ABC Communications

(Holdings) Limited

(Incorporated in Bermuda with limited liability)
(Stock Code: 30)

2014/2015
Annual Report

Contents

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors:

Mr. Chow Wang *(Chairman)*
(appointed on 9 October 2014)
Mr. Cheung Wai Shing
Mr. Xu Jian Zhong (appointed on 25 August 2014)
Mr. Chen Jiasong (resigned on 31 March 2015)
Mr. Zhao Baolong (appointed on 25 August 2014 and resigned on 23 April 2015)

Non-Executive Director:

Mr. Fong For (appointed on 12 December 2014)

Independent Non-Executive Directors:

Mr. Leung Ka Kui, Johnny (appointed on 9 October 2014)
Ms. Wong Chui San, Susan
(appointed on 9 October 2014)
Mr. Jiang Zhi (appointed on 19 January 2015)
Mr. Chen Haoyun, Jordy (resigned on 6 October 2014)
Mr. Lee Kwong Yiu (resigned on 6 October 2014)
Mr. Yau Chung Hang (resigned on 6 October 2014)
Mr. Zhang Guang Hui (resigned on 19 January 2015)

Chief Executive Officer:

Mr. Zhao Baolong (resigned on 23 April 2015)

Chief Operating Officer:

Mr. Wang Zhao Qing, Tiger

COMMITTEES

Audit Committee

Ms. Wong Chui San, Susan *(Chairman)*
Mr. Jiang Zhi
Mr. Leung Ka Kui, Johnny

Remuneration Committee

Mr. Leung Ka Kui, Johnny *(Chairman)*
Mr. Cheung Wai Shing
Mr. Chow Wang
Mr. Jiang Zhi
Ms. Wong Chui San, Susan

Nomination Committee

Mr. Chow Wang *(Chairman)*
Mr. Cheung Wai Shing
Mr. Jiang Zhi
Mr. Leung Ka Kui, Johnny
Ms. Wong Chui San, Susan

COMPANY SECRETARY

Mr. Cheung Wai Shing

AUTHORIZED REPRESENTATIVES

Mr. Chow Wang
Mr. Cheung Wai Shing

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS

Room 2709-10, 27/F
China Resources Building
No. 26 Harbour Road
Wanchai
Hong Kong

AUDITORS

SHINEWING (HK) CPA Limited

REGISTRARS

Computershare Hong Kong Investor Services Limited
18th Floor, Hopewell Centre
183 Queen's Road East
Hong Kong

SOLICITORS

Cheung & Choy Solicitors & Notaries

HOMEPAGE

www.0030hk.com

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING RESULTS

In 2014/2015 financial year, the turnover of the Group amounted to HK$56.4 million, representing an decrease of 6% as compared to HK$60 million in previous year. The total comprehensive expense of the Group amounted to HK$114.8 million, representing an increase of HK$89.8 million as compared to the total comprehensive expense of HK$25 million in year 2013/2014. The comprehensive expense attributable to owners of the Company amounted to HK$80.3 million, representing an increase of HK$57.2 million from that of previous year. During the year, the Group's financial quotation and securities trading system licensing remained the core revenue contributor, which accounted for 99% of the Group's revenue. The mining operation segment has contributed revenue of HK$0.6 million from the sale of silver ores extracted in the course of mining site preparation. Nevertheless after taking into account of the depreciation and amortization charges, the mining operation segment suffered a loss of HK$4.1 million.

Loss for the year amounted to HK$118 million, and representing an increase by HK$91.7 million as comparing to the loss for the year of HK$26.3 million in year 2013/2014. The increase in loss for the year was mainly due to an one-off impairment loss and amortisation in respect of intangible assets in the amount of approximately HK$55 million and HK$25.1 million respectively. Both were non-cash in nature.

FINAL DIVIDEND

The Board did not propose a final dividend.

BUSINESS REVIEW

The Mining Operation

During the year, the mining operation contributed a turnover of approximately HK$0.6 million (2013/2014: HK$0.7 million) to the Group. Loss before tax attributable to the segment amounted to HK$4.1 million (2013/2014: HK$5.2 million).

Jun Qiao Limited ("Jun Qiao"), through its subsidiaries, Tong Bai County Yin Di Mining Co Ltd (桐柏縣銀地礦業有限責任公司) ("Yin Di Company") and Xinjiang Xin Jiang Yuan Mining Co Ltd (新疆鑫江源礦業有限公司), held 1 mining license in Henan and 2 exploration licenses in Henan and Xinjiang respectively. The mining projects of the Group included the following:

Yin Di Mining Area (銀地礦區) in Henan

The Yin Di Mining Area is the only producing mine of the Group. It is located at Tongbai County in Henan Province and covers a mining area of approximately 1.81 km^2. The mining area is 15 km away from Xining railways and connected to China National Highway 312, the traffic is considerably convenient. As at the announcement date, the Group has succeeded in renewing the mining license to January 2017.

BUSINESS REVIEW (CONTINUED)

The Mining Operation (Continued)

Yin Di Mining Area (*銀地礦區*) in Henan (Continued)

Yin Di Mining Area is an operating polymetallic mine that contains gold, silver, lead and zinc ore deposits. At the end of March 2015, according to the Gold, Silver Lead and Zinc Polymetallic Reserves and Resources Verification Report (金銀鉛鋅多金屬資源儲量核查報告) (the "Reserve Report") prepared by the First Geological Survey Team of Henan Geology and Mineral Exploration and Development Bureau (河南省地質礦產勘查開發局第一地質調查隊), estimated mineral resources of the mining area are as follows:

	Resources Classification	Ore Tonnage (tonnes/t)	Average Grade	Metal
Gold	111b + 332	1,744,500	5.63 g/t	9,826 kg
Silver	122b	19,479	88.50 g/t	1,723.8 kg
	332	291,800	80 g/t	21,868 kg
Lead	122b	19,479	17.5 kg/t	341.8 t
Zinc	122b	19,479	18.6 kg/t	362.7 t

The above mineral reserve data was extracted from the Reserve Report, which was prepared pursuant to the China coding system for geological reserve and resources classification. The system for the categorization of mineral resources and ore reserves in China uses three-dimensional matrices, based on economic, feasibility/mine design and geological degrees of confidence. Mineral resources and reserves are categorized by a three number code of the form "123". The definition and interpretation of each digit in the coding system are as follows:

	Denoted	Interpretation
First digit – Economic	1	Full feasibility study considering economic factors has been conducted
	2	Pre feasibility to scoping study which generally considers economic factors has been conducted
	3	No pre feasibility or scoping study conducted to consider economic analysis
Second digit – Feasibility	1	Further analysis of data collected in "2" by an external technical department
	2	More detailed feasibility work including more trenches, tunnels drilling, detailed mapping etc
	3	Preliminary evaluation of feasibility with some mapping and Trenches
Third digit – Geologically controlled	1	Strong geological control
	2	Moderate geological control via closely-spaced data points
	3	Minor work which is projected throughout the area
	4	Review stage

BUSINESS REVIEW (CONTINUED)

The Mining Operation (Continued)

Yin Di Mining Area (*銀地礦區*) in Henan (Continued)

The denotation "b" following the three-digits code represents basis reserves (基礎儲量), that is the quantity of mineral reserves identified in geological exploration without taking into account the possible wastage and depletion arising from the exploitation method employed.

As a broad comparison between the China resources coding system and the JORC Code (the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves), resources classification of 111b in China system is similar as the measured reserves in the JORC code; while 122b and 332 are similar as the indicated reserves in the JORC code.

The Reserve Report was based on factual geological survey, drilling, sampling and etc. There was no specific assumption made in the preparation of the Reserve Report.

The mining property is a polymetallic mine that contains gold, silver, lead and zinc ore deposits. After the Company has completed acquisition, the Yin Di Mining Area has undergone a large scale improvement, advancement and reinforcement in mining technologies for more efficient production and safety. These improvement works were originally expected to be completed during the year. However, following the issue of the policy statement, namely "Working Program on the Consolidation and Closure of Mineral and Non-mineral Mines in Henan Province" (河南省金屬非金屬礦山整頓關閉工作方案) issued by the People's Government of Henan Province, mining activities of those small scale mines in Henan Province, like the Group's mining properties, were almost suspended. Inevitably, mining activities in our Yin Di Mining Area was affected and site development and improvement works could only be carried on intermittently. As a result the Group's development plan on Yin Di Mining Area was forced to be postponed.

The policy statement has mainly straightened out the administration and control on the environmental protection, production safety and mining efficiency of all small scale mining properties in Henan province. The local management of Yin Di Company has, to a large extent, perceived and fulfilled those stringent requirements governed in the policy statement, and has successfully renewed the mining license until 2017.

Li Zi Yuan Mining Area (*栗子園礦區*) in Henan

The mine is also located at Tongbai County of Henan, and is very close to the Yin Di Mining Area. Mining area covered by the exploration license was approximately 2.36km^2. Detailed geological survey and mineral resources exploration were undertaking. Although findings have not yet been concluded, various copper and gold mineralization zones have been identified. The management will formulate development plan and strategy once relevant reserve report and feasibility study are finalized and approved. The Group was in the process of renewing the exploration licence.

The Department of Land and Resources of Henan Province has issued a policy statement No. 20099. According to this policy statement, whenever exploration license is renewed, the area of the exploration site will be reduced by not less than 25%. If the Group renews the exploration license, the area of the renewed exploration license will be further reduced by not less than 25%, unless the relevant provincial policy has been rescinded. The Group will facilitate the progress of exploration works for this mining property. When the relevant reserve reports and feasibility study are completed, the Group will apply for the mining license immediately.

BUSINESS REVIEW (CONTINUED)

The Mining Operation (Continued)

Hu Lei Si De Mining Area (呼勒斯德地區) in XinJiang

The mine is located at Jai Tai County (奇台縣) of Xinjiang Uygur Autonomous Region with a total exploration mining area of 29.12 km^2. The mining area is connected to gravel and asphalt roads, traffic is considered convenient. Detailed geological survey and mineral resources exploration were undertaking. At the moment, several gold mineralization zones and substantial coal reserves have been identified. The management will be formulated development plan and strategy once relevant reserve report and feasibility study are finalized and approved. The exploration license had been expired in May 2015 and the Group was preparing to apply for converting the exploration license to mining licence.

The Financial Quotation Segment

The business segment includes (i) financial quotation services and securities trading system licensing provided by QuotePower International Limited ("QuotePower"); and (ii) wireless applications development provided by ABC QuickSilver Limited.

During the current reporting period, the financial quotation segment was still the core revenue contributor of the Group. Its turnover amounted to approximately HK$55.8 million. As compared with the last reporting period, turnover from the financial quotation segment has been declined by approximately 5.8%. This reflected loss of subscribers of our financial quotation services owing to keen competition. The segment suffered a loss of approximately HK$2.7 million (2013/2014: HK$0.9 million).

The Encryption Technology and Products Segment

The business segment refer to the encryption technology and products provided by the POMP and Detron Tech Ltd. ("Detron"). During the financial year, Detron is still in the process of fine-tuning the second generation portable devices with built-in quantum direct key ("QDK") encryption technology. The management of Detron is preparing to apply for the Telecommunication Equipment's Network Access License from the Ministry of Industry and Information Technology of the PRC.

Subsequent to the reporting period, sales order was received for trial purpose and a production outsourcing agreement was signed with a mobile device manufacturer. It was expected that Detron's products could be launched in the first quarter of 2016.

IMPAIRMENT LOSS ON INTANGIBLE ASSETS

During the financial year, an impairment loss of approximately HK$55 million in respect of intangible assets in relation to the Group's technical knowhow acquired through acquisition of subsidiaries has been made. The impairment test has been referenced to the valuation report issued by Roma Appraisal Limited ("Roma"), an independent valuer on 29 June 2015 and pursuant to Hong Kong Accounting Standard 36 – Impairment of Assets.

AMORTISATION ON INTANGIBLE ASSETS

During the financial year, an amortisation of approximately HK$25 million in respect of intangible assets in relation to the Group's technical knowhow acquired through acquisition of subsidiaries has been made. The amortisation was based on the estimated useful life of the technical knowhow and pursuant to Hong Kong Accounting Standard 38 – Intangible Assets.

MANAGEMENT DISCUSSION AND ANALYSIS

SELLING AND DISTRIBUTION EXPENSES

During the financial year, the Group's selling and distribution expenses amounted to approximately HK$1.6 million, which had been increased by HK$0.5 million as comparing with the previous year. Selling and distribution costs were incurred mostly in our financial quotation segment.

GENERAL AND ADMINISTRATIVE EXPENSES

During the financial year, the Group's general and administrative expenses increased by approximately HK$4.5 million or 11.2%. The increase was primarily due to the increase in legal and professional fees, salary, directors' fees and office rental.

FINANCE COSTS

Finance costs increased to HK$5 million in the current year. The finance costs were mainly due to imputed interest on unlisted long term bonds and interest accrued on a short-term bank borrowing.

PROVISION FOR REINSTATEMENT COSTS

As at 31 March 2015, the Group has made a provision of reinstatement costs of HK$0.8 million (31 March 2014: HK$0.8 million). The provision was made for the reinstatement costs, which would be incurred in the future when the exploitation activities completed and the Group was obliged to recover the mining properties to their original landscape. The provision is estimated and reassessed at the end of each financial year with reference to the latest available quotation from independent contractors or market information and practices. Estimation based on current market information may vary over time and could differ from the actual reinstatement cost upon full extraction of the mining reserves by the Group.

INCOME TAX EXPENSES

During the financial year, no income tax expenses was incurred (2013/2014: HK$54,545).

LOSS PER SHARE

During the year ended 31 March 2015, the basic and diluted loss per share amounted to 4.63 HK cents, which represented an increase from the loss per share of 1.62 HK cents from the last reporting year.

DEFERRED TAX LIABILITIES

As at 31 March 2015, deferred tax liabilities attributable to Jun Qiao amounted to HK$77.2 million (31 March 2014: HK$76.8 million), which was calculated at the tax rate of PRC Enterprise Income Tax of 25%, mainly on the increase in fair value of intangible assets in accordance with the relevant accounting principle. The movement during the current financial year represented exchange realignment.

FINANCIAL POSITION

The Group's consolidated statement of financial position remained solid. Shareholders' equity decreased from HK$340 million to HK$296.8 million. Total assets increased by 1.6% to HK$605.3 million and net assets decreased by 8% to HK$423.2 million.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2015, the Group's bank balances and cash amounted to HK$97.9 million (31 March 2014: HK$40.9 million). Except for the long term bonds with a principle amount of HK$70 million and a short-term bank loan of HK$7.1 million, the Group had no other bank loans or borrowings with fixed term of repayment at the end of year.

	As at 31 March 2015	As at 31 March 2014
Current ratio (current assets/current liabilities)	**2.8 times**	2.3 times
Gearing ratio (total liabilities/total assets)	**30%**	22.7%

The Group's liquidity remains healthy. Nevertheless, as the Company is still keen on looking for strategic investment to diversify its business operation, additional financing might be requested when suitable investment opportunity was identified. The management will assess and consider various possible fund raising alternatives to strengthen the capital base and financial position of the Group and to make sure that the Group will have sufficient working capital to support its future operational and investment needs.

TRADE RECEIVABLES

The breakdown of trade receivables of the Group by operating segment were as follows:

	31 March 2015 HK$	31 March 2014 HK$
Financial Quotation Services	**3,572,971**	4,767,420
Mining Operations	**–**	31,459
	3,572,971	4,798,879

Trade receivable in the Group's financial quotation segment has been decreased by approximately 25.1%. The management did not foresee any recoverability problem as the amount has been settled as at the announcement date. The management will constantly review the aging and credit standing of customers to ensure trade receivables can be fully recovered.

MANAGEMENT DISCUSSION AND ANALYSIS

PREPAYMENTS FOR EXPLORATION AND EVALUATION ACTIVITIES

As at 31 March 2015, the prepayments for exploration and evaluation activities amounted to approximately HK$13.5 million were made for exploration drilling activities in relation to the Group's exploration rights held. The prepayments were made in accordance with the contracts entered into with the exploration teams and the exploration drilling activities had not yet been completed as at 31 March 2015.

The detail breakdowns of prepayments for exploration and evaluation activities were as follows:

	31 March 2015 HK$'000	31 March 2014 HK$'000
Li Zi Yuan Mining Area exploration contract	**4,570**	4,530
Hu Lei Si De Mining Area exploration contract	**8,697**	8,620
Miscellaneous expenses, fees and levies	**254**	39
	13,521	13,189

There are two stages for these exploration contracts. Stage one is called preliminary exploration and stage two is called advanced exploration. The stage one is mainly focusing on finding and locating the mineralization belts and to determine the economic ore veins within the mineralization belts using some geotechnical measures and the activities are mainly on the surface. The stage two is to identify the ore bodies in more details and deeper underground by using drilling method. Both Li Zi Yuan Mining Area and Hu Lei Si De Mining Area are in the stage one exploration works of locating mineralization belts.

For the Li Zi Yuan Mining Area exploration contract, it is an all-in arrangement with the exploration team whereas the Group paid RMB3.6 million and the exploration team shall prepare all relevant materials, including mineral reserve report and feasibility study report for the approval of the Department of Land and Resources of Henan Province.

For the Hu Lei Si De Mining Area exploration contract, the contract sum is not fixed and will be depending on the volume of exploration works and activities, including geological survey, drilling and sample testing. The exploration team is obliged to carry out exploration works pursuant to the relevant code and standards for geological exploration of gold mines.

The Company believed that the prepayment was a normal business practice for the exploration teams giving the high credit risk associated with the uncertainty in exploration results. The management always endeavors to negotiate the best contract terms for the Company. It is believed that these exploration contracts will promote the substantive development of the Group's mining operation.

INTANGIBLE ASSETS

The Group's intangible assets comprised of (i) mining right and reserves; (ii) exploration rights; and (iii) technical know-how. The carrying values of the intangible assets as at 31 March 2015 were analysed as follows:

	Mining right and reserves HK$	Exploration rights HK$	Technical knowhow HK$	Total HK$
COST				
At 1 April 2013	315,100,600	3,473,340	–	318,573,940
Exchange realignment	2,016,190	47,662	–	2,063,852
At 31 March 2014 and 1 April 2014	317,116,790	3,521,002	–	320,637,792
Acquisition of subsidiaries	–	–	107,444,950	107,444,950
Exchange realignment	1,534,540	17,067	1,499,112	3,050,719
At 31 March 2015	318,651,330	3,538,069	108,944,062	431,133,461
ACCUMULATED AMORTISATION AND IMPAIRMENT				
At 1 April 2013, 31 March 2014 and 1 April 2014	–	–	–	–
Provided for the year	–	–	25,067,042	25,067,042
Impairment loss	–	–	54,977,909	54,977,909
Exchange realignment	–	–	(100,889)	(100,889)
At 31 March 2015	–	–	79,944,062	79,944,062
CARRYING VALUES				
At 31 March 2015	318,651,330	3,538,069	29,000,000	351,189,399
At 31 March 2014	317,116,790	3,521,002	–	320,637,792

Mining right and reserves and exploration rights

The mining right and reserves are the most significant intangible assets of the Group. In assessing whether impairment was needed against the carrying value of this intangible assets, the Company has instructed independent valuer to ascertain the fair value of the Group's mining right and reserves as at 31 March 2015. Since the resulting fair value was higher than the carrying value of the intangible assets, the management was satisfied that no impairment was needed to be made.

No amortisation has been provided for the mining right and reserves and exploitation rights for the current financial year. This is because the mining properties has not commenced commercial operation during the year.

INTANGIBLE ASSETS (CONTINUED)

Technical knowhow

The technical knowhow, in relation to QDK encryption techniques, was acquired during the year after the Company completed acquiring 60% equity interest in POMP International Limited. At initial recognition, HK$107 million in respect of the technical knowhow was recognised in the Group's consolidated financial statement.

The technical knowhow was amortised on a straight line basis on the estimated useful life of 4 years. Accordingly, amortisation of approximately HK$25 million was charged to the consolidated statement of profit or loss of the Group during the year.

Same as other intangible assets, the Company has appointed independent valuer to assess the fair value of the technical knowhow as at 31 March 2015 in order to ascertain whether impairment was required. The fair value of technical know-how as at 31 March 2015 was value at approximately HK$29 million. As a result, an impairment loss of approximately HK$55 million was charged to the Group's consolidated statement of profit or loss for the current year pursuant to applicable accounting and financial reporting standard in Hong Kong.

To enable the independent valuer to assess the fair value of the technical knowhow, the management of the Company has compiled a financial forecast on the commercial application of the technical knowhow and associated portable devices based on (a) a business plan on future marketing and promotion of the products; and (b) sale order from potential customer.

Based on the Company's internal assessment, the following factors might have been taken into account in the qualified opinion arising from the limitation of scope on the impairment assessment of the technical knowhow: (i) the assumptions and parameters and the management's estimation under the current market and operation conditions, on the basis of which the financial forecast and the business plan are prepared, is not supported by publicly-available information, market research, analysis and/or studies on similar assets, transactions or products; (ii) the want of more details in the business plan provided by the Company's management on future marketing and promotion of the products and order solicitations; and (iii) the absence of track record information for the knowhow.

The Company considers that the lack of comparable market information and track record is resulted from the uniqueness of the technical knowhow of the Group and is beyond the Company's control. If and when the Company is required to make an impairment assessment on the technical knowhow again, it will conduct further research to see if there is any newly-published publicly-available information in relation to the Group's technical knowhow or similar assets, transactions or products.

DEPRECIATION

The mining structures refer to the infrastructures that are erected for the whole mining area which are expected to last until the end of the extraction activities. As such, these structures are depreciated in the same way as the mining right and reserves, that is based on the Units of Production ("UOP") method.

For the plant and machinery which will mainly be deployed for ore refinery and thus a 15% depreciation rate was applied.

The depreciation method and useful lives had been agreed with the auditor of the Company and the valuer.

UOP method is adopted for the mine specific items such as the infrastructures within the mining area enabling the extraction of mineral reserves. As these mine specific items normally have a long useful life and they will be abandoned when the mining reserves is fully extracted, the Company considered that the adoption of UOP method for the depreciation purpose is more appropriate.

On the other hand, straight-line depreciation over $6^2/_3$ years is adopted for non-mine specific items such as tailings pond and the roads built to connect the mine with the highway as the Company considered that their useful life are not directly correlated to the extraction of reserves.

Based on the production plan of the Group, the mineral reserves are expected to be fully extracted within 15 years.

In accordance with the Group's accounting policy, depreciation method and useful lives are assessed annually.

MANAGEMENT DISCUSSION AND ANALYSIS

SHARE CAPITAL

As at 31 March 2015, the total number of issued ordinary shares of the Company was 1,986,415,200 shares (31 March 2014: 1,655,347,200 shares).

On 4 November 2014, the Company entered into a placing agreement with KGI Capital Asia Limited as placing agent to place, on a best efforts basis, a maximum of 331,069,440 at a price of HK$0.1140 per share under a general mandate granted to the Directors at the annual general meeting held on 30 September 2014. Completion of the placing took place on 19 November 2014 where a total of 331,068,000 shares were successfully placed by the placing agent to Mr. Fong For. The gross proceeds from the placing was approximately HK$37.74 million and the net proceeds from the placing, after deducting the placing commission and other professional fees incurred by the Company, was approximately HK$37.07 million. The net placing price per share was approximately HK$0.1140. The net proceeds from the placing was intended to use as to approximately HK$37.07 million (i) as to approximately HK$9.57 million for general working capital of the Company; (ii) as to approximately HK$7.5 million for repayment of a short-term bank loan of a subsidiary; and (iii) as to approximately HK$20 million for financing the newly set up money lending business of the Company.

ISSUE OF BONDS

On 25 July 2013, The Company had entered into a placing agreement (as varied and supplemented by supplemental agreement dated 24 January 2014, and second supplemental agreement dated 30 April 2014 to extend the long stop date for the completion to 31 July 2014) with Convoy Investment Services Limited ("Convoy"), pursuant to which the Company agreed to issue and Convoy agreed, on a best effort basis, to act as placing agent to procure subscribers to subscribe for the 5.5% per annum bonds (the "Bonds") to be issued by the Company in an aggregate principal amount of up to HK$400,000,000 maturing on the seventh anniversary of the respective date of issue.

During the period from the date of the placing agreement to 31 July 2014, Convoy had successfully procured 7 independent private investors (the "Subscribers") to entered into separate subscription agreements with the Company, pursuant to which the Subscribers have agreed to subscribe and the Company has agreed to issue the Bonds in the aggregate principal amount of HK$70,000,000 at par value. Subscriptions have been completed at the respective dates of issue of the Bonds as detailed below:

Subscribers	Issue Date	Maturity Date	Principal amount HK$'000
Wang Huaiyu (王懷宇)	2 January 2014	1 January 2021	10,000
Zhang Huan (張歡)	2 January 2014	1 January 2021	10,000
Liu Ling (劉凌)	3 March 2014	2 March 2021	10,000
Wang Chunlin (王春林)	2 April 2014	1 April 2021	10,000
Du Chongqing (杜重慶)	2 April 2014	1 April 2021	10,000
Yan Fei (燕飛)	15 May 2014	14 May 2021	10,000
Yan Guoliang (閆國良)	10 July 2014	9 July 2021	10,000
			70,000

EVENTS AFTER THE REPORTING PERIOD

(a) Major acquisition

On 24 April 2015, Ban Loong Property Investment Limited, a wholly-owned subsidiary of the Company and incorporated after the year ended 31 March 2015, has entered into a sale and purchase agreement with Mr. Chiu Ngai Hung ("Mr. Chiu"), an independent third party, for the purchase of seven property holding companies named as (i) Summit Pacific Group Limited; (ii) Urban Stone Limited; (iii) Spring Hero Developments Limited; (iv) Sharp Pick Ventures Limited; (v) Viva Star International Limited; (vi) Main Trillion Limited; and (vii) Cozy Sky Limited (collectively referred to as the "Target Companies"), which are wholly owned by Mr. Chiu, with consideration of HK$297,193,940. A refundable deposit of HK$29,719,394 has been paid upon the signing of the agreement on 24 April 2015, while remaining amount, HK$267,474,546 will be paid (subject to the completion clauses contained in the sale and purchase agreement) upon the completion of transfer of the shares of the Target Companies (the "Proposed Acquisition"). The Proposed Acquisition was not yet completed as of the date of approval of consolidated financial statements.

According to the information provided by Mr. Chiu, the Target Companies entered into the provisional agreements with the original vendor in March 2015, whereby the Target Companies agreed to acquire from the original vendor seven whole floors of Henan Building, Nos. 90 & 92 Jaffe Road or Nos. 15-19 Luard Road, Wanchai, Hong Kong with gross floor area of approximately 22,322 square feet in aggregate.

The directors of the Company are of the opinion that the acquisition of Target Companies is in substance an asset acquisition instead of a business combination as the only asset of the Target Companies mainly consisted of deposits paid for the acquisition of investment properties prior to acquisition by the Group and the Target Companies had not commenced any business prior to the acquisition. Details are set out in the Company announcement dated 27 April 2015.

(b) Fund raising

On 24 April 2015, the Company had entered into a placing agreement with Asian Capital (Corporate Finance) Limited as placing agent to place on a best effort basis, the two-year 2% convertible bonds in an aggregate principal amount of HK$150 million (the "Convertible Bonds"), to placees who were independent of and not connected with the Company and its connected persons. The Convertible Bonds carry the right to convert into conversion shares at the conversion price being HK$0.1875 (the "Conversion Price") per conversion share (subject to adjustments) (the "Conversion Share(s)") at any time during the conversion period. Assuming the Convertible Bonds are fully placed and the conversion rights attached to the Convertible Bonds are exercised in full at the initial Conversion Price of HK$0.1875 per Conversion Share, 800,000,000 Conversion Shares will be allotted and issued by the Company, representing approximately 40.27% of the entire issued share capital of the Company as at the date of this announcement and approximately 28.71% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares. The Convertible Bonds will be issued under the Specific Mandate which is subject to Shareholders' approval at the special general meeting. The gross and net proceeds from the placing of the Convertible Bonds are estimated to be HK$150,000,000 and HK$145,250,000, respectively. On such basis, the net price to the Company of each Conversion Share is approximately HK$0.1816. It is intended that the net proceeds will be wholly used for part funding the major acquisition mentioned in paragraph (a) above.

(c) Disposal of available-for-sale investment

On 4 June 2015, the Company and 深圳市德銘旺貿易有限公司 (Shenzhen Demingwang Trading Co., Ltd.) (the "Purchaser") entered into a disposal agreement pursuant to which the Company agreed to sell 18% of the issued share capital of Sharp Legend Inc. and related shareholders' loans to the Purchaser for a total cash consideration of HK$60,000,000. The disposal was not completed while a non-refundable deposit of HK$30 million has been received by the Company as of the date of approval of consolidated financial statements. Details are set out in the Company announcement dated 4 June 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

PLEDGE OF ASSETS

As at 31 March 2015, no assets of the Group were pledged to secure general banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 31 March 2015, the Group had no material contingent liabilities.

FOREIGN EXCHANGE EXPOSURE

Most of the operations and trading transaction, assets and liabilities of the Group were denominated in Hong Kong dollars and Renminbi. During the year ended 31 March 2015, the Group had an insignificant amount of exchange difference.

The Group adopted a conservative treasury policy, with most of the bank deposits being kept in Hong Kong dollars and Renminbi, to minimize exposure to foreign exchange risks. As at the year end and during the year, the Group had no foreign exchange contracts, interest or currency swaps, or other financial derivatives for hedging purposes.

COMMODITY PRICE RISK

The price of the Group's products of the mining operations are influenced by international and domestic market prices and changes in global supply and demand for such products. Price volatility of metals is also affected by the global and PRC economic cycles as well as the fluctuations of the global currency market. Both the international and domestic market price of metals as well as the volatility of their supply and demand are beyond the control of the Company. Therefore, the volatility of commodity price may affect the turnover from the Group's mining operation and thus the comprehensive income of the Group. The Group did not engage in nor enter into any trading contracts and price arrangements to hedge the risk of volatility of metals prices.

EMPLOYEE REMUNERATION POLICY

As at 31 March 2015, the Group had 61 employees (31 March 2014: 59 employees). Total salaries, commissions, incentives and all other staff related costs incurred for the year ended 31 March 2015 amounted to approximately to HK$21.9 million (31 March 2014: HK$19.2 million). Our remuneration policies are in line with prevailing market practices and formulated on the basis of the performance and experience of individual employees. Apart from basic salaries, other staff benefits included provident funds, life insurance and medical assistances benefit, the Company may also grant share options to eligible employees to motivate their performance and contribution to the Group.

OUTLOOK

The Group involves in three identifiable business segments namely the mining operations segment, the financial quotation segment and the encryption technology and product segment.

The Mining Operations

The scale of the Group's mining operation is considered small and limited. The Group can only be a market follower, and has no influence on the market price and sales of ores and ores concentrates in the local market. Despite of the Group's solid reserve of mineable resources, the segmental results of the mining operations segment of the Group had not been performing well in the past few years. Upon review on the development of the mining operation segment, the management concluded that the stagnant in the segment was mainly caused by the lack of management expertise, techniques and local workforce in exploiting valuable resources. Moreover, government policies were significant tilted in favor of those local large and stated-owned mining companies. This has further restricted the development of the Group's mining operation segment.

OUTLOOK (CONTINUED)

The Mining Operations (Continued)

In light of the above obstacles, the management was still endeavors in adjusting the development strategy in the mining operation segment. As stated in the Company's announcement dated 30 March 2015, the Group has entered into a operating lease contract with Henan Heng Yi Mining Company Limited (the "Lessee"), being an independent third party, pursuant to which assets of the mining operations segment, including mines and the mining plants and equipment (the "Mining Assets"), was leased to the Lessee. Under the terms of the lease contract, the Lessee shall be responsible for all operating expenses in relation to the Mining Assets, any costs of exploration, survey and preparation of technical reports of the Group's mining properties during the tenure of the lease. In addition, the Lessee shall refrain from over-exploitation and ensure that there are abundant residual resources in the mining properties.

The management considered that the operating lease arrangement provides an opportunity for the Group to generate a stable operating lease income from the Mining Assets and minimize the Group's exposure to extra capital expenditure and operating costs associated with the mining operations. The management expected that the Group could generate a positive cash inflow from the mining operations segment in the coming years.

The initial term of the lease contract is for one year running from 30 March 2015 to 29 March 2016. Thereafter, the Group may renew the lease contract for successive one-year periods, for up to a maximum of ten years in total. The aggregate rent for the Mining Assets during the first year of tenure under the lease contract is RMB5,200,000 (HK$6,500,000), which shall be payable by 12 equal monthly installments. The management will constantly review the execution of the lease contract and closely monitor mining works done by the Lessee in order to safeguard the Group's mineral reserves.

The Financial Quotation Segment

The financial quotation segment was still the main revenue contributor of the Group. The business of the financial quotation segment is closely associated with the growth and prosperity of the stock market in Hong Kong. QuotePower is one of the leading financial quotation service providers in Hong Kong. It has long history in the market and has wide client base. However, it is believed that the market for paid financial quotation services has been fully developed and saturated. The potential for further development is very limited and raise of subscription price would only result in loss of subscribers. Despite the recent upsurge in the investment sentiments in the stock market, the Directors expect that the business environment of the segment remains challenging due to the keen competition, especially from those free-stock-quote services providers. The prospect of the segment depends on the management's ability to retain customers by providing quality services and to control costs. The management plans to (i) streamline corporate structure to cut administration costs; (ii) solicit more financial institutions, such as banks and securities brokerage firms to use our quotation services; (iii) improve the migration of data with securities brokerage firm's online trading portal to improve user experience; and (iv) improve portfolio management and alert services for subscribers.

The management expected that customers drain is an inevitable trend in the financial segment, since everyone gets accustomed to free information in the era of internet. The financial performance of the financial quotation segment may keep declining in the coming years.

The Encryption Technology and Products Segment

The encryption technology and products segment is rather new to the Group. The Company is in the process of formulating the business strategy for the encryption technology and products segment which might involve a possible scaling-down and/or sell-down and/or the introduction of new investors and/or new project partners in light of its uncertain market prospect. The Company is at present soliciting sale orders with potential wholesalers. It was thought that by entering into the segment, the Group could explore in the fast-growing portable communication and computing device industry. The Group is in the process of designing the second generation portable devices with built-in proprietary QDK encryption technology. The Group had already secured sale order for the encryption devices. Subject to the obtaining of all necessary licenses, it was preliminary expected that the device would be launched in the first quarter of 2016. When all necessary licenses and approvals are obtained, the Group will launch these portable devices in the China market without incurring any significant capital expenditure.

OUTLOOK (CONTINUED)

Other

While the Group has been endeavoring to pursue the existing business, it has been formulating a business strategy with a view to diversifying its business and asset base in order to magnify the Company's development potential and the Shareholders' return.

During the year, the management has decided to engage in the money lending business in Hong Kong. The Company has set up a new wholly-owned subsidiary in Hong Kong, namely Ban Loong Finance Company Limited, to apply for a money lender license. As the application was still in progress during the year, the Group had not carried out any lending business in Hong Kong to avoid violation of laws. The Group has successfully obtained the money lender license in June 2015. In the coming years, the Group will engage in the money lending business especially in the area of personal second mortgage loans.

On 24 April 2015, the Group has entered into a conditional sales and purchase agreement with an independent third party, for the purchase of the Target Companies. According to the vendor, each of the Target Companies has entered into agreement to acquire a whole floor of Henan Building, a commercial building located in core area in Wanchai. Thus, upon completion, the Group will acquire seven whole floors of Henan Building with a gross floor area of approximately 22,322 square feet in aggregate.

Having considered the economic condition of the property market in Hong Kong and the liquidity floods in the capital market with the quantitative easing monetary policies, the management believed that property is a relatively less risky form of investment that can also enhance the long-term growth potential of the Group.

The proposed acquisition of the Target Companies is still in progress and is subject to approval from shareholders in a special general meeting. If the acquisition proceeds to completion, the Company intends to retain property agency companies to assist the Company in (a) identifying a new tenant when any existing tenancy expires without mutual agreement to extend; and (b) collecting rents from tenants on monthly basis and handling daily requests of existing tenants regarding interior repair and other miscellaneous matters.

The Board will continue to, leveraging on the experience and network of the Board members and senior management, explore other business opportunities. Except for those proposed fund raising activities after reporting period, the proposed major acquisition and disposal of available-for-sale investment which have all been disclosed and announced, the Company has no current intention or plan for any fund raising activities, any acquisition or investments, and any disposal or scale-down of any current business.

DIRECTORS' REPORT

The directors are pleased to present their report together with the audited consolidated financial statements for the year ended 31 March 2015.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The activities of the principal subsidiaries are shown in note 38 to the consolidated financial statements.

An analysis of the Group's performance for the year by reportable and geographical segments is set out in note 7 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated statement of profit or loss and other comprehensive income on page 38.

RESERVES

Movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 41.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 31 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company are set out in note 37 to the consolidated financial statements.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 100.

DIRECTORS' REPORT

DIRECTORS

The directors during the year and up to the date of this Annual Report were:

Executive Directors:

Mr. Chow Wang *(Chairman)* (appointed on 9 October 2014)
Mr. Cheung Wai Shing
Mr. Xu Jian Zhong (appointed on 25 August 2014)
Mr. Chen Jiasong (resigned on 31 March 2015)
Mr. Zhao Baolong *(CEO)* (appointed on 25 August 2014 & resigned on 23 April 2015)

Non-Executive Director:

Mr. Fong For (appointed on 12 December 2014)

Independent Non-Executive Directors:

Mr. Leung Ka Kui, Johnny (appointed on 9 October 2014)
Ms. Wong Chui San, Susan (appointed on 9 October 2014)
Mr. Jiang Zhi (appointed on 19 January 2015)
Mr. Chen Haoyun, Jordy (resigned on 6 October 2014)
Mr. Lee Kwong Yiu (resigned on 6 October 2014)
Mr. Yau Chung Hang (resigned on 6 October 2014)
Mr. Zhang Guang Hui (resigned on 19 January 2015)

In accordance with the Company's Bye-laws, Messrs. Chow Wang, Xu Jian Zhong, Fong For, Jiang Zhi and Leung Ka Kui, Johnny and Ms. Wong Chui San, Susan should retire at the forthcoming annual general meeting (Notice of which will be dispatched in due course) and, being eligible, offer themselves for re-election. None of the directors proposed for re-election has a service contract with the Company or its subsidiaries which is not determinable by the Company or its subsidiaries within a year without payment of compensation other than statutory compensation.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHICAL DETAILS

Biographical Information of the Directors and Senior Management of the Company are set out on pages 23 to 25 of this Annual Report.

NEW SHARE OPTION SCHEME

The old share option scheme was adopted by the Company on 27 March 2002 for a period of ten years and expired on 26 March 2012. In order to continue to provide the Company with a flexible means of giving incentive to Eligible Participants to recognize and acknowledge the contributions that Eligible Participants made or may make to the Group, a new share option scheme (the "New Share Option Scheme") has been approved by the shareholders at the annual general meeting of the Company held on 30 September 2013 (the "Adoption Date"), the Directors may, at their discretion, invite any participants to take up options to subscribe for fully paid ordinary shares in the Company subject to the terms and conditions stipulated therein.

The New Share Option Scheme is valid and effective for ten years and will expire on 29 September 2023. From the Adoption Date up to 31 March 2015, no option has been granted. Save for the New Share Option Scheme, the Company do not have any other share option scheme as at 31 March 2015.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 31 March 2015, according to the register of interest kept by the Company under Section 336 of the Securities and Futures Ordinance (the "SFO") and so far as was known to the Directors, none of the Directors and chief executives of the Company held any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) where required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for the Securities Transactions by Directors of Listed Companies (the "Model") of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), to be notified to the Company and the Stock Exchange were as follows:

Names of Director	Capacity	Number of Shares held (long position)	Percentage of the issued share capital of the Company
Fong For	Beneficial owner	331,068,000	16.67%
Chow Wang	Beneficial owner	64,964,000	3.27%

Save as disclosed above, as at 31 March 2015, none of the Directors or Chief Executive of the Company had any interest or short position in any shares, underlying shares or debenture of the Company or any of its associated corporations (within meaning of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which Directors have taken or deemed to have under such provisions of SFO) or (ii) were required pursuant to section 352 of the SFO, to be entered in the register referred to therein; or which (iii) were required, pursuant to the Model Code to be notified to Company and the Stock Exchange.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from the New Share Option Scheme disclosed in the section "NEW SHARE OPTION SCHEME", at no time during the period was the Company, or any of its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate and neither the Directors nor any of their spouses or children under 18 years of age, had any right to subscribe for shares or debt securities of the Company, or had exercised any such rights during the period under review.

DIRECTORS' INTEREST IN CONTRACTS

No contracts of significance in relation to the Group's business to which the Company or its subsidiaries was party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' REPORT

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2015, so far as is known to the Directors or chief executive of the Company, the Company had not been notified of any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would fall to be disclosed under provisions of Division 2 and 3 of Part XV of the SFO, or any persons (other than the Directors and chief executive of the Company) who was directly and indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote at general meetings of any other member the Group.

Save as disclosed above, as at 31 March 2015, the Company had not been notified of any other interests or short positions in the shares or underlying shares of the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's securities during the year and the Company has not redeemed any of its securities during the year.

PRE-EMPTIVE RIGHTS

No pre-emptive rights exist under the laws of Bermuda in relation to issues of new shares by the Company.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of the Group's purchases and sales for the year attributable to major suppliers and customers are as follows:

Purchases	
– the largest supplier	81%
– five largest suppliers combined	95%
Sales	
– the largest customer	47%
– five largest customers combined	67%

No directors, their associates or any shareholder (which to the knowledge of the directors owns more than 5% of the Company's issued share capital) had an interest in the major suppliers or customers noted above.

SUFFICIENCY OF PUBLIC FLOAT

As far as the information publicly available to the Company is concerned and to the best knowledge of the Directors of the Company, the public float of shares of the Company has remained above the minimum percentage required by the Stock Exchange throughout the year.

DIRECTORS' REPORT

CORPORATE GOVERNANCE

The Company's corporate governance practices, including Audit Committee, Nomination Committee and Remuneration Committee, are set out in the Corporate Governance Report on pages 26 to 35 of this Annual Report.

AUDITORS

The financial statements for the year ended 31 March 2015 have been audited by SHINEWING (HK) CPA Limited who retires and, being eligible, offer itself for reappointment. A resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Chow Wang
Chairman and Executive Director

Hong Kong, 30 June 2015

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Chow Wang ("Mr. Chow"), aged 50, has over more than 20 years of experience in the field of business development, trading and investment. After Mr. Chow finished his secondary education in China in early 80's, he was engaged in trading business in Shenzhen, China. After relocating to Hong Kong in late 80's, Mr. Chow established Ban Loong Shareholding Limited ("Ban Loong") and acquired Union Shine Technology Limited ("Union Shine"). Ban Loong is engaged in the investment in private equity projects in Hong Kong and China, while Union Shine is engaged in the production of consumer electronic products, accessories and parts. Mr. Chow has extensive experience in corporate development and management, and has a well-established social network in financial and business sectors in Hong Kong and China. Mr. Chow was appointed as an Executive Director, the Chairman of the Board, the Chairman of the Nomination Committee and a member of the Remuneration Committee of the Company with effect from 9 October 2014.

Mr. Cheung Wai Shing ("Mr. Cheung"), aged 44, holds a Bachelor Degree in Accountancy from City University of Hong Kong, and a Master's of Science Degree in Finance from University of Michigan-Dearborn. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants, and an associated member of The Institute of Chartered Accountants in England and Wales. Mr. Cheung has extensive experience in accounting, financial management and corporate governance and has worked in "big four" accounting firms and various private and public companies. Mr. Cheung was appointed as the company secretary and authorized representative of the Company with effect from 21 August 2008 and an Executive Director of the Company effective 28 August 2008. Mr. Cheung resigned as authorized representative of the Company on 21 May 2011 and was re-appointed on 28 September 2011. Mr. Cheung was appointed as a member of the Remuneration Committee and the Nomination Committee with effect from 29 March 2012.

Mr. Xu Jian Zhong ("Mr. Xu"), aged 58, was allocated by the State Ministry of Foreign Trade China to Beijing Chemicals Import and Export Corporation engaged in international trade work in early 1976 to 1986. During the period from Beijing to Italy Mr. Xu began his personal venture abroad, mainly engaged in garment, textile manufacturing equipment import and export business. Mr. Xu has been engaged in such business since he returned to Hong Kong in 2004. Mr. Xu has a long experience in international trade and good connections abroad parties and years of successful experience in business and the company's management and multi-lingual. Mr. Xu graduated from the Guangzhou Institute of Foreign Languages. Mr. Xu was appointed as an Executive Director on 25 August 2014.

NON-EXECUTIVE DIRECTOR

Mr. Fong For ("Mr. Fong"), aged 56, completed his high school education in Lufeng, Guangdong, China. He is currently an Honorary President of the Confederacy of Hong Kong Shanwei Clansmen Limited, and a Vice President of the Standing Committee of the Overseas Friendship Association of Shanwei. Mr. Fong was also previously a member of the Shanwei Committee of the Chinese People's Political Consultative Conference. Mr. Fong has many years of business and management experience in textile, trading, investments, property development and logistics. Mr. Fong was appointed as a Non-executive Director on 12 December 2014.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Jiang Zhi ("Mr. Jiang"), aged 46, obtained a master degree (major in civil and commercial law) from Southwest University of Political Science & Law in Shenzhen, PRC in 2001. Mr. Jiang has been practising in various reputable law firms in Shenzhen since 1989. Mr. Jiang obtained PRC solicitors practising certificate and became a qualified lawyer in China in 1993. Mr. Jiang is a founder and currently a partner of Guangdong Jun Yan Law Firm since 2003.

Mr. Jiang provides legal advice to many clients in different industries in the PRC. His practice area includes mainly contract law, real estate law, corporate law and medical law. Mr. Jiang has solid academic foundation and rich practical experience in those areas. Mr. Jiang was appointed as an Independent Non-executive Director, a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company on 19 January 2015.

Mr. Leung Ka Kui, Johnny ("Mr. Leung"), aged 57, holds a Bachelor of Laws of the University of London. Mr. Leung is a qualified solicitor in Hong Kong, England & Wales and Singapore, and is a Notary Public and China Appointed Attesting Officer. He has over 28 years of experience in legal field and is the senior partner of Messrs. Johnny K.K. Leung & Co., Solicitors & Notaries.

Mr. Leung is currently an independent non-executive director of Celestial Asia Securities Holdings Limited (Stock Code: 1049) and AMCO United Holdings Limited (Stock Code: 630), both of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Mr. Leung is also an independent non-executive director of Phoenitron Holdings Limited (Stock Code: 8066) which is listed on the Growth Enterprise Market of the Stock Exchange. Mr. Leung was appointed as an Independent Non-executive Director, the Chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee of the Company on 9 October 2014.

Mr. Leung has retired as an independent non-executive director of AMCO United Holdings Limited since 30 June 2015.

Ms. Wong Chui San, Susan ("Ms. Wong"), aged 41, has been a certified practising accountant of the Australian Society of Certified Practising Accountants and a certified public accountant of the Hong Kong Institute of Certified Public Accountants since May 1999 and May 2000, respectively. She is also a member of The Society of Chinese Accountants and Auditors, a fellow and a certified tax adviser of the Taxation Institute of Hong Kong. Ms. Wong has more than 19-year experience in auditing, accounting and taxation. She is also the Director of W. Wong CPA Limited and the founder of Messrs. C.S. Wong & Co.

Ms. Wong is the company secretary of Zebra Strategic Holdings Limited (Stock Code: 8260) which is listed on the Growth Enterprise Market of the Stock Exchange. Ms. Wong was appointed as an Independent Non-executive Director, the Chairman of the Audit Committee and a member of the Nomination Committee and the Remuneration Committee of the Company on 9 October 2014.

CHIEF EXECUTIVE OFFICER

Mr. Zhao Baolong ("Mr. Zhao"), aged 51, has over 23 years of working experience in the mining sector in China and overseas. Mr. Zhao holds a Bachelor of Engineering degree in mining engineering from the Baotou Institute of Iron and Steel Technology, a Master of Science degree in mining engineering from Beijing University of Science and Technology and a Master of Science degree in environmental technology and management from the University of Waikato, New Zealand. Mr. Zhao is currently a member of Australia Institute of Mining and Metallurgy (MAusIMM). Mr. Zhao had worked as an independent mining consultant in Australia, and a researcher at the University of New South Wales, Australia in the fields of sustainable mining for a period of over 7 years. He had also worked as a mining engineering instructor at Baotou Institute of Iron and Steel Technology in Inner Mongolia, the PRC. Mr. Zhao had held directorship and senior management positions in a number of renounced mining companies with mining projects and investments in Yunnan, Guangxi and Guizhou provinces and in Yantai City of the PRC, in which Mr. Zhao was involved in mining technology development, gold mining project development and operations, project financing and investment, as well as mine management including mine plan, mine scheduling, and environmental and safety management. Mr. Zhao was previously an executive director of the Company during the period from 13 April 2010 to 28 January 2011. Mr. Zhao is also a director of the following subsidiaries of the Company, namely, Xing Hua Yuan Investment Group Limited and Jun Qiao Limited. Mr. Zhao was appointed as Chief Executive Officer of the Company on 11 April 2011 and was appointed as an Executive Director of the Company on 25 August 2014. Mr. Zhao resigned as an Executive Director and Chief Executive Officer of the Company on 23 April 2015.

CHIEF OPERATING OFFICER

Mr. Wang Zhao Qing, Tiger, aged 52, has over 25 years of working experience in the business operating sector in China. Mr. Wang studied in Guangzhou Customs District People's Republic of China and Jinan University Economics College from 1985 to 1989. Mr. Wang obtained his master degree of Business Administration Hong Kong Baptist University (MBA). Mr. Wang has been admitted to the degree of Doctor of Business Administration Victoria University Switzerland. From 2007 to 2008, he was a Senior Visiting Scholar in Asia School of Business Singapore completed research on <The Impacts & Implication of Entrepreneurship in China>. Mr. Wang has over 25 years' experience in the business operating sector and is familiar with financial and economic analysis, import and export management, sales etc. Mr. Wang was appointed as a Chief Operating Officer of the Company on 1 December 2013.

CORPORATE GOVERNANCE REPORT

The board of directors (the "Directors") of the Company (the "Board") is committed to achieving and maintaining high standards of corporate governance to ensure that all decisions are made in good faith, in the best interest of shareholders and in long-term shareholders value.

CORPORATE GOVERNANCE PRACTICES

The corporate governance standards of the Company are built on the principles of independence, accountability, transparency and fairness. The Company has complied with the Code Provisions set out in the Corporate Governance Code with effect from 1 April 2012 (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited ("the Stock Exchange") throughout the year ended 31 March 2015.

In the opinion of the Board, the Company has complied with the Code Provisions save for deviations as set out below:–

CODE PROVISION A.4.1

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term and subject to re-election.

All non-executive directors of the Company were not appointed for a specific term, but every director of the Company will be subject to retirement no later than the third annual general meeting after his election, under the Company's Bye-Laws. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are not less exacting than those in the CG Code; and

CODE PROVISION A.6.7

Code Provision A.6.7 stipulates that independent non-executive directors ("INEDs") and other non-executive directors ("NEDs") should attend general meeting. Out of four INEDs of the Company, only two INEDs attended the annual general meeting of the Company held on 30 September 2014 (the "2014 AGM") but the other two INEDs were unable to attend the 2014 AGM due to other business engagement.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of the Model code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. The prohibitions on securities dealing and disclosure requirements in the Model Code apply to specified individuals including the Group's senior management and also persons who are privy to price sensitive information of the Group.

Having made specific enquiry of all directors, the Board confirms that the Directors of the Company have complied with the Model Code regarding directors' securities transactions during the year and up to the date of publication of is annual report.

CORPORATE GOVERNANCE REPORT

THE BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Company, oversee the Group's businesses and evaluate the performance of the Group. The Board also focuses on overall strategies and policies with particular attention paid to the growth and financial performance of the Group.

The Board delegates day-to-day operations of the Group to Executive Directors and senior management, while reserving certain key matters for its approval. When the Board delegates aspects of its management and administration functions to Management, it has given clear directions as to the powers of the Management, in particular, with respect to the circumstances where Management shall report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company.

The Directors of the Company were supplied with adequate and relevant information in a timely manner to enable them forming decision in the relevant meetings. Every Director is aware that he/she should give sufficient time and attention to the affairs of the Company. Agreed procedures are in place providing to the member of the Board and/or committee to seek independent professional advice at the Company's expenses to assist them to discharge their duties.

The Company's senior management regularly supplies the Board and its Committees with adequate information in a timely manner to enable them to make informed decisions. For Board meetings and the Board Committee meetings, the agenda accompanying with Board papers were sent to all directors at least 2 days before the intended date of the Board meetings or Board Committee meetings.

Board Composition

The Board currently consists of seven directors as follows:

Executive Directors
Mr. Chow Wang *(Chairman)*
Mr. Cheung Wai Shing
Mr. Xu Jian Zhong

Non-executive Director
Mr. Fong For

Independent Non-executive Directors
Mr. Jiang Zhi
Mr. Leung Ka Kui, Johnny
Ms. Wong Chui San, Susan

There is no financial, business, family or other material/relevant relationship among members of the Board and between the Chairman and the chief executive officer.

All Directors have different professional and relevant industry experiences and background so as to bring in valuable contributions and advices for the development of the Group's business. Currently, there are 3 out of 7 Directors are INEDs and one of them is qualified accountant. Biographical details of the Directors are set out in the section of "Biographical Information of Directors and Senior Management" in this annual report.

At every annual general meeting, one-third of the Directors for the time being or, if their number is not three and a multiple of three, then the number nearest to but not exceeding one-third shall retire from office by rotation provided that every directors, including those appointed for a specific terms shall be subject to retirement by rotation at least once every three years. A retiring director shall be eligible for re-election. According to the Company's Bye-Law, all newly appointed directors will hold office until the next annual general meeting and shall be eligible for re-election.

THE BOARD OF DIRECTORS (CONTINUED)

Chairman and Chief Executive Officer

The Chairman of the Board and the Chief Executive Officer are currently two separates positions held by Mr. Chow Wang ("Mr. Chow") and Mr. Zhao Baolong ("Mr. Zhao") respectively with clear distinction in responsibilities. The Chairman of the Board provides leadership and is responsible for the effective functioning the Board in accordance with good corporate governance practice. With the support of senior management, The Chairman of the Board is also responsible for ensuring that the Directors receive adequate, complete and reliable information in a timely manner and appropriate briefing on issues arising at board meetings.

The Chief Executive Officer is responsible for the management of the business of the Company, implementation of the policies, business objectives and plans set by the Board and is accountable to the Board for the overall operation of the Company.

After the resignation of Mr. Zhao on 23 April 2015, the duty of the Chief Executive Officer is undertaken by Mr. Chow, the Chairman of the Company, as an interim measure. Therefore the Board considers that the resignation of Mr. Zhao will not affect the management and daily operations of the Company. The Company is also in process of identifying a suitable candidate with appropriate experience as the Company's Chief Executive Officer.

Non-Executive Directors

All non-executive directors of the Company were not appointed for a specific term, but every director of the Company will be subject to retirement no later than the third annual general meeting after his election, under the Company's Bye-Laws. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are not less exacting than those in the CG Code.

The Company has received written confirmation from each independent non-executive director of their independence to the Group. The Group considered all of independent non-executive directors meet the independence guidelines set out in Rules 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines.

Board Meetings

The Board held 11 meetings in the fiscal year. Directors have been consulted to advice the agenda of the Board meeting. Sufficient notice of the Board meeting has been given to the directors.

Directors may attend meetings in person or via telephone, electronic or other communication facilities. Minutes of the Board and the Board Committees are recorded in sufficient details and kept by the company secretary for inspection at any reasonable time on reasonable notice by any directors.

THE BOARD OF DIRECTORS (CONTINUED)

Board Meetings (Continued)

The Board holds meetings on a regular basis and will meet on other occasions when a board-level decision on a particular matter is required. The Board also monitors and controls financial performance in pursuit of the Group's strategic objectives. The attendance of individual director at Board meetings held during the accounting period is set out below.

Name	Board	Audit Committee	Nomination Committee	Remuneration Committee
Total numbers of meetings held during the year ended 31 March 2015	11	2	3	2
Executives:				
Mr. Chow Wang (appointed on 9 October 2014)	5/5	N/A	1/1	1/1
Mr. Cheung Wai Shing	11/11	N/A	3/3	2/2
Mr. Xu Jian Zhong (appointed on 25 August 2014)	4/7	N/A	N/A	N/A
Mr. Chen Jiasong (Mr. Chen's executive duties was suspended from 29 August 2014 & resigned on 31 March 2015)	2/11	N/A	0/3	0/2
Mr. Zhao Baolong (appointed on 25 August 2014 & resigned on 31 March 2015)	5/7	N/A	N/A	N/A
Non-Executive:				
Mr. Fong For (appointed on 12 December 2014)	0/2	N/A	N/A	N/A
Independent Non-executives:				
Mr. Leung Ka Kui, Johnny (appointed on 9 October 2014)	4/5	0/1	1/1	1/1
Mr. Wong Chui San, Susan (appointed on 9 October 2014)	5/5	1/1	1/1	1/1
Mr. Jiang Zhi (appointed on 19 January 2015)	1/1	Nil	Nil	Nil
Mr. Chen Haoyun, Jordy (resigned on 6 October 2014)	2/5	N/A	N/A	N/A
Mr. Lee Kwong Yiu (resigned on 6 October 2014)	5/5	1/1	1/1	1/1
Mr. Yau Chung Hang (resigned on 6 October 2014)	5/5	1/1	1/1	1/1
Mr. Zhang Guang Hui (resigned on 19 January 2015)	8/9	2/2	2/2	2/2

Directors' training and professional development

Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. The Company had arranged an in-house training for Directors organized by our in-house lawyer covering the topics on the inside information disclosure requirements under the Securities and Futures Ordinance and continuing and connected transactions under Chapter 14A of the Listing Rules. Reference materials were from time to time provided to Directors to update them with the relevant laws and Listing Rules.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the following corporate governance functions:

(a) to develop and review the Company's policies and practices on corporate governance and make recommendations;

(b) to review and monitor the training and continuous professional development of directors and senior management;

(c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and

(e) to review the Company's compliance with the code and disclosure in the Corporate Governance Report.

BOARD DIVERSITY POLICY

With an aim to achieve diversity on the Board of the Company, the Board has approved and adopted a Board Diversity Policy (the "Policy") and revised to the terms of reference of the Nomination Committee of the Board to ensure the appropriate implementation of the Policy on 29 November 2013. The Policy was made with a view to achieving a sustainable and balanced development of the Company, of which, among others, all Board appointments will be based on meritocracy, and candidates will be considered against appropriate criteria, having due regard for the benefits of diversity on the Board.

The Company commits to selecting the best person for the role. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural background and ethnicity, in addition to educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Board's composition (including gender, age, length of service) will be disclosed in the Corporate Governance Report annually.

The Nomination Committee will report annually, in the Corporate Governance Report, on the Board's composition under diversified perspectives, and monitor the implementation of this Policy.

The Nomination Committee will review this Policy, as appropriate, to ensure the effectiveness of this Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

BOARD COMMITTEES

When the Board delegates aspects of its management and administration functions to management, it has given clear directions as to the powers of management, in particular, with respect to the circumstances where management shall report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company.

The Company has set up three committees including Audit Committee, Nomination Committee and Remuneration Committee, each Committee with its specific terms of reference as set out in the CG Code.

Remuneration Committee

The Company has established a remuneration committee (the "RC") with written terms of reference in consistence with the CG Code for the purpose of making recommendations to the Board on the Company's remuneration policy and structure for directors and senior management. The written terms of reference are posted on the websites of the Company and the Stock Exchange.

The work of the RC during the year ended 31 March 2015 included the following matters:

i. reviewed and made recommendations to the Board the increment in remuneration packages for the year 2015 for all the Directors and senior management staff of the Company. The RC has considered factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration. Further details on the remuneration policy and the basis of determining the remuneration payable to the Directors and senior management are set out in the page 23 of this annual report;

ii. determined, with delegated responsibility, the remuneration packages of individual executive directors and senior management. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

iii. ensured no director or any of his associated is involved in deciding his own remuneration; and

iv. reviewed and made recommendations to the Board the emolument policy of the employees of the Group on the basis of their merit, qualification and competence.

Further details on the remuneration policy and the basis of determining the remuneration payable to the Directors and senior management are set out in pages 75 to 78 of this annual report.

The number of RC meeting held during the year and record of individual attendance of members, on a named basis, at meetings held during was set out in section headed "Board Meetings" above.

BOARD COMMITTEES (CONTINUED)

Remuneration Committee (Continued)

The RC currently consists of the following members:

Independent Non-executive Directors
Mr. Leung Ka Kui, Johnny *(Chairman)*
Mr. Jiang Zhi
Ms. Wong Chui San, Susan

Executive Directors
Mr. Chow Wang
Mr. Cheung Wai Shing

Nomination Committee

The Company has established a nomination committee (the "NC") with written terms of reference in consistence with the CG Code for the purpose of reviewing the structure, size and composition of the Board on a regular basis and identifying individuals suitably qualified to become board members. It is also responsible for accessing the independence of independent non-executive directors and making recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors. The written terms of reference are posted on the websites of the Company and the Stock Exchange.

In addition, the shareholders have the power to nominate any person to become a director of the Company in accordance with the Company's Bye-Laws, the procedure for election of directors was published on the Company's website.

The work of the NC during the year ended 31 March 2015 included the following matters:

i. nominated Mr. Xu Jian Zhong ("Mr. Xu") and Mr. Zhao Baolong, CEO ("Mr. Zhao") as executive directors to join the Board of the Company;

ii. nominated Mr. Leung Ka Kui, Johnny ("Mr. Leung") and Ms. Wong Chui San, Susan ("Ms. Wong") as an independent non-executive directors to join the Board of the Company in order to comply with the Rules 3.11, 3.21, 3.23 and 3.27 of the Listing Rules;

iii. nominated Mr. Chow Wang ("Mr. Chow") as an executive director and the Chairman of the Board to join the Board of the Company;

iv. nominated Mr. Fong For ("Mr. Fong") as a non-executive Director to join the Board of the Company;

v. nominated Mr. Jiang Zhi ("Mr. Jiang") as an independent non-executive director to join the Board of the Company;

vi. made recommendation of appointments to the Board of the Company on Messrs. Xu, Zhao, Chow, Leung, Fong and Jiang and Ms. Wong;

vii. evaluated the above named directors' skills, qualifications, knowledge and experiences; and

viii. reviewed the composition of the Board in accordance with the measurable objective of the Board Diversity Policy.

The biographies of the above named directors are set out in the section of "Biographical Information of Directors and Senior Management" in this annual report. The above named directors have held the office until the 2015 AGM and had been re-elected at the 2015 AGM.

The number of NC meeting held during the year and record of individual attendance of members, on a named basis, at meetings held during was set out in section headed "Board Meetings" above.

BOARD COMMITTEES (CONTINUED)

Nomination Committee (Continued)

The NC currently consists of the following members:

Independent Non-executive Directors
Mr. Jiang Zhi
Mr. Leung Ka Kui, Johnny
Ms. Wong Chui San, Susan

Executive Directors
Mr. Chow Wang *(Chairman)*
Mr. Cheung Wai Shing

Audit Committee

The Company has established an audit committee (the "AC") with written terms of reference in consistence with the CG Code. The written terms of reference are posted on the websites of the Company and the Stock Exchange.

The AC is responsible for review of the Group's financial information and oversight of the Group's financial reporting system and internal control procedure. The AC is also responsible for reviewing the interim and final results of the Group prior to recommending them to the Board for approval. In performing its duties, it has unrestricted access to personnel, records, external auditors and senior management.

During the year ended 31 March 2015, the AC held 2 meetings and the work of AC included the following matters:

i. discussed with management the status of annual results for the year ended 31 March 2015, interim results for the year ended 30 September 2014;

ii. reviewed and discussed with management and the external auditors regarding the financial statements for the year ended 30 September 2014 and management letter;

iii. reviewed and discussed with management and the external auditors regarding the unaudited interim financial statements for the six months ended 30 September 2014 and management letter;

iv. reviewed the effectiveness of internal control system;

v. reviewed the external auditors' statutory audit plan and engagement letter;

vi. discussed with the management and ensured that the Board has conducted an annual review such that there is adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function; and

vii. recommended to the Board, for the approval by shareholders, of the re-appointment of the auditors.

The number of AC meetings held during the year and record of individual attendance of members, on a named basis, at meetings held during was set out in section headed "Board Meetings" above. The Group's annual report for the year ended 31 March 2015 has been reviewed by the AC.

BOARD COMMITTEES (CONTINUED)

Audit Committee (Continued)

The AC currently consists of the following members. Ms. Wong Chui San, Susan is the certified public accountant for many years.

Independent Non-executive Directors
Ms. Wong Chui San, Susan *(Chairman)*
Mr. Jiang Zhi
Mr. Leung Ka Kui, Johnny

Accountability and Audit

Financial Reporting

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other regulatory requirement. The directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 March 2015.

A statement by the independent auditors of the Company about their reporting responsibilities is included in the Independent Auditors' Report on page 36 of this annual report. The details of the internal controls of the Company and the audit committee are set out under the section "Internal Control" and "Audit Committee".

Internal Control

The Board acknowledges its responsibility in maintaining sound and effective internal control system for the Group to safeguard investments of the shareholders and assets of the Company at all times. The system of internal control aims to help achieving the Group's business objectives, safeguarding assets and maintaining proper accounting records for provision of reliable financial information. However, the design of the system is to provide reasonable, but not absolute, assurance against material misstatement in the financial statements or loss of assets and to manage rather than eliminate risks of failure when business objectives are being sought.

In addition, a policy and procedure regarding the publication price sensitive information is established, setting out the guiding principles, procedures and internal controls for the handling and dissemination of price-sensitive information in a timely manner.

During the year under review, the Board has reviewed the internal control policy and concluded that in general, the Group's internal control system is effective and adequate; no material deficiencies have been identified.

AUDITOR'S REMUNERATION

For the financial year, SHINEWING (HK) CPA Limited is the auditor of the Company. Fee paid or payable to the auditor for audit service provided to the Group is approximately HK$1,036,000. The auditor's remuneration has been duly approved by the Audit Committee and there was no disagreement between the Board and the Audit Committee on the selection and appointment of the auditor. During the financial year, fee paid or payable to the auditor for non-audit services provided to the Group was approximately HK$125,000, most of which was related to the professional accountancy works with respect to the interim financial information.

COMPANY SECRETARY

Mr. Cheung Wai Shing ("Mr. Cheung"), the Company Secretary of the Company, has confirmed that for the year ended 31 March 2015, he has complied with Rule 3.29 of the Listing Rules. Mr. Cheung has taken not less than 15 hours of relevant professional training. Mr. Cheung is also the Executive Director of the Company his biography is set out in the section of "Biographical Information of Directors and Chief Executive Officer" in this annual report.

COMMUNICATION WITH SHAREHOLDERS

Effective communication

The general meetings of the Company provide a forum for communication between the shareholders and the Board. The Chairman of the Board as well as chairman of the Audit Committee and Remuneration Committee, or in their absence, other members of the respective committees, are available to answer questions at the shareholders' meetings.

Separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors.

The Company continues to enhance communications and relationships with its investors. Designated senior management maintains regular dialogue with investors and analysis to keep them abreast of the Company's developments. Enquiries from investors are dealt with in an informative and timely manner.

Voting by poll

The rights of shareholders and the procedures for demanding a poll on resolutions at shareholders' meetings are contained in the Company's articles of association. Details of such rights to demand a poll and the poll procedures are included in all circulars to shareholders and will be explained during the proceedings of meetings.

Poll results were published on the website of the Stock Exchange as well as the Company's website.

SHAREHOLDERS' RIGHTS

Convening extraordinary general meeting and putting forward proposals at Shareholder's meetings

Pursuant to section 74(1) of the Bermuda Companies Act, the Directors of the Company, on the requisition of shareholders of the Company holding not less than one-tenth of the paid-up capital of the Company, can convene a special general meeting to address specific issues of the Company within 21 days from the date of deposit of written notice to the principal place of business of the Company in Hong Kong. The same requirement and procedure also applies to any proposal to be tabled at shareholders' meetings for adoption.

Shareholders' Enquiries to the Board

Shareholders of the Company may at any time send their enquiries and concerns to the Board in writing through the Company Secretary whose contact details are set out in the "Contact Us" section of the Company's website at http://www.0030hk.com/news.php.

CONSTITUTIONAL DOCUMENTS

For the year ended 31 March 2015, there has been no significant change in the constitutional documents of the Company.

INDEPENDENT AUDITOR'S REPORT

SHINEWING (HK) CPA Limited
43/F., Lee Garden One
33 Hysan Avenue
Causeway Bay, Hong Kong

TO THE MEMBERS OF ABC COMMUNICATIONS (HOLDINGS) LIMITED
佳訊(控股)有限公司
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of ABC Communications (Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 38 to 99, which comprise the consolidated statement of financial position as at 31 March 2015, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

BASIS FOR QUALIFIED OPINION

Limitation of scope on the impairment assessment of technical knowhow

As at 31 March 2015, the Group had technical knowhow with carrying amount of HK$29,000,000, net of accumulated impairment loss and amortisation of HK$54,977,909 and HK$25,067,042 respectively. As described in note 4, the directors of the Company had performed impairment assessment on the technical knowhow and had determined the recoverable amount based on value-in-use calculation with reference to the latest financial information available. However, we were unable to obtain sufficient appropriate audit evidence we consider necessary in order to assess the recoverable amount of the technical knowhow. There were no practical alternative audit procedures that we could perform to satisfy ourselves that the carrying amount of the Group's technical knowhow as at 31 March 2015 and the impairment loss recognised for the year ended 31 March 2015 were free from material misstatement. Any adjustment found to be necessary to the carrying amount of the technical knowhow as at 31 March 2015 would affect the Group's net assets as at 31 March 2015 and the Group's loss for the year then ended and the related note disclosures to the consolidated financial statements.

Qualified opinion arising from limitation of audit scope

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph above, the consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at 31 March 2015 and of their financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Pang Wai Hang
Practising Certificate Number: P05044

Hong Kong
30 June 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2015

	Notes	2015 HK$	2014 HK$
Revenue	7	**56,403,923**	59,965,275
Cost of sales		**(42,921,342)**	(45,220,897)
Gross profit		**13,482,581**	14,744,378
Other income and gain	8	**420,802**	1,375,004
Decrease in fair value of held for trading investment	23	**(5,512)**	(4,680)
Realised loss on held for trading investment	23	**–**	(78,365)
Amortisation of intangible assets	17	**(25,067,042)**	–
Impairment loss of intangible assets	17	**(54,977,909)**	–
Selling and distribution expenses		**(1,626,174)**	(1,151,234)
General and administrative expenses		**(45,241,581)**	(40,700,922)
Finance costs	9	**(4,965,781)**	(384,778)
Loss before tax	10	**(117,980,616)**	(26,200,597)
Income tax expense	13	**–**	(54,545)
Loss for the year		**(117,980,616)**	(26,255,142)
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translating foreign operations		**3,143,593**	1,253,237
Total comprehensive expense for the year		**(114,837,023)**	(25,001,905)
Loss for the year		**(117,980,616)**	(26,255,142)
Loss for the year attributable to:			
Owners of the Company		**(82,291,728)**	(23,453,872)
Non-controlling interests		**(35,688,888)**	(2,801,270)
		(117,980,616)	(26,255,142)
Total comprehensive expense for the year		**(114,837,023)**	(25,001,905)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(80,284,940)**	(23,052,469)
Non-controlling interests		**(34,552,083)**	(1,949,436)
		(114,837,023)	(25,001,905)
Loss per share	14		
Basic and diluted		**(4.63 cents)**	(1.62 cents)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	Notes	2015 HK$	2014 HK$
Non-current assets			
Property, plant and equipment	15	**68,278,836**	71,632,641
Prepaid lease payments	16	**1,426,040**	1,528,327
Intangible assets	17	**351,189,399**	320,637,792
Prepayments for exploration and evaluation activities	18	**13,521,090**	13,189,290
Prepayment for acquisition of a subsidiary	22	**–**	60,000,000
Prepayment for purchase of property, plant and equipment		**1,274,000**	–
Available-for-sale investment	19	**60,000,000**	60,000,000
		495,689,365	526,988,050
Current assets			
Trade receivables	20	**3,572,971**	4,798,879
Other receivables, deposits and prepayments	21	**8,184,405**	23,389,148
Held for trading investment	23	**12,948**	18,460
Bank balances and cash	24	**97,858,042**	40,855,102
		109,628,366	69,061,589
Current liabilities			
Trade and other payables	25	**22,402,614**	20,815,998
Bank borrowing	26	**7,078,213**	–
Advance subscriptions and licence fees received		**2,162,767**	2,417,113
Amounts due to non-controlling shareholders of subsidiaries	27	**5,045,836**	4,375,651
Tax payable		**2,220,401**	2,209,690
		38,909,831	29,818,452
Net current assets		**70,718,535**	39,243,137
Total assets less current liabilities		**566,407,900**	566,231,187

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	Notes	2015 HK$	2014 HK$
Non-current liabilities			
Provision for reinstatement costs	28	**796,635**	792,792
Bonds	29	**65,229,000**	27,667,000
Deferred tax liabilities	30	**77,169,039**	76,796,772
		143,194,674	105,256,564
		423,213,226	460,974,623
Capital and reserves			
Share capital	31	**19,864,152**	16,553,472
Reserves		**276,923,929**	323,443,923
Equity attributable to owners of the Company		**296,788,081**	339,997,395
Non-controlling interests		**126,425,145**	120,977,228
		423,213,226	460,974,623

The consolidated financial statements on pages 38 to 99 were approved and authorised for issue by the board of directors on 30 June 2015 and are signed on its behalf by:

Chow Wang
Director

Cheung Wai Shing
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2015

	Attributable to owners of the Company							
	Share capital HK$	Share premium HK$	Capital redemption reserve HK$	Exchange reserve HK$	Accumulated losses HK$	Sub-total HK$	Non-controlling interests HK$	Total HK$
At 1 April 2013	11,677,972	282,494,764	176,000	9,355,966	(10,862,023)	292,842,679	122,926,664	415,769,343
Loss for the year	–	–	–	–	(23,453,872)	(23,453,872)	(2,801,270)	(26,255,142)
Other comprehensive income for the year:								
Exchange differences arising on translating foreign operations	–	–	–	401,403	–	401,403	851,834	1,253,237
Total comprehensive income (expense) for the year	–	–	–	401,403	(23,453,872)	(23,052,469)	(1,949,436)	(25,001,905)
Issue of shares on placing (note 31)	4,875,500	68,257,000	–	–	–	73,132,500	–	73,132,500
Transaction costs attributable to placing of shares	–	(2,925,315)	–	–	–	(2,925,315)	–	(2,925,315)
At 31 March 2014 and 1 April 2014	16,553,472	347,826,449	176,000	9,757,369	(34,315,895)	339,997,395	120,977,228	460,974,623
Loss for the year	–	–	–	–	(82,291,728)	(82,291,728)	(35,688,888)	(117,980,616)
Other comprehensive income for the year:								
Exchange differences arising on translating foreign operations	–	–	–	2,006,788	–	2,006,788	1,136,805	3,143,593
Total comprehensive income (expense) for the year	–	–	–	2,006,788	(82,291,728)	(80,284,940)	(34,552,083)	(114,837,023)
Acquisition of subsidiaries accounted for as assets acquisition (note 33)	–	–	–	–	–	–	40,000,000	40,000,000
Issue of shares on placing (note 31)	3,310,680	34,431,072	–	–	–	37,741,752	–	37,741,752
Transaction costs attributable to placing of shares	–	(666,126)	–	–	–	(666,126)	–	(666,126)
At 31 March 2015	19,864,152	381,591,395	176,000	11,764,157	(116,607,623)	296,788,081	126,425,145	423,213,226

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2015

	2015 HK$	2014 HK$
OPERATING ACTIVITIES		
Loss before tax	**(117,980,616)**	(26,200,597)
Adjustments for:		
Depreciation of property, plant and equipment	**4,187,145**	3,582,484
Amortisation of prepaid lease payments	**110,139**	110,138
Amortisation of intangible assets	**25,067,042**	–
Loss on write-off of interest receivable	**1,603,333**	–
Impairment loss on intangible assets	**54,977,909**	–
Loss on write-off of property, plant and equipment	**1,417**	–
Decrease in fair value of held for trading investment	**5,512**	4,680
Realised loss on held for trading investment	**–**	78,365
Finance costs	**4,965,781**	384,778
Interest income	**(318,198)**	(866,382)
Operating cash flows before movements in working capital	**(27,380,536)**	(22,906,534)
Decrease in trade receivables	**1,225,908**	1,586,461
Increase in other receivables, deposits and prepayments	**(3,446,545)**	(1,103,477)
Decrease in held for trading investment	**–**	1,670,930
(Decrease) increase in trade and other payables	**(1,634,819)**	3,093,753
(Decrease) increase in advance subscriptions and licence fees received	**(254,346)**	145,272
NET CASH USED IN OPERATIONS	**(31,490,338)**	(17,513,595)
Taxes paid	**–**	(54,545)
NET CASH USED IN OPERATING ACTIVITIES	**(31,490,338)**	(17,568,140)
INVESTING ACTIVITIES		
Repayment of loans from independent third parties	**17,178,451**	41,649,280
Refund of deposit paid for acquisition of subsidiaries	**–**	30,000,000
Interest received	**318,198**	269,099
Prepayment for acquisition of a subsidiary	**–**	(60,000,000)
Acquisition of available-for-sale investment	**–**	(60,000,000)
Loans advanced to independent third parties	**–**	(17,535,000)
Purchases of property, plant and equipment	**(216,877)**	(1,946,647)
Prepayment for purchases of property, plant and equipment	**(1,274,000)**	–
Prepayments for exploration and evaluation activities	**(267,865)**	(314,600)
Net cash inflow from acquisition of subsidiaries (note 33)	**3,024,144**	–
NET CASH FROM (USED) IN INVESTING ACTIVITIES	**18,762,051**	(67,877,868)
FINANCING ACTIVITIES		
Proceeds from placing of shares	**37,741,752**	73,132,500
Expenses paid for placing of shares	**(666,126)**	(2,925,315)
Proceeds from issue of bonds	**40,000,000**	30,000,000
Expenses paid for issue of bonds	**(3,200,000)**	(2,400,000)
Repayment of bank loan	**(3,037,787)**	–
Repayments to directors	**–**	(1,834,821)
Loans advanced from independent third parties	**2,187,585**	–
Repayment of loan from independent third parties	**(379,450)**	–
Advanced from non-controlling shareholder of a subsidiary	**670,185**	–
Repayment to a substantial shareholder	**–**	(754,385)
Interest paid	**(3,666,472)**	(317,778)
NET CASH FROM FINANCING ACTIVITIES	**69,649,687**	94,900,201
NET INCREASE IN CASH AND CASH EQUIVALENTS	**56,921,400**	9,454,193
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**40,855,102**	31,395,321
Effect of foreign exchange rate changes	**81,540**	5,588
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	**97,858,042**	40,855,102

1. GENERAL INFORMATION

ABC Communications (Holdings) Limited (the "Company") is an investment holding company. The Company's subsidiaries (together with the Company collectively referred to as the "Group") are principally engaged in providing financial quotation services, wireless applications development, securities trading system licensing, mining operations and development of encryption technology and products.

The Company is incorporated in Bermuda with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The address of its principal place of business at the date of these consolidated financial statements is Room 2709-10, 27/F., China Resources Building, No.26 Harbour Road, Wanchai, Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company.

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

In the current year, the Group has applied the following new and revised HKFRSs, which include HKFRSs, Hong Kong Accounting Standards ("HKASs"), amendments and Interpretations ("Int(s)"), issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

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

Except as described below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND NEW HONG KONG COMPANIES ORDINANCE (CONTINUED)

Amendments to HKFRS10, HKFRS 12 and HKAS 27 *Investment Entities*

The Group has applied the amendments to HKFRS 10, HKFRS 12 and HKAS 27 *Investment Entities* for the first time in the current year. The amendments to HKFRS 10 define an investment entity and introduce an exception to consolidating subsidiaries for an investment entity, except where the subsidiaries provide services that relate to the investment entity's investment activities. Under the amendments to HKFRS 10, an investment entity is required to measure its interests in subsidiaries at fair value through profit or loss.

To qualify as an investment entity, certain criteria have to be met. Specifically, an 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, the directors of the Company consider that 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 Group has applied the amendments to HKAS 32 *Offsetting Financial Assets and Financial Liabilities* for the first time in the current year. The amendments to HKAS 32 clarify existing application issues relating to the offset of the 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. As the Group does not have any financial assets and financial liabilities that qualify for offsetting, the application of the amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND NEW HONG KONG COMPANIES ORDINANCE (CONTINUED)

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

The Group has applied amendments to HKAS 36 *Recoverable Amount Disclosures for Non-Financial Assets* for the first time in the current year. The amendments to HKAS 36 require disclosures on additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. If the recoverable amount is fair value less costs of disposal, an entity shall disclose the level of the fair value hierarchy within which the fair value measurement of the asset or cash generating unit ("CGU") is categorised in its entirety. The Group is required to make additional disclosures for Level 2 and Level 3 of the fair value hierarchy:

- a description of the valuation techniques used to measure the fair value less costs of disposal. If there is any change in valuation techniques, the fact and the reason should also be disclosed;

- each key assumption on which management has based its determination of fair value less costs of disposal; and

- the discount rates used in the current and previous measurement if fair value less costs of disposal is measured using a present value technique.

The amendments have been applied retrospectively. As the Group does not have any impaired non-financial assets which the recoverable amount is based on fair value less costs of disposal, the directors of the Company consider that the application of the amendments has had no material impact on the disclosures in the Group's consolidated financial statements.

HK(IFRIC) – Int 21 *Levies*

The Group has applied HK(IFRIC) – Int 21 *Levies* for the first time in the current year. HK(IFRIC) – Int 21 addresses the issue as to when to recognise a liability to pay a levy imposed by government. 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 directors of the Company consider that 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.

Part 9 of Hong Kong Companies Ordinance (Cap. 622)

In addition, the annual report requirements of Part 9 "Accounts and Audit" of the Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year. As a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND NEW HONG KONG COMPANIES ORDINANCE (CONTINUED)

New and revised HKFRSs issued 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:

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

1 Effective for annual periods beginning on or after 1 July 2014.
2 Effective for annual periods beginning on or after 1 January 2016.
3 Effective for annual periods beginning on or after 1 January 2017.
4 Effective for annual periods beginning on or after 1 January 2018.

The directors of the Company anticipate that, except as described below, the application of the new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

HKFRS 9 (2014) *Financial Instruments*

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, HKFRS 9 was further amended to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. A finalised version of HKFRS 9 was issued in 2014 to incorporate all the requirements of HKFRS 9 that were issued in previous years with limited amendments to the classification and measurement by introducing a "fair value through other comprehensive income" ("FVTOCI") measurement category for certain financial assets. The finalised version of HKFRS 9 also introduces an "expected credit loss" model for impairment assessments.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND NEW HONG KONG COMPANIES ORDINANCE (CONTINUED)

New and revised HKFRSs issued but not yet effective (Continued)

HKFRS 9 (2014) *Financial Instruments* (Continued)

Key requirements of HKFRS 9 (2014) are described below:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be 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 values at the end of subsequent reporting periods. In addition, under HKFRS 9 (2014), 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 (2014) 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 a financial liability's 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 at fair value through profit or loss was presented in profit or loss.

- In the aspect of impairment assessments, the impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit were added. Those requirements eliminate the threshold that was in HKAS 39 for the recognition of credit losses. Under the impairment approach in HKFRS 9 (2014) it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, expected credit losses and changes in those expected credit losses should always be accounted for. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

- HKFRS 9 (2014) introduces a new model which is more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. As a principle-based approach, HKFRS 9 (2014) looks at whether a risk component can be identified and measured and does not distinguish between financial items and non-financial items. The new model also enables an entity to use information produced internally for risk management purposes as a basis for hedge accounting. Under HKAS 39, it is necessary to exhibit eligibility and compliance with the requirements in HKAS 39 using metrics that are designed solely for accounting purposes. The new model also includes eligibility criteria but these are based on an economic assessment of the strength of the hedging relationship. This can be determined using risk management data. This should reduce the costs of implementation compared with those for HKAS 39 hedge accounting because it reduces the amount of analysis that is required to be undertaken only for accounting purposes.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND NEW HONG KONG COMPANIES ORDINANCE (CONTINUED)

New and revised HKFRSs issued but not yet effective (Continued)

HKFRS 9 (2014) *Financial Instruments* (Continued)

HKFRS 9 (2014) will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

The directors of the Company anticipate that the application of HKFRS 9 (2014) in the future may have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities. Regarding the Group's financial assets and financial liabilities, it is not practicable to provide a reasonable estimate of the effect of HKFRS 9 (2014) until a detailed review has been completed.

HKFRS 15 *Revenue from Contracts with Customers*

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. Thus, HKFRS 15 introduces a model that applies to contracts with customers, featuring a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. The five steps are as follows:

(i) Identify the contract with a customer;

(ii) Identify the performance obligations in the contract;

(iii) Determine the transaction price;

(iv) Allocate the transaction price to the performance obligations; and

(v) Recognise revenue when (or as) the entity satisfies a performance obligation.

HKFRS 15 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows 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.

HKFRS 15 will become effective for annual periods beginning on or after 1 January 2017 with early application permitted. The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on amounts reported in respect of 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.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND NEW HONG KONG COMPANIES ORDINANCE (CONTINUED)

New and revised HKFRSs issued but not yet effective (Continued)

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 or 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.

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 anticipate that the application of the amendments included in the *Annual Improvements to HKFRSs 2010 - 2012 Cycle* will not have a material effect on the Group's consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND NEW HONG KONG COMPANIES ORDINANCE (CONTINUED)

New and revised HKFRSs issued but not yet effective (Continued)

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 anticipate that the application of the amendments included in the *Annual Improvements to HKFRSs 2011 - 2013 Cycle* will not 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 clarify that changing from one of the disposal methods (i.e. disposal through sale or disposal through distribution to owners) to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in HKFRS 5. Besides, the amendments also clarify that changing the disposal method does not change the date of classification.

The amendments to HKFRS 7 clarify that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in HKFRS 7 in order to assess whether the additional disclosures for any continuing involvement in a transferred asset that is derecognised in its entirety are required. Besides, the amendments to HKFRS 7 also clarify that disclosures in relation to offsetting financial assets and financial liabilities are not required in the condensed interim financial report, unless the disclosures provide a significant update to the information reported in the most recent annual report.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND NEW HONG KONG COMPANIES ORDINANCE (CONTINUED)

New and revised HKFRSs issued but not yet effective (Continued)

Annual Improvements to HKFRSs 2012 - 2014 Cycle **(Continued)**

The amendments to HKAS 19 clarify that the market depth of high quality corporate bonds is assessed base on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

HKAS 34 requires entities to disclose information in the notes to the interim financial statements 'if not disclosed elsewhere in the interim financial report'. The amendments to HKAS 34 clarify that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report. The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.

The directors of the Company anticipate that the amendments included in the *Annual Improvements to HKFRSs 2012 - 2014 Cycle* will not have a material effect on the Group's consolidated financial statements.

Amendments to HKAS 1 *Disclosure Initiative*

The amendments clarify that companies should use professional judgement in determining what information as well as where and in what order information is presented in the financial statements. Specifically, an entity should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the financial statements, which include the notes. An entity does not require to provide a specific disclosure required by a HKFRS if the information resulting from that disclosure is not material. This is the case even if the HKFRS contain a list of specific requirements or describe them as minimum requirements.

Besides, the amendments provide some additional requirements for presenting additional line items, headings and subtotals when their presentation is relevant to an understanding of the entity's financial position and financial performance respectively. Entities, in which they have investments in associates or joint ventures, are required to present the share of other comprehensive income of associates and joint ventures accounted for using the equity method, separated into the share of items that (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

Furthermore, the amendments clarify that:

(i) an entity should consider the effect on the understandability and comparability of its financial statements when determining the order of the notes; and

(ii) significant accounting policies are not required to be disclosed in one note, but instead can be included with related information in other notes.

The amendments will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted.

The directors of the Company anticipate that the application of Amendments to HKAS 1 in the future may have a material impact on the disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKAS 1 until the Group performs a detailed review.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND NEW HONG KONG COMPANIES ORDINANCE (CONTINUED)

New and revised HKFRSs issued but not yet effective (Continued)

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

The amendments to HKAS 16 prohibit the use of revenue-based depreciation methods for property, plant and equipment under HKAS 16. The amendments to HKAS 38 introduce a rebuttable presumption that use of revenue-based amortisation methods for intangible assets is inappropriate. This presumption can be rebutted only in the following limited circumstances:

(i) when the intangible asset is expressed as a measure of revenue; and

(ii) when a high correlation between revenue and the consumption of the economic benefits of the intangible assets could be demonstrated.

The amendments to HKAS 16 and HKAS 38 will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments should be applied prospectively.

As the Group uses either the straight-line method or Units of Production ("UOP") method for depreciation of property, plant and equipment or amortisation of intangible assets, the directors of the Company anticipate that the application of Amendments to HKAS 16 and HKAS 38 in the future will not have a material impact on the Group's consolidated financial statements.

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

The amendments to HKAS 27 allow an entity to apply the equity method to account for its investments in subsidiaries, joint ventures and associates in its separate financial statements. As a result of the amendments, the entity can choose to account for these investments either:

i) at cost;
ii) in accordance with HKFRS 9 (or HKAS 39); or
iii) using the equity method as described in HKAS 28.

The amendments to HKAS 27 will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments should be applied retrospectively.

As the Company does not have any investment in associates or joint ventures, the directors of the Company do not anticipate that the application of the amendments to HKAS 27 will have a material impact on the Company's financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for held for trading investment that are measured at fair value. 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 in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The principal accounting policies are set out below.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (i.e. its subsidiaries). If a subsidiary prepares its financial statements using accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that subsidiary's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Control is achieved where the Group has (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns. When the Group has less than a majority of the voting rights of an investee, power over the investee may be obtained through (i) a contractual arrangement with other vote holders; (ii) rights arising from other contractual arrangements; (iii) the Group's voting rights and potential voting rights; or (iv) a combination of the above, based on all relevant facts and circumstances.

The Company reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control stated above.

Consolidation of a subsidiary begins when the Group obtains control of the subsidiary and cease when the Group loses control of the subsidiary.

Income and expenses of subsidiaries 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 component of other comprehensive income of subsidiaries 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.

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein. Non-controlling interests in the result of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the owners of the Company.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for goods sold and services rendered in the normal course of business, net of discounts and sales related taxes.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

Financial quotation subscription fee income is recognised on a straight-line basis over the subscription period.

Revenue from securities trading system licensing and wireless applications development is recognised when services are rendered.

Revenue from mining operations is recognised when the Group has transferred significant risks and rewards of ownership to the customers.

Deposits and instalments received from customers prior to meeting the above criteria for revenue recognition are included in the consolidated statement of financial position under current liabilities.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation of these assets, other than mining structures, is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Mining structures are stated at cost less subsequent accumulated depreciation and accumulated impairment losses. Depreciation is provided to write off the cost of the mining structures using the UOP method over the total proven reserves of the coal mines.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value of the asset and is recognised in profit or loss in the period in which the item is derecognised.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from lease is recognised in profit or loss on straight line basis over the term of the relevant lease.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (Continued)

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as prepaid lease payments in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve (attributed to non-controlling interests as appropriate).

Fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and retranslated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in equity under the heading of exchange reserve.

Borrowing costs

All borrowing costs are recognised in the profit or loss in the period in which they are incurred.

Retirement benefits costs

Payments to the state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme (the "MPF Scheme") are recognised as an expense when employees have rendered service entitling them to the contributions.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "loss before tax" as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying values of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary difference. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary difference can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying value of its assets and liabilities.

Current and deferred tax are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets

Mining right and reserves

Mining right and reserves are stated at cost less accumulated amortisation and any impairment losses. Mining right and reserves include the cost of acquiring mining licences and exploration and evaluation costs transferred from exploration rights upon determination that an exploration property is capable of commercial production, and the cost of acquiring interests in the mining reserves of existing mining properties. The mining right and reserves are amortised over the estimated useful lives, in accordance with the production plans of the entities concerned and the proven and probable mineral reserves of the mines using the UOP method. Mining right and reserves are written off to the consolidated statement of profit or loss and other comprehensive income if the mining property is abandoned.

Exploration rights

Exploration rights are stated at cost less impairment losses. Exploration rights include the cost of acquiring exploration rights, topographical and geological surveys, exploratory drilling, sampling and trenching and activities in relation to commercial and technical feasibility studies.

Exploration and evaluation costs include expenditure incurred to secure further mineralisation in existing ore bodies as well as in new areas of interest. Expenditure incurred prior to accruing legal rights to explore an area is written off as incurred.

When it can be reasonably ascertained that an exploration property is capable of commercial production, exploration and evaluation costs capitalised are transferred to either mining infrastructure or mining right and reserves and depreciated/amortised by the UOP method based on the proven and probable mineral reserves. Costs incurred for exploration which can be directly attributable to the development of mining infrastructure are transferred to mining infrastructure when the exploration reaches the stage of commercial production. All other costs will be transferred to mining right and reserves. Exploration rights are written off to the consolidated statement of profit or loss and other comprehensive income if the exploration property is abandoned.

Technical knowhow

Technical knowhow is stated at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for technical knowhow with finite useful life is recognised on a straight-line basis over the estimated useful life. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Cash and cash equivalents

Cash and short-term deposit in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into available-for-sale financial assets, financial asset at fair value through profit or loss ("FVTPL") and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying value on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL, of which interest income is included in net gains or losses.

Financial assets at FVTPL

Financial assets at FVTPL are financial assets held for trading.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at FVTPL (Continued)

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets and is included in other income in the consolidated statement of profit or loss and other comprehensive income. Fair value is determined in the manner described in note 6.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade receivables, other receivables, deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of financial assets below).

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at FVTPL, loans and receivables or held-to-maturity investments.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of the reporting period (see accounting policy on impairment of financial assets below).

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of financial asset, the estimated future cash flows of the financial assets have been affected.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

For other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- disappearance of an active market for that financial asset because of financial difficulties.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past due and observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivables or other receivables is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period in which the impairment takes place.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment losses decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit and loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity investments, impairment loss previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised directly in other comprehensive income and accumulated in investment revaluation reserve.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities including trade and other payables, amounts due to non-controlling shareholders of subsidiaries, bank borrowing and bonds, are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying value on initial recognition.

Interest expense is recognised on an effective interest basis.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provision for reinstatement costs

Provision for reinstatement costs are recognised when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made on the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Fair value measurement

When measuring fair value, except for the Group's value in use of certain property, plant and equipment and intangible assets for the purpose of impairment assessment, 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Specifically, the Group categorised the fair value measurements into three levels, based on the characteristics of inputs, as follow:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At the end of the reporting period, the Group determines whether transfer occur between levels of the fair value hierarchy for assets and liabilities which are measured at fair value on recurring basis by reviewing their respective fair value measurement.

Impairment losses on tangible and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment losses on tangible and intangible assets (Continued)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or the cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately in profit or loss.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets, liabilities, revenue and expenses reported and disclosures made in the consolidated financial statements that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a systematic basis over their estimated useful lives, after taking into account their estimated residual value. The Group assesses annually the residual value and the useful life of the property, plant and equipment. If the expectation differs from the original estimates, such differences from the original estimates will affect the depreciation charges in the year in which the estimates change. The carrying amount of the Group's property, plant and equipment as at 31 March 2015 was HK$68,278,836 (2014: HK$71,632,641).

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Impairment of mining right and reserves and property, plant and equipment

The carrying amounts of mining right and reserves and property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount of these assets, or, where appropriate, the cash-generating unit to which they belong, is the higher of their fair value less costs of disposal and value in use. Estimating the value in use requires the Group to estimate the expected future cash flows from the cash-generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of mining rights and reserves and property, plant and equipment as at 31 March 2015 were HK$318,651,330 (2014: HK$317,116,790) and HK$68,278,836 (2014: HK$71,632,641) respectively. No impairment loss has been recognised as at 31 March 2015 (2014: nil).

Impairment of exploration rights

The carrying amounts of exploration rights are assessed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable. Such assessment is made with reference to the likelihood of such rights not being renewed on expiry, the likelihood that commercially viable quantities of mineral resources are not discovered and the likelihood that the carrying amounts cannot be recovered through further development or sales. The carrying amount of the Group's exploration rights as at 31 March 2015 was HK$3,538,069 (2014: HK$3,521,002). No impairment loss has been recognised as at 31 March 2015 (2014: nil).

Estimated useful life of technical knowhow

The Group determines the estimated useful life and related amortisation charge for the technical knowhow classified as intangible assets with reference to the estimated period that the Group intends to derive future economic benefits from the use of technical knowhow. The Group will assess and revise the useful life of technical knowhow to reflect the actual economic benefits derived from the technical knowhow. As at 31 March 2015, the carrying amount of technical knowhow is HK$29,000,000 (2014: nil) net of accumulated amortisation and impairment in aggregate of HK$79,944,062 (2014: nil).

Impairment of technical knowhow

The carrying amount of technical knowhow is assessed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable. Such assessment is made with reference to the likelihood of economic benefits and technical feasibility of such technical knowhow and the likelihood that the carrying amount cannot be recovered through further development or sales. The carrying amount of the technical knowhow as at 31 March 2015 was HK$29,000,000 (2014: nil). Impairment loss of HK$54,977,909 has been recognised as at 31 March 2015 (2014: nil).

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Mining reserves

Engineering estimates of the Group's mining reserves are inherently imprecise and represent only approximate amounts because of the subjective judgements involved in developing such information. There are authoritative guidelines regarding the engineering criteria that have to be met before estimated mining reserves can be designated as "proven" and "probable". Proven and probable mining reserves estimates are updated on regular intervals taking into account recent production and technical information about each mine. In order to calculate reserves, estimates and assumptions are required about a range of geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand and commodity prices. In addition, as prices and cost levels change from year to year, the estimate of proven and probable mining reserves also changes. This change is considered a change in estimate for accounting purposes and is reflected on a prospective basis in related amortisation rates and impairment of mining right.

Despite the inherent imprecision in these engineering estimates, these estimates are used in determining depreciation expenses and impairment losses. The capitalised cost of mining right is depreciated over the estimated useful lives. The useful lives are reviewed annually in accordance with the production plans of the Group and the proven and probable reserves of the mines. The carrying amount of the mining reserves as at 31 March 2015 was HK$318,651,330 (2014: HK$317,116,790).

Provision for reinstatement costs

Provision for reinstatement costs is estimated and reassessed at the end of each reporting period with reference to the latest available quotation from independent contractors. Estimation based on current market information may vary over time and could differ from the actual reinstatement cost upon full extraction of the mining reserves by the Group. The carrying amount of the Group's provision for reinstatement costs as at 31 March 2015 was HK$796,635 (2014: HK$792,792).

Estimated impairment loss on trade and other receivables

The Group makes impairment loss based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or change in circumstances indicate that the balances may not be collectible. The identification of doubtful debts requires the use of judgement and estimates. In determining whether impairment loss on receivables is required, the Group takes into consideration the current creditworthiness, the past collection history, age status and likelihood of collection. Specific allowance is only made for receivables that are unlikely to be collected and is recognised on the difference between the estimated future cash flow expected to receive discounted using the original effective interest rate and its carrying amount. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required. The carrying amounts of the Group's trade receivables and other receivables were HK$3,572,971 (2014: HK$4,798,879) and HK$1,840,760 (2014: HK$20,284,984) respectively. No allowance for impairment loss has been recognised for the years ended 31 March 2015 and 2014 for trade receivables and other receivables.

Estimated impairment loss on available-for-sale investment

In determining whether the Group's investment in available-for-sale investment is impaired requires an estimation of the recoverable amount. Impairment assessment had been carried out at the end of the reporting period on the investments in their entirety with reference to the investee company's financial performance, financial position and/or market transaction price. In the opinion of the directors of the Company, no impairment is considered necessary. As at 31 March 2015, the carrying amount of the Group's available-for-sale investment is HK$60,000,000 (2014: HK$60,000,000).

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Income taxes

As at 31 March 2015, no deferred tax asset has been recognised in respect of tax losses amounting to HK$171,287,515 (2014: HK$166,717,627) due to the unpredictability of future profits streams. The realisability of deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where it is expected to have sufficient taxable profits against which to utilise the benefits of the temporary differences in the foreseeable future, certain amount of deferred tax asset may arise, which would be recognised in profit or loss for the period.

5. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern while maximising the return to shareholders and benefit to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes bank borrowing, amounts due to non-controlling shareholders of subsidiaries and bonds, net of bank balances and cash and equity attributable to owners of the Company, comprising issued share capital and reserves.

The Group structures its capital with due consideration to risk. The Group manages and adjusts its capital structure in the light of the changes in economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may repurchase shares of the Company, issue new shares, or increase or reduce borrowings.

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2015 **HK$**	2014 HK$
Financial assets		
Financial asset at FVTPL:		
Held for trading investment	**12,948**	18,460
Available-for-sale investment	**60,000,000**	60,000,000
Loans and receivables (including bank balances and cash)	**106,025,989**	68,044,466
	166,038,937	128,062,926
Financial liabilities		
Financial liabilities at amortised cost	**92,772,493**	45,985,301

6. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies

The Group's major financial instruments include held for trading investment, available-for-sale investment, trade receivables, other receivables, deposits, bank balances and cash, trade and other payables, amounts due to non-controlling shareholders of subsidiaries, bank borrowing and bonds. Details of the financial instruments are disclosed in respective notes.

The Group's investment policy is to prudently invest all funds of the Group in a manner which will satisfy liquidity requirements, safeguard financial assets, and manage risks while optimising return on investments.

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these risks to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Foreign exchange risk

All sales and purchases of the Group are denominated in the functional currency of the respective entities making the sales and purchases. Accordingly, the directors of the Company considered that the Group is not exposed to material transactional foreign currency risk. The Group currently does not have a foreign currency hedging policy. The Group will monitor foreign exchange exposure and consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's significant monetary assets that are denominated in currency other than the functional currency of the entity holding the assets at the end of the reporting periods are as follows:

	Assets	
	2015	2014
	HK$	HK$
Renminbi ("RMB")	**10,092,045**	10,106,539

Sensitivity analysis

The Group is mainly exposed to the currency of RMB.

For a 5% (2014: 5%) strengthening/weakening in the functional currency of the respective entity against the relevant foreign currency, the Group's post-tax loss for the year would increase/decrease by HK$504,602 (2014: HK$505,327). 5% (2014: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, and adjusts their translation at the year end for a 5% (2014: 5%) change in foreign currency rates.

6. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to the fixed-rate bank borrowing (see note 26) and bonds (see note 29). The Group currently does not have any interest rate hedging policy. However, the management monitors interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated.

The Group is also exposed to the cash flow interest rate risk in relation to variable-rate bank balances (see note 24 for details). The Group's exposure to interest rate risk is minimal as the bank balances have a short maturity period.

Sensitivity analysis

Management of the Group considers the interest rate risks for variable-rate bank balances are insignificant for the years ended 31 March 2015 and 2014. Hence, no sensitivity analysis is presented.

Credit risk

As at 31 March 2015, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group has policies in place to ensure that services are made to customers with appropriate credit history. In addition, the Group reviews the recoverable amount of each individual receivable balance at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group has concentration of credit risk as 41% (2014: 40%) and 66% (2014: 68%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

The Group's concentration of credit risk by geographical locations is Hong Kong, which accounted for 100% (2014: 99%) of the total trade receivables as at 31 March 2015.

6. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of bank balances and cash deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank borrowing is included and to be repaid in the earliest time band since the bank borrowing was in default as at the end of the reporting period. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows.

	On demand or less than one year HK$	One to five years HK$	Total undiscounted cash flows HK$	Carrying amount HK$
As at 31 March 2015				
Non-derivative financial liabilities:				
Trade and other payables	**15,419,444**	**–**	**15,419,444**	**15,419,444**
Bank borrowing	**7,078,213**	**–**	**7,078,213**	**7,078,213**
Amounts due to non-controlling shareholders of subsidiaries	**5,045,836**	**–**	**5,045,836**	**5,045,836**
Bonds	**3,850,000**	**63,565,750**	**67,415,750**	**65,229,000**
	31,393,493	**63,565,750**	**94,959,243**	**92,772,493**
As at 31 March 2014				
Non-derivative financial liabilities:				
Trade and other payables	13,942,650	–	13,942,650	13,942,650
Amount due to non-controlling shareholder of a subsidiary	4,375,651	–	4,375,651	4,375,651
Bonds	1,650,000	28,632,222	30,282,222	27,667,000
	19,968,301	28,632,222	48,600,523	45,985,301

Principal repayment of the Group's bonds with an early redemption option by the bondholders is included in the "one to five years" time band in the above maturity analysis. At 31 March 2015, the aggregate undiscounted principal amount of the bonds amounted to HK$70,000,000 (2014: HK$30,000,000). Taking into account the Group's financial position and that the bonds will only be redeemed at 80% of the principal, the directors of the Company do not believe that it is probable that the bondholders will exercise its early redemption option, which is available to the bondholders after the fourth anniversary of the bonds. In addition, taking into account the expected increase in interest rate in the future, the directors of the Company do not consider it is probable for the Company to exercise its early redemption option after the fifth anniversary of the bonds. Thus, the directors of the Company believe that the bonds will be repaid on the maturity of the bonds (seventh anniversary). At that time, the aggregate principal and interest cash outflows will amount to HK$92,965,750 (2014: HK$41,232,222).

6. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value

The fair value of financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors of the Company consider that the fair values of financial assets and financial liabilities recorded at amortised cost in the consolidated statement of financial position approximate to the corresponding carrying amounts due to their short-term maturities.

Fair value measurement recognised in the consolidated statement of financial position on a recurring basis

The measurements of fair value of financial instruments subsequent to initial recognition are grouped into Levels 1 to 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 measurements in its entirety, which are described as follows:

– Level 1 inputs are quoted (unadjusted) market prices in active market for identical assets or liabilities.

– 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.

– Level 3 inputs are unobservable inputs for assets or liabilities.

The fair value of the Group's held for trading investment of HK$12,948 (2014: HK$18,460) as at 31 March 2015 fall within Level 1 based on the quoted price from the Stock Exchange. There was no transfer between levels of fair value hierarchy in the current and prior years.

7. REVENUE AND SEGMENT INFORMATION

The Group's operating segments are determined based on the information reported to the board of directors, being the chief operating decision maker, for the purpose of resources allocation and assessment of segment performance focus on types of goods or services delivered or provided.

The segments are managed separately as each business offers different products/service which requires different products/service information to formulate different business strategies. Specifically, the Group's reportable and operating segments under HKFRS 8 are financial quotation and securities trading system licensing, mining operations and encryption technology and products as follows:

(i) Financial quotation and securities trading system licensing segment engages in the provision of financial quotation services, wireless applications development and licensing of securities trading system.

(ii) Mining operations segment engages in the extraction, exploration and sale of mineral products.

(iii) Encryption technology and products segment engages in development of an application platform with software relating to encrypt cloud computing and quantum direct key encryption and the design, manufacture and distribution of portable devices embedded with such encryption technology.

The Group's encryption technology and products segment was introduced in the current year as a result of the acquisition of POMP International Limited ("POMP") as set out in note 33.

7. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment revenues and results

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

For the year ended 31 March 2015

	Financial quotation and securities trading system licensing HK$	Mining operations HK$	Encryption technology and products HK$	Total HK$
Revenue	**55,808,473**	**595,450**	**–**	**56,403,923**
Segment loss	**(2,673,707)**	**(4,141,476)**	**(81,186,373)**	**(88,001,556)**
Unallocated corporate income and gains				**3,847**
Unallocated corporate expenses and losses				**(25,554,435)**
Finance costs				**(4,428,472)**
Loss before tax				**(117,980,616)**

For the year ended 31 March 2014

	Financial quotation and securities trading system licensing HK$	Mining operations HK$	Encryption technology and products HK$	Total HK$
Revenue	59,275,471	689,804	–	59,965,275
Segment loss	(874,051)	(5,173,402)	–	(6,047,453)
Unallocated corporate income and gains				606,550
Unallocated corporate expenses and losses				(20,374,916)
Finance costs				(384,778)
Loss before tax				(26,200,597)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment loss represents the loss from each segment without allocation of directors' salaries, certain interest income, certain other income and gain, certain general and administrative expenses and certain finance costs. This is the measure reported to the board of directors for the purposes of resource allocation and performance assessment.

7. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

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

	2015 HK$	2014 HK$
Segment assets		
Financial quotation and securities trading system licensing	**30,759,170**	34,412,230
Mining operations	**403,419,711**	403,053,303
Encryption technology and products	**29,519,952**	–
Unallocated corporate assets	**141,618,898**	158,584,106
Consolidated total assets	**605,317,731**	596,049,639

	2015 HK$	2014 HK$
Segment liabilities		
Financial quotation and securities trading system licensing	**8,735,938**	9,717,378
Mining operations	**95,224,225**	93,599,593
Encryption technology and products	**9,205,599**	–
Unallocated corporate liabilities	**68,938,743**	31,758,045
Consolidated total liabilities	**182,104,505**	135,075,016

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

- all assets are allocated to reportable and operating segments other than certain property, plant and equipment, certain other receivables, deposits and prepayments, and prepayment for acquisition of a subsidiary, available-for-sale investment, held for trading investment and certain bank balances and cash which are managed on a group basis.

- all liabilities are allocated to reportable and operating segments other than certain other payables and bonds which are managed on a group basis.

  In measuring the Group's segment liabilities, tax payable of HK$2,220,401 (2014: HK$2,209,690) and deferred tax liabilities of HK$77,169,039 (2014: HK$76,796,772) were allocated to the mining operations segment. However, the relevant income tax expense of nil (2014: HK$54,545) was not included in the measurement of segment results.

7. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Other segment information

	Financial quotation and securities trading system licensing HK$	Mining operations HK$	Encryption technology and products HK$	Unallocated HK$	Total HK$
For the year ended 31 March 2015					
Amounts included in the measure of segment results or segment assets:					
Depreciation of property, plant and equipment	**184,193**	**2,189,725**	**87,673**	**1,725,554**	**4,187,145**
Amortisation of prepaid lease payment	**–**	**110,139**	**–**	**–**	**110,139**
Amortisation of intangible assets	**–**	**–**	**25,067,042**	**–**	**25,067,042**
Additions to non-current assets*	**75,128**	**331,800**	**107,727,769**	**141,749**	**108,276,446**
Impairment loss on intangible assets	**–**	**–**	**54,977,909**	**–**	**54,977,909**
Loss on write-off of interest receivable	**–**	**–**	**–**	**1,603,333**	**1,603,333**
Bank interest income	**(314,352)**	**–**	**–**	**(3,846)**	**(318,198)**
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment results or segment assets:					
Decrease in fair value of held for trading investment	**–**	**–**	**–**	**5,512**	**5,512**
Finance costs	**–**	**–**	**537,309**	**4,428,472**	**4,965,781**
For the year ended 31 March 2014					
Amounts included in the measure of segment results or segment assets:					
Depreciation of property, plant and equipment	303,718	2,210,644	–	1,068,122	3,582,484
Amortisation of prepaid lease payment	–	110,138	–	–	110,138
Additions to non-current assets*	60,592	2,192,326	–	4,808,329	7,061,247
Interest income	(260,614)	–	–	(605,768)	(866,382)
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment results or segment assets:					
Decrease in fair value of held for trading investment	–	–	–	4,680	4,680
Realised loss on held for trading investment	–	–	–	78,365	78,365
Finance costs	–	–	–	384,778	384,778
Income tax expense	–	54,545	–	–	54,545

* Including additions through acquisition of a subsidiary of HK$107,727,769 (2014: HK$4,800,000) (note 33).

7. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Revenue from major product and services

The following is an analysis of the Group's revenue from its major products and services:

	2015 HK$	2014 HK$
Revenue from financial quotation and securities trading system licensing services	**55,148,880**	58,705,399
Revenue from wireless applications	**659,593**	570,072
Revenue from mining operations	**595,450**	689,804
	56,403,923	59,965,275

Geographical information

The Group's operations are located in Hong Kong and the People's Republic of China (the "PRC").

Information about the Group's revenue from external customers is presented based on the location of operations. Information about the Group's non-current assets, excluding financial instruments, is presented based on the geographical location of the assets.

The following tables present the Group's revenue based on the location of operations and information about its non-current assets by geographical location.

	Hong Kong		**PRC (excluding Hong Kong)**		**Total**	
	2015 HK$	2014 HK$	**2015 HK$**	2014 HK$	**2015 HK$**	2014 HK$
For the year ended 31 March						
Segment revenue	**55,808,473**	59,275,471	**595,450**	689,804	**56,403,923**	59,965,275
As at 31 March						
Non-current assets	**4,648,638**	5,151,081	**431,040,727**	461,836,969	**435,689,365**	466,988,050

Information about major customers

Revenue from customers of the corresponding year contributing over 10% of the total sales of the Group are as follows:

	2015 HK$	2014 HK$
Customer A[1]	**26,721,411**	29,201,453

[1] Revenue from financial quotation and securities trading system licensing services

8. OTHER INCOME AND GAIN

	2015 HK$	2014 HK$
Bank interest income	**318,198**	263,049
Forfeiture on deposit received	**81,200**	–
Exchange gains, net	**21,404**	782
Loan interest income	**–**	603,333
Rental Income	**–**	507,840
	420,802	1,375,004

9. FINANCE COSTS

	2015 HK$	2014 HK$
Effective interest expense on bonds	**4,428,472**	384,778
Interest on bank borrowing	**537,309**	–
	4,965,781	384,778

10. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	2015 HK$	2014 HK$
Depreciation of property, plant and equipment	**4,187,145**	3,582,484
Loss on write-off of interest receivable (note 21a)	**1,603,333**	–
Loss on write-off of property, plant and equipment	**1,417**	–
Auditor's remuneration	**1,036,000**	1,055,000
Employee benefit expenses (note 11)	**21,883,984**	19,157,449
Amortisation of prepaid lease payments	**110,139**	110,138
Minimum lease payments under operating leases in respect of land and buildings	**4,729,103**	3,569,790

11. EMPLOYEE BENEFIT EXPENSES

	2015 HK$	2014 HK$
Wages, salaries and other benefits (including directors' remunerations)	**21,128,913**	18,587,572
Retirement benefit costs (including directors' remunerations) – defined contribution schemes (note a)	**755,071**	569,877
	21,883,984	19,157,449

11. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(a) Retirement benefit costs – defined contribution schemes

No forfeited contribution was available at the end of the reporting period to reduce future contributions (2014: nil).

(b) Directors' and chief executive's emoluments

The remuneration paid or payable of each to the 13 (2014:10) directors, including the chief executive, for the year ended 31 March 2015 and 2014 is set out below:

For the year ended 31 March 2015	Executive directors					Non-executive director	Independent non-executive directors							
	Chow Wang[1] HK$	Cheung Wai Shing HK$	Chen Jiasong[2] HK$	Zhao Baolong[3] HK$	Xu Jian Zhong[4] HK$	Fong For[5] HK$	Zhang Guang Hui[6] HK$	Lee Kwong Yiu[7] HK$	Leung Ka Kui, Johnny[8] HK$	Wong Chui San, Susan[9] HK$	Chen Haoyun, Jordy[7] HK$	Yau Chung Hang[7] HK$	Jiang Zhi[10] HK$	Total HK$
Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking:														
Fees	287,097	1,200,000	1,200,000	–	216,774	72,903	191,613	123,226	114,839	114,839	61,613	61,613	48,387	3,692,904
Contributions to retirement benefits schemes	9,000	17,500	–	–	10,839	–	–	–	–	–	–	–	–	37,339
Discretionary bonus (note)	11,507	2,200,000	100,000	100,000	12,677	–	–	–	–	–	–	–	–	2,424,184
Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking	–	–	71,098	1,200,000	–	–	–	–	–	–	–	–	–	1,271,098
Contributions to retirement benefits schemes	–	–	59,181	17,500	–	–	–	–	–	–	–	–	–	76,681
Total emoluments	307,604	3,417,500	1,430,279	1,317,500	240,290	72,903	191,613	123,226	114,839	114,839	61,613	61,613	48,387	7,502,206

* Mr. Zhao Baolong is also the chief executive officer of the Company up to 23 April 2015 and his emoluments disclosed above include those services rendered by him as the chief executive.

1 Appointed as the chairman and an executive director of the Company on 9 October 2014
2 Stood down from chairman on 6 October 2014 and resigned as an executive director on 31 March 2015
3 Appointed on 25 August 2014 and resigned on 23 April 2015
4 Appointed on 25 August 2014
5 Appointed on 12 December 2014
6 Resigned on 19 January 2015
7 Resigned on 6 October 2014
8 Appointed on 12 December 2014
9 Appointed on 9 October 2014
10 Appointed on 19 January 2015

11. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(b) Directors' and chief executive's emoluments (Continued)

For the year ended 31 March 2014	Executive directors				Non-executive director	Independent non-executive directors				Chief executive officer	
	Chen Jiasong (Chairman) HK$ (Restated)	Cheung Wai Shing HK$ (Restated)	Song Gao Feng[1] HK$ (Restated)	Ma Sai[2] HK$ (Restated)	Qiu Hai Jian[3] HK$ (Restated)	Lee Kwong Yiu HK$ (Restated)	Zhang Guang Hui HK$ (Restated)	Chen Haoyun, Jordy HK$ (Restated)	Yau Chung Hang[4] HK$ (Restated)	Zhao Bao Long HK$ (Restated)	Total HK$ (Restated)
Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking:											
Fees	1,300,000	1,300,000	30,000	–	30,000	240,000	240,000	120,000	105,161	–	3,365,161
Contributions to retirement benefits schemes	–	15,000	–	–	–	–	–	–	–	–	15,000
Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking	131,040	–	–	–	–	–	–	–	–	1,300,000	1,431,040
Contributions to retirement benefits schemes	29,862	–	–	–	–	–	–	–	–	15,000	44,862
Total emoluments	1,460,902	1,315,000	30,000	–	30,000	240,000	240,000	120,000	105,161	1,315,000	4,856,063

1. Retired on 30 September 2013
2. Retired on 1 August 2013
3. Resigned on 30 September 2013
4. Appointed on 16 May 2013

No emoluments were paid by the Group to any directors or the chief executive of the Group as an inducement to join or upon joining the Group, or as compensation for loss of office for the two years ended 31 March 2015 and 2014.

No director or the chief executive waived or agreed to waive his emoluments during the two years ended 31 March 2015 and 2014.

Note: Discretionary bonus was determined with reference to the Group's operating results, individual performance and comparable market statistics.

Certain of the comparative information of directors' emoluments for the year ended 31 March 2014 previously disclosed in accordance with the predecessor Companies Ordinance have been restated in order to comply with the new scope and requirements by the Hong Kong Companies Ordinance (Cap. 622).

11. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(c) Five highest paid individuals

Of the five individuals with the highest emoluments in the Group, three (2014: three) were directors and the chief executive of the Company whose emoluments are disclosed in (b) above. The emoluments of the remaining two (2014: two) individuals were as follows:

	2015 HK$	2014 HK$
Wages, salaries and other benefits	**1,605,983**	1,589,593
Employer's contribution to retirement schemes	**35,000**	30,000
	1,640,983	1,619,593

The emoluments were within the following band:

	Number of individuals	
	2015	2014
Nil – HK$1,000,000	**2**	2

12. DIVIDEND

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).

13. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been made in current and prior years as there are no assessable profits generated for both years.

Under the law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the subsidiaries registered in the PRC is 25% from 1 January 2008 onwards.

The amount of income tax expense in the consolidated statement of profit or loss and other comprehensive income represents:

	2015 HK$	2014 HK$
Current tax:		
PRC Enterprise Income Tax	**–**	–
Underprovision for prior years	**–**	54,545
	–	54,545

13. INCOME TAX EXPENSE (CONTINUED)

The income tax expense for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follow:

	2015 **HK$**	2014 HK$
Loss before tax	**(117,980,616)**	(26,200,597)
Calculated at the rates applicable to loss in the tax jurisdictions concerned	**(26,855,902)**	(4,760,105)
Tax effect of income not taxable for tax purpose	**(62,853)**	(43,016)
Tax effect of expenses not deductible for tax purpose	**26,164,724**	3,382,612
Utilisation of tax losses previously not recognised	**(25,282)**	(11,852)
Tax effect of tax losses not recognised	**779,313**	1,432,361
Underprovision for prior years	**–**	54,545
Income tax expense	**–**	54,545

Details of deferred tax are set out in note 30.

14. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2015 **HK$**	2014 HK$
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	**(82,291,728)**	(23,453,872)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**1,776,889,973**	1,445,305,613

Diluted losses per share for the years ended 31 March 2015 and 2014 are the same as the basic loss per share as there are no dilutive potential ordinary shares outstanding during both years.

15. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles HK$	Mining structures HK$	Plant and machinery HK$	Leasehold improvements HK$	Computer equipment HK$	Furniture and fixtures HK$	Total HK$
COST							
At 1 April 2013	–	54,890,099	14,845,955	2,065,689	11,879,051	866,929	84,547,723
Additions	–	1,877,726	–	–	66,938	1,983	1,946,647
Acquisition of a subsidiary	4,800,000	–	–	–	–	–	4,800,000
Written-offs	–	–	–	–	(304,809)	–	(304,809)
Exchange realignment	–	320,377	95,946	2,331	1,143	777	420,574
At 31 March 2014 and 1 April 2014	4,800,000	57,088,202	14,941,901	2,068,020	11,642,323	869,689	91,410,135
Additions	–	–	–	–	103,729	113,148	216,877
Acquisition of subsidiaries	258,323	–	–	–	24,496	–	282,819
Written-offs	–	–	–	–	–	(3,188)	(3,188)
Exchange realignment	2,169	276,503	72,256	1,755	3,713	134	356,530
At 31 March 2015	**5,060,492**	**57,364,705**	**15,014,157**	**2,069,775**	**11,774,261**	**979,783**	**92,263,173**
ACCUMULATED DEPRECIATION							
At 1 April 2013	–	841,293	2,601,929	1,013,041	11,350,869	687,794	16,494,926
Provided for the year	800,000	549,458	1,629,388	173,468	314,363	115,807	3,582,484
Eliminated on written-offs	–	–	–	–	(304,809)	–	(304,809)
Exchange realignment	–	299	2,251	1,559	519	265	4,893
At 31 March 2014 and 1 April 2014	800,000	1,391,050	4,233,568	1,188,068	11,360,942	803,866	19,777,494
Provided for the year	880,410	549,466	1,629,410	879,952	212,258	35,649	4,187,145
Eliminated on written-offs	–	–	–	–	–	(1,771)	(1,771)
Exchange realignment	592	4,301	13,781	1,755	720	320	21,469
At 31 March 2015	**1,681,002**	**1,944,817**	**5,876,759**	**2,069,775**	**11,573,920**	**838,064**	**23,984,337**
CARRYING VALUES							
At 31 March 2015	**3,379,490**	**55,419,888**	**9,137,398**	**–**	**200,341**	**141,719**	**68,278,836**
At 31 March 2014	4,000,000	55,697,152	10,708,333	879,952	281,381	65,823	71,632,641

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives or under the UOP method as follows:

Motor vehicle	6 years
Mining structures	UOP method or $6^2/_3$ years, whichever is appropriate
Plant and machinery	$6^2/_3$ years
Leasehold improvements	3 years or over the lease term, which is shorter
Computer equipment	3 years
Furniture and fixtures	3-5 years

16. PREPAID LEASE PAYMENTS

The amount represented prepayments for operating leases in respect of certain of the Group's production premises.

The current portion of the prepaid lease payments of HK$110,139 (2014: HK$109,166) was included in other receivables, deposits and prepayments in the consolidated statement of financial position.

17. INTANGIBLE ASSETS

	Mining right and reserves HK$	Exploration rights HK$	Technical knowhow HK$	Total HK$
COST				
At 1 April 2013	315,100,600	3,473,340	–	318,573,940
Exchange realignment	2,016,190	47,662	–	2,063,852
At 31 March 2014 and 1 April 2014	317,116,790	3,521,002	–	320,637,792
Acquisition of subsidiaries	–	–	107,444,950	107,444,950
Exchange realignment	1,534,540	17,067	1,499,112	3,050,719
At 31 March 2015	318,651,330	3,538,069	108,944,062	431,133,461
ACCUMULATED AMORTISATION AND IMPAIRMENT				
At 1 April 2013, 31 March 2014 and 1 April 2014	–	–	–	–
Provided for the year	–	–	25,067,042	25,067,042
Impairment loss	–	–	54,977,909	54,977,909
Exchange realignment	–	–	(100,889)	(100,889)
At 31 March 2015	**–**	**–**	**79,944,062**	**79,944,062**
CARRYING VALUES				
At 31 March 2015	**318,651,330**	**3,538,069**	**29,000,000**	**351,189,399**
At 31 March 2014	317,116,790	3,521,002	–	320,637,792

The mining right and reserves has finite useful life and is amortised using the UOP method based on the proven and probable mineral reserves.

Technical knowhow has finite useful life and are amortised on a straight-line basis over 4 years.

18. PREPAYMENTS FOR EXPLORATION AND EVALUATION ACTIVITIES

The amount represented prepayments made for exploration drilling activities in relation to the Group's exploration rights held.

19. AVAILABLE-FOR-SALE INVESTMENT

	2015 **HK$**	2014 HK$
Unlisted equity investment in the PRC, at cost	**60,000,000**	60,000,000

The Group's available-for-sale investment as at 31 March 2015 amounted to HK$60,000,000 is measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that the fair value cannot be measured reliably.

As at 31 March 2014, the directors of the Company performed a review of the recoverable amount of the Group's available-for-sale investment based on the latest financial information and profitability trend of the investee company.

As at 31 March 2015, the directors of the Company performed a review of the recoverable amount of the Group's available-for-sale investment based on the fair value less cost of disposal, determined based on the consideration payable upon disposal of the available-for-sale investment. Further details of the disposal are set out in note 40(c).

In the opinion of the directors of the Company, no impairment loss was considered necessary.

20. TRADE RECEIVABLES

The Group did not hold any collateral over its trade receivables.

The Group's trade receivables from the financial quotation and securities trading system licensing segment are due upon the presentation of invoices. The Group normally allowed a credit period of 180 days for its trade receivable from the mining operations.

The following is an ageing analysis of the Group's trade receivables presented based on the invoice date, which approximated the respective revenue recognition dates, at the end of reporting period:

	2015 **HK$**	2014 HK$
0 – 3 months	**3,442,234**	4,652,701
4 – 6 months	**130,737**	146,178
	3,572,971	4,798,879

At the end of reporting period, included in the Group's trade receivables balance were debtors with aggregate balances of approximately HK$3,572,971 (2014: HK$4,767,420) which were past due but not impaired as at the end of the reporting period.

20. TRADE RECEIVABLES (CONTINUED)

The ageing analysis of trade receivables that were past due but not impaired is as follows:

	2015 HK$	2014 HK$
0 – 3 months	3,442,234	4,621,242
4 – 6 months	130,737	146,178
	3,572,971	4,767,420

Trade receivables that were past due were due from a wide range of customers for whom there was no recent history of default and thus they were considered not impaired.

21. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2015 HK$	2014 HK$
Interest receivable (note a)	–	1,603,333
Other receivables (note b)	1,840,760	18,681,651
Deposits and prepayments	6,343,645	3,104,164
	8,184,405	23,389,148

Notes:

(a) Receivable of HK$1,603,333 (2014: nil) has been written off during the year ended 31 March 2015 as a result of the loss of contact with the debtor.

(b) Included in the balance was advances to certain independent third parties of HK$356,549 (2014: HK$17,535,000) that are interest-free, unsecured and repayable on demand.

22. PREPAYMENT FOR ACQUISITION OF A SUBSIDIARY

On 24 March 2014, the Group entered into a sale and purchase agreement with an independent third party for the acquisition of 60% equity interest in POMP, a company incorporated in the British Virgin Islands, for a cash consideration of HK$60,000,000. The acquisition of POMP was completed on 30 April 2014 and was accounted for as an assets acquisition through acquisition of subsidiaries (note 33).

23. HELD FOR TRADING INVESTMENT

	2015 HK$	2014 HK$
Equity securities listed in Hong Kong, at fair value	12,948	18,460

The fair value of the equity securities listed in Hong Kong at the end of the reporting period is determined based on the quoted market bid price available on the Stock Exchange and a fair value loss of HK$5,512 (2014: HK$4,680) was recognised in profit or loss for the year ended 31 March 2015.

During the year ended 31 March 2014, certain listed equity security was disposed of and a realised loss of HK$78,365 had been recognised in profit or loss for the year. There is no disposal of listed equity securities during the year ended 31 March 2015.

24. BANK BALANCES AND CASH

	2015 HK$	2014 HK$
Cash at banks and in hand	**79,832,763**	30,876,702
Short-term time deposits	**18,025,279**	9,978,400
	97,858,042	40,855,102

Cash at banks carries interest at prevailing market rate at 0.35% to 0.50% for both years.

As at 31 March 2015, the effective interest rate on short-term time deposits was 1.91% (2014: 2.55%). These deposits had an average original maturity of 30 days.

25. TRADE AND OTHER PAYABLES

	2015 HK$	2014 HK$
Trade payables (notes a and b)	**5,220,636**	6,345,222
Receipt in advance	**6,983,170**	6,873,348
Other payables and accrued charges (note c)	**10,198,808**	7,597,428
	22,402,614	20,815,998

Notes:

(a) The ageing of trade payables were within 3 months based on the invoice date at the end of the reporting period.

(b) An average credit period of 45 to 180 days is granted by the service providers. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

(c) Balance included advances from certain independent third parties of HK$5,333,178 (2014: HK$2,967,869) that are interest-free, unsecured and repayable on demand.

26. BANK BORROWING

	2015 HK$	2014 HK$
Bank borrowing, unsecured	**7,078,213**	–

The bank borrowing with maturity date on 31 October 2014 was non-interest bearing. As at 31 March 2015, such bank borrowing is in default on repayment (2014: nil). Interest rate of 0.05% per day has been charged starting from the date of the default on repayment. Demand letter has been issued and court action has been filed by the bank. The court case has not yet been finalised up to the date of these financial statements and the Group is exposed to uncertain claims over default interest and penalty at the end of the reporting period.

27. AMOUNTS DUE TO NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARIES

The amounts are unsecured, interest-free and repayable on demand.

28. PROVISION FOR REINSTATEMENT COSTS

	2015 HK$	2014 HK$
At 1 April	**792,792**	787,689
Exchange realignment	**3,843**	5,103
At 31 March	**796,635**	792,792

Mining activities may result in land subsidence and damage to the environment of the mining areas. Pursuant to the relevant PRC regulations, the Group is required to restore the mining areas back to certain acceptable conditions.

Provision is recognised for estimated reinstatement costs to be incurred upon the full extraction of mining reserves by the Group.

29. BONDS

As at 31 March 2015, the Group has unsecured bonds with aggregate principal of HK$70,000,000 (2014: HK$30,000,000) with the following major terms:

Issue price:	100% of the principal amount
Interest:	5.5% per annum payable semi-annually in arrear
Maturity:	7 years from date of issuance unless early redeemed
Early redemption options:	– The holder can early request for early redemption after the fourth anniversary from the issue date up to the maturity date at a redemption amount of 80% of the outstanding principal. – The Group can early redeem the bonds after the fifth anniversary from the issue date up to the maturity date at a redemption amount of 100% of the outstanding principal.

The movements of the bonds are set out below:

	2015 HK$	2014 HK$
Carrying amount at the beginning of the year	**27,667,000**	–
New issue	**40,000,000**	30,000,000
Transaction costs	**(3,200,000)**	(2,400,000)
Effective interest charge for the year	**4,428,472**	384,778
Interest paid	**(3,666,472)**	(317,778)
Carrying amount at the end of the year	**65,229,000**	27,667,000
Less: Bonds repayable after one year shown under non-current liabilities	**(65,229,000)**	(27,667,000)
Current portion	**–**	–

The Company's bonds carry interest at effective interest rate of 7.22% (2014: 7.22%) per annum.

30. DEFERRED TAX

The followings are the major deferred tax liabilities (assets) recognised and movements thereon during the current and prior years:

	Accelerated tax depreciation HK$	Tax losses HK$	Fair value adjustments HK$	Total HK$
At 1 April 2013	40,215	(40,215)	76,302,451	76,302,451
(Credited) charged to profit or loss	(40,215)	40,215	–	–
Exchange realignment	–	–	494,321	494,321
At 31 March 2014 and 1 April 2014	–	–	76,796,772	76,796,772
Exchange realignment	–	–	372,267	372,367
At 31 March 2015	**–**	**–**	**77,169,039**	**77,169,039**

At the end of the reporting period, the Group has unused tax losses of HK$171,287,515 (2014: HK$166,717,627) available for offset against future profits.

No deferred tax asset has been recognised in respect of the unused tax losses of HK$171,287,515 (2014: HK$166,717,627) due to unpredictability of future profits streams.

Tax losses of the Group can be carried forward indefinitely.

31. SHARE CAPITAL

	2015 No. of shares	**2015** Amount HK$	2014 No. of shares	2014 Amount HK$
Authorised:				
Ordinary shares of HK$0.01 each	**6,000,000,000**	**60,000,000**	6,000,000,000	60,000,000
Issued and fully paid:				
Ordinary shares of HK$0.01 each				
At beginning of year	**1,655,347,200**	**16,553,472**	1,167,797,200	11,677,972
Issue of shares on placing	**331,068,000**	**3,310,680**	487,550,000	4,875,500
At 31 March	**1,986,415,200**	**19,864,152**	1,655,347,200	16,553,472

(i) On 5 July 2013 and 23 October 2013, 487,550,000 ordinary shares of HK$0.01 each in aggregate were placed at a price of HK$0.15 per share, raising a total proceeds of HK$70,207,185, net of direct expenses.

(ii) On 18 November 2014, 331,068,000 ordinary shares of HK$0.01 each were placed at a price of HK$0.114 per share, raising a total proceeds of HK$37,075,626, net of direct expenses.

The above shares rank pari passu in all aspects with other shares in issue.

32. SHARE OPTION SCHEME

The Company has adopted a share option scheme (the "Share Option Scheme") approved by the shareholders at a special general meeting of the Company held on 30 September 2013 (the "Adoption Date"). The Company previous Share Option Scheme which was adopted on 27 March 2002 had been expired on 26 March 2012. Under the Share Option Scheme the directors of the Company may, at their discretion, invite any participants to take up options to subscribe for fully paid ordinary shares ("Shares") in the Company subject to the terms and conditions stipulated therein.

Details of the Share Option Scheme are as follows:

(i) Purpose

The purpose of the Share Option Scheme is to recognise and acknowledge the contributions and potential contributions which the participants have made or may make to the Group and to motivating the participants to utilise their performance and efficiency for the benefit of the Group and attracting and retaining or otherwise maintaining an on-going relationship with the participants whose contributions are or will be beneficial to the long term growth of the Group.

(ii) Participants

The Directors may, at their discretion, invite any participant ("Participant") including any executive director, non-executive director or employee (whether full time or part time), consultant, contractor to the Group or any entity in which any member of the Group holds any interest ("Invested Entity").

(iii) Maximum number of shares

(1) 30% Limit

The limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme of the Company must not exceed 30% of the Shares in issue from time to time (the "Scheme Limit").

(2) 10% Limit

In addition to the Scheme Limit, and subject to the following, the total number of shares which may be issued upon exercise of all options granted under the Share Option Scheme of the Company must not in aggregate exceed 10% of the Shares in issue as at the date of approval of the Scheme (excluding any options which have lapsed) (the "Scheme Mandate Limit").

The Company may, from time to time, refresh the Scheme Mandate Limit by obtaining the approval of its shareholders in general meeting. The Company may also seek separate approval by its shareholders in general meeting for granting options beyond the renewed Scheme Mandate Limit provided the options in excess of such limit are granted only to Participants specifically identified.

32. SHARE OPTION SCHEME (CONTINUED)

(iv) Maximum Entitlement of Each Participant

Unless approved by shareholders of the Company, the total number of securities issued and to be issued upon exercise of the options granted to each Participant (including both exercised and outstanding options) in any 12 month period must not exceed 1% (0.1% for any director, chief executive or substantial shareholder) of the Shares in issue. Where any further grant of options to a Participant would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12 month period up to and including the date of such further grant representing in aggregate over 1% (0.1% for any director, chief executive or substantial shareholder) of the relevant class of securities in issue, such further grant must be separately approved by shareholders of the Company in general meeting with such Participant and his associates abstaining from voting.

(v) Price of Shares

The exercise price must be at least the higher of: (a) the closing price of a Share as stated in the daily quotations sheet of the Stock Exchange on the date of grant, which must be a business day and (b) the average closing price of a Share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant (c) the nominal value of a Share.

(vi) Amount payable upon acceptance of the option

HK$1.00 is payable by each participant to the Company on acceptance of an offer of an option, which shall be paid within 21 days from the date of offer.

(vii) Time of Exercise of Option

An option shall be exercisable at any time during a period to be notified by the Directors to each grantee, provided that no option shall be exercisable later than ten years after its date of grant. Unless otherwise determined by the Directors at their sole discretion, there is no performance target which must be achieved before an option can be exercised.

(viii) The remaining life of the Share Option Scheme

The life of the Share Option Scheme is 10 years commencing on the Adoption Date.

No share option has been granted, exercised or lapsed under the Share Option Scheme during year ended 31 March 2015 (2014: nil).

There is no outstanding option as at 31 March 2015 and 31 March 2014.

33. ACQUISITION OF SUBSIDIARIES ACCOUNTED FOR AS ASSETS ACQUISITION

Year ended 31 March 2015

On 30 April 2014, the Group completed the acquisition of the 60% equity interests of POMP from an independent third party for a cash consideration of HK$60,000,000. The directors of the Company are of the opinion that the acquisition of POMP is in substance an asset acquisition instead of a business combination, as the net assets of POMP was mainly intangible assets and POMP was inactive prior to the acquisition by the Group.

Net assets of POMP acquired:

	2015 HK$
Intangible asset	**107,444,950**
Property, plant and equipment	**282,819**
Other receivables	**29,054**
Bank balances and cash	**3,024,144**
Other payables	**(804,167)**
Bank borrowings	**(9,976,800)**
	100,000,000
Non-controlling interests	**(40,000,000)**
	60,000,000
Satisfied by:	
Prepayment for acquisition of a subsidiary	**60,000,000**
Net cash inflow arising from acquisition representing bank balance and cash acquired	**3,024,144**

Year ended 31 March 2014

On 16 April 2014, the Group completed the acquisition of the entire equity interests of Take Industry Investment Limited ("Take Industry") from an independent third party for a cash consideration of HK$4,800,000. The directors of the Company are of the opinion that the acquisition of Take Industry is in substance an asset acquisition instead of a business combination, as the net assets of Take Industry was mainly plant and equipment and Take Industry was inactive prior to the acquisition by the Group.

Asset of Take Industry acquired:

	2014 HK$
Plant and equipment	4,800,000
Satisfied by:	
Deposit paid for acquisition of a subsidiary	4,800,000
Net cash outflow arising from acquisition:	–

34. OPERATING LEASE COMMITMENTS

(a) The Group as lessor

During the year ended 31 March 2015, mining structures and plant and machinery with an aggregate carrying amount of HK$64,557,286 (2014: nil) included in property, plant and equipment and mining right and reserves and exploration rights in aggregate of HK$322,189,399 (2014: nil) included in intangible assets have been leased out with rental period of 1 year.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payment:

	2015	2014
	HK$	HK$
Within one year	**6,575,400**	–

(b) The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2015	2014
	HK$	HK$
Within one year	**3,812,377**	3,207,763
In the second to fifth years inclusive	**2,491,860**	1,782,648
	6,304,237	4,990,411

Operating lease payments represent rentals payable by the Group for certain of its office properties and production premises. Leases are negotiated for terms ranging from 1 to 2 years. Rentals were fixed at the inception of the leases.

35. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group has the following material transactions and balances with related parties:

(a) The balances with the non-controlling shareholders of subsidiaries are disclosed in note 27.

(b) Compensation of directors and key management personnel:

	2015 HK$	2014 HK$
Short-term employee benefits	7,388,186	4,796,201
Post-employment benefits	114,020	59,862
	7,502,206	4,856,063

The remunerations of directors and key executives are determined by the remuneration committee of the Company having regards to the performance of individuals and market trends.

Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

36. RETIREMENT BENEFITS PLANS

Hong Kong

The Group joins the MPF Scheme. Where staffs are eligible to participate in the MPF Scheme, both the Group and staff are required to contribute 5% of the employees' relevant income (capped at HK$1,250 per month from each party before 1 June 2014, and HK$1,500 per month from 1 June 2014 onwards). Contributions from the employer are 100% vested in the employees as soon as they are paid to the relevant MPF Scheme but all benefits derived from the mandatory contributions must be preserved until the employee reaches the retirement age of 65 subject to certain exceptions. Staff may elect to contribute more than the minimum as a voluntary contribution.

The total contribution to the MPF scheme charged to profit or loss was HK$563,414 (2014: HK$525,173).

PRC

The Group also participates in a defined contribution retirement scheme organised by the government in the PRC. All employees of the Group in the PRC are entitled to an annual pension equal to a fixed portion of their individual final basic salaries at their retirement date. The Group is required to contribute a specified percentage of the payroll of its employees to the retirement scheme. No forfeited contributions may be used by the employers to reduce the existing level of contributions.

The total contribution to defined contribution retirement scheme organised by the government in the PRC charged to profit or loss was HK$191,657 (2014: HK$44,704).

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2015 HK$	2014 HK$
Non-current assets		
Property, plant and equipment	**20,722**	896,885
Prepayment for acquisition of a subsidiary	**–**	60,000,000
Available-for-sale investment	**60,000,000**	60,000,000
Interests in subsidiaries	**192,553,189**	171,169,432
	252,573,911	292,066,317
Current assets		
Other receivables, deposits and prepayments	**939,455**	20,235,743
Bank balances and cash	**67,820,934**	10,151,796
	68,760,389	30,387,539
Current liability		
Other payables	**1,735,908**	1,763,005
Net current assets	**67,024,481**	28,624,534
Total assets less current liability	**319,589,392**	320,690,851
Non-current liability		
Bonds	**65,229,000**	27,667,000
	254,369,392	293,023,851
Capital and reserves		
Share capital	**19,864,152**	16,553,472
Reserves (note(i))	**234,505,240**	276,470,379
	254,369,392	293,023,851

Note (i): Movements in reserves

	Share premium HK$	Capital redemption reserve HK$	Accumulated losses HK$	Total reserves HK$
At 1 April 2013	282,494,764	176,000	(57,037,486)	225,633,278
Loss and total comprehensive expense for the year	–	–	(14,494,584)	(14,494,584)
Issue of shares on placing (note 31)	68,257,000	–	–	68,257,000
Transaction costs attributable to placing of shares	(2,925,315)	–	–	(2,925,315)
At 31 March 2014 and 1 April 2014	347,826,449	176,000	(71,532,070)	276,470,379
Loss and total comprehensive expense for the year	–	–	(75,730,085)	(75,730,085)
Issue of shares on placing (note 31)	34,431,072	–	–	34,431,072
Transaction costs attributable to placing of shares	(666,126)	–	–	(666,126)
At 31 March 2015	381,591,395	176,000	(147,262,155)	234,505,240

38. PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the principal subsidiaries of the Company as at 31 March 2015 and 2014 are as follows:

Name of subsidiary	Place of incorporation/ establishment/ operation	Issued and fully paid share capital/ registered capital	Proportion ownership interest held by the Company		Principal activities
			Directly	Indirectly	
Choudary Limited ("Choudary")	British Virgin Islands ("BVI")	US$48,465	51.00% (2014: 51.00%)	–	Investment holding
ABC QuickSilver Limited (Note 1)	BVI/Hong Kong	US$25	–	50.97% (2014: 50.97%)	Wireless application development
QuotePower International Limited (Note 1)	Hong Kong	HK$67,264,000	–	50.97% (2014: 50.97%)	Financial information services and securities trading system licensing
Jun Qiao Limited ("Jun Qiao")	BVI	US$50,000	60.00% (2014: 60.00%)	–	Investment holding
Tong Bai County Yin Di Mining Company Limited* (Note 2)	PRC	RMB500,000	–	54.00% (2014: 54.00%)	Extraction and sale of mineral products
Xin Jiang Xin Jiang Yuan Mining Company Limited** (Note 2)	PRC	RMB3,000,000	–	51.30% (2014: 51.30%)	Mine exploration
POMP	BVI	HK$780	60.00% (2014: nil)	–	Investment holding
DeTron Tech Ltd.** (Note 3)	PRC	RMB20,000,000	–	60.00% (2014: nil)	Mobile encryption technology development & products

* This entity is domestic enterprise.
** This entities are foreign-investment enterprises.

The above table lists the subsidiaries of the Group which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

None of the subsidiaries has issued any debt securities at the end of or at any time during both reporting periods.

Notes:

1. Subsidiaries of Choudary
2. Subsidiaries of Jun Qiao
3. Subsidiary of POMP

38. PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

At the end of the reporting period, the Group has other subsidiaries that are not material to the Group. The principal activities and place of business of these subsidiaries are summarised as follows:

Principal activities	Principal place of business	Number of subsidiaries 2015	2014
Inactive	Hong Kong	**7**	6
	PRC	**4**	2
Provision of administrative support to group entities	PRC	**1**	1
Investment holding	Hong Kong	**2**	1
	PRC	**1**	–
		15	10

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiaries	Place of incorporation and principal place of business	Proportion of ownership interest held by non-controlling interests	Proportion of voting rights held by non-controlling interests	Loss attributable to non-controlling interests HK$	Accumulated non-controlling interest HK$
2015					
Choudary and its subsidiaries	BVI/Hong Kong	49%	49%	(1,310,116)	10,782,211
Jun Qiao and its subsidiaries	BVI/PRC	40%	40%	(1,904,223)	107,517,192
POMP and its subsidiaries	BVI/PRC	40%	40%	(32,434,549)	8,125,742
				(35,688,888)	126,425,145
2014					
Choudary and its subsidiaries	BVI/Hong Kong	49%	49%	(430,890)	12,091,303
Jun Qiao and its subsidiaries	BVI/PRC	40%	40%	(2,370,380)	108,885,925
				(2,801,270)	120,977,228

38. PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Choudary and its subsidiaries

	2015 HK$	2014 HK$
Current assets	**30,604,407**	34,147,082
Non-current assets	**154,763**	265,148
Current liabilities	**(8,735,938)**	(9,717,378)
Equity attributable to owners of the Company	**11,241,021**	12,603,549
Non-controlling interest	**10,782,211**	12,091,303
Revenue	**56,225,429**	59,536,085
Expenses	**(58,899,136)**	(60,410,136)
Loss for the year	**(2,673,707)**	(874,051)
Loss attributable to owners of the Company	**(1,363,591)**	(443,161)
Loss attributable to the non-controlling interests	**(1,310,116)**	(430,890)
Loss for the year	**(2,673,707)**	(874,051)
Other comprehensive income attributable to owners of the Company	**1,063**	1,557
Other comprehensive income attributable to the non-controlling interests	**1,024**	1,495
Other comprehensive income for the year	**2,087**	3,052
Total comprehensive expense attributable to owners of the Company	**(1,362,528)**	(441,604)
Total comprehensive expense attributable to the non-controlling interests	**(1,309,092)**	(429,395)
Total comprehensive expense for the year	**(2,671,620)**	(870,999)
Net cash outflow from operating activities	**(3,097,754)**	(1,067,018)
Net cash inflow from investing activities	**186,725**	200,023
Net cash outflow from financing activities	**–**	(20,000)
Net cash outflow	**(2,911,029)**	(886,995)

38. PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

Jun Qiao and its subsidiaries

	2015 HK$	2014 HK$
Current assets	**1,684,543**	1,240,503
Non-current assets	**401,735,168**	401,812,800
Current liabilities	**(92,369,923)**	(89,396,435)
Non-current liabilities	**(77,965,674)**	(77,589,564)
Equity attributable to owners of the Company	**125,566,922**	127,181,379
Non-controlling interest	**107,517,192**	108,885,925
Revenue	**595,450**	1,197,644
Expenses	**(4,736,926)**	(6,425,591)
Loss for the year	**(4,141,476)**	(5,227,947)
Loss attributable to owners of the Company	**(2,237,253)**	(2,857,567)
Loss attributable to the non-controlling interests	**(1,904,223)**	(2,370,380)
Loss for the year	**(4,141,476)**	(5,227,947)
Other comprehensive income attributable to owners of the Company	**622,796**	1,045,379
Other comprehensive income attributable to the non-controlling interests	**535,490**	850,339
Other comprehensive income for the year	**1,158,286**	1,895,718
Total comprehensive expense attributable to owners of the Company	**(1,614,457)**	(1,812,188)
Total comprehensive expense attributable to the non-controlling interests	**(1,368,733)**	(1,520,041)
Total comprehensive expense for the year	**(2,983,190)**	(3,332,229)
Net cash outflow from operating activities	**(455,020)**	(289,004)
Net cash inflow (outflow) from investing activities	**1,080,092**	(2,192,326)
Net cash inflow from financing activities	**–**	2,070,378
Net cash inflow (outflow)	**625,072**	(410,952)

38. PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

POMP and its subsidiaries*

	2015 HK$
Current assets	320,507
Non-current assets	29,199,445
Current liabilities	(9,205,599)
Non-current liabilities	–
Equity attributable to owners of the Company	12,188,611
Non-controlling interest	8,125,742

	From 1 May 2014 to 31 March 2015 HK$
Revenue	–
Expenses	(81,186,373)
Loss for the year	(81,186,373)
Loss attributable to owners of the Company	(48,711,824)
Loss attributable to the non-controlling interests	(32,474,549)
Loss for the year	(81,186,373)
Other comprehensive income attributable to owners of the Company	900,435
Other comprehensive income attributable to the non-controlling interests	600,291
Other comprehensive income for the year	1,500,726
Total comprehensive expense attributable to owners of the Company	(47,811,389)
Total comprehensive expense attributable to the non-controlling interests	(31,874,258)
Total comprehensive expense for the year	(79,685,647)
Net cash outflow from operating activities	(407,026)
Net cash outflow from financing activities	(2,228,402)
Net cash outflow	(2,635,428)

* POMP and its subsidiaries were acquired by the Group on 30 April 2014 (details are set out in note 33) and the comparative financial information is not applicable for the disclosure.

39. EVENTS AFTER THE REPORTING PERIOD

(a) Major acquisition

On 24 April 2015, Ban Loong Property Investment Limited, a wholly-owned subsidiary of the Company has entered into a sale and purchase agreement with Mr. Chiu Ngai Hung ("Mr. Chiu"), an independent third party, for the purchase of seven property holding companies wholly owned by Mr. Chiu for a cash consideration of HK$297,193,940. A refundable deposit of HK$29,719,394 has been paid upon the signing of the agreement on 24 April 2015. The acquisition was not yet completed as of the date of approval of consolidated financial statements. Further details of the proposed acquisition are set out in the Company's announcement dated 28 April 2015.

(b) Placing of convertible bonds

On 24 April 2015, the Company entered into a placing agreement with a placing agent, pursuant to which the placing agent conditionally agreed to act as the placing agent, on a best effort basis, to place the convertible bonds with a principal amount of up to HK$150,000,000. Further details of the placing of convertible bonds are set out in the Company's announcement dated 27 April 2015.

There are no convertible bonds issued up to the date of approval of these consolidated financial statements.

(c) Disposal of available-for-sale investment

On 4 June 2015, the Company and an independent third party entered into a sale and purchase agreement for the disposal of the available-for-sale investment at a cash consideration of HK$60,000,000. A non-refundable deposit of HK$30,000,000 has been received in June 2015. The disposal is expected to be completed in December 2015. Further details of the disposal are set out in the Company's announcement dated 4 June 2015.

FIVE-YEAR FINANCIAL SUMMARY

	2011 HK$'000	2012 HK$'000	2013 HK$'000	2014 HK$'000	**2015** **HK$'000**
Turnover	103,409	115,025	68,747	59,965	**56,404**
(Loss) profit before income tax	(22,356)	19,161	(23,566)	(26,201)	**(117,981)**
Taxation (charge) credit	–	(2,139)	(7)	(54)	**–**
(Loss) profit after taxation	(22,356)	17,022	(23,573)	(26,255)	**(117,981)**
(Loss) profit attributable to shareholders	(23,144)	12,554	(22,258)	(23,454)	**(82,292)**
(Loss) profit attributable to shareholders per share	(4.56) cents	1.98 cents	(2.12) cents	(1.62) cents	**(4.63) cents**
ASSETS AND LIABILITIES					
Total assets	193,784	477,947	521,187	596,049	**605,318**
Current liabilities	(63,950)	(96,230)	(28,328)	(29,818)	**(38,910)**
Funds employed	129,834	381,717	492,859	566,231	**566,408**
Shareholders' fund	118,845	182,484	292,843	339,997	**296,788**
Provision for reinstatement costs, deferred taxation and bonds	–	76,166	77,090	105,257	**143,195**
Funds employed	118,845	258,650	369,933	445,254	**439,983**
Return on average shareholders' fund (%)	(27.2)	8.0	(9.4)	(7.4)	**(25.8)**
Dividends per share	–	–	–	–	**–**