity attributable to owners of the Group amounted to a deficit of approximately HK$46.5 million (2013: surplus of HK$110.8 million). Current assets amounted to approximately HK$70 million (2013: HK$132 million), of which approximately HK$6.4 million (2013: HK$9.7 million) were cash and cash equivalents. Current liabilities were approximately HK$163.8 million (2013: HK$144 million) including trade and other payables, amounts due to customers for contract work, promissory note payable, bank borrowings and amount due to noteholder. Bank borrowing was approximately HK$17.7 million (2013: nil).

During the year ended 31 March 2014, the Company has made the following issue for cash of equity securities made otherwise than to the Company's shareholders in proportion to their shareholdings and which has not been specifically authorised by the Company's shareholders:

i) Placing of new shares under specific mandate on 28 February 2013

As disclosed in the announcement of the Company dated 18 March 2013, the Company has issued 72,000,000 new Shares to not less than six placees on 18 March 2013 at an issue price of HK$0.14 pursuant to a share placing agreement entered into between the Company and Heng Shan Securities Limited dated 28 December 2012 for the placing of up to 250,000,000 new Shares ("Second December 2012 Placing"). The net proceeds from the Second December 2012 Placing is intended to broaden the shareholders base and capital base of the Company and to raise capital for the Company for its future business operations and developments. The net proceeds received from the Company in relation to the 72,000,000 new Shares issued under the Second December 2012 Placing amounted to approximately HK$10,080,000. As at the date of this announcement, the net proceeds have been utilized for general working capital of the Group.

During the year under review, on 15 April 2013, 57,000,000 new Shares have further been issued to not less than six placees. In relation to the remaining 121,000,000 Shares, the Company and the placing agent had entered into a confirmation letter on 30 April 2013 to extend the long stop date for the Second December 2012 Placing to 28 June 2013. Prior to the long stop date, the conditions precedent for the Second December 2012 Placing 70,000,000 shares were fulfilled but was halted due to suspension of trading. The Company has been negotiating with the placing agent on whether to continue with the Second December 2012 Placing in view of the long lapse of time. Negotiation will go on again once trading of shares was resumed.

Please refer to the circular of the Company dated 8 February 2013 and the announcements of the Company dated 28 December 2012, 28 February 2013, 18 March 2013, 15 April 2013 and 30 April 2013 for further details in relation to the Second December 2012 Placing. The Company has also commenced discussions with other equity and debt financiers regarding the provision of financing to the Company whether before or upon the resumption of trading in the shares of the Company.

During the year under review, the Company has made the following issue of equity securities:

(i) Conversion of convertible bonds under specific mandate on 18 March 2013

On 10 April 2013, the vendor of Tirack exercised its right to convert HK$25 million out of HK$85 million in the principal amount of the convertible bonds issued as a result of the acquisition of Tirack by the Company into 142,857,142 shares of the Company;

On 3 July 2013, the holders of convertible bonds exercised its right to convert HK$10 million out of the remaining principal amount of HK$60 million of the convertible bonds issued as a result of the acquisition of Tirack by the Company into 57,142,857 shares of the Company;

On 29 August 2013, the holders of convertible bonds exercised its right to convert HK$20 million out of the remaining principal amount of HK$50 million of the convertible bonds issued as a result of the acquisition of Tirack by the Company into114,285,713 shares of the Company.

(ii) Possible placing of unlisted warrant under specific mandate

During the year under review, as disclosed in the circular of the Company dated 8 February 2013 and the announcements of the Company dated 28 December 2012 and 30 April 2013, the Company and the placing agent entered into a placing agreement for placing up to 64,600,000 warrants which will confer the right to the holders of such warrants to subscribe for up to 64,600,000 Shares at an issue price of HK$0.01 per warrant and an exercise price of HK$0.14 per Share. No warrant had been issued during the period under review.

Subsequently after the period under review, the Company and the placing agent had entered into a confirmation letter on 30 April 2013 to extend the long stop date for placing the warrants to 28 June 2013, and no warrant had been issued up to the long stop date and the placing was terminated.

Save for the abovementioned, during the year under review, there were no material changes on the capital structure of the Company.

Subsequent to the year under review until the date of this report, the Company has made the following issue for cash of equity securities:

(i) Exercise of warrants issued under specific mandate on 3 April 2012

On 1 April 2015, the holders of warrants exercised its rights to exercise 57,380,000 shares at HK$0.19 per share. As a result, the Company received a net proceed of HK$10.9 million.

GEARING RATIO

The gearing ratio calculated on the basis of total liabilities over the total shareholders' fund. As at 31 March 2013, the gearing ratio was approximately 131.1%. Since the Company recorded a deficit in shareholders' fund, the gearing ratio was not applicable as at 31 March 2014.

FOREIGN CURRENCY EXPOSURE

During the year ended 31 March 2014, the Group experienced only immaterial exchange rate fluctuations, as the Group's operations were mainly denominated in Hong Kong dollars and Renminbi. As the risk on exchange rate difference considered being minimal, the Group did not employ any financial instruments for hedging purposes.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES DURING THE PERIOD UNDER REVIEW

Save as disclosed herein, there were no significant changes in the investments held by the Company during the year ended 31 March 2014.

(i) The Company completed the acquisition of the entire issued share capital of Tirack Holdings Corporation ("Tirack") on 2 April 2013. The total consideration for the acquisition of HK$110,000,000 was settled by (i) payment in cash of HK$25,000,000 by the Company; and (ii) issue by the Company of convertible bonds with an aggregate principal amount of HK$85,000,000. As of the date of this report, convertible bonds with the principal amount of HK$55,000,000 have been converted into 314,285,712 new shares of the Company of HK$0.05 each. Subsequent to the date of acquisition of Tirack. The vendor and also the founder of Tirack – Mr. Zhao Tuanjie (趙團結) ("Zhao"), was arrested in the PRC in or about the third quarter of 2013 due to his personal financial matters. The other key personnel of PRC operating subsidiary of Tirack, namely Taoaoto left shortly after Mr. Zhao was arrested. As a result, the operation of Track became inactive followed by liquidity problem. Matters were in a state of complete disarray. Due to the events mentioned above and the long lapse of time since such events, despite having pursued the matter vigorously, a significant amount of documents and accounting records of Taoaoto cannot be located, and the Company has not been able to obtain and retrieve complete and sufficient records of Tirack for the purposes of applying acquisition accounting in accordance with HKFRS 3 Business Combinations at the completion date of the acquisition and consolidation of Tirack in accordance with HKFRS 10 Consolidated Financial Statements. In view of the above and after seeking legal advices, the Company has measured its investment in Tirack at cost less impairment. In April 2015, the Company obtained an offer from an independent third party with a consideration of HK$100,000 for the entire equity interest of Tirack Group. The Company has decided to impair the acquisition cost of Tirack, being a cash consideration of HK$25 million and convertible bonds with a principal amount of HK$85 million (fair value of HK$77,507,000 as of the completion date of the Tirack acquisition), by reference to the offer price which resulted in recognition of an impairment loss of HK$102,407,000 to the Group during the year ended 31 March 2014. The Company also decided not to invest any further into Tirack Group. Nonetheless, despite having made such impairment, the Company will continue to explore aggressively every possible means to recover the amount spent on acquiring Tirack.

Please refer to the announcements of the Company dated 21 November 2012 and 2 April 2013 and the circular of the Company dated 28 February 2013 for further details of the acquisition of Tirack.

(ii) On 28 March 2013, the Group entered into an agreement with the purchaser (a third party) for the disposal of the Company's 51% equity interest in a subsidiary, 上海景福保險經紀有限公司 (「上海景福」, formerly known as 青島博達保險經紀有公司 for a cash consideration of RMB20,000,000. The completion took place in October 2013 and part of the consideration of RMB5,000,000 was received by the Group. On 3 July 2014, the Company and the purchaser reached an agreement for the revision of terms of settlement of the outstanding disposal consideration, under which the outstanding consideration of RMB15,000,000 will be paid by the purchaser to the Company in five equal instalments of RMB3,000,000 over one year. In view of the real estate market in the PRC slowed down, the financial institutions of the PRC are more cautious on the loans to real estate industry, the overall financial environment continuing to be tight, leading to an overall reduction in liquidity in the PRC real estate market. In view of the above mentioned, the Company believes the purchaser did not make repayment according to the payment schedule agreed on 3 July 2014 is caused by general market conditions. The purchaser also informed the Company that her liquidity is a bit tight approaching the Chinese New Year however she is sincere to repay the outstanding amount in full to the Company. The Company has also assessed the financial capability of the purchaser and is satisfied that the purchaser would be able to settle in full. On 16 February 2015, the Company and the purchaser executed a new settlement agreement for the terms of settlement in relation to the outstanding disposal consideration, under which the outstanding consideration of HK$17.7 million (approximately RMB 14 million) will be paid by the purchaser to the Company with the following key terms: (i) HK$1 million shall be paid to the Company on or before 18 February 2015; (ii) HK$0.5 million shall be paid to the Company on or before 27 February 2015; (iii) HK$0.5 million shall be paid to the Company on or before 30 April 2015; (iv) HK$1 million shall be paid to the Company on or before 30 June 2015; (v) HK$4.7 million shall be paid to the Company on or before 30 September 2015; (vi) HK$5 million shall be paid to the Company on or before 31 December 2015; and (vii) HK$5 million shall be paid to the Company on or before 31 March 2016. As at the date of this announcement, there is no outstanding balances that have not been repaid based on the new settlement agreement.

Please refer to the announcement of the Company dated 1 April 2013 and 21 July 2014 for further details of the disposal.

During the period under review, the Company has not completed any other material acquisitions or disposal.

(iii) Possible acquisition of the entire issued share capital of Fame Thrive Limited

On 30 December 2010, the Company and an independent third party, namely Ms. Tse Wing Yan (謝泳欣), entered into a memorandum of understanding in respect of the possible acquisition of the entire issued share capital of Fame Thrive Limited, a company incorporated in the British Virgin Islands with limited liability. Pursuant to the memorandum of understanding, Fame Thrive Limited will implement a reorganisation whereby it will, directly or indirectly, establish a wholly-foreign owned enterprise in the PRC and such wholly-foreign owned enterprise will enter into a co-operation arrangement with Dongda Insurance Brokerage Company Limited ("Dongda" or "東大保險經紀有限責任公司"), a company established in the PRC. Dongda provides property and life insurance professional insurance brokers services (such as engineering insurance, cargo transportation insurance, liability, insurance and group life insurance) and reinsurance brokers service.

Subsequently on 6 May 2011, the Company entered into an addendum to the memorandum of understanding with the prospective seller to provide for the payment of HK$20 million to the prospective seller as an interest-free refundable earnest money for the possible acquisition of the entire issued share capital of Fame Thrive Limited and as part payment of the consideration if the formal acquisition agreement is entered into between the Company and the prospective seller. The earnest money was paid by the Company to the prospective seller upon signing of the addendum.

Pursuant to the addenda entered into between the prospective seller and the Company on 30 June 2011, 30 December 2011, 29 February 2012, 31 May 2012, 31 July 2012, 28 September 2012, 30 November 2012, 30 January 2013, 27 March 2013, 30 May 2013, 31 July 2013, 30 September 2013, 29 November 2013 and 30 January 2014, the exclusivity period in which the prospective seller shall not, whether by herself or through other third parties, discuss with any other third parties in relation to the possible acquisition has been extended to 30 April 2014.

Details of the above possible acquisition are disclosed in the announcements of the Company dated 30 December 2010, 6 May 2011, 30 June 2011, 30 December 2011, 6 March 2012, 31 May 2012, 31 July 2012, 28 September 2012, 30 November 2012, 30 January 2013, 27 March 2013, 30 May 2013, 31 July 2013, 30 September 2013, 29 November 2013 and 30 January 2014.

(iv) Possible acquisition of not more than 20% of the entire issued share capital of Gold Depot Investments Limited

On 20 April 2011, the Company and Gold Tycoon Limited, a company incorporated in the British Virgin Islands with limited liability, entered into the memorandum of broad terms in relation to the proposed acquisition of not less than 50% of the entire issued share capital of the Gold Depot Investments Limited, a company incorporated in the British Virgin Islands with limited liability, in which the Company understood that Gold Depot Investments Limited directly or indirectly owns an exploration right and a mining right of a gold mine located in Guizhou, the PRC.

Subsequently on 17 May 2011, the Company and Gold Tycoon Limited entered into an addendum to the memorandum of broad terms to provide for the payment of HK$25 million to Gold Tycoon Limited as an interest-free refundable earnest money for the possible acquisition of not less than 50% of the entire issued share capital of Gold Depot Investments Limited and as part payment of the consideration if the definitive agreement is entered into between the Company (or its nominee) and Gold Tycoon Limited. The earnest money was paid by the Company to Gold Tycoon Limited upon signing of the addendum.

On 28 September 2012, the Company and Gold Tycoon Limited entered into an addendum to the memorandum of board terms that the scale of the possible acquisition would be reduced from not less than 50% to not more than 20% of the entire issued share capital of Gold Depot Investments Limited.

Pursuant to the addenda entered into between the Company and Gold Tycoon Limited on 17 October 2011, 30 December 2011, 29 June 2012, 28 September 2012, 29 November 2012, 30 January 2013, 27 March 2013, 30 May 2013, 31 July 2013, 30 September 2013, 29 November 2013 and 30 January 2014, the exclusivity period in which Gold Tycoon Limited shall not, among other things, directly or indirectly, discuss or negotiate with any other party for the purpose of frustrating or impeding the furtherance of the transaction contemplated under the memorandum of broad terms has been extended to 30 April 2014.

As mentioned above, the exclusivity period for the acquisition of Gold Depot Investments Limited expired on 30 April 2014. As stated in the Company's announcement dated 20 April 2011, the memorandum of broad terms would automatically terminate upon the expiry of the exclusivity period. The memorandum and the exclusivity period were not extended beyond 30 April 2014. Negotiations of the acquisition have also terminated.

Pursuant to the memorandum, within 3 days after expiry of the exclusive period, the vendor shall refund the HK$25 million earnest money to the Company. The vendor has failed to repay the same as at the date of this announcement. On 28 November 2014, a settlement agreement between the Company and Gold Tycoon Limited was executed. Pursuant to the settlement agreement, Gold Tycoon Limited will repay the earnest money of HK$25 million (the "Settlement Amount") to the Company with the following payment schedule: (i) HK$3 million shall be paid to the Company on or before 30 April 2015, being the first installment of the Settlement Amount; (ii) HK$3 million shall be paid to the Company on or before 31 July 2015, being the second installment of the Settlement Amount; (iii) HK$3 million shall be paid to the Company on or before 31 October 2015, being the third installment of the Settlement Amount; (iv) HK$4 million shall be paid to the Company on or before 31 January 2016, being the fourth installment of the Settlement Amount; (v) HK$4 million shall be paid to the Company on or before 30 April 2016, being the fifth installment of the Settlement Amount; (vi) HK$4 million shall be paid to the Company on or before 31 July 2016, being the sixth installment of the Settlement Amount; and (vii) HK$4 million shall be paid to the Company on or before 31 October 2016, being the final installment of the Settlement Amount.

Details of the above possible acquisition were disclosed in the announcements of the Company dated 20 April 2011, 17 May 2011, 7 October 2011, 30 December 2011, 29 June 2012, 28 September 2012, 29 November 2012, 30 January 2013, 27 March 2013, 30 May 2013, 31 July 2013, 30 September 2013, 29 November 2013 and 30 January 2014.

In view of the fact that a settlement agreement was being executed on 28 November 2014 and the Company has assessed the financial capability of the vendor by examining the documents and information provided by the vendor and understood that the vendor is the major beneficial owner of the target gold mine. The Directors are of the view that the vendor would be able to repay the earnest money. The overall strategy of the Company is to take all reasonable and economical steps to recover the earnest money (including possible legal actions should the vendor fail to honor its obligations to return the earnest money). The Company will keep shareholders informed promptly on the progress in recovering the earnest money. As at the date of this announcement, the first payment has been made according to the settlement agreement.

SEGMENT INFORMATION

During the period under review, the Group is principally engaged in two operating segments. The Group presents its segmental information based on the nature of the products and services provided. Its operating segments are as follows:

- systems development; and

- professional services;

Turnover generated from the PRC represented over 90% of the total turnover of the Group for the year ended 31 March 2014 and 2013.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2014, the Group had 17 and 7 (2013: 18 and 8) employees in Hong Kong and the PRC respectively, which included the Directors. Total staff costs including Directors' remuneration for the year under review amounted to approximately HK$4 million (2013: HK$7.6 million).

Employees' remunerations are determined in accordance with their experiences, competence, qualifications and nature of duties and the current market trend. Apart from the basic salary, discretionary bonus and other incentives may be offered to the employees of the Group to reward their performance and contributions. The emoluments of the Directors are determined by the remuneration committee of the Company having regard to the performance of the individuals and market trend.

The Group has not made any changes to its remuneration policy and no bonuses were granted to any of its executive Directors or employees during the year under review.

The Company adopted a share option scheme on 22 October 2003 ("Share Option Scheme"). Pursuant to the Share Option Scheme, the Directors and employees of the Group may be granted options to subscribe for Shares. During the period under review, no option was granted under the Share Option Scheme. The Share Option Scheme was expired on 21 October 2013. All the options were lapsed as at the date of this announcement. A new scheme was adopted with effect from 12 November 2014.

CHARGES ON THE GROUP'S ASSETS AND CONTINGENT LIABILITIES

There have been no charge on the Group's assets as at 31 March 2014. Details of the Group's contingent liabilities are set out in the consolidated financial statements.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with Rules 5.28 and 5.33 of the GEM Listing Rules and the Code.

The audit committee of the Company reviews the internal accounting procedures, considers and reports to the Board with respect to other auditing and accounting matters, including selection of independent auditors, fees to be paid to the independent auditors and the performance of the independent auditors.

The annual results of the Group for the year ended 31 March 2014 have been reviewed by the audit committee of the Company.

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

During the year ended 31 March 2014, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

CODE ON CORPORATE GOVERNANCE PRACTICES

Save as disclosed below, throughout the year ended 31 March 2014, the Company has complied with all the code provisions set out in the Corporate Governance Code (the "**Code**") contained in Appendix 15 of the GEM Listing Rules except for the following deviation from code provision A.2.1.

Pursuant to code provision A.2.1 of the Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Throughout the year under review, the role of chief executive officer was assumed by Mr. Liu Bo, who was an executive Director and the chairman of the Board. As at the date of this announcement, the role of chairman and chief executive officer has been separated to Dr. Chew Chee Wah and Mr. Tam Kwok Leung respectively.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions in securities of the Company.

Having made specified enquiry, all Directors have confirmed that they have complied with the required standard of dealings and there is no event of non-compliance throughout the year ended 31 March 2014.

EVENTS AFTER THE REPORTING PERIOD

Subsequent to the financial year ended 31 March 2014,

1. On 9 September 2013, a deed of settlement was entered into between the Company and the trustee 王雨莎 ("Wang Yu Sha") of the 20% equity interests in Shanghai Wanquan Insurance Brokers Limited ("Wanquan" or "上海萬全保險經紀有限公司") (currently known as 上海君翊保險經紀有限公司 or Shanghai Junyi Insurance Brokers Limited) which was acquired by the Group in March 2011, in which such equity interests were transferred to an independent third party on 14 August 2012 without the consent and approval of the Company. Pursuant to the said deed of settlement, the said trustee agreed to pay a settlement fee in the sum of HK$30 million to the Company in four equal instalments in cash on a quarterly basis from on or before 9 December 2013 onwards. Please refer to the announcement of the Company dated 9 September 2013 for further details of the deed of settlement. The trustee has already paid HK$3 million out of the first instalment of HK$7.5 million due on 9 December 2013. The Company has demanded the trustee to pay up the outstanding overdue sum and to put up collateral for the balance of the settlement sum.

   In view of the fact that only HK$3 million out of the HK$30 million settlement fee has been paid, and the remaining has become overdue, the Directors have serious concerns over the recoverability of the settlement fees. The investment in Wanquan had been impaired in full for the year ended 31 March 2013.

   The Company has commenced legal proceedings in the High Court of Hong Kong against the trustee to recover the outstanding amount. Judgment for a sum of HK$19.5 million (being the outstanding balance of the first three instalments) has been obtained against the trustee. The overall strategy of the Company is to take all reasonable and economical measures to recover the judgment debt and the remaining balance of the settlement fees in full. The Company has conducted some investigation on whether the trustee has any assets in Hong Kong for purpose of enforcement of the judgment. However, up to date, the Company could not find any assets held by the trustee in Hong Kong. Since the trustee is a mainland citizen, the Company is obtaining legal advice from PRC lawyers to see it is possible and practicable to take legal action in the PRC. The Company will keep shareholders informed promptly on the progress in recovering such judgment debt and outstanding settlement fees.

   With the addition of new directors to the board in recent months, the board is now equipped with more resources as well as more comprehensive expertise to perform its function and duties. Aside from improving corporate governance significantly, one of the key current missions and goals of the board is to protect and safeguard shareholder value through aggressively demanding the payment of monies owed to the Company;

2. On 30 October 2013, the Company received a writ of summons (the "Writ") issued from the High Court of Hong Kong by the plaintiff, Mr. Li Mingren ("Mr. Li") in High Court Action No. 2081 of 2013, in which Questex Development Inc. ("Questex") and the Company were named as the defendants. As appeared from the indorsement of claim in the Writ, Mr. Li claims against the Company for a mandatory injunction to transfer the legal title of the convertible bonds (the "Convertible Bonds") issued by the Company in the principal amount of HK$20 million to the Plaintiff, or damages to be assessed, and interest and costs. To the best of the information and belief of the Company, there was a dispute between Mr. Li and Questex in relation to the title of the Convertible Bonds. By an Order made by the Court on 16 May 2014, it was ordered, amongst other things, that upon the Company's undertaking to (i) transfer the legal title of the Convertible Bonds to the Plaintiff and (ii) to register the Plaintiff as the holder of the Convertible Bonds on the register of Bondholder of the Company within 5 days upon the determination of the Plaintiff's Summons dated 14 April 2014 (the "Plaintiff's Summons") in favour of the Plaintiff, the Plaintiff's Summons as against the Company be stayed. The Company has already complied with and fulfilled the above mentioned undertaking. As at the date hereof, the legal title of the Convertible Bonds has been transferred to Mr. Li; and

3. As mentioned previously in the paragraph headlined "Possible acquisition of the entire issued share capital of Fame Thrive Limited", the exclusivity period for the acquisition of Fame Thrive Limited expired on 30 April 2014.

   Negotiations of the acquisition have terminated. Pursuant to the memorandum of understanding, within 3 days after expiry of the exclusivity period, the vendor shall refund the HK$20 million earnest money to the Company. The prospective seller has failed to repay the same as at the date hereof. On 17 June 2014, the Company by immediate notice terminated the memorandum of understanding and demanded the immediate repayment of the earnest money of HK$20 million. On 3 July 2014, the Company has again demanded the immediate payment and despite the Company's repeated demands, the prospective seller still fail to repay the earnest money.

   Accordingly, the Company has instructed its legal adviser to take legal action against the prospective seller (i.e. Ms. Tse Wing Yan (謝泳欣)) and a bankruptcy petition was issued against the prospective seller in the High Court of Hong Kong on 18 November 2014 and a bankruptcy order was made against Ms. Tse on 18 March 2015. The overall strategy of the Company is to take all reasonable and economical steps to recover the earnest money. The Company will keep shareholders informed promptly on the progress in recovering the earnest money. In view of the fact that the Company has not received any repayment of the earnest money, nor any settlement agreement has been agreed, the earnest money receivable of HK$20 million had been impaired in full in the current year.

4. On 20 April 2015, the Company has entered into an agreement with the purchaser (a third party) for the disposal of the intangible asset – Technical know-how for a cash consideration of HK$7,000,000. Pursuant to the agreement, the purchaser has to settle with the following payment schedule: (i) HK$700,000 within 7 days upon signing of the agreement; (ii) HK$1,000,000 shall be paid to the Company on or before 30 June 2015; (iii) HK$1,000,000 shall be paid to the Company on or before 31 August 2015; (iv) HK$1,000,000 shall be paid to the Company on or before 31 October 2015; (v)

HK$1,000,000 shall be paid to the Company on or before 31 December 2015; (vi) HK$1,000,000 shall be paid to the Company on or before 28 February 2016; and (vii) HK$1,300,000 shall be paid to the Company on or before 31 March 2016. Impairment loss of HK$1,500,000 has been recognized during the period (carrying amount at HK$8,500,000 netting of net realizable value of HK$7,000,000). The Company has assessed the financial capability of the vendor by examining the documents and information provided by the vendor. The Directors are of the view that the vendor would be able to settle on time with the above schedule. As at the date of this announcement, the Company has received the first payment of HK$700,000.

5. On 4 April 2014, the Company was served with a sealed copy of a petition (the "**Petition**") issued by Metal Winner Limited (the "**MWL**") in Companies (Winding-up) Proceedings No. 83 of 2014 in the High Court of Hong Kong (the "**Winding-up Proceedings**") under which MWL claimed that the Company was indebted to MWL in the sum of HK$5,700,000; and (b) petitioned that the Company be wound up by the Court. As at the date of this announcement, this Petition was dismissed by the High Court of Hong Kong. Separately, there are two other parties who claimed the Company was indebted to them. After investigation, the Company found that the alleged debts claimed by these two parties arose from certain dealings between a former director of the Company and these two parties. The nature and mechanism of these dealings were the same or very similar to that of MWL's. In the Winding-up Proceedings, the court has found that there was an illegal scheme perpetrated on the Company by the aforesaid former director and MWL was a party to that scheme. In gist, the illegal scheme was that the aforesaid former director obtained loans from the counterparty and the Company was falsely made as a borrower to answer the repayment obligation. The Company commenced legal proceedings in the High Court (the "**Injunction Proceedings**") against those two parties seeking an injunction to restrain them from presenting any petition for the winding-up of the Company or to apply to substitute MWL as petitioner in the Winding-up Proceedings (the "**Restrained Acts**"). The two parties gave an undertaking to the court not to do the Restrained Acts until the resolution of the Injunction Proceedings.

6. On 28 April 2015, the Group has entered into the acquisition agreement with Wilco Printing Co., Limited ("Wilco") to acquire 100% of the issued share capital of Wilco and the director's loan to Wilco at a consideration of HK$1,537,029. Wilco is principally engaged in the provision of printing services and solutions on advertisement, brochures and bound books to customers mainly in Hong Kong. Please refer to the announcement of the Company dated 28 April 2015 for further details of the acquisition.

SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended from 9:00 a.m. on 2 July 2013 and will remain suspended until further notice.

SCOPE OF WORK OF CCTH CPA LIMITED

The figures in respect of the Group's consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2014 as set out in the preliminary announcement have been agreed by the Group's auditor, CCTH CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by CCTH CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagement or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by CCTH CPA Limited on this preliminary announcement.

By Order of the Board of
Tai Shing International (Holdings) Limited
Zhang He
Executive Director

Hong Kong, 30 April 2015

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors:
Dr. Chew Chee Wah *(Chairman)*
Mr. Tam Kwok Leung *(Chief Executive Officer)*
Ms. Ju Lijun
Mr. Zhang Jinshu
Mr. Luk Chi Shing
Ms. Zhang He
Mr. Lee Yiu Tung

Non-executive Directors:
Dr. Pan Jin
Mr. Dai Yuanxin
Ms. Xiao Yongzhen

Independent non-executive Directors:
Mr. Chan Yee Sze
Ms. Hu Yun
Mr. Koh Kwing Chang
Mr. Lui Wai Ming
Mr. Lai Chi Leung

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

This announcement will remain on the GEM website at http://www.hkgem.com on the "Latest Company Announcements" page for 7 days from the date of its posting and on the website of the Company at http://www.equitynet.com.hk/8103/.