XINHUA NEWS MEDIA HOLDINGS LIMITED
新華通訊頻媒控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 309)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2015

RESULTS

The board of directors (the "Board") of Xinhua News Media Holdings Limited (the "Company") announces the consolidated results of the Company and its subsidiaries (collectively the "Group") for year ended 31 March 2015, together with the comparative figures for the year ended 31 March 2014, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2015

	Notes	**2015** *HK$'000*	2014 *HK$'000*
CONTINUING OPERATIONS			
Revenue	*4*	**286,809**	227,544
Other income and gains	*4*	**1,577**	3,224
Staff costs		**(203,168)**	(184,059)
Depreciation and amortisation		**(11,319)**	(20,008)
Fair value change on financial asset		**–**	4,932
Impairment of intangible assets	*11*	**–**	(32,438)
Other operating expenses		**(75,332)**	(51,747)
Finance costs	*6*	**(42)**	(8)
Share of profit of an associate		**89**	80
Loss before tax from continuing operations	*5*	**(1,386)**	(52,480)
Income tax expenses	*7*	**(447)**	(38)
Loss for the year from continuing operations		**(1,833)**	(52,518)

	Notes	**2015** *HK$'000*	2014 *HK$'000*
DISCONTINUED OPERATION			
Loss for the year from a discontinued operation	*8*	**–**	(20,324)
Loss for the year		**(1,833)**	(72,842)
Other comprehensive income, net of tax			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations:			
Exchange differences arising during the year		**55**	1,719
Reclassification adjustments relating to foreign operations disposed of during the year		**–**	(565)
		55	1,154
Total comprehensive loss for the year		**(1,778)**	(71,688)
Loss attributable to:			
Owners of the Company		**(1,622)**	(70,588)
Non-controlling interests		**(211)**	(2,254)
		(1,833)	(72,842)
Total comprehensive loss attributable to:			
Owners of the Company		**(1,591)**	(69,878)
Non-controlling interests		**(187)**	(1,810)
		(1,778)	(71,688)
Loss per share attributable to owners of the Company	*9*		
Basic and diluted			
– From continuing and discontinued operations		**HK$(0.0012)**	HK$(0.0542)
– From continuing operations		**HK$(0.0012)**	HK$(0.0402)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2015

	Notes	**2015** ***HK$'000***	2014 *HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**21,765**	23,784
Intangible assets	*11*	**55,831**	63,813
Investment in an associate		**704**	615
Total non-current assets		**78,300**	88,212
Current assets			
Inventories		**225**	142
Amount due from an associate		**240**	240
Trade receivables	*12*	**60,588**	33,488
Prepayments, deposits and other receivables		**31,799**	38,607
Pledged time deposits	*13*	**13,086**	10,506
Cash and cash equivalents		**62,778**	57,001
Total current assets		**168,716**	139,984
LIABILITIES			
Current liabilities			
Trade payables	*14*	**5,190**	4,162
Other payables and accrued liabilities		**31,259**	32,582
Loan from a director		**5,564**	2,015
Finance lease payables		**359**	57
Tax payable		**394**	320
Total current liabilities		**42,766**	39,136
Net current assets		**125,950**	100,848
Total assets less current liabilities		**204,250**	189,060

	Note	**2015**	2014
		HK$'000	*HK$'000*
Non-current liabilities			
Loan from a director		**3,733**	7,576
Finance lease payables		**1,209**	–
Provision for long service payments		**3,058**	2,290
Deferred income		**5,622**	6,071
Total non-current liabilities		**13,622**	15,937
Net assets		**190,628**	173,123
CAPITAL AND RESERVES			
Share capital	*15*	**13,675**	13,023
Reserves		**180,527**	163,487
Equity attributable to owners of the Company		**194,202**	176,510
Non-controlling interests		**(3,574)**	(3,387)
Total equity		**190,628**	173,123

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which is a collective term that includes all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and accounting principles generally accepted in Hong Kong. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Main Board Listing Rules") and by the applicable requirements of the Hong Kong Companies Ordinance relating to the preparation of financial statements, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

The consolidated financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand ("HK$'000"), unless otherwise stated.

Limitation to access the books and records of the discontinued operation

As disclosed in the Company's announcement dated 31 March 2014, 24 April 2014 and 28 April 2014, the Group entered into an agreement with an independent third party to dispose of the entire interest of Pan Asia Century Holdings Limited ("PAC Holdings"), and its subsidiaries, Pan Asia Century Investments Limited and Shanghai GoalReal Investments Advisory Company Limited ("GoalReal") (collectively referred to as the "Pan Asia Group"). The disposal was completed on 28 March 2014 (the "Disposal Date").

Subsequent to the disposal, the Group lost communication with GoalReal's key management personnel and its accounting personnel and thus were unable to access its books and records of GoalReal for the period from 1 April 2013 to the Disposal Date. Accordingly, the effect of such limitation are stated as below.

Firstly, in preparing the consolidated financial statements of the Group for the year ended 31 March 2014, the Group was unable to account for the financial effect of the Pan Asia Group and satisfied themselves regarding the treatment of the disposal transaction and related disclosures of the discontinued operations for the year ended 31 March 2014.

The financial information of GoalReal as disclosed in Note 8 of the announcement was derived from the latest available financial information of GoalReal at 30 September 2013.

Secondly, the Group received a profit guarantee from the vendor of Pan Asia Group (the "Profit Guarantee"), Pan Asia Century Consulting Limited (the "Vendor") when the Group completed the acquisition of Pan Asia Group on 24 September 2012 (the "Acquisition"). For details, please refer to the Company's announcement dated 29 August 2012.

Under the Profit Guarantee, the Vendor shall pay to the Group, if the actual net profit of Pan Asia Group for the 12-month period from the date of the Acquisition (the "Profit Guarantee Period") falls below HK$10,000,000, in which case the Vendor shall pay to the Group an amount equivalent to 51% of the difference between HK$10,000,000 and the actual net profit. If Pan Asia Group records a net loss, the Vendor shall pay to the Group an amount equivalent to 51% of the sum of HK$10,000,000 and the absolute amount of the net loss.

According to latest available financial information up to the period ended 30 September 2013, the Pan Asia Group failed to meet the Profit Guarantee. Based on the contractual terms set out in the agreement of the Acquisition, the Group was entitled to a compensation which was estimated at approximately HK$6,938,000 and was fully settled on 28 October 2014. Such compensation of Profit Guarantee is subject to the issuance of the audited accounts of the Pan Asia Group. For details, please refer to the Company announcement dated 24 April 2014.

In the absence of reliable evidence available to the Group as at 31 March 2014, the Directors was unable to ascertain (a) the accuracy of the fair value on the compensation for Profit Guarantee which was paid by the Vendor and (b) the accuracy of the fair value change on the financial assets.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 or, when applicable, the cost on initial recognition of an investment in an associate or a jointly venture.

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

The accounting policies adopted in the consolidated financial statements for the year ended 31 March 2015 are consistent with those followed in the preparation of the Group's consolidated statements for the year ended to 31 March 2014 except as described below.

In the current year, the Group has applied for the first time, the following new and revised standards, amendments and interpretations ("new HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning on 1 April 2014.

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 – *Investment Entities*

The amendments to HKFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with professional investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to HKFRS 12 and HKAS 27 to introduce new disclosure requirements for investment entities.

As the Company is not an investment entity (assessed based on the criteria set out in HKFRS 10 as at 1 April 2014), the application of the amendments has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

Amendments to HKAS 32 – *Offsetting Financial Assets and Financial Liabilities*

The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

The amendments have been applied retrospectively. The Group has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments has no material impact on the amounts recognised in the Group's consolidated financial statements.

Amendments to HKAS 36 – *Recoverable Amount Disclosures for Non-Financial Assets*

The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements regarding the fair value hierarchy, key assumptions and valuation techniques used when the recoverable amount of an asset or CGU was determined based on its fair value less costs of disposal.

Amendments to HKAS 39 – *Novation of Derivatives and Continuation of Hedge Accounting*

The amendments to HKAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative hedging instrument arising from the novation should be included in the assessment of hedge effectiveness.

The amendments have been applied retrospectively. As the Group does not have any derivatives that are subject to novation, the application of these amendments has had no material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

HK (IFRIC) – Int 21 – *Levies*

HK (IFRIC) – Int 21 – *Levies* addresses the issue of when to recognise a liability to pay a levy. The interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

HK (IFRIC) – Int 21 has been applied retrospectively. The application of this interpretation has had no material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

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

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010-2012 Cycle[2]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011-2013 Cycle[1]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012-2014 Cycle[3]
HKFRS 9 (as revised in 2014)	Financial Instruments[6]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception[3]
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations[3]
HKFRS 14	Regulatory Deferral Accounts[4]
HKFRS 15	Revenue from Contracts with Customers[5]
HKAS 1 (Amendments)	Presentation of Financial Statements[3]
HKAS 19 (Amendments)	Defined Benefit Plans: Employees Contributions[1]
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements[3]
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation[3]
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants[3]

[1] Effective for annual periods beginning on or after 1 July 2014
[2] Effective for annual periods beginning on or after 1 July 2014, with limited exceptions
[3] Effective for annual periods beginning on or after 1 January 2016
[4] Effective for first annual HKFRS financial statements beginning on or after 1 January 2016
[5] Effective for annual periods beginning on or after 1 January 2017
[6] Effective for annual periods beginning on or after 1 January 2018

HKFRS 9 – *Financial Instruments*

HKFRS 9 issued in 2009 introduced 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 in 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 give rise on specified 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 value at the end of subsequent accounting 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 designated as at fair value through profit or loss, HKFRS 9 requires that the 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 the 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 those expected credit losses at each reporting date to reflect 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 of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components.

The Directors of the Company do not anticipate that the application of these amendments to HKFRS 9 will have a material impact on the Group's consolidated financial statements.

Amendments to HKFRS 10 and HKAS 28 – *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Amendments to HKAS 28:

- The requirements on gains and losses resulting from transactions between an entity and its associate or joint venture have been amended to relate only to assets that do not constitute a business.

- A new requirement has been introduced that gains or losses from downstream transactions involving assets that constitute a business between an entity and its associate or joint venture must be recognised in full in the investor's financial statements.

- A requirement has been added that an entity needs to consider whether assets that are sold or contributed in separate transactions constitute a business and should be accounted for as a single transaction.

Amendments to HKFRS 10:

- An exception from the general requirement of full gain or loss recognition has been introduced into HKFRS 10 for the loss control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method.

- New guidance has been introduced requiring that gains or losses resulting for those transactions are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement at fair value of investments retained in any former subsidiary that has become an associate or a joint venture that is accounted for using the equity method are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The Directors of the Company do not anticipate that the application of these amendments to HKFRS 10 and HKAS 28 will have a material impact on the Group's consolidated financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 – *Investment Entities: Applying the Consolidation Exception*

The narrow-scope amendments to HKFRS 10, HKFRS 12 and HKAS 28 introduce clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the standards.

Amendments to HKFRS 11 – *Accounting for Acquisitions of Interests in Joint Operations*

The amendments to HKFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in HKFRS 3 *Business Combinations*. Specifically, the amendments state that the relevant principles on accounting for business combinations in HKFRS 3 and other standards should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by HKFRS 3 and other standards for business combinations.

The amendments to HKFRS 11 apply prospectively for annual periods beginning on or after 1 January 2016. The Directors of the Company do not anticipate that the application of these amendments to HKFRS 11 will have a material impact on the Group's consolidated financial statements.

HKFRS 14 – ***Regulatory Deferral Accounts***

HKFRS 14 specifies the accounting for regulatory deferral account balances that arise from rate-regulated activities. The Standard is applicable only to first-time adopters of HKFRSs who recognised regulatory deferral account balances under their previous GAAP. HKFRS 14 permits eligible first-time adopters of HKFRSs to continue their previous GAAP rate-regulated accounting policies, with limited changes, and requires separate presentation of regulatory deferral account balances in the statement of financial position and statement of profit or loss and other comprehensive income. Disclosure are also required to identify the nature of, and risks associated with, the form of rate regulation that has given rise to the recognition of regulatory deferral account balances.

HKFRS 14 is effective for an entity's first annual HKFRS financial statements for annual periods beginning on or after 1 January 2016, with earlier application permitted. The Directors of the Company do not anticipate that the application of these amendments to HKFRS 14 will have a material impact on the Group's consolidated financial statements.

HKFRS 15 – ***Revenue from Contracts with Customers***

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

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

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the 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 do not anticipate that the application of these amendments to HKFRS 15 will have a material impact on the Group's consolidated financial statements.

Amendments to HKAS 1 – ***Presentation of Financial Statements***

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.

Amendments to HKAS 19 – ***Defined Benefit Plans: Employees Contributions***

The amendments to HKAS 19 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee.

For contributions that are independent of the number of years of service, the entity may either recognise the contributions as a reduction of the service cost in the period in which the related service is rendered, or to attribute them to the employees' periods of service either using the projected unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

The Directors of the Company do not anticipate that the application of these amendments to HKAS 19 will have a significant impact on the Group's consolidated financial statements.

Amendments to HKAS 27 – ***Equity Method in Separate Financial Statements***

The amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements

- at cost,
- in accordance with HKFRS 9 *Financial Instruments* (or HKAS 39 *Financial Instruments: Recognition and Measurement* for entities that have not yet adopted HKFRS 9), or
- using the equity method as described in HKAS 28 *Investments in Associates and Joint Ventures*.

The accounting option must be applied by category of investments.

The amendments also clarify that when a parent ceases to be an investment entity, or becomes an investment entity, it shall account for the change from the date when the change in status occurred.

In addition to the amendments to HKAS 27, there are consequential amendments to HKAS 28 to avoid a potential conflict with HKFRS 10 *Consolidated Financial Statements* and to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards*.

The Directors of the Company do not anticipate that the application of these amendments to HKAS 27 will have a material impact on the Group's consolidated financial statements.

Amendments to HKAS 16 and HKAS 38 – *Clarification of Acceptable Methods of Depreciation and Amortisation*

The amendments to HKAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

(a) when the intangible asset is expressed as a measure of revenue.

(b) when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. The Directors of the Company do not anticipate that the application of these amendments to HKAS 16 and HKAS 38 will have a material impact on the Group's consolidated financial statements.

Amendments to HKAS 16 and HKAS 41 – *Agriculture: Bearer Plants*

The amendments to HKAS 16 and HKAS 41 define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with HKAS 16, instead of HKAS 41. The produce growing on bearer plants continues to be accounted for in accordance with HKAS 41.

The Directors of the Company do not anticipate that the application of these amendments to HKAS 16 and HKAS 41 will have a material impact on the Group's consolidated financial statements as the Group is not engaged in agricultural activities.

Annual Improvements to HKFRSs 2010-2012 cycle

The Annual Improvements to HKFRSs 2010-2012 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to HKFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to HKFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of HKFRS 9 or HKAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to HKFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to HKFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 did not remove the ability to measure short term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. As the amendments do not contain any effective date, they are considered to be immediately effective.

The amendments to HKAS 16 and HKAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to HKAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The Directors of the Company do not anticipate that the application of these amendments will have a material effect on the Group's consolidated financial statements.

Annual Improvements to HKFRSs 2011-2013 cycle

The Annual Improvements to HKFRSs 2011-2013 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The amendments to HKAS 40 clarify that HKAS 40 and HKFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of HKAS 40; and

(b) the transaction meets the definition of a business combination under HKFRS 3.

The Directors of the Company do not anticipate that the application of these amendments will have a material effect on the Group's consolidated financial statements.

Annual Improvements to HKFRSs 2012-2014 cycle

The Annual Improvements to HKFRSs 2012-2014 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 introduce specific guidance in HKFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held-for-distribution accounting is discontinued. The amendments apply prospectively.

The amendments to HKFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets and clarify that the offsetting disclosures (introduced in the amendments to HKFRS 7 Disclosure – Offsetting Financial Assets and Financial Liabilities issued in December 2011 and effective for periods beginning on or after 1 January 2013) are not explicitly required for all interim periods. However, the disclosures may need to be included in condensed interim financial statements to comply with HKAS 34 Interim Financial Reporting.

The amendments to HKAS 19 clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefits should be issued in the same currency as the benefits to be paid. These amendments would result in the depth of the market for high quality corporate bonds being assessed at currency level. The amendments apply from the beginning of the earliest comparative period presented in the financial statements in which the amendments are first applied. Any initial adjustment arising should be recognised in retained earnings at the beginning of that period.

The amendments to HKAS 34 clarify the requirements relating to information required by HKAS 34 that is presented elsewhere within the interim financial report but outside the interim financial statements. The amendments require that such information be incorporated by way of a cross reference from the interim financial statements to the other part of the interim financial report that is available to users on the same terms and at the same time as the interim financial statements.

The Directors of the Company do not anticipate that the application of these will have a material effect on the Group's consolidated financial statements.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has four reportable operating segments as follows:

(a) the cleaning and related services segment engages in the provision of cleaning and related services for office buildings, public areas and residential areas;

(b) the television screen broadcast business segment engages in the provision of publicly broadcasting information and advertisements on television screens services;

(c) the medical waste treatment segment engages in the provision of non-incineration medical waste handling services for hospitals; and

(d) the waste treatment business segment engages in the provision of organic waste treatment and sale of the by-products produced.

The management consulting services segment engages in the provision of investment management and consulting services, management solutions for hospitals and sales of medical equipment. This segment was acquired on 24 September 2012 and was disposed of on 28 March 2014. This segment was classified as discontinued operation after its disposal. For discontinued operation, please refer to Note 8 of the announcement.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment result, which is a measure of adjusted loss before tax from continuing operations. The adjusted loss before tax from continuing operations are measured consistently with the Group's loss before tax from continuing operations except that interest income, share of profit of an associate, fair value change on financial assets, impairment loss recognised in profit or loss in respect of intangible assets and goodwill, loss on disposal of subsidiaries, finance costs and unallocated head office and corporate expenses are excluded from such measurement.

Segment assets exclude investment in an associate, amount due from an associate and unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude loans from a director, finance lease payables and unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

There are no intersegment sales and transfers between the segments.

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

	Continuing operations										Discontinued operation			
	Cleaning and related services		Television screen broadcast business		Medical waste treatment		Waste treatment		Sub-total		Management consulting services		Total	
	2015	2014	**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*	***HK'000***	*HK'000*
Segment revenue:														
Service income from external customers	**251,329**	218,223	**24,918**	742	**10,394**	8,508	**168**	71	**286,809**	227,544	**–**	430	**286,809**	227,974
Other income and gains	**262**	1,717	**367**	1	**473**	841	**2**	529	**1,104**	3,088	**–**	–	**1,104**	3,088
Total	**251,591**	219,940	**25,285**	743	**10,867**	9,349	**170**	600	**287,913**	230,632	**–**	430	**287,913**	231,062
Segment results	**12,033**	6,453	**7,139**	(20,028)	**2,349**	2,556	**(3,596)**	(4,364)	**17,925**	(15,383)	**–**	(4,921)	**17,925**	(20,304)
Reconciliation:														
Interest income									**473**	135	**–**	7	**473**	142
Share of profit of an associate									**89**	80	**–**	–	**89**	80
Unallocated expenses									**(19,831)**	(9,798)	**–**	–	**(19,831)**	(9,798)
Fair value change on financial asset									**–**	4,932	**–**	–	**–**	4,932
Impairment losses recognised in profit or loss in respect of:														
Intangible assets*									**–**	(32,438)	**–**	–	**–**	(32,438)
Goodwill**									**–**	–	**–**	(9,960)	**–**	(9,960)
Loss on disposal of subsidiaries									**–**	–	**–**	(5,450)	**–**	(5,450)
Finance costs									**(42)**	(8)	**–**	–	**(42)**	(8)
Loss before tax									**(1,386)**	(52,480)	**–**	(20,324)	**(1,386)**	(72,804)
Income tax expenses									**(447)**	(38)	**–**	–	**(447)**	(38)
Loss for the year									**(1,833)**	(52,518)	**–**	(20,324)	**(1,833)**	(72,842)

* Impairment of intangible assets was related to the television screen broadcast business segment.

** Impairment of goodwill was related to the management consulting services segment.

	Continuing operations										Discontinued operation			
	Cleaning and related services		Television screen broadcast business		Medical waste treatment		Waste treatment		Sub-total		Management consulting services		Total	
	2015	2014	**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*	***HK'000***	*HK'000*
Segment assets	**69,013**	62,873	**135,900**	121,282	**21,705**	21,047	**19,454**	22,139	**246,072**	227,341	**–**	–	**246,072**	227,341
Reconciliation:														
Investment in an associate									**704**	615	**–**	–	**704**	615
Amount due from an associate									**240**	240	**–**	–	**240**	240
Total assets									**247,016**	228,196	**–**	–	**247,016**	228,196
Segment liabilities	**26,845**	27,272	**4,599**	3,969	**6,719**	7,057	**7,360**	7,127	**45,523**	45,425	**–**	–	**45,523**	45,425
Reconciliation:														
Finance lease payables									**1,568**	57	**–**	–	**1,568**	57
Loans from a director									**9,297**	9,591	**–**	–	**9,297**	9,591
Total liabilities									**56,388**	55,073	**–**	–	**56,388**	55,073
Other segment information:														
Capital expenditure	**1,450**	741	**6,282**	316	**120**	151	**8**	–	**7,860**	1,208	**–**	–	**7,860**	1,208
Depreciation and Amortisation	**764**	711	**8,277**	15,003	**1,280**	1,441	**998**	2,853	**11,319**	20,008	**–**	201	**11,319**	20,209
Impairment losses recognised in profit or loss in respect of:														
Property, plant and equipment	**–**	–	**–**	–	**–**	–	**1,883**	–	**1,883**	–	**–**	–	**1,883**	–
Intangible assets	**–**	–	**–**	32,438	**–**	–	**–**	–	**–**	32,438	**–**	–	**–**	32,438

Geographical information

(a) Revenue from external customers

	2015	2014
	HK$'000	*HK$'000*
Hong Kong	**276,247**	218,964
Mainland China	**10,562**	8,580
	286,809	227,544

(b) Non-current assets

	2015	2014
	HK$'000	*HK$'000*
Hong Kong	**48,497**	54,498
Mainland China	**29,803**	33,714
	78,300	88,212

The revenue and non-current assets information from continuing operations above are based on the location of the customers and that of the assets respectively.

Information about major customers

Revenue from continuing operations for the year ended 31 March 2015 of approximately HK$63,826,000 (2014: HK$58,862,000) was derived from revenue by the cleaning and related services segment to the Group's largest single customer. Approximately HK$57,196,000 (2014: HK$53,609,000) was derived from another one (2014: one) customer contributed 10% or more to the Group's revenue for the year ended 31 March 2015.

4. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of services rendered and goods sold. An analysis of the Group's revenue, other income and gains from continuing operations is as follows:

	2015	2014
	HK$'000	*HK$'000*
Revenue		
Cleaning and related service fee income	**251,329**	218,223
Television screens broadcast business income	**24,918**	742
Medical waste treatment income	**10,394**	8,508
Waste treatment income	**168**	71
	286,809	227,544
Other income and gains		
Interest income	**473**	135
Amortisation of deferred income*	**473**	474
Management fee received	**60**	60
Sundry income	**571**	2,555
	1,577	3,224

* Various government grants have been received for purchase of property, plant and equipment for medical waste treatment. There are no unfulfilled conditions or contingencies relating to these subsidies.

5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

		The Group		
		2015	2014	
		Continuing operations	Continuing operations	Discontinued operation
	Notes	***HK$'000***	*HK$'000*	*HK$'000*
Cost of services rendered*		**221,780**	193,669	194
Auditors' remuneration		**980**	1,062	–
Minimum lease payments under operating lease in respect of land and buildings		**1,947**	1,466	325
Depreciation on owned property, plant and equipment		**2,995**	7,302	201
Depreciation on leased property, plant and equipment		**185**	48	–
Amortisation of intangible assets	*11*	**8,139**	12,658	–
Employee benefit expenses (including directors' remuneration)				
Wages, salaries and other benefits		**192,554**	174,954	107
Retirement benefit scheme contributions		**8,387**	7,512	18
Provision for long service payments		**768**	532	–
Provision for untaken paid leave		**1,459**	1,061	–
Total employee benefit expenses		**203,168**	184,059	125
Impairment of property, plant and equipment		**1,883**	–	–
Impairment of intangible assets	*11*	**–**	32,438	–
Impairment of goodwill	*10*	**–**	–	9,960
Loss on disposal on subsidiaries	*8*	**–**	–	5,450
Net loss on disposal of property, plant and equipment		**4,536**	138	279

* The cost of services rendered included an employee benefit expenses of approximately HK$179,703,000 (2014: HK$163,566,000) incurred in the provision of services which has been included in the employee benefit expenses above.

6. FINANCE COSTS

	2015	2014
	HK$'000	*HK$'000*
Interest on bank overdraft	**3**	–
Interest on finance leases	**39**	8
	42	8

All finance costs are from continuing operation only

7. INCOME TAX EXPENSES

	2015	2014
	HK$'000	*HK$'000*
Current tax		
Hong Kong	**–**	–
Mainland China	**447**	38
Tax charge from continuing operations for the year	**447**	38

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2014: Nil).

The corporate income tax has been provided for subsidiaries in Mainland China based on assessable profits arising in Mainland China during the year. Subsidiaries located in the People's Republic of China (the "PRC") are subject to the PRC corporate income tax at a rate of 25% on its assessable profits.

8. DISCONTINUED OPERATION

On 28 March 2014, the Group entered into an agreement to dispose of the entire issued share capital of PAC Holdings and the full amount of the interest-free shareholder's loan owed by PAC Holdings to the Group. PAC Holdings and its subsidiaries carried out the management consulting services business of the Group. The disposal was completed on 28 March 2014 immediately after execution of the agreement, on which date the Group ceased to hold any issued share capital of PAC Holdings.

The loss from the discontinued operation which has been included in the consolidated statement of profit or loss and other comprehensive income are set out below:

		2014
	Notes	*HK$'000*
Revenue		430
Other income and gains		7
Impairment loss on goodwill	*10*	(9,960)
Expenses		(5,351)
Loss before tax from discontinued operation		(14,874)
Income tax expenses	*7*	–
Loss for the year		(14,874)
Loss on disposal of subsidiaries	*5*	(5,450)
Loss for the year from discontinued operation		(20,324)
Loss for the year from discontinued operation attributable to:		
Owners of the Company		(18,228)
Non-controlling interest		(2,096)
		(20,324)

Loss for the year from discontinued operation includes the following:

Depreciation on owned property, plant and equipment	201
Loss on disposal of items of property, plant and equipment	279

9. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

Basic and diluted loss per share

The calculation of the basic loss per share amounts is based on the loss for the year attributable to owners of the Company, and the weighted average number of ordinary shares of 1,335,689,876 (2014: 1,302,286,040) in issue during the year.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 March 2015 and 2014 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

The calculation of basic and diluted loss per share is based on:

	2015	2014
	HK$'000	*HK$'000*
Loss		
Loss attributable to owners of the Company used in the basic and diluted loss per share calculation:		
– Continuing and discontinued operations	**(1,622)**	(70,588)
– Discontinued operation	**–**	(18,228)
– Continuing operations	**(1,622)**	(52,360)

	Number of shares	
	2015	2014
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted loss per share calculation	**1,335,689,876**	1,302,286,040

For the year ended 31 March 2014, basic loss per share for the discontinued operations was HK$0.0140 per share based on the loss for the year from discontinued operation of HK$20,324,000 and denominators detailed for basic and diluted loss per share.

10. GOODWILL

	HK$'000
Cost	
At 1 April 2013	62,145
Disposal of subsidiaries during the year	(22,960)
At 31 March 2014, 1 April 2014 and 31 March 2015	39,185
Accumulated impairment	
At 1 April 2013	39,185
Impairment loss recognised during the year	9,960
Disposal of subsidiaries during the year	(9,960)
At 31 March 2014, 1 April 2014 and 31 March 2015	39,185
Carrying amount	
At 31 March 2015	**–**
At 31 March 2014	–

11. INTANGIBLE ASSETS

	Medical waste treatment *HK$'000*	**Free right** *HK$'000*	**Total** *HK$'000*
Cost			
At 1 April 2013	34,376	151,286	185,662
Additions	5	–	5
Exchange realignment	645	–	645
At 31 March 2014 and 1 April 2014	35,026	151,286	186,312
Additions	106	–	106
Exchange realignment	151	–	151
At 31 March 2015	35,283	151,286	186,569

	Medical waste treatment	Free right	Total
	HK$'000	*HK$'000*	*HK$'000*
Accumulated amortisation and impairment			
At 1 April 2013	20,949	56,063	77,012
Amortisation during the year	998	11,660	12,658
Impairment for the year	–	32,438	32,438
Exchange realignment	391	–	391
At 31 March 2014 and 1 April 2014	22,338	100,161	122,499
Amortisation during the year	1,005	7,134	8,139
Exchange realignment	100	–	100
At 31 March 2015	23,443	107,295	130,738
Carrying amount			
At 31 March 2015	**11,840**	**43,991**	**55,831**
At 31 March 2014	12,688	51,125	63,813

12. TRADE RECEIVABLES

	2015	2014
	HK$'000	*HK$'000*
Trade receivables	**60,588**	33,488

The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period of 30 days, extending up to 90 days for customers with a long-term relationship. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

	2015	2014
	HK$'000	*HK$'000*
Within 30 days	**22,195**	19,243
31 to 60 days	**10,320**	10,434
61 to 90 days	**12,369**	3,434
91 to 120 days	**691**	273
Over 120 days	**15,013**	104
	60,588	33,488

Included in the Group's trade receivables balances are debtors with aggregate carrying amount of approximately HK$15,704,000 (2014: HK$377,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and the balances are considered recoverable.

Ageing of trade receivables that are past due but not impaired:

	2015	2014
	HK$'000	*HK$'000*
Overdue by:		
1 to 30 days	**691**	273
Over 30 days	**15,013**	104
	15,704	377

13. PLEDGED TIME DEPOSITS

At the end of the reporting period, the Group's banking facilities were secured by the pledge of certain of the Group's time deposits amounting to approximately HK$13,086,000 (2014: HK$10,506,000).

14. TRADE PAYABLES

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

	2015	2014
	HK$'000	*HK$'000*
Within 30 days	**3,669**	2,566
31 to 60 days	**1,326**	1,254
61 to 90 days	**66**	49
Over 90 days	**129**	293
	5,190	4,162

The trade payables are non-interest-bearing and are normally settled on 30-day terms.

15. SHARE CAPITAL

	2015	2014
	HK$'000	*HK$'000*
Authorised:		
2,000,000,000 ordinary shares of HK$0.01 each	**20,000**	20,000
Issued and fully paid:		
1,367,486,040 (2014: 1,302,286,040) ordinary shares of HK$0.01 each	**13,675**	13,023

On 25 September 2014, 65,200,000 ordinary shares of HK$0.01 each of the Company were issued at a price of HK$0.325 per share.

EXTRACT OF INDEPENDENT AUDITORS' REPORT ON THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Basis for qualified opinion

The auditors' report on the consolidated financial statements of the Group for the year ended 31 March 2014 contained a qualified opinion in relation to limitation to access the books and records of the discontinued operation. Details of which had been set out in Note 3 to the financial statements and the auditor's report dated 30 June 2014.

As 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 would have a significant effect on the comparative financial information and the related disclosures thereof for the year ended 31 March 2015.

Qualified opinion

In our opinion, except for the possible effects of the matters described in the Basis for qualified opinion paragraph, the consolidated financial statements give a true and fair view of the state of the affairs of the Company and 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 and have been properly prepared in accordance with the disclosure requirement of the Hong Kong Companies Ordinance.

MANAGEMENT DISCUSSION AND ANALYSIS

Operating Results

The Group's turnover from continuing operations for the year ended 31 March 2015 amounted to approximately HK$286,809,000, (2014: HK$227,544,000) represented 26% increase as compared to the previous year. The loss of the Group from continuing operations was approximately HK$1,833,000 (2014: HK$52,518,000). Cleaning and related services business made a profit of approximately HK$12,033,000, the television screen broadcast business made a profit of approximately HK$7,139,000, the medical waste treatment business made a profit of approximately HK$2,349,000 and the waste treatment businesses made a loss of approximately HK$3,596,000.

Financial Review

As at 31 March 2015, the Group's cash and cash equivalents and pledged time deposits totalled approximately HK$75,864,000 (2014: HK$67,507,000) and its current ratio (excluded the discontinued operation) was 3.95 (2014: 3.58). The Group's net assets were approximately HK$190,628,000 (2014: HK$173,123,000).

As at 31 March 2015, the Group did not have any bank borrowings but the Group had finance lease payables and loans from a director of approximately HK$1,568,000 and approximately HK$9,297,000 respectively (2014: HK$57,000 and HK$9,591,000) and therefore, its gearing ratio, representing ratio of finance lease payables and loans from a director to shareholders' equity was 5.7% (2014: 5.6%). The Group's shareholders' equity amounted to approximately HK$190,628,000 as at 31 March 2015 (2014: HK$173,123,000).

The Group takes a prudent approach to cash management and risk control. Its revenues, expenses and capital expenditures in relation to cleaning related business and television screen broadcast business are transacted in Hong Kong ("HK") dollars, whereas those of the medical waste treatment business and waste treatment business and medical consultation business are transacted in Renminbi ("RMB"). The Group's cash and bank balances are primarily denominated in HK dollars, RMB and United States dollars.

Foreign currency risks in relation to exchange rate fluctuations of RMB will be mitigated as future revenue from the medical waste treatment business, which is in RMB, can offset future liabilities and expenses.

As at 31 March 2015, the Group's banking facilities were secured by the pledge of certain of the Group's time deposits amounting to approximately HK$13,086,000 (2014: HK$10,506,000).

Business Review

Television screen broadcast business

In the past year, the Group successfully finalised a remedial agreement in regards to a further guarantee where Xinhua News Agency Asia-Pacific Regional Bureau ("Asia-Pacific Regional Bureau") will undertake that the audited operating revenue derived from the television screen broadcast business for financial years 2015 and 2016 will be no less than HK$170,000,000 (the "Further Undertaking"). The company, together with Xinhua News Agency Asia-Pacific Bureau Limited ("APRB"), has since been keen to both develop and grow the television screen broadcast business.

Specially produced news programs provided by Xinhua News Agency exclusive to the Group continue to broadcast on through-trains operated by the MTR Corporation Limited ("MTR") running from Guangzhou East to Hong Kong and at the MTR Hunghom Departure Hall in Hong Kong. The same programming broadcasted on selected television screens at departure gates in the Hong Kong International Airport ("HK Airport"), Cosco Tower Millenium Plaza in Sheung Wan and in Causeway Bay and Wan Chai also continue to run smoothly as well. As partnerships with MTR and HK Airport deepen with time, our Group will not only continue with the current investments on hand, but also look to explore additional investments in the future.

Cleaning and related services

Closely adhering to our philosophy of aiming at meeting our customers' expectation with high quality services in a comprehensive and professional manner, our Group had been able to press ahead with our development amidst fierce competition. During the reporting year, our Group was able to obtain and renew several major contracts, including, among others, those in connection with a grade-A office building in the heart of Central, once the highest building in Hong Kong and the fourth in the world; a 30-storey commercial building with decks of car parks in Connaught Road, Central facing the harbour, a residential estate, one of the biggest in Tseung Kwan O, and another residential estate of large scale in Tung Chung. The Group also provides warewash, sorting and general cleaning services for one of the biggest flight kitchens in the airport vicinity.

Significant progress in the external and curtain wall cleaning was also achieved during the reporting year. Other than providing high-level cleaning jobs to several developments on a periodic basis, we had been able to secure a contract providing external wall cleaning for a luxurious apartment building up on the peak. Providing high-level cleaning job on the peak has to overcome various hindrances, such as the occasional gusts of wind can pose potential hazards to cleaning staff working at height and can blow cleaning detergents to a distance. This necessitates the erection of additional shelters for protection. The job is scheduled to be carried out in the coming summer vacation.

Sales of stone maintenance products manufactured by our Italian partner, the bulk of which were specially formulated for the Asian markets, continued to accelerate.

Medical waste treatment business

As to the medical waste treatment business, the two medical waste treatment plants of the Group located in Siping City and Suihua City in PRC, have been operating smoothly throughout the reporting year.

Waste treatment business

The Group continues to look into various options in respect of its investment in the waste treatment business following the termination of the negotiation with an independent state-owned enterprise last year.

Prospects

Television screen broadcast business

As the Company finalised the Further Undertaking with APRB in the past year, both parties are motivated to focus on the development of its media advertising and the growth of closely related results. The Company has the exclusive broadcast right (the "Free Right") granted by APRB to broadcast certain media information for a period of 10 years commencing from 24 May 2011 and the remaining Free Right period is approximately 6 years. Currently, our Group have multitude of LED screen outlets in Hong Kong covering the most high profile densely populated areas such as HK Airport, MTR Hung Hom Station, Sheung Wan, Wan Chai and Causeway Bay. These current screens on hand serves as a great platform for the Group to launch and expand the media business.

In addition to Hong Kong, the Group is currently in negotiations to partner and to acquire other high profile LED screen outlets in mainland China. These potential investments are situated in first tier Chinese cities such as Beijing, Shanghai, Shenzhen and Guangzhou. The Group still plans to focus its growth efforts in both Hong Kong and China for the near future. Expansion plans to penetrate into other international markets such as Macau, South Korea and Japan are still set for some time in year 2016. In cooperation with APRB, the Group will look to fully unlock and to synergise the exclusive value of the Free Right in the immediate future.

Cleaning and related services

The shortage of labour is expected to continue notwithstanding the introduction of several remedies by the government, for example, the Employment Program for the Middle-Aged, the Work Incentive Transport Subsidy Scheme, both of which offer stimuli and allowances to encourage people to join the labour market. The root causes, however, have not been touched. The Group will continue to run dedicated staff retention programs to attract new comers and to retain good staff. We are confident to maintain a relatively low staff turnover rate, as achieved before, in the coming year.

The Statutory Minimum Wage (SMW) rate revision from $30.00 to $32.50 per hour, representing an increase of 8.33% will have far-reaching impact on labour costs. Fortunately, most of our contracts contain a mechanism of adjusting our contract prices according to the movements of the SMW rate or the CPI(B) indexes to offset the negative impact that SMW brought about.

Medical waste treatment business

The two medical waste treatment plants located in Siping City and Suihua City are well established and can therefore expect to continue their smooth operations. The Group can reasonably expect the medical waste treatment business will continue to bring in revenue for the Group in the future.

Dividend

The directors do not recommend the payment of any dividend to shareholders for the year ended 31 March 2015 (2014: Nil).

Contingent Liabilities

At the end of the reporting period, the Group had contingent liabilities as follows:

(a) The Group has executed performance guarantees to the extent of an aggregate amount of HK$10,649,000 (2014: HK$4,914,000) in respect of certain services provided to various customers by the Group.

(b) The Group had a contingent liability in respect of possible future long service payments to employees under the Employment Ordinance, with a maximum possible amount of approximately HK$5,522,000 as at 31 March 2015 (2014: HK$4,227,000). The contingent liability has arisen because, at the end of the reporting period, a number of current employees have achieved the required number of years of service to the Group in order to be eligible for long service payments under the Employment Ordinance if their employment is terminated under certain circumstances. A provision of approximately HK$3,058,000 (2014: HK$2,290,000) in respect of such payments has been made in the condensed consolidated statement of financial position as at 31 March 2015.

(c) During the ordinary course of its business, the Group may from time to time be involved in litigation concerning personal injuries sustained by its employees or third party claimants. The Group maintains insurance cover and, in the opinion of the directors, based on current evidence, any such existing claims should be adequately covered by the insurance as at 31 March 2015 and 2014.

Employees and Remuneration Policies

The total number of employees of the Group as at 31 March 2015 was 1,623 (2014: 1,609). Total staff costs, including directors' emoluments and net pension contributions, for the period under review amounted to approximately HK$203,168,000 (2014: HK$184,059,000). The Group provides employees with training programmes to equip them with the latest skills.

Remunerations are commensurate with individual job nature, work experience and market conditions, and performance-related bonuses are granted to employees on discretionary basis.

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

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

COMPLIANCE WITH CORPORATE GOVERNANCE CODE OF THE MAIN BOARD LISTING RULES

The Board recognises the vital importance of a good corporate governance to the Group's management, success and sustainability. Corporate governance practices would be reviewed from time to time to ensure compliance with the regulatory requirements and to meet the rising expectations of Shareholders and investors relating to transparency and accountability of all its operations.

Throughout the year, the Company has complied with the code provisions set out in the Corporate Governance Code (the "CG Code") in Appendix 14 of the Main Board Listing Rules throughout the year under review, with the exception of Code Provision A.2.7, and A.6.7 as addressed below:

Under Code Provision A.2.7, the chairman should at least annually hold meetings with the non-executive directors, including independent non-executive directors, without the executive directors present. Under the year under review, the Chairman did not hold meetings with the Independent non-executive Directors without the Executive Directors present, which deviates from Code Provision A.2.7. However, in each Board meetings, the chairman of the meetings would ensure that all Directors were able to make a full and active contribution to the Board's affairs and encourage all Directors with different views to voice their concerns, allow sufficient time for discussion of issues and ensure that the Board decisions fairly reflect Board consensus.

Under Code Provision A.6.7, independent non-executive Directors and other non-executive Directors should attend general meetings of the Company. Mr. Wang Qi, Independent non-executive Directors, could not attend the annual general meeting of the Company held on 30 September 2014 and the extraordinary general meeting of the Company held on 27 March 2015 due to other business commitments. However, Mr. Ju Mengjun, the Co-Chairman and Executive Director, present in the general meetings was elected as chairman of the meetings to ensure an effective communication with the Shareholders at the meetings.

Further, under Code Provision A.4.3, serving more than 9 years could be relevant to the determination of a non-executive director's independence. Mr. Wang Qi, Independent non-executive Director, will serve more than 9 years after 26 August 2015. His further appointment shall be subject to a separate resolution to be approved by Shareholders in the upcoming Annual General Meeting. The papers to Shareholders accompanying that resolution shall include the reasons why the Board believes he is still independent and should be re-elected.

AUDIT COMMITTEE

The Audit Committee of the Company comprises three members, namely, Mr. Tsang Chi Hon (Chairman of Audit Committee), Mr. Wang Qi and Mr. Ho Hin Yip, who are independent non-executive directors of the Company. The Audit Committee has reviewed with management of the Group and auditors the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including to review of the Group's consolidated financial statements for the year ended 31 March 2015.

PUBLICATION OF RESULTS ANNOUNCEMENT AND DESPATCH OF ANNUAL REPORT

The annual results announcement is published on the websites of the Stock Exchange at (www.hkexnews.hk) and the Company at (www.XHNmedia.com). The 2014/15 annual report containing all the information required by the Main Board Listing Rules will be despatched to the Company's shareholders and available on the above websites in due course.

On behalf of the Board
Xinhua News Media Holdings Limited
Ju Mengjun **Lo Kou Hong**
Co-chairman *Co-chairman*

Hong Kong, 26 June 2015

As at the date of this announcement, the Board comprises six executive directors, namely, Mr. Ju Mengjun, Dr. Lo Kou Hong, Mr. Yu Guang, Mr. David Wei Ji, Mr. Chang Yong and Mr. Yan Liang; and three independent non-executive directors, namely, Mr. Wang Qi, Mr. Tsang Chi Hon and Mr. Ho Hin Yip.