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 2015

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (THE "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.

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*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 statements of the Group for the year ended 31 March 2015, together with the audited comparative figures for the corresponding year in 2014.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2015

	Notes	2015 HK$'000	2014 HK$'000
Revenue	4	**73,210**	49,302
Cost of services		**(67,756)**	(49,192)
Gross profit		**5,454**	110
Gain on change in fair value of financial assets at fair value through profit or loss		**1,502**	–
Other income and gains	4	**13,354**	34,373
Selling and distribution expenses		**(293)**	(39)
Administrative expenses		**(11,613)**	(19,008)
Other losses and expenses	5	**(2,408)**	(211,974)
Finance costs	6	**(6,935)**	(8,179)
Share of (loss)/profit of an associate		**(99)**	51
Loss before tax		**(1,038)**	(204,666)
Income tax	8	**578**	(2,353)
Loss for the year attributable to owners of the Company	9	**(460)**	(207,019)
Other comprehensive expense			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		**(54)**	(759)
Reclassification adjustment relating to foreign operations disposed of during the year		**–**	(172)
Total comprehensive expense for the year attributable to owners of the Company		**(514)**	(207,950)
Loss per share	11		
– Basic		**HK0.04 cents**	HK20.36 cents
– Diluted		**N/A**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	Notes	2015 HK$'000	2014 HK$'000
Non-current Assets			
Plant and equipment		**4,826**	5,514
Intangible assets		**–**	6,555
Interests in an associate		**18,057**	18,156
Available-for-sale investments		**4,864**	4,864
Disposal receivables		**–**	13,963
Deposit paid for acquisition of investment		**11,318**	20,126
		39,065	69,178
Current Assets			
Inventories		**–**	9,470
Trade and other receivables	*12*	**33,089**	30,067
Disposal receivables		**15,058**	1,425
Deposit paid for acquisition of investment		**10,723**	–
Deposits and prepayments		**12,879**	11,863
Amounts due from customers for contract work		**9,196**	10,274
Financial assets at fair value through profit or loss	*13*	**34,002**	493
Pledged bank deposits		**1,457**	288
Bank balances and cash		**6,880**	6,386
		123,284	70,266
Assets classified as held for sale	*14*	**7,000**	–
		130,284	70,266
Current Liabilities			
Amounts due to customers for contract work		**5,145**	20,942
Trade and other payables	*15*	**96,471**	86,006
Receipts in advance		**5,647**	5,226
Warranty provision		**–**	–
Bank borrowings		**18,938**	17,654
Promissory notes	*16*	**42,521**	10,000
Amount due to noteholder		**15,000**	15,000
Obligations under finance leases		**–**	439
Tax payable		**6,907**	8,565
		190,629	163,832
Net Current Liabilities		**(60,345)**	(93,566)
		(21,280)	(24,388)

	Notes	**2015**	2014
		HK$'000	*HK$'000*
Capital and Reserves			
Share capital		**54,161**	54,161
Share premium and reserves		**(101,179)**	(100,665)
Deficit attributable to owners of the Company		**(47,018)**	(46,504)
Non-current Liabilities			
Convertible bonds	*17*	**25,729**	22,076
Derivative financial instruments of convertible bonds	*17*	**9**	2
Obligations under finance leases		**–**	38
		25,738	22,116
		(21,280)	(24,388)

NOTES

1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability. The shares of the Company are listed on the GEM of 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

In preparing these consolidated financial statements, the directors have considered the future liquidity of the Group. As at 31 March 2015, the Group had recorded net current liabilities and net liabilities of approximately HK$60,345,000 and HK$47,018,000 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 announcement date:

(a) On 22 December 2014, the Group sold its inventories of raw cottons for the cash consideration of HK$10,000,000. The consideration 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. Up to the date of this announcement, HK$3,500,000 has been received by the Group.

(b) On 30 March 2015, the Group acquired certain listed equity securities from an independent third party at a consideration of HK$32,500,000. The consideration is satisfied by way of issue the promissory note with the principal amount of HK$32,500,000. The promissory note is unsecured, carries interest at 12% per annum and will be matured on 30 September 2015. Up to the date of this announcement, HK$2,500,000 was repaid by the Group. On 28 May 2015, the Company and the noteholder mutually agreed to extend the maturity date of the promissory note with the remaining principal of HK$30,000,000 for one year from 30 September 2015 to 30 September 2016.

(c) 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).

(d) On 20 April 2015, the Group entered into an agreement with an independent third party for the disposal of the technical know-how at 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. Up to the date of this announcement, HK$1,700,000 has been received by the Group.

(e) On 21 April 2015, the Company entered into an agreement with an independent 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.

(f) On 20 May 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$13,340,000 by five instalments, being HK$2,000,000, HK$2,000,000, HK$3,000,000, HK$3,000,000 and HK$3,340,000 which fall due on 31 July 2015, 30 September 2015, 30 November 2015, 31 January 2016 and 31 March 2016 respectively.

(g) On 17 June 2015, the Company signed an underwriting agreement to raise not less than approximately HK$28,520,000 and not more than approximately HK$40,920,000 before expenses by issuing not less than 570,301,928 ordinary shares with par value HK$0.05 each of the Company ("Shares") and not more than 818,499,792 Shares at the subscription price of HK$0.05 per Shares on the basis of one Shares for every two existing Shares ("Open Offers"). These new shares rank pari passu in all respect with existing shares. Details of the Open Offers have been disclosed in the announcement dated on 17 June 2015. The net proceeds to be raised from the Open Offer will amount to not less than approximately HK$27,520,000 and not more than approximately HK$39,490,000 which will be used for general working capital of the Group.

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 approval of these consolidated financial statements, 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 these consolidated financial statements.

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 HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK (IFRIC) – Int 21	Levies

The application of the new and revised HKFRSs in the current year has had no material effect on the amounts reported and the disclosures in the Group's consolidated financial statements.

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[1]
Amendments to HKFRSs	Annual improvements to HKFRSs 2011-2013 cycle[2]
Amendments to HKFRSs	Annual improvements to HKFRSs 2012-2014 cycle[4]
HKFRS 9	Financial Instruments[6]
HKFRS 14	Regulatory Deferral Accounts[3]
HKFRS 15	Revenue from Contracts with Customers[5]
Amendments to HKFRS 11	Accounting for Acquisition of Interests in Joint Operations[4]
Amendments to HKAS 1	Disclosure Initiative[4]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[4]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[4]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[4]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities: Applying the Consolidation Exception[4]

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

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

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

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

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

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

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, HKFRS 15 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.

Amendments to HKAS 1 Disclosure Initiative

The amendments to HKAS 1 are designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures.

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, professional services rendered and sales of goods, net of sales related taxes.

	2015	2014
	HK$'000	*HK$'000*
Revenue from provision of		
Systems development services	**41,398**	39,119
Professional services	**22,342**	10,183
Sales of goods	**9,470**	–
Total revenue	**73,210**	49,302
Other income and gains		
Interest income from bank deposits	**29**	36
Imputed interest income on disposal receivables	**4,583**	2,235
Exchange gain	**–**	300
Value added tax refunded (Note a)	**181**	2,110
Rental income	**–**	122
Sundry income	**1,265**	103
Gain on disposal of financial assets at fair value through profit or loss	**483**	22
Gain on disposal of subsidiaries	**–**	6,387
Gain on disposal of plant and equipment	**655**	1,295
Gain on change in fair value of derivative financial instruments of convertible bonds	**–**	17,056
Reversal of impairment loss in respect of:		
– intangible assets	**445**	–
– trade receivables	**1,604**	2,318
– other receivables	**4,109**	2,389
Total other income and gains	**13,354**	34,373

Note:

a. 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

	2015	2014
	HK$'000	*HK$'000*
Impairment loss recognised in respect of:		
– Intangible assets	**–**	26,945
– Available-for-sale investments (Note a)	**–**	102,507
– Disposal receivables	**–**	1,347
– Deposits paid for acquisition of subsidiaries	**–**	20,000
– Deposit paid for acquisition of investment	**–**	4,874
– Inventories	**–**	5,950
– Trade receivables	**2,401**	10,745
– Other receivables	**–**	39,406
Loss on change in fair value of financial assets at fair value through profit or loss	**–**	200
Loss on change in fair value of derivative financial instruments of convertible bonds	**7**	–
	2,408	211,974

(a) The amount related to the investment in Tirack Holdings Corporation as detailed in Note 23 of the Company's 2014 Annual Report. The Company has set up a Special Review Committee ("SRC") in connection with Tirack. The goal and objective of this SRC is to explore viable means to recover the Company's investments in Tirack. The SRC is comprised of four directors of the Company who were all appointed in 2014, and is chaired by an independent non-executive director. The SRC and the Company's legal advisor is reviewing the legal documents in relation to the acquisition of the Tirack Group and see if the Company may have any claims against the vendor or any third parties (if any) for Tirack falling into a state of the complete disarray after the acquisition, such as any breach of representations or warranties by the vendor under the sale and purchase agreement. If any valid claims are identified, the Company may commence legal action against the defaulting party for damages.

Furthermore, the SRC has consulted legal advice from PRC lawyers with a view to recovering certain agency fees payable by certain agents to an operating subsidiary of Tirack Group pursuant to agency agreements made between the said operating subsidiary as service provider and those agents. However, the PRC lawyers advised that those agents appear to have valid defence and even counterclaims against the operating subsidiary of Tirack. The members of the SRC will review the merits of cases and discuss among themselves before deciding whether to proceed with the claims or not.

6. FINANCE COSTS

	2015	2014
	HK$'000	*HK$'000*
Interest on bank borrowings repayable within one year	**1,406**	1,200
Imputed interest on promissory notes	**1,122**	1,138
Imputed interest on convertible bonds	**3,653**	5,022
Interest on amount due to noteholder	**752**	496
Finance costs on finance leases	**2**	323
	6,935	8,179

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.

During the current year, the Group commenced its proprietary trading business in Hong Kong which formed a separate operating division of the Group. Therefore, the Group is currently organised into three operating divisions – systems development, professional services and proprietary trading which represent the Group's three operating segments. During the year ended 31 March 2014, the Group has two operating divisions – systems development and professional services which represent the Group's two operating segments.

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.
Proprietary trading	–	Trading of listed securities in Hong Kong

(a) Segment revenues and results

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

	Year ended 31 March											
	Systems development		Professional services		Proprietary trading		Segment total		Unallocated		Consolidated	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
TURNOVER												
Revenue from external customers	**41,398**	39,119	**22,342**	10,183	**–**	–	**63,740**	49,302	**9,470**	–	**73,210**	49,302
RESULT												
Segment results	**388**	(36,604)	**3,081**	3,769	**1,502**	–	**4,971**	(32,835)	**–**	–	**4,971**	(32,835)
Interest income											**4,612**	2,271
Unallocated income and gains											**5,249**	27,978
Unallocated expenses and losses											**(8,836)**	(193,952)
Finance costs											**(6,935)**	(8,179)
Share of (loss)/profit of an associate											**(99)**	51
Loss before tax											**(1,038)**	(204,666)

There were no sales between the reportable segments for both of the years ended 31 March 2015 and 2014.

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, certain other income and gains and other expenses and losses (including central administration costs and directors' remunerations and finance costs) and share of results of an associate. 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 its operating and reportable segments.

	At 31 March							
	Systems development		Professional services		Proprietary trading		Consolidated	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
ASSETS								
Segment assets	**35,911**	35,286	**3,455**	7,883	**34,002**	–	**73,368**	43,169
Unallocated corporate assets								
– Plant and equipment							**48**	66
– Intangible assets							**–**	6,555
– Interest in an associate							**18,057**	18,156
– Available-for-sale investments							**4,864**	4,864
– Disposal receivables							**15,058**	15,388
– Deposit paid for acquisition of investment							**22,041**	20,126
– Inventories							**–**	9,470
– Other receivables, deposits and prepayments							**20,576**	14,483
– Financial assets at fair value through profit or loss							**–**	493
– Pledged bank deposits							**1,457**	288
– Bank balances and cash							**6,880**	6,386
– Assets classified as held for sale							**7,000**	–
Total assets							**169,349**	139,444
LIABILITIES								
Segment liabilities	**46,655**	45,745	**8,358**	18,355	**–**	–	**55,013**	64,100
Unallocated corporate liabilities								
– Other payables							**52,250**	48,074
– Bank borrowings							**18,938**	17,654
– Promissory notes							**42,521**	10,000
– Convertible bonds							**25,729**	22,076
– Derivative financial instruments of convertible bonds							**9**	2
– Amount due to noteholder							**15,000**	15,000
– Obligations under finance leases							**–**	477
– Tax payable							**6,907**	8,565
Total liabilities							**216,367**	185,948

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

- all major assets are allocated to reportable segments other than interest in an associate, intangible assets, available-for-sale investments, disposal receivables, deposits paid for acquisition of investment, inventories, other receivables, deposits and prepayments, certain financial assets at fair value through profit or loss, 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 certain other payables, bank borrowings, promissory notes, convertible bonds, derivative financial instruments of convertible bonds, amount due to noteholder, obligations under finance leases and 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 2015 and 2014, over 90% of the Group's revenue are derived from customers and operations based in the PRC, no further analysis of the Group's revenue by geographical location.

Information about the Group's non-current assets (excluding interests in an associate, available-for-sale investments, disposal receivables and deposits paid for acquisition of investment) presented based on the location is as below:

	2015	2014
	HK$'000	*HK$'000*
Hong Kong	**49**	6,622
PRC	**4,777**	5,447
	4,826	12,069

(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		Proprietary trading		Segment total		Unallocated		Consolidated	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Other segment information												
Depreciation of plant and equipment	**440**	380	**237**	76	**–**	–	**677**	456	**37**	758	**714**	1,214
Amortisation of intangible assets	**–**	–	**–**	–	**–**	–	**–**	–	**–**	1,000	**–**	1,000
Impairment loss recognised in respect of:												
– intangible assets	**–**	25,000	**–**	–	**–**	–	**–**	25,000	**–**	1,945	**–**	26,945
– available-for-sale investments	**–**	–	**–**	–	**–**	–	**–**	–	**–**	102,507	**–**	102,507
– disposal receivables	**–**	–	**–**	–	**–**	–	**–**	–	**–**	1,347	**–**	1,347
– deposits paid for acquisition of subsidiaries	**–**	–	**–**	–	**–**	–	**–**	–	**–**	20,000	**–**	20,000
– deposit paid for acquisition of investment	**–**	–	**–**	–	**–**	–	**–**	–	**–**	4,874	**–**	4,874
– inventories	**–**	–	**–**	–			**–**	–	**–**	5,950	**–**	5,950
– trade receivables	**2,401**	10,486	**–**	259	**–**	–	**2,401**	10,745	**–**	–	**2,401**	10,745
– other receivables	**–**	39,406	**–**	–	**–**	–	**–**	39,406	**–**	–	**–**	39,406
(Gain)/loss on disposal of:												
– plant and equipment	**–**	6	**–**	1	**–**	–	**–**	7	**(644)**	(1,302)	**(644)**	(1,295)
Loss/(gain) on change in fair value of:												
– financial assets at fair value through profit or loss	**–**	–	**–**	–	**(1,502)**	–	**(1,502)**	–	**–**	200	**(1,502)**	200
– derivative financial instruments of convertible bonds	**–**	–	**–**	–	**–**	–	**–**	–	**7**	(17,056)	**7**	(17,056)
Reversal of impairment loss in respect of:												
– intangible assets	**–**	–	**–**	–	**–**	–	**–**	–	**(445)**	–	**(445)**	–
– trade receivables	**(1,104)**	(2,318)	**(500)**	–	**–**	–	**(1,604)**	(2,318)	**–**	–	**(1,604)**	(2,318)
– retention receivables	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
– other receivables	**(1,334)**	(1,639)	**–**	–	**–**	–	**(1,334)**	(1,639)	**(2,775)**	(750)	**(4,109)**	(2,389)
Gain on disposal of financial assets at fair value through profit or loss	**–**	–	**–**	–	**–**	–	**–**	–	**(483)**	(22)	**(483)**	(22)
Gain on disposal of subsidiaries	**–**	–	**–**	–	**–**	–	**–**	–	**–**	(6,387)	**–**	(6,387)
Additions to non-current assets (Note)	**–**	2,016	**–**	436	**–**	–	**–**	2,452	**31**	367	**31**	2,819

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	2015	2014
		HK$'000	*HK$'000*
Customer A	System development	N/A *	10,663
Customer B	Professional service	14,284	N/A^
Customer C	Sale of goods	9,040	N/A^

^ Revenue from the customer B and C for the corresponding prior year did not contribute over 10% of the total revenue for that year

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

8. INCOME TAX

	2015	2014
	HK$'000	*HK$'000*
Current tax		
– PRC Enterprise Income Tax	**(2)**	(2,353)
– Over provision in prior year	**580**	–
	578	(2,353)

(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:

	2015	2014
	HK$'000	*HK$'000*
Staff costs		
Salaries and other benefits	**3,216**	3,596
Retirement benefits scheme contributions	**44**	366
	3,260	3,962
Auditors' remuneration	**580**	650
Amortisation of intangible assets	**–**	1,000
Depreciation of plant and equipment	**714**	1,214
Operating lease charges in respect of land and buildings	**545**	684
Loss on disposal of plant and equipment	**11**	–

10. DIVIDENDS

No dividend was paid or proposed during the year ended 31 March 2015, nor has any dividend been proposed since the end of the reporting period (2014: 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$460,000 (2014: HK$207,019,000) and 1,083,224,000 (2014: weighted average number of 1,016,769,000) 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 and exercise of share options and warrants, if any, is regarded as anti-dilutive.

12. TRADE AND OTHER RECEIVABLES

	2015	2014
	HK$'000	*HK$'000*
Trade and bills receivables	**69,230**	70,303
Less: Impairment loss recognised	**(51,116)**	(50,281)
	18,114	20,022
Retention receivables	**8,082**	6,073
Less: Impairment loss recognised	**(950)**	(949)
	7,132	5,124
Other receivables	**79,659**	80,757
Less: Impairment loss recognised	**(71,816)**	(75,836)
	7,843	4,921
	33,089	30,067

Notes:

(a) Trade and bills receivables

Trade and bills 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 and bills 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:

	2015	2014
	HK$'000	*HK$'000*
0-30 days	**2,282**	6,074
31-90 days	**3,497**	3,683
Over 90 days	**12,335**	10,265
	18,114	20,022

Movements in impairment loss on trade and bills receivables are as follows:

	2015	2014
	HK$'000	*HK$'000*
At beginning of the year	**50,281**	44,627
Exchange realignment	**38**	487
Recognised during the year	**2,401**	10,745
Reversal during the year	**(1,604)**	(2,318)
Derecognised on disposal of subsidiaries	**–**	(3,260)
At end of the year	**51,116**	50,281

Trade and bills receivables amounting to approximately HK$51,116,000 at 31 March 2015 (2014: HK$50,281,000) 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 2015 and 31 March 2014 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 2015	18,114	–	5,779	12,335	–
31 March 2014	20,022	1,231	8,526	8,371	1,894

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 receivables

Retention receivables, net of impairment loss recognised, amounted to approximately HK$7,132,000 as at 31 March 2015 (2014: HK$5,124,000) are substantially due for settlement after a period of more than 12 months.

Movements in impairment losses of retention receivables are as follows:

	2015	2014
	HK$'000	*HK$'000*
At beginning of the year	**949**	931
Exchange realignment	**1**	18
At end of the year	**950**	949

Retention receivables amounting to approximately HK$950,000 at 31 March 2015 (2014: HK$949,000) 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

	2015	2014
	HK$'000	*HK$'000*
Advances to third parties	**73,666**	77,459
Advances to staff of the Group	**5,993**	3,298
	79,659	80,757
Less: Impairment loss recognised	**(71,816)**	(75,836)
	7,843	4,921

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

Movements in impairment loss of other receivables are as follows:

	2015	2014
	HK$'000	*HK$'000*
At beginning of the year	**75,836**	37,875
Exchange realignment	**89**	1,057
Recognised during the year	**–**	39,406
Reversal during the year	**(4,109)**	(2,389)
Derecognised on disposal of subsidiaries	**–**	(113)
At end of the year	**71,816**	75,836

Other receivables amounted to approximately HK$71,816,000 at 31 March 2015 (2014: HK$75,836,000) 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. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2015	2014
	HK$'000	*HK$'000*
Equity securities listed in the PRC, at fair value	**–**	493
Equity securities listed in Hong Kong, at fair value	**34,002**	–
	34,002	493

The financial assets are held for trading purposes. The fair values of these financial assets are based on quoted market prices.

14. ASSETS CLASSIFIED AS HELD FOR SALE

During the year ended 31 March 2015, the Group has committed a plan to sell the technical know-how. Negotiations with several interested parties have subsequently taken place. 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. Accordingly, the technical know-how has been classified as non-current assets held for sale and separately presented in the consolidated statement of financial position. As the net proceeds of disposal are expected to exceed the net carrying amount of the technical know-how, no impairment loss has been recognised.

15. TRADE AND OTHER PAYABLES

	2015	2014
	HK$'000	*HK$'000*
Trade payables *(Note a)*	**30,700**	33,053
Amount due to a former shareholder *(Note b)*	**17,775**	17,754
Accrued expenses and other payables	**47,996**	35,199
	96,471	86,006

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

	2015	2014
	HK$'000	*HK$'000*
0-30 days	**16,452**	15,558
31-90 days	**438**	336
Over 90 days	**13,810**	17,159
	30,700	33,053

The average credit period granted by the suppliers of the Group is 30-90 days (2014: 30-90 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

(b) The amount due to an entity, which was a registered shareholder of the Company in prior years, is unsecured, interest free and repayable on demand. During the year ended 31 March 2014, such entity ceased to be the Company's registered shareholder.

16. PROMISSORY NOTES

On 12 July 2012, the Company issued a promissory note ("PN 1") with an aggregate principal amount of HK$10,000,000 to Mr. Dai Yuanxin, a director of the Company. The note was interest free and was matured on 11 January 2013, being the date which is 6 months after the date of the issue of the note. The fair value of the PN 1 at the date of issue was estimated to be HK$9,584,000 based on the effective interest rate of 8.69% per annum.

In January 2013, the Company entered into an agreement with the director for the revision of terms of the PN 1, under which the maturity date of the note has been extended to 11 January 2014 and interest is chargeable on the note at 1% per month. The fair value of the PN 1 at the date of revision of the note terms was estimated to be HK$10,114,000 based on the effective interest rate of 9.69% per annum.

On 15 January 2015, a deed of settlement was entered into between the Company and the PN 1 holder, under which, the noteholder agreed for the repayment of the PN 1 together with accured interest amounted to an aggregate 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. As the revised note terms was not substantially different to the original term, accordingly, the revision of note term is not accounted for as an extinguishment of liability. The revised effective interest rate is 7.74% per annum.

On 30 March 2015, the Group acquired certain listed equity securities from a third party for a consideration of HK$32,500,000 which is satisfied by the promissory note with the principal amount of HK$32,500,000 issued by the Company ("PN 2"). The PN 2 is unsecured, carries interest at 12% per annum and will be matured on 30 September 2015.

The promissory notes remained unsettled at 31 March 2015. Movements of the promissory note during the year are as follows:

	2015	2014
	HK$'000	*HK$'000*
At beginning of the year	**10,000**	10,124
Issue of PN 2	**32,500**	–
Interest charge for the year	**1,122**	1,138
Interest payable on promissory notes included in trade and other payables	**(1,101)**	(1,262)
At end of the year	**42,521**	10,000

On 20 May 2015, the Company and the PN 1 holder mutually agreed for the settlement of the PN 1 together with accrued interests thereon amounted to an aggregate of HK$13,340,000 by five instalments as detailed in Note 2(f).

On 28 May 2015, the Company and the PN 2 holder mutually agreed to extend the maturity date under the PN 2 for one year from 30 September 2015 to 30 September 2016 as detailed in Note 2(b).

17. CONVERTIBLE BONDS AND DERIVATIVE FINANCIAL INSTRUMENTS OF CONVERTIBLE BONDS

	Convertible bonds		Derivative financial instruments of convertible bonds	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
2013 Convertible Bonds	**25,729**	22,076	**9**	2

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 will be matured 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 Conversion 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 CB 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 ended 31 March 2014, 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. As at 31 March 2014 and 2015, the 2013 Convertible Bonds with the principal amount of HK$30,000,000 (2014: HK$30,000,000) remained outstanding.

The 2013 Convertible Bonds contain a debt component and derivative component (including 2013 CB Conversion Option and the 2013 CB Redemption Option). The 2013 CB 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 CB Redemption Option at the date of issue and at 31 March 2015 is calculated using Binomial Option Pricing Model. Major parameters adopted in the calculation of fair value are set out below:

	31 March 2015	31 March 2014	2 April 2013 (date of issue)
Share price	**HK$0.050**	HK$0.017	HK$0.142
Conversion price	**HK$0.175**	HK$0.175	HK$0.175
Risk-free rate	**0.096%**	0.454%	0.223%
Option life	**1.007 years**	2.006 years	3.001 years
Volatility	**52.653%**	60.254%	88.589%
Dividend yield	**0%**	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 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
Imputed interest for the year	3,653	–	3,653
Loss on change in fair value for the year	–	7	7
At 31 March 2015	25,729	9	25,738

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 2015.

BASIS FOR QUALIFIED OPINION

Opening balances and comparative figures

As detailed in the auditor's report dated 30 April 2015 on the consolidated financial statements of the Group for the year ended 31 March 2014, the predecessor auditor disclaimed their opinion on the Group's consolidated financial statements for the year ended 31 March 2014. The details of which are set out in the auditor's report dated 30 April 2015 and included in the Group's annual report for the year ended 31 March 2014.

As the auditor's report on the consolidated financial statements of the Group for the year ended 31 March 2014 formed the basis for the corresponding figures presented in the current year's consolidated financial statements, any adjustments found to be necessary in respect of the carrying amount of the abovementioned matters would have a significant effect on the opening balances and consequential effect on the consolidated results and cash flows for the year ended 31 March 2014 and the related disclosures thereof in the consolidated financial statements of the Group for the year ended 31 March 2014. Our opinion on the current period's consolidated financial statements is modified because of the possible effect of this matter on the comparability of the current period's figures and corresponding figures.

QUALIFIED OPINION

In our opinion, except for the possible effects of the matter described in the above section of Basis for Qualified Opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 March 2015 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

EMPHASIS OF MATTERS

Without further qualifying our opinion, we draw attention to note 2 to the consolidated financial statements which states that the Group's current liabilities exceeded its current assets by HK$60 million as at 31 March 2015. This condition indicates the existence of an uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

MANAGEMENT RESPONSE TO AUDIT OPINION

Opening balances and corresponding figures

The audit qualification for the Company's consolidated financial statements for the year ended 31 March 2015 (the "2015 financial statements") regarding comparative figures is resulted from the disclaimer of opinion in respect of the Company's consolidated financial statements for the year ended 31 March 2014 (the "2014 financial statements") issued by the predecessor auditor. The qualification will not have any carry forward effect on the Group's future audits of its consolidated financial statements.

Going concern basis of accounting

According to the consolidated financial statement for the year ended 31 March 2015 of the Company, the financial position of the Company has improved dramatically contributed by i) increase in revenue and gross profit and ii) significant improvement in its liquidity position. In April 2015, the warrant holders exercised their rights to subscribe for the shares of the Company and the Company received net proceeds of HK$10.9 million as a result. In May 2015, the Company recovered an accounts receivable amounted to approximately HK$18.75 million which has fully impaired in the past. In prudent and conservative bases, the Company has obtained a facility of HK$50 million for 24 months whereas no drawdown has been made as at the date of this announcement. In May 2015, the Company has already repaid all its bank borrowing and also extended the repayment date of the promissory note with principal amount of HK$30 million to 30 September 2016, approximately HK$48 million of the current liabilities as at 31 March 2015 have been released. Taking all the factors above, the Board is of the view that the Company is able to meet its financial obligations for at least the coming twelve months.

In respect of the net liabilities, the warrant exercised and the approximately HK$18.75 million accounts receivable recovered subsequent to 31 March 2015 which was fully impaired in the past already serve to reduce net liabilities by approximately HK$29.7 million. Taking this as well as the proceeds from the open offer (see below) into account, the Board is of the view that the net liabilities issue will be resolved swiftly, and that the Company will be able to meet its financial obligations even beyond the next 12 months. Furthermore, on top of the items mentioned above that will alleviate the net liabilities issue, upon resumption of trading of the shares of the Company and subject to market conditions and securing a placing agent on satisfactory terms, the Company also intends to potentially exercise its general mandate. Going forward, the Company could also engage in other equity fund raising activities to build an even stronger financial profile. Whilst the Company is always keen to explore fund-raising opportunities to improve its capital structure and to expand and develop its businesses, there is presently no agreement, arrangement nor negotiations regarding any equity fund-raising activity other than the open offer described below.

In order to further strengthen the capital structure of the Company, the Company has signed an underwriting agreement with Freeman Securities Limited on 17 June 2015 to conduct an open offer (the "Open Offer"). The Open Offer will be an offer of new shares to the Company's existing shareholders on the basis of 1 Open Offer share for every two shares held. The minimum number of Open Offer will be 570,301,928 whereas the maximum number of Open Offer shares (allowing for potential issue of shares under general mandate and employee share option scheme and conversion of outstanding convertible bonds) will be 818,499,792 Open

Offer shares. The Open Offer subscription price will be HK$0.05 per Open Offer share. Gross proceeds of approximately HK$28.5 million to HK$40.9 million and net proceeds of HK$27.5 million to HK$39.5 million will be raised. It is expected that the Open Offer will be completed within the month of September 2015. The financial position of the Company will be further strengthened with this Open Offer.

The Company now proposes to raise the open offer price by HK$0.02 to HK$0.07 per offer share. The Company will raise additional minimum net proceeds of approximately HK$11 million. The underwriter has verbally agreed to this open offer price increase. The Company expects to sign a supplemental underwriting agreement to reflect the open offer price increase before resumption of trading.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS PERFORMANCE

The Group was principally engaged in system development, professional services, money lending business and proprietary trading business during the year ended 31 March 2015. Subsequent to the acquisition of the printing business on 28 April 2015, the Group is currently engaged in system development, professional services, money lending business, proprietary trading business and printing services.

During the year ended 31 March 2015, the Group recorded a turnover of approximately HK$73.2 million (2014: HK$49.3 million), in which approximately HK$41.4 million (2014: HK$39.1 million) and HK$22.3 (2014: HK$ 10.2 million) were contributed by system development services and professional services segments respectively. Approximately HK$9.5 million of turnover was contributed by the sale of goods purchased in the past in which the net realizable value has been recorded in the last year.

System development and professional services

The Company's system development business mainly provides installation, maintenance, consulting and software licensing services for the products sold to power plants. The Company currently provides four key products: i) thermal power simulation system, ii) supervisory information system, iii) management information system and iv) information integration platform.

i) Thermal power simulation system is a professional calculation system that can accommodate large scale strong coupling and tiny grained calculations. The system is able to link a series of calculated power plant simulation data to the distribution control system for the purposes of analysis and studies.

ii) Supervisory information system is widely installed in power plant of more than 300MW. Its massive data contains valuable information and resources which requires further excavation.

iii) Management information system in power plants provides all aspects of monitoring, control and management in the operation. The system collects all kinds of information, summary, statistics, analysis, management structures and business processes in order to increase productivity, reduce operating costs and provides decision support.

iv) Information integration platform provides all the foundational building blocks of trusted information, including data integration, data warehousing, master data management, big data and information monitoring.

The Company's professional services business mainly provides information technology engineering and technical support services to power plants and data centers. The Company currently provides four key services: i) enterprise information planning, ii) data resource planning, iii) comprehensive solution for system integration and iv) training service.

i) Enterprise information planning provides information technology strategy, overall technical architecture, IT infrastructure, information security, application support platform and information technology personnel development services to the customers in the form of status assessment, development planning, project implementation and investment planning.

ii) Data resource planning provides solution to customers for the integration of information from decentralized information systems.

iii) Comprehensive solution for system integration provides strategy and planning services for wiring, data center construction, host systems and related technical support.

iv) Training service provides training to power plant operation personnel, power unit commissioner, plant production management and technical personnel. Training topics include control and protection of simulation unit boiler, turbine and electrical parts; unit start-up and shutdown; basic working principle of and theoretical knowledge of fluidized bed boiler, pulverized coal boiler, gas turbine and electrical machines.

The Company's system development contracts signed with customers were executed and completed by five major phases with duration from 12 to 36 months.

i) Contract signing: Before tender is made to customers, the Company will perform budget analysis for costs and time expected to incur. Estimation is based on complexity and specific requirements of the projects, historical data and information, market conditions, quotation of the supplies of goods and services. A contract will be rewarded after the tender process.

ii) Installation: The supplier will deliver the hardware system to the customer sites directly. The Company will then install the system to its required status and location. The customer will inspect the physical conditions of the hardware.

iii) Testing: The Company will perform initial testing and modification of the system at this phase. Testing includes the condition, stability, compatibility, functionality of the system itself and the integration of the system with other decentralized systems used by the customer.

iv) Verification: The customer will perform test run at this phase. Test run coordinate the machines, processes and systems together and through a series of actions under actual or simulated environmental and operating conditions to ascertain its current status and to verify its reliability and functionality.

v) Retention: An average of 12-24 months retention period is given to customer.

Depending on the complexity of the projects and the resources of the Company, the Company outsources some of the system development projects to selected suppliers. The suppliers' contracts are usually entered after secure of sales contracts with customers. In order to maintain a reasonable level of profit, the Company usually led the project by providing its project managers and key technicians whilst the suppliers provide the required systems and/or supporting technicians and engineers.

The Company receives contract value in five phases by means of progress billings. A portion of contract value is received in each of the following phases, (i) contract signing, (ii) installation, (iii) testing, (iv) verification and (v) retention.

The Company's professional services contracts signed with customers were completed with duration from 6 to 24 months. The Company's professional service income is received when the underlying professional services are rendered where billing is made when each particular service in the contract is delivered.

Increase in turnover was mainly contributed by the HK$12 million from the professional services segment. The turnover increased as a number of sizable projects initiated and substantially completed for the year under review. These sizable projects were mainly to provide electricity distribution consultant services to data center operator which generally requires high technology systems and stable electricity supply. Profit margin in the professional services segment is normally higher as it requires higher technology expertise in providing consultancy services. As a result, the gross profit improved to HK$5.5 million for the year ended 31 March 2015.

System development business generated stable revenue during the year under review. Power plants are the major customers of the system development business who purchase electricity distribution systems from the Group. The Group was facing the fierce competition in the industry which limits its profit margin in most contracts signed during the year and would expect this situation will continue in the forthcoming years. The lack of core technology and serious degree of product homogeneity lead to price competition in the market. For the year under review, the market experienced slower growth in demand for electricity, resulting in the reduction of power equipment utilization. Also, there was a substantial decline in investment on power generation plants as a result of the change in government policies such as the promotion of renewable energy and the planned decrease in carbon dioxide emission. This combination of factors led to the decrease of demand in electricity distribution systems.

Despite the fierce competition the company faces and the decrease in demand in electricity distribution systems, the Company was able to maintain stable revenue thanks to the Company's competitive strength. The Company has been focused on the electricity distribution industry since its establishment. The Company has become one of the leading brands of electricity distribution services provider after years of marketing and brand management. The Company adheres to the customer focused philosophy and continues to provide value-added services and create long-term value for customers. The Company maintains long term strategic partnerships with key customers and actively carries out research and development projects with key customers so as to enhance customer loyalty.

In order to maintain its market share and position, the Company will continue to strengthen the relationship with existing customers and explore new business opportunities with reasonable margin through implementing stringent cost control and closer project monitoring. System development business is expected to continue to provide a stable source of revenue to the Group, whereas in the age of "big data", sales of professional services to data centers are expected to continue to grow in the coming years.

Proprietary trading business

The Group has commenced its proprietary trading business in January 2015. Since then, the Group has gained a change in fair value of financial instruments through profit and loss of approximately HK$1.5 million for the year. Favored by the governmental policies such as access to Chinese domestic markets and savings being liberalized through breakthroughs as the "Shanghai-Hong Kong Stock Connect" and the high chance of implementation of "Shenzhen-Hong Kong Stock Connect" in the end of year 2015, low interest rate environment and the strong performance of US currency as a result of strong inflow of foreign currency towards Hong Kong stock market, the Hang Seng Index also touched the highest point and recorded the historical highest turnover during the period compared with those of the last three years. In view of the above, the Board believes that proprietary trading will become one of the driver of its future profits of the Group and the Board will invest more resources into the business once trading of the shares of the Company has resumed and financing resources have been obtained. Saved for the above, the Company maintains a risk management policy in which key risk factors such as government and politic risks, country risk, price risk, interest rate risk, currency risk and economic risk have been identified and closely monitored.

Money lending business

The Group has obtained its money lending license in February 2015. Though the loan and credit market became very active and intense competition existed during the past few years as a result of the rapid booming housing market in Hong Kong and the global low interest rate environment, the Board is confident that through its long established relationship, history, reputation, network and synergy, the Group is able to participate in the market share of the money lending business and it will become one of the driver of its future profits of the Group. In view of the above, the Board will invest more resources into the business once trading of the shares of the Company has resumed and financing resources have been obtained. In addition to the consumable loan, the Company is planning to offer a variety of loan products to secured mortgage loans to individual, unsecured loan, small and medium sized enterprises loans, debts consolidation loan and corporate loans. Despite the above, the money lending business is suffering from political risk, regulatory risk, credit risk, economic risk and industry risk.

Printing business

The Group completed the acquisition of 100% equity interest of a company (including the director's loan) participating in the printing business from an independent third party in April 2015, and has paid the consideration of approximately HK$1.5 million for the acquisition (subject to the consideration adjustment mechanism described in the announcement of the Company dated 28 April 2015). The subsidiary is principally engaged in the provision of printing services and solutions on advertisement, brochures and bound books to customers mainly in Hong Kong. It is the Group's strategy to broaden its perspective beyond IT sector and potentially also invest into and/or make acquisition in other industries (including traditional non IT business) so long as such investments can bring value and are beneficial to the Group and its shareholder as a whole. Printing services has become one of the principal businesses of the Group since acquisition. The Board is of the view that (i) the demand for printing services for advertisement in Hong Kong has been gradually rising; (ii) the printing companies with retail channels (refers to printing companies which have internet retailing, including email in order to receive and deliver orders) represent a small but a fast growing segment in the printing industry in Hong Kong; (iii) with the ownership and leadership of the listed company and the networking ability though synergy with the Group, the subsidiary could have more resources and expertise to explore a higher margin overseas market (the subsidiary is currently exploring business opportunities in Australia and New Zealand) and (iv) the subsidiary would contribute the growth of the business performance of the Group and hence improve the return to the Group and its shareholders.

FINANCIAL PERFORMANCE

During the year ended 31 March 2015, the Group recorded a turnover of approximately HK$73.2 million (2014: HK$49.3 million), representing an increase of 48.5% as compared with that of the year ended 31 March 2014.

Other income and gains decreased by HK$21 million as the change in fair value of the derivative financial instruments of convertible bonds during the year ended 31 March 2015 was minimal as the trading in the shares of the Company has been suspended since 3 July 2013, i.e. HK$7,000 (2014: HK$17,056,000). Since proprietary trading is also one of the principal businesses, the Company acquired listed shares during the year and recorded an unrealized gain on change in fair value at HK$1.5 million (2014: Nil).

During the year ended 31 March 2015, for the purpose of better utilization of internal resources, the Group has continuously reduced its administrative expenses by HK$7.4 million without affecting its performance and competitive edge. Other losses and expenses decreased significantly by approximately HK$210 million as there is no impairment losses on intangible assets, available-for-sale investments and deposit paid for acquisition of subsidiaries during the year, which in sum amounted to HK$149 million in the year ended 31 March 2014. Due to the tightening credit terms and improving collection of receivables held by the Group, impairment losses on trade and other receivables decreased to HK$2.4 million (2014: HK$50 million).

As a result, the Group recorded a loss attributable to owners of the Company amounted to approximately HK$0.5 million for the year under review (2014: HK$207 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 is broadening 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 obtained the 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 potential new investments and acquisitions 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 2015, the equity attributable to owners of the Group amounted to a deficit of approximately HK$47 million (2014: deficit of HK$46.5 million). Current assets amounted to approximately HK$130.3 million (2014: HK$70.3 million), of which approximately HK$6.9 million (2014: HK$6.4 million) were cash and cash equivalents. Current liabilities were approximately HK$190.6 million (2014: HK$163.8 million) including trade and other payables, amounts due to customers for contract work, promissory notes, bank borrowings and amount due to noteholder. Bank borrowing was approximately HK$18.9 million (2014: HK$17.7 million).

During the year ended 31 March 2015, the Company has not made any issue of equity securities.

Subsequent to the year under review until the date of this announcement, 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 and the issued share capital of the Company was increased to 1,140,603,857 shares.

(ii) Open Offer

On 17 June 2015, the Company has signed an underwriting agreement with Freeman Securities Limited ("Freeman") to conduct an open offer (the "Open Offer"). Under the Open Offer which is underwritten by Freeman, new shares ("Offer Shares") are to be offered to the Company's existing shareholders on the basis of 1 new share for every two shares held. The minimum number of Open Offer shares will be 570,301,928 whereas the maximum number of Open Offer shares (allowing for potential issue of shares under general mandate and employee share option scheme and conversion of outstanding convertible bonds) will be 818,499,792 Open Offer shares. The Open Offer subscription price is HK$0.05 per Open Offer share. Gross proceeds of approximately HK$28.5 million to HK$40.9 million and net proceeds of HK$27.5 million to HK$39.5 million will be raised. It is expected that the Open Offer will be completed in September 2015. In addition to the above, the Company will continually to seek for other sources of financing including but not limited to obtaining banking facilities, placing of new shares, issuing long term debts etc.

The Company now proposed to raise the open offer price by HK$0.02 to HK$0.07 per offer share. The Company will raise additional minimum net proceeds of approximately HK$11 million. The underwriter has verbally agreed to this open offer price increase. The Company expects to sign a supplemental underwriting agreement to reflect the open offer price increase before resumption of trading.

GEARING RATIO

The gearing ratio calculated on the basis of total liabilities over the total shareholders' fund. Since the Company recorded a deficit in shareholders' fund in both 31 March 2014 and 2015, the gearing ratio was not applicable in both years.

FOREIGN CURRENCY EXPOSURE

During the year ended 31 March 2015, 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

The Company has not completed any material acquisitions or disposal during the year ended 31 March 2015.

(i) 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, both the first and second installments have been received by the Company and there is no overdue balance according to the settlement agreement.

(ii) On 16 February 2015, the Company entered into a deed of settlement with the purchaser of 上海景福保險經紀有限公司, under which the outstanding disposal receivable is revised from RMB15,000,000 to HK$17,700,000 which is payable by the purchaser by seven instalments, being HK$1,000,000, HK$500,000, HK$500,000, HK$1,000,000, HK$4,700,000, HK$5,000,000 and HK$5,000,000, on which fall due on 18 February 2015, 27 February 2015, 30 April 2015, 30 June 2015, 30 September 2015, 31 December 2015 and 31 March 2016 respectively. As at the date of this announcement, the Company has received HK$3,000,000 and there is no overdue balance according to the deed of settlement.

(iii) On 28 April 2015, the Group has entered into an agreement with an independent third party for the acquisition of 100% of the issued share capital of Wilco Printing Co., Limited ("Wilco") and the director's loan to Wilco at a consideration of HK$1,537,029. Please refer to the announcement of the Company dated 28 April 2015 for further details of the acquisition. Wilco is principally engaged in the provision of printing services and solutions on advertisement, brochures and bound books to customers mainly in Hong Kong. After the acquisition, printing services become one of the principal businesses of the Group. As at the date of this announcement, the fair values of certain assets and liabilities and the purchase consideration have not be determined.

SEGMENT INFORMATION

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

- systems development;
- professional services; and
- proprietary trading.

Turnover generated from the PRC represented over 90% of the total turnover of the Group for the year ended 31 March 2015 and 2014.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2015, the Group had 18 and 5 (2014: 17 and 7) 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$3.2 million (2014: HK$4 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.

Pursuant to an ordinary resolution passed at an extraordinary general meeting of the Company held on 22 October 2003, the Company approved and adopted a share option scheme (the "**2003 Scheme**"). The 2003 Scheme was expired on 21 October 2013. All the options under the 2003 Scheme were lapsed as at the date of this announcement.

Pursuant to an ordinary resolution passed at an annual general meeting of the Company held on 12 November 2014, the Company approved and adopted a share option scheme (the "**Scheme**"). During the year under review, no option was granted under the Scheme.

CHARGES ON THE GROUP'S ASSETS AND CONTINGENT LIABILITIES

There have been no charge on the Group's assets as at 31 March 2015. 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 Corporate Governance Code (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 2015 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 2015, 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

The Company is committed to maintaining a high standard of corporate governance in the interest of its shareholders. It has continued and will continue to identify and adopt the best corporate governance practices appropriate to the Company.

The Company has adopted the code provisions of the Code contained in Appendix 15 of the GEM Listing Rules as its own code on corporate governance practices. Save as disclosed below, in the opinion of the Directors, the Company has complied with the code provisions as set out in the Code and there have been no material deviations from the Code during the year:

Code Provision A.2.1 – Throughout the year under review, the role of chief executive officer was assumed by Mr. Liu Bo from 1 April 2014 to 29 July 2014, who was an executive Director and the chairman of the Board. Dr. Chew Chee Wah was appointed as chairman of the Board on 29 July 2014 and the role of chief executive officer was assumed by Dr. Chew Chee Wah from 29 July 2014 to 5 August 2014. The roles of chairman and chief executive officer were separated on 5 August 2014 when Mr. Tam Kwok Leung was appointed as chief executive officer.

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 2015.

LITIGATION

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.

2. On 4 April 2014, the Company was served with a sealed copy of a petition (the "**Petition**") issued by Metal Winner Limited ("**MWL**") in Companies (Winding-up) Proceedings No. 83 of 2014 in the High Court of Hong Kong (the "**Winding-up Proceedings**") under which MWL (a) 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 these 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.

   After the Winding-up Proceedings were dismissed by court, the Company also managed to resolve the Injunction Proceedings by way of a consent order after the two parties were willing to give further undertaking to the court not to present any petition for the winding-up of the Company pending determination of the Writ of Summons to be issued (if any) by them against the Company for recovery of the said alleged debts and/or the determination of any counterclaims or the Writ of Summons to be issued (if any) by the Company against them for declaratory relief that the said alleged debts are void or unenforceable.

EVENTS AFTER THE REPORTING PERIOD

Subsequent to the financial year ended 31 March 2015,

1. On 1 April 2015, the holders of warrants exercised its rights to subscribe 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.

2. 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; (vii) HK$1,300,000 shall be paid to the Company on or before 31 March 2016. 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 HK$1,700,000 respectively.

3. 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. This loan has not been utilised up to the date of this announcement.

4. On 28 April 2015, the Group has entered into an agreement with an independent third party for the acquisition of 100% of the issued share capital of Wilco Printing Co., Limited ("Wilco") and the director's loan to Wilco at a consideration of HK$1,537,029. Please refer to the announcement of the Company dated 28 April 2015 for further details of the acquisition. Wilco is principally engaged in the provision of printing services and solutions on advertisement, brochures and bound books to customers mainly in Hong Kong. After the acquisition, printing services become one of the principal businesses of the Group. As at the date of this announcement, the fair values of certain assets and liabilities and the purchase consideration have not be determined.

5. On 20 May 2015, the Company and the promissory note holder mutually agreed for the repayment of the promissory note together with accrued interests amounted to an aggregate of HK$13,340,000 by five instalments, being HK$2,000,000, HK$2,000,000, HK$3,000,000, HK$3,000,000 and HK$3,340,000 which fall due on 31 July 2015, 30 September 2015, 30 November 2015, 31 January 2016 and 31 March 2016 respectively.

6. On 28 May 2015, the Company and the PN 2 holder mutually agreed to extend the maturity date under the PN 2 for one year from 30 September 2015 to 30 September 2016.

7. On 17 June 2015, the Company signed an underwriting agreement to raise not less than approximately HK$28.52 million and not more than approximately HK$40.92 million before expenses by issuing not less than 570,301,928 ordinary shares with par value HK$0.05 each of the Company ("Shares") and not more than 818,499,792 Shares at the subscription price of HK$0.05 per Shares on the basis of one Shares for every two existing Shares ("Open Offers"). These new shares rank pari passu in all respect with existing shares. Details of the Open Offers have been disclosed in the announcement dated on 17 June 2015. The net proceeds to be raised from the Open Offer will amount to not less than approximately HK$27.52 million and not more than approximately HK$39.49 million which will be used for general working capital of the Group.

   The Company now proposes to raise the open offer price by HK$0.02 to HK$0.07 per offer share. The Company will raise additional minimum net proceeds of approximately HK$11 million. The underwriter has verbally agreed to this open offer price increase. The Company expects to sign a supplemental underwriting agreement to reflect the open offer price increase before resumption of trading.

SCOPE OF WORK OF ELITE PARTNERS 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 2015 as set out in the preliminary announcement have been agreed by the Group's auditor, Elite Partners CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Elite Partners 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 Elite Partners CPA Limited on this preliminary announcement.

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.

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

Hong Kong, 13 July 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/.