国联通信
Global Link

Stock Code：8060
http://www.glink.hk

國聯通信控股有限公司
Global Link Communications Holdings Limited

(Incorporated in the Cayman Islands with Limited Liability)

年報 2014/15
ANNUAL REPORT

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

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

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

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Ma Yuanguang *(Chairman and Chief Executive Officer)*
Lo Kam Hon, Gary *FCCA, CPA*
Hu Tiejun

NON-EXECUTIVE DIRECTOR

Wing Kee Eng, Lee

INDEPENDENT NON-EXECUTIVE DIRECTORS

Lu Ting Jie
Leung Kwok Keung *FCCA, FCPA, ACA*
Liu Kejun

AUTHORIZED REPRESENTATIVES

Ma Yuanguang
Lo Kam Hon, Gary *FCCA, CPA*

COMPLIANCE OFFICER

Ma Yuanguang

COMPANY SECRETARY

Lo Kam Hon, Gary *FCCA, CPA*

AUDIT COMMITTEE

Leung Kwok Keung *FCCA, FCPA, ACA (Chairman)*
Lu Ting Jie
Liu Kejun

REMUNERATION COMMITTEE

Leung Kwok Keung *FCCA, FCPA, ACA (Chairman)*
Ma Yuanguang
Liu Kejun

NOMINATION COMMITTEE

Liu Kejun *(Chairman)*
Ma Yuanguang
Leung Kwok Keung *FCCA, FCPA, ACA*

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China Construction Bank
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Chiyu Banking Corporation Limited
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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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AUDITORS

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Causeway Bay, Hong Kong

STOCK CODE

8060

CHAIRMAN'S STATEMENT

On behalf of the board of directors (the "Board") of Global Link Communications Holdings Limited (the "Company"), I would like to present the audited annual results of the Company and its subsidiaries ("Global Link" or the "Group") for the year ended 31 March 2015 for shareholders' review.

During the year under review, the economy of the PRC developed steadily as a whole, and the trend of sustainable growth was sound as a result of structural adjustments promoted through continuously furthering reforms in various areas. With the implementation of economic strategies including "One Belt, One Road" and founding of the Asian Infrastructure Investment Bank (AIIB), the core advantages of the country in terms of resources could come into full play. The restructuring of China South Locomotive and Rolling Stock Corporation Limited ("CSR") and China Northern Locomotive and Rolling Stock Industry (Group) Corporation ("CNR"), both state-owned enterprises, set up a sound mechanism for achieving the expansion into international markets and completing the construction of nationwide rail transit infrastructure.

Operating railways in Mainland China span across a distance of 112,000 km in total, of which express rail links cover 16,000 km (exceeding the total mileage of other countries). With the enhancement of the economic standards of various cities and the promotion of urbanisation, the construction of domestic urban rail transit infrastructure has also maintained a notable growth. At the end of 2014, there were 95 lines operating in 22 cities, with a total mileage of nearly 3,000 km. According to national planning, urban metro lines will operate in 39 cities across 27 provinces by 2020. With a total investment of RMB2.5 trillion, 97 lines and 4,000 km of railway coverage will be added. Driven by the continuous growth in the domestic and international rail transit industry, the Group will have ample market opportunities.

At the beginning of the year, the Group formulated its "dual-track" business development strategy based on the economic policies of the PRC government. Under the strategy, one of the "track" is to continue expanding its market horizon in the rail transit industry through vigorous efforts in features innovation, by leveraging the brand advantage of Global Link in the industry and the refined operation. The other "track" is to launch smart city infrastructure with the authorized rights to use CA-SIM developed with 2.4G RF-SIM technology which exclusively meets the national standards. The Group will push forward the upgrading and restructuring of its business operation based on the operation and services of personal mobile internet community.

During the year under review, we demonstrated outstanding innovative initiatives in the products and solutions of our rail transit business operations, and avoided competition merely based on price. The innovative initiatives mainly involved broadcasting systems, display systems and media player systems for trains. We collaborated with research and development institutions of major urban metro operators in the process of accomplishing the innovative initiatives by placing emphasis on the use of new technology, demonstrating the power of "Internet +" to the fullest extent. As many innovative initiatives are unprecedented in the industry and have won acclaim from CSR and CNR as well as operators, we have therefore gained new competitive edges in terms of new contracts signed during the year and subsequent orders in future.

Reforms for broadening the horizon for our business operations and transformation to the provision of operation services have been our pursuit over the years. After years of information research, market tracking and heightened awareness of the Internet, the Group could indeed grasp the opportunity. In December 2014, Global Link acquired certain application rights of CA-SIM from International Elite Ltd. ("International Elite") (stock code: 1328). International Elite has spent considerable efforts in the research and development of RF-SIM cards for over a decade, making its CA-SIM a product with exclusive proprietary rights and meeting PRC standards. This core technology caters for key applications in the areas of personal mobile Internet, Internet of Things and network information security. Franchised market expansion and construction of smart city infrastructure have been launched by the Company's wholly-owned subsidiary, 廣州勝億信息科技有限公司 (formerly known as "廣州勝億交通信息軟件有限公司"). In recent months, the smart livelihood project being implemented in Panyu District, Guangzhou has resulted in the implementation of CA-SIM for the Security Management System of temporary rental apartments after passing the acceptance inspection of the government. The Group will implement personal mobile Internet projects in areas including government premises, public venues, residential areas, business districts and university towns in accordance with the government's development plan. Projects will be implemented through various modes including the government's purchase of services, community-based property management cooperation and collaboration with telecommunication operators.

In summary, the Group has been keeping up closely with the PRC government's economic policies and mapping out long-term plans for development under the core principles of continuous innovation, vigorous reform and evolvement, while adhering to an open-minded cooperation principle that benefits all parties on the public relations front in the industry, thereby opening up greater development potential for us. In addition to e-commerce, "Internet +" can extend its outreach to traditional industries and services and the possibilities for development are endless. I believe the Group has claimed a leading position through obtaining a franchise. Guided by the open-minded cooperation principle, Global Link has laid the groundwork for the next quantum leap.

Ma Yuanguang
Chairman

Hong Kong, 26 June 2015

MANAGEMENT DISCUSSION AND ANALYSIS

The economy of the PRC achieved stable growth in the year as the government furthered economic and structural reforms in a comprehensive way. The global presence of industries of the PRC has been boosted by the improved international relations and major policy initiatives such as the "One Belt, One Road" and the establishment of AIIB. Meanwhile, with the reforms on the systems and structures of state-owned enterprises progressing from top-down design to implementation on various fronts at the central and local levels, a notable number of sustainable reforms in areas including economy, technology, people's livelihood and services fields have emerged.

MARKET OVERVIEW

China's reforms have stepped into the stage of practical implementation after two state-owned PRC rail transit giants CSR and CNR proceeded with their merger and restructuring in the year. On the back of the 12th Five-year Plan, rail transit construction in the PRC maintained a strong growth momentum and the operating railway network in Mainland China has reached a length of 112,000 km to date. The express rail transit sector in the PRC is in general terms competitive enough to defy industry peers in the international market following overseas technological introduction, digestion and innovation over the past decade or so. The rail transit manufacturers in the PRC have begun to implement more advanced international business strategies by establishing joint research and development centres in Germany and Thailand and the International Alliance of Rail Vehicle Industrial Design, and setting up offices in Australia, the United States and India.

The total length of the express rail network in the PRC has reached 16,000 km to date, while the urban rail transit network of around 3,000 km covers 22 hub cities with 95 lines in operation. According to the PRC government's implementation plan for the construction of the approved projects, by 2020, the total investment on the rail network covering 39 cities in 27 provinces nationwide would reach RMB2.5 trillion, and an additional 97 lines of around 4,000 km would be put into operation. This demonstrates that the domestic and overseas markets present a crucial business opportunity for the rail transit industry.

BUSINESS REVIEW

Based on the PRC government's reform principles in economic reforms and in various other areas, the Board of Directors summed up the experience and lessons over the years to formulate the "two-wheel-drive" strategy on the basis of rail transit information systems and the development of mobile Internet operations and services.

Guangzhou Global Link Communications Inc. is principally engaged in the overall solutions of rail transit information systems with over 10 years' track record in the industry. The products and solutions are well received by rail transit operators in various hub cities. Meanwhile, the company is a qualified supplier certified by CSR and CNR. With close partnership with those enterprises for many years, Guangzhou Global Link has been a key component supplier for train manufacturing enterprises participating in domestic and overseas tendering. The management conducted detailed analysis on the economic trend of recent years in the industry, especially the competitive market landscape and demand of operators for high quality train operating services. We are highly aware that we must take the initiative to give up the traditional business model of acquiring contracts by price wars, rather we must continue to improve product competitiveness through innovation and make full play of high-technology and innovative application systems and solutions in order to boost new market demand and penetrate new markets with reasonable margins. Under the guidance of this strategy, we collaborated with various research and development institutions of operators in several hub cities, and through joint planning and research and development, the business model under which operators put forward new requirements and formally set up a project with Guangzhou Global Link serving as the manufacturer and supplier will enable us to acquire new contracts and orders, and consolidate and boost our status in the industry.

Sustained creativity is the origin of corporate development, including reforms of the business strategy, the management structure, the product layout, and the allocation of manpower, indispensable for adapting to the requirements of the market. With the improvement of the Internet and Internet of Things, various new products, new services and new business models will bring changes to the traditional industries, giving rise to numerous business models and services with full vitality. The management has been striving to look for new corporate development opportunities and, with tireless efforts and perseverance, we eventually acquired certain application rights of Certificate Authority SIM ("CA-SIM") from International Elite (stock code: 1328) in December 2014.

International Elite owns exclusive proprietary rights of CA-SIM, and the core technology of its 2.4G RF SIM card for mobile phones became the national industry standard in late 2014, and it has been widely applied to extensive areas. Unique identity authentication, security authentication, integrated cloud processing, big data and mobile apps will provide smart cities with brand new services. The Group's acquisition of regional exclusive rights can cater for the robust demand arising from the development of smart cities in the PRC.

The implementation of the "two-wheel-drive plan" will lead to the overall upgrading and transformation of business operations. In view of the characteristics of development of community-based mobile Internet for constructing smart cities, we must establish an operation team that is dynamic, creative and vital. Following detailed planning, a team engaged in mobile Internet business operations and services was set up on the foundation of the wholly-owned 廣州勝億信息科技有限公司 (formerly known as "廣州勝億交通信息軟件有限公司"). Through internal transfer and open recruitment over several months, the team has already proceeded to the project execution stage.

The development of Panyu District, Guangzhou into a smart city is a domestic pilot government project for people's livelihood under trial run with emphasis on the database, cards, bonus points scheme and services for the livelihood of the people, which has fully demonstrated the local government's response to the calls of the national "Internet +" policy, and the plan may enable the government to function for the benefits and convenience of the people with higher working efficiency.

The development of Panyu into a smart city is the first battle for the Group in achieving its business upgrading and transformation initiatives. On the basis of opened-minded cooperation with the local government, various enterprises and various brand-name property management companies for residential areas, the Group has gradually expanded its business model by aligning with national and local policies to achieve corporate efficiency through provision of services targeting the benefits and convenience of the people.

FINANCIAL REVIEW

Turnover

Over the past year, the Group supplied 12 train routes in 10 domestic and foreign cities with passenger information systems according to the delivery plans of signed contracts for the supply of goods. Sales of passenger information systems and parts both increased as compared with those of last year. The turnover of the Group for the year amounted to HK$75,427,000, compared with HK$68,133,000 for last year, representing an increase of 11%.

MANAGEMENT DISCUSSION AND ANALYSIS

Gross profit and loss attributable to equity shareholders

As at 31 March 2015, the Group recorded gross profit of approximately HK$1,747,000 and loss after tax of approximately HK$42,468,000. Loss attributable to equity shareholders of the Company amounted to approximately HK$42,462,000.

Mainly due to the decrease in the unit price of the passenger information systems delivered under newly signed contracts arising from heightened competition in the rail transit industry, gross margin for the year decreased to 2% from 21% of last year. During the year, gross margin was also driven down by factors like increased investment in research and development for system solutions of new projects, increased hiring and salary adjustments of staff in engineering and manufacturing departments, as well as increased costs of social insurance in compliance with government requirements.

Selling expenses

Selling expenses amounted to approximately HK$9,023,000, a decrease of HK$6,794,000 or 43% compared with those of last year. Based on the sales strategy formulated in the previous year, the Group abandoned projects of low gross profit and became more selective in bidding projects. Marketing activities were more targeted and expenses thus decreased.

Administrative expenses

The administrative expenses of the year decreased by HK$2,332,000 compared with those of last year, mainly due to a decrease in allowance for doubtful debts.

Other operating expenses

Systems engineering maintenance was provided for projects delivered but still within warranty period during the year, and provision for product maintenance warranty was made for such projects. Other operating expenses incurred during the year amounted to HK$23,134,000, a decrease of 40% from HK$38,663,000 of last year.

Other income

During the year, other income decreased by approximately 59% as compared to that of the last year.

TURNOVER BY REGION

During the period, Guangzhou Global Link Communications Inc. remained as the major contributor to the Group's operating income, and the solution of train information system for railway transportation was the core product for generating operating income. CSR, CNR, railway transportation contractors and integrated project enterprises, as well as subway operators in places where projects had commenced operation, were among the major customers of the Group. The PRC market was the main market for products and services of the Group, supplemented by overseas markets.

The Group realized turnover of HK$73,745,000 in the PRC, representing 97% of the Group's turnover for the year.

CUSTOMER ANALYSIS

The customers of the Group are mainly train manufacturers previously under the CSR and CNR, which are supplied with our certified train information system products. The Group also supplies innovative application technology and services, product parts, maintenance services for various urban rail transit operators, as well as system solutions, product support and related services for rail transit operators in, among others, Hong Kong, Malaysia and Turkey.

As the Smart City project develops, our customers have included government service departments, security management companies, migrant population management departments, various types of service providers in residential, commercial and office areas, and providers of everyday life applications and services in public venues.

BUSINESS PARTNERS

With rail transportation as the main market of the Group, various major train manufacturers and urban rail transit operators in the PRC have long been our partners. As the promotion of projects and innovative technology progresses, we have established good partnership with many domestic rail transit project contractors, systems integrators, as well as renowned train manufacturers and rail transit operators in Hong Kong and overseas.

As the operation services of Smart Community O2O develops, the partners of the Company have included major telecommunications operators, government agencies implementing the Smart City project, property management companies, network operators, application software developers, professional customer service companies, real estate agencies, various businesses, advertising companies and educational institutions.

CAPITAL STRUCTURE

There has been no material change in the capital structure of the Group since the last accounting year.

The Group carried out prudent financial policy with surplus cash deposited in bank to finance operation and investments. Management will review financial forecast on a regular basis. As at 31 March 2015, the Group had a total cash and bank balances, amounted to approximately HK$18,677,000 (2014: approximately HK$29,297,000).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OUTLOOK

The management believes that, assisted by the massive economic structural reforms implemented by the PRC government, the implementation of "One Belt, One Road" will cover many overseas countries. The competitiveness of PRC companies in rail transit construction will drive more domestic enterprises to the international market. The demand for various operational support and services will increase as projects launch. While the trend of traditional industries being transformed by the Internet has become unstoppable, the Group has obtained a franchise for patent use. By aligning to the implementation of the Smart City project by the government, the Group will have ample development opportunities under the "two-wheel-drive" business strategy.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2015, the Group had net current assets of approximately HK$53,281,000 (2014: approximately HK$94,112,000), of which approximately HK$18,677,000 (2014: approximately HK$29,297,000) were cash and bank balances. The Directors are confident that the Group's existing financial resources will be sufficient to satisfy its commitments and working capital requirements.

CHARGE ON THE GROUP'S ASSETS

The Group had no charge on its assets for the year under review.

MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENTS

The Group did not have any material acquisitions, disposals and significant investments during the year under review.

GEARING RATIO

The Group had no outstanding bank loans or other interest-bearing loans as at 31 March 2015 and the gearing ratio (being ratio of total long term borrowings to equity) was therefore inapplicable.

FOREIGN EXCHANGE EXPOSURE

The Group exposes to certain foreign currency risk primarily with respect to Renminbi. No hedging or other alternatives have been implemented. The Group continues to monitor its exposure closely and will take measures to lower the foreign currency risk when necessary.

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of our Directors as at the latest practicable date prior to the issue of the annual report, the Group had maintained sufficient public float in accordance with the GEM Listing Rules throughout the year under review.

SEGMENT INFORMATION

Segment information of the Group is set out in note 8 to the financial statements.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 March 2015 (2014: Nil).

PURCHASE, SALE OR REDEMPTION OF SHARES

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

EMPLOYEE AND SALARIES POLICY

As at 31 March 2015, the Group had 156 employees (2014: 163 employees), with 147 employees and 9 employees employed in the PRC and Hong Kong respectively.

	At 31 March 2015 Number of staff	At 31 March 2014 Number of staff
Management, finance and administration	**35**	32
Research and development	**50**	58
Sales and after-sales maintenance	**71**	73
Total	**156**	163

The total staff costs, including Directors' emoluments, amounted to approximately HK$16,085,000 (2014: approximately HK$17,359,000) for the year under review. Staff remuneration, including the emolument payable to the Directors, is reviewed by the Group from time to time depending on length of service and performance of the staff.

The Group provides various employee benefits, including Mandatory Provident Fund Scheme, social insurance and accident insurance.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Ma Yuanguang (馬遠光), aged 61, is the co-founder of the Group and is also the chairman of the board of Directors and Chief Executive Officer. Mr. Ma is responsible for the overall strategic planning of the Group. Mr. Ma has over thirty years' experience in the telecommunications industry. Prior to joining the Group, Mr. Ma had the experience of managing a state-owned telecommunications system production enterprise for eight years. Mr. Ma has cooperated with several multinational hi-tech firms in the United States, Canada and Australia, etc. for the introduction of various new products and new technologies to the PRC. Mr. Ma is also the compliance officer and member of the remuneration committee and nomination committee of the Company. Mr. Ma is also a director of GL Limited, Hilltop Holdings Group Limited, Guangzhou Global Link Communications Inc., Global Link Communications (HK) Limited and Tonnex Holdings Limited, all being subsidiaries of the Company. Mr. Ma is also an authorized representative of the Company.

Mr. Hu Tiejun (胡鉄君), aged 64, has been re-designated from independent non-executive Director to the executive Director with effect from 16 December 2014. Mr. Hu holds a Bachelor Degree in Physics from the Zhongshan (Sun Yat-sen) University (中山大學) and has over forty years' experience in telecommunications, computer systems, data warehouse and information network. Mr. Hu is now a marketing director of WIMAX Forum, which is an industryled, not-for-profit organization, South East Asia district and a vice-president and general secretary of Worldwide Ethnic Chinese Wireless & Radio Association.

Mr. Lo Kam Hon, Gary (勞錦漢), aged 51, is the financial controller of the Group and is also the Group's company secretary, responsible for the Group's financial and cash flow management and budget control. Mr. Lo is also an authorized representative of the Company. Mr. Lo is a fellow member of The Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Mr. Lo joined the Group in February 2003 and has more than twenty years' experience in finance, accountancy and treasury. Mr. Lo is also the Chief Financial Officer of Goldenmars Technology Holdings Limited (Stock Code: 8036), a company listed on GEM.

NON-EXECUTIVE DIRECTOR

Mr. Wing Kee Eng, Lee, aged 62. Mr. Lee joined the Group in May 2002. Mr. Lee has over 27 years of experience in the telecommunications industry. Mr. Lee pursued his career with Harris Corporation where he had been a visiting engineer, senior engineer and the head of sales of the Pan Asia Pacific region. Mr. Lee has also been the vice president of the marketing and business development for various telecom operators in the United States of America.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Professor Lu Ting Jie (呂廷杰), aged 60. Professor Lu joined the Group in November 2002. Professor Lu graduated from the Beijing University of Posts and Telecommunications (北京郵電學院) with a Master's degree, and obtained a Doctorate degree from Japan's Kyoto University (京都大學). Professor Lu is now the principal and tutor for doctorate students at the Economics and Management school of Beijing University of Posts and Telecommunications. He had contributed a number of thesis and articles in the area of economics, communications and telecommunications. Professor Lu is also a member of the audit committee of the Company.

Mr. Leung Kwok Keung (梁覺強), aged 52, is the financial controller of a listed company on the main board of The Stock Exchange of Hong Kong Limited. Mr. Leung joined the Group in September 2004. He was an independent non-executive director of Lee Kee Holdings Limited (Stock Code: 0637), a company listed on the Main Board of the Stock Exchange, from September 2006 to October 2014. He graduated from the City University of Hong Kong with a Bachelor degree in accountancy and obtained a degree in Bachelor of Laws from Qinghua University. Mr. Leung is a fellow member of The Association of Chartered Certified Accountants, a fellow member of the Hong Kong Institute of Certified Public Accountants and an associate of the Institute of Chartered Accountants in England and Wales. He has more than 20 years' experience in finance, accountancy and treasury. Mr. Leung is the chairman of audit committee and remuneration committee, and also a member of the nomination committee of the Company.

Mr. Liu Kejun (劉克鈞), aged 60, was appointed as an independent non-executive Director effective 16 December 2014. He has extensive experience and knowledge in telecommunication. He graduated from Beijing College of Posts and Telecommunications (later renamed as Beijing University of Posts and Telecommunications) in 1978 and Norwegian School of Management BI in 2001. Mr. Liu was previously the head of Research Institute of Telecommunications, Science and Technology of Guangdong*(廣東省電信科學技術研究院) and served in the National Engineering Laboratory of China Unicom*(中國聯通國家工程實驗室). Mr. Liu was approved as a senior engineer (professor grade) in telecommunication by Ministry of Industry and Information Technology of the PRC in October 2004. He has served as a part-time professor of the School of Electronic and Computer Engineering of the Shenzhen Graduate School of Peking University since 2013. Mr. Liu is also the chairman of the nomination committee and a member of the audit committee and remuneration committee of the Company.

SENIOR MANAGEMENT

Mr. Xian Bao Wen (冼寶文), aged 40, joined Guangzhou Global Link Communications Inc, in October 2007 and is the finance controller. Mr. Xian graduated from Guangdong University of Finance & Economics with a bachelor degree of Economics. Mr. Xian has worked in a state-owned enterprise which engaged in telecommunication as accountant for almost 7 years. From July 2005 to October 2007 he became an assistant of finance controller in the Superdata Group (used to be GEM's listed company). Mr. Xian is also a director of Guangzhou Global Link Communications Inc., subsidiaries of the Company.

REPORT OF THE DIRECTORS

The Directors herein submit their report together with the audited financial statements of the Group 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 subsidiaries are set out in note 17 to the financial statements.

An analysis of the Group's performance for the year by geographical segments and products and services is set out in note 8 to the 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 29.

The board of Directors does not recommend the payment of a final dividend for the year ended 31 March 2015.

RESERVES

The movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 32 and note 26 to the financial statements respectively.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 14 to the financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 26 to the financial statements.

DISTRIBUTABLE RESERVES

Pursuant to the Companies Law 2003 (Revised) of the Cayman Islands and the articles of association of the Company, the share premium of the Company is distributable to the shareholders, subject to a solvency test and the provisions of the Company's articles of association. As at 31 March 2015, the Company's reserves available for distribution amounted to approximately HK$55,145,000 (2014: approximately HK$30,903,000).

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the relevant law of the Cayman Islands, being the jurisdiction in which the Company is incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

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 as follows:

Financial Highlights

	2015	2014	2013	2012	2011
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**75,427**	68,133	121,120	79,357	111,474
Gross profit	**1,747**	14,181	38,324	24,261	48,531
(Loss)/profit before tax	**(41,926)**	(53,042)	23,584	11,412	31,980
(Loss)/profit attributable to equity shareholders of the Company	**(42,462)**	(56,809)	19,267	13,373	29,262
Total assets	**126,618**	125,033	178,669	157,298	149,985
Total liabilities	**39,464**	28,035	27,307	27,978	36,942
Non-controlling interests	**(25)**	(19)	(1,329)	(2,467)	(1,847)
Net assets	**87,154**	96,998	151,362	129,320	113,043

MAJOR CUSTOMERS AND SUPPLIERS

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

Purchases	
– the largest supplier	52%
– five largest suppliers combined	68%
Sales	
– the largest customer	32%
– five largest customers combined	71%

None of the Directors, any of their close associates or any shareholder (which to the best knowledge of the Directors own more than 5% of the Company's issued share capital) had any beneficial interest in the major suppliers or customers noted above.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

DIRECTORS

The Directors during the year and up to the date of this report were:

Executive Directors

Mr. Ma Yuanguang
Mr. Lo Kam Hon, Gary
Mr. Hu Tiejun

Non-executive Director

Mr. Wing Kee Eng, Lee

Independent non-executive Directors

Professor Lu Ting Jie
Mr. Leung Kwok Keung
Mr. Liu Kejun

In accordance with article 87(1) of the articles of association of the Company and the Corporate Governance Code set out in Appendix 15 of the GEM Listing Rules, the Directors retiring by rotation at the AGM are Mr. Hu Tiejun, Mr. Leung Kwok Keung and Mr. Lo Kam Hon, Gary. Each of Mr. Hu Tiejun, Mr. Leung Kwok Keung and Mr. Lo Kam Hon, Gary, being eligible, will offer himself for re-election at the AGM so that shareholders will be given an opportunity to endorse their appointments.

In addition, in accordance with article 86(3) of the articles of association of the Company, Mr. Liu Kejun who was appointed as an independent non-executive Director, with effect from 16 December 2014, shall hold office until the AGM and, being eligible, has offered himself for re-election.

Mr. Liu Kejun, being an independent non-executive Director of the Company, has made an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules. The Board considers that Mr. Liu meets the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and he is independent.

RETIREMENT BENEFIT SCHEMES

Details of the retirement benefit schemes of the Group and the employer's costs charged to the profit or loss for the year are set out in note 27 and note 9(a) to the financial statements respectively.

DIRECTORS' SERVICE CONTRACTS

Mr. Ma Yuanguang has entered into a service contract with the Company for a term of two years commencing from 1 November 2014. Mr. Lo Kam Hon, Gary has entered into a service contract with the Company for a term of two years commencing from 23 September 2014. Mr. Hu Tiejun has entered into a service contract with the company for a term of two years commencing from 16 December 2014. Such service contracts may be terminated by either party thereto giving to the other not less than three months' prior written notice.

Each of Mr. Wing Kee Eng, Lee and Professor Lu Ting Jie has been appointed for a term of two years commencing from 1 November 2014 while Mr. Leung Kwok Keung has been appointed for a term of two years commencing from 23 September 2014. Mr. Liu Kejun has been appointed for a term of two years commencing from 16 December 2014. All of them are subject to retirement by rotation in accordance with the Company's articles of association.

None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Company within one year without payment of compensation other than statutory obligations.

DIRECTORS' EMOLUMENTS AND INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and of individuals with highest emoluments of the Group are set out in note 13 to the financial statements.

DIRECTORS' INTERESTS IN CONTRACTS

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

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of Directors and senior management are set out on pages 12 to 13 of this report.

DIRECTORS' AND CHIEF EXECUTIVES' INTEREST IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2015, so far is known to the Directors, the interests of the Directors and the chief executives of the Company in shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")) which would have to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions of which they were taken or deemed to have under such provisions of the SFO) and/or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which would have to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules relating to securities transactions by the Directors were as follows:

Name of Director	Company/ name of associated corporation	Capacity	Number and class of securities	Approximate percentage of shareholdings
Ma Yuanguang	Company	Beneficial owner	255,121,200 ordinary shares Long position	23.43%
Hu Tiejun	Company	Beneficial owner	833,000 ordinary shares Long position	0.08%
Lo Kam Hon, Gary	Company	Beneficial owner	120,000 ordinary shares Long position	0.01%
Lu Ting Jie	Company	Beneficial owner	833,000 ordinary shares Long position	0.08%

Save as disclosed above, as at 31 March 2015, so far is known to the Directors, none of the Directors nor the chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interest and/or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURE

Save as disclosed above, at no time during the year was the Company, or any of its subsidiaries a party to any arrangements to enable the Directors, their respective spouses or children under the age of 18 to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2015, so far is known to the Directors, the following person (not being a Director or a chief executive of the Company) had an interest and/or a short position in the shares and/or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO and/or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO and/or were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other members of the Group:

Name	**Capacity**	**Class and number of securities**	**Approximate percentage of shareholding**
International Elite Ltd.	Beneficial owner	128,000,000 ordinary shares Long position	11.76%

Save as disclosed above, as at 31 March 2015, so far is known to the Directors, there was no person (not being a Director or a chief executive of the Company) who had an interest and/or a short position in the shares and/or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO and/or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO and/or was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other members of the Group, or any options in respect of such capital.

ISSUE OF UNLISTED WARRANTS UNDER GENERAL MANDATE

On 5 August 2014, the Company entered into separate subscription agreements (the "Subscription Agreements") with six individuals investors (the "Subscribers"), pursuant to which, the Company has conditionally agreed to issue and the Subscribers have conditionally agreed to subscribe for in aggregate 186,000,000 warrants (the "Warrant(s)") (of 31,000,000 Warrants for each Subscribers) at the issue price of HK$0.001 per Warrant. Warrants conferring the rights to the Subscribers to subscribe up to an aggregate of HK$39,060,000 for the Warrant Shares were issued by the Company to the Subscribers. The initial subscription price of the aforesaid warrants is HK$0.21 each. The completion of the subscription took place on 12 August 2014. During the period, no warrant was exercised and the subscription rights under the Warrant(s) will be expired on 11 August 2017.

ISSUE OF CONSIDERATION SHARES UNDER THE GENERAL MANDATE

On 23 December 2014, the Company as assignee entered into an assignment of application rights (the "Assignment") with International Elite Ltd (Stock Code: 1328) (the "Assignor"), pursuant to which the Assignor has agreed to assign the Application Rights to the Group throughout the Panyu Region, Guangdong Province, the PRC, which was satisfied by the Company to allot and issue an aggregate of 128,000,000 new Shares at the issue price of HK$0.25 per Share to satisfy the consideration of the Assignment. The completion took place on 30 December 2014. A total of 128,000,000 Consideration Shares were allotted and issued to the Assignor on 30 December 2014 in accordance with the terms and conditions of the Assignment.

COMPETING INTERESTS

Save as disclosed in the Prospectus, the Directors are not aware of any business or interest of each Director, initial management shareholder or substantial shareholder of the Company or any of his/her respective associate that competes or may compete with the business of the Group and any other conflicts of interest which such person has or may have with the Group as at 31 March 2015.

BOARD PRACTICES AND PROCEDURES

Throughout the year, the Company was in compliance with the "board practices and procedures" as set out in Appendix 15 of the GEM Listing Rules.

CORPORATE GOVERNANCE

The Company has established a formal and transparent procedure to protect the interests of the shareholders of the Company. Save as disclosed below, the Company applied the principles and complied with all the code provisions as set out in the Corporate Governance Code and Corporate Governance Report in Appendix 15 to the GEM Listing Rules throughout the period under review.

The code provision A2.1 of the Corporate Governance Code and Corporate Governance Report stipulates that the roles of the chairman of the Board and chief executive should be separate and should not be performed by the same individual. Mr. Ma Yuanguang was appointed as the chief executive of the Company with effect from 16 December 2014 and continued to be the chairman of the Board. Appropriate measures have been taken to ensure the balance of power and authority between the Board and the management.

AUDITORS

Crowe Horwath (HK) CPA Limited retire and being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Crowe Horwath (HK) CPA Limited as auditors of the Company is to be proposed at the forthcoming annual general meeting.

On behalf of the Board

Ma Yuanguang
Chairman

Hong Kong, 26 June 2015

INTRODUCTION

The Company has established a formal and transparent procedure to protect the interests of the shareholders of the Company. The Company applied the principles and complied with all the code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the "Corporate Governance Code") in Appendix 15 of the GEM Listing Rules throughout the period under review.

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 dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, the Directors have complied with such code of conduct and the required standard of dealings and its code of conduct regarding securities transactions by the Directors throughout the year ended 31 March 2015.

BOARD OF DIRECTORS AND BOARD MEETING

The Board, which currently comprises seven Directors, is responsible for corporate strategy, annual and interim results, succession planning, risk management, major acquisitions, disposals and capital transactions, and other significant operational and financial matters. Major corporate matters that are specifically delegated by the Board to the management include the preparation of annual and interim accounts for board approval before public reporting, execution of business strategies and initiatives adopted by the Board, implementation of adequate systems of internal controls and risk management procedures, and compliance with relevant statutory requirements and rules and regulations.

Details of backgrounds and qualifications of the chairman of the Company and the other Directors are set out in the "Biographical Details of Directors and Senior Management". All Directors have given sufficient time and attention to the affairs of the Group. Each executive Director has sufficient experience to hold the position so as to carry out his duties effectively and efficiently.

Mr. Ma Yuanguang was appointed as the chief executive officer of the Company with effect from 16 December 2014 and continued to be an executive Director and chairman of the Company.

Subsequent to the appointment of Mr. Ma as the chief executive officer of the Company, there are certain deviations of the Code on Corporate Governance Practices as set out in Appendix 15 of the GEM Listing Rules in respect of the distinctive roles of chairman and chief executive officer. The Board will meet regularly to consider, discuss and review the major and appropriate issues affecting the operations of the Company. As such, the Board considers that sufficient measures have been taken and the vesting of the roles of chairman and the chief executive officer of the Company in Mr. Ma will not impair the balance of power and authority between the Board and the management. The Board consider that the structure provides the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as executive of long term business strategies.

The executive Directors include Mr. Ma Yuanguang, Mr. Hu Tiejun and Mr. Lo Kam Hon, Gary. The non-executive Director is Mr. Wing Kee Eng, Lee. The Company also appointed three independent non-executive Directors who have appropriate and sufficient experience and qualifications to carry out their duties so as to protect the interests of shareholders. Professor Lu Ting Jie, Mr. Leung Kwok Keung and Mr. Liu Kejun are the independent non-executive Directors.

Each of Mr. Wing Kee Eng. Lee and Professor Lu Ting Jie has been appointed for a term of two years commencing from 1 November 2014 while Mr. Leung Kwok Keung has been appointed for a term of two years commencing from 23 September 2014. Mr. Liu Kejun has been appointed for a term of two years commencing from 16 December 2014. All of them are subject to retirement by rotation in accordance with the Company's articles of association.

The Company has received from each independent non-executive Director an annual confirmation of his independence, and the Company considers such Directors are independent under various guidelines set out in Rule 5.09 of the GEM Listing Rules.

In particular, Professor Lu Ting Jie was appointed as an independent non-executive Director (the "INED") since 1 November 2002 and has served the Company for more than nine years. Notwithstanding such a long continuous period of his holding office as an INED, given that he has confirmed in writing to the Company of his independence with reference to various matters set out in Rule 5.09 of the GEM Listing Rules, the Board is satisfied with his independence and believes he is still independent.

The Board held a full board meeting for each quarter.

Details of the attendance of the Board are as follows:

Directors	**Attendance**
Executive Directors	
Mr. Ma Yuanguang *(Chairman and Chief Executive Officer)*	4/4
Mr. Lo Kam Hon, Gary	4/4
Mr. Hu Tiejun	4/4
Non-executive Director	
Mr. Wing Kee Eng, Lee	4/4
Independent non-executive Directors	
Professor Lu Ting Jie	4/4
Mr. Leung Kwok Keung	4/4
Mr. Liu Kejun *(appointed 16 December 2014)*	1/4

Apart from the above regular board meetings of the year, the Board will meet on other occasions when a board-level decision on a particular matter is required. The Directors will receive details of agenda items for decision and minutes of committee meetings in advance of each board meeting.

CONTINUOUS PROFESSIONAL DEVELOPMENT

As part of an ongoing process of directors' training, the Directors are updated with latest developments regarding the GEM Listing Rules and other applicable regulatory requirements from time to time to ensure compliance of the same by all Directors. All Directors and senior management are encouraged to attend external forum or training courses on relevant topics which may count towards continuous professional development training. Continuing briefings and professional development to Directors and senior management will be arranged whenever necessary.

Pursuant to the Corporate Governance Code which has come into effect on 1 April 2012, all directors and senior management should 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. During the year and up to the date of this report, all Directors and senior management have participated in appropriate continuous professional development activities either by attending training courses or by reading materials relevant to the Company's business or to the Directors' duties and responsibilities.

REMUNERATION COMMITTEE

The remuneration committee was established in March 2006. The chairman of the committee is Mr. Leung Kwok Keung, an independent non-executive Director, and other members include Mr. Liu Kejun and Mr. Ma Yuanguang, the majority of members being independent non-executive Directors.

The role and function of the remuneration committee included the making of recommendations to the Board on the remuneration packages of all Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of non-executive Directors. The remuneration committee should consider factors including salaries paid by comparable companies, time commitment and responsibilities of the Directors and employment conditions elsewhere in the group. The committee's authority and duties are set out in written terms of reference and are posted on the websites of the Company and the Stock Exchange.

During the period under review, a meeting of the remuneration committee was held on 20 March 2015. Details of the attendance of the remuneration committee meeting are as follows:

Members	**Attendance**
Mr. Leung Kwok Keung *(Chairman)*	1/1
Mr. Ma Yuanguang	1/1
Mr. Liu Kejun	1/1

The remuneration committee of the Company has considered and reviewed the existing terms of employment contracts of the executive Directors and senior management and appointment letters of the non-executive Directors and independent non-executive Directors. The remuneration committee of the Company considers that the existing terms of employment contracts of the executive Directors and senior management and appointment letters of the non-executive Directors and independent non-executive Directors are fair and reasonable.

NOMINATION COMMITTEE

The nomination committee was established in March 2012. The nomination committee comprises three members, namely, Mr. Ma Yuanguang, the chairman of the Board and an executive Director, and two independent non-executive Directors, namely, Mr. Liu Kejun and Mr. Leung Kwok Keung. The chairman of the committee is Mr. Liu Kejun. The majority of the members of the nomination committee are independent non-executive Directors.

The role and function of the nomination committee are to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy, to identify individuals suitably qualified to become members of the Board and select or make recommendations to the Board on the selection of individuals nominated for directorships, to assess the independence of independent non-executive Directors and to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman of the Board and the chief executive. The re-election of each of those independent non-executive Directors who has served on the Board for more than 9 years is subject to (1) a separate resolution to be approved by shareholders of the Company at the relevant annual general meeting; and (2) further information being given to shareholders of the Company together with the notice of meeting regarding the reasons why the Board believes the relevant Director is still independent and should be re-elected. The committee's authority and duties are set out in written terms of reference and are posted on the websites of the Company and the Stock Exchange.

A meeting of the nomination committee was held on 26 June 2015. Details of the attendance of the nomination committee meeting are as follows:

Members	**Attendance**
Mr. Liu Kejun *(Chairman)*	1/1
Mr. Ma Yuanguang	1/1
Mr. Leung Kwok Keung	1/1

The nomination committee has considered and resolved that, in accordance with the Company's articles of association and subject to the proposed resolutions being passed at the forthcoming annual general meeting, Mr. Hu Tiejun, Mr. Leung Kwok Keung, Mr. Lo Kam Hon, Gary and Mr. Liu Kejun will retire, and being eligible, will offer themselves for re-election at the forthcoming annual general meeting of the Company.

The nomination committee has assessed the independence of the independent non-executive Directors and considered the independent non-executive Directors to be independent under Rule 5.09 of the GEM Listing Rules.

AUDITORS' REMUNERATION

The audit committee of the Company is responsible for considering the appointment of the external auditor and reviewing any non-audit functions performed by the external auditor, including whether such non-audit functions could lead to any potential material adverse effect on the Company. During the year under review, the Company has paid an aggregate of approximately HK$552,000 to the external auditors for its audit services and the auditor's remuneration for non-audit services was nil.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of the Group. The Audit Committee comprises three members, Mr. Leung Kwok Keung, Mr. Lu Ting Jie and Mr. Liu Kejun. All of them are independent non-executive Directors. The chairman of the Audit Committee is Mr. Leung Kwok Keung.

The Group's annual audited results during the year ended 31 March 2015 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure have been made.

The audit committee held 4 meetings during the year under review. Details of the attendance of the audit committee meetings are as follows:

Members	**Attendance**
Mr. Leung Kwok Keung *(Chairman)*	4/4
Professor Lu Ting Jie	4/4
Mr. Liu Kejun	1/4

The Group's annual audited results during the year ended 31 March 2015 have been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure have been made.

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for the corporate governance functions with the following duties:

- to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors;
- to review the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report in the Company's annual report; and
- such other corporate governance duties and functions set out in the Corporate Governance Code (as amended from time to time) for which the Board are responsible.

During the year under review, the Board has performed the corporate governance duties accordingly.

DIRECTORS' AND AUDITORS RESPONSIBILITIES FOR ACCOUNTS

The Directors acknowledge their responsibility to prepare the Group's financial statement for each financial period to give a true and fair view of the state of affairs of the Group and of results and cash flows for that period. In preparing the financial statements for the year under review, the Board has selected appropriate accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the financial statements on a going concern basis. The Directors' responsibilities for the accounts and the responsibilities of the external auditors to the shareholders are set out in the Independent Auditor's Report on pages 27 to 28 of this report.

INTERNAL CONTROL

The Board has conducted a review of the system of internal control of the Group periodically to ensure the effective and adequate internal control system. The Board convened meeting periodically to discuss financial, operational and risk management control. The Directors are of the view that the existing system of internal control is effective and adequate to the Group.

SHAREHOLDERS' RIGHTS

I. Convene an extraordinary general meeting

Any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company (the "Eligible Shareholder") shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition.

II. Send enquiries to the Board

Shareholders may send their enquiries and concerns to the Board by addressing them to the principal place of business of the Company in Hong Kong at Room C, 17th Floor, Hollywood Centre, 77-91 Queen's Road West, Hong Kong by post for the attention of the company secretary of the Company. In addition, the Company's website provides fax number and telephone number by which enquiries may be put to the Board.

III. Make proposals at general meetings

Eligible Shareholder who wishes to convene an extraordinary general meeting must deposit a written requisition (the "Requisition") signed by the Eligible Shareholder concerned to the principal place of business of the Company in Hong Kong as set out in the paragraph above, for the attention of the company secretary of the Company.

The Requisition must state clearly the name of the Eligible Shareholder concerned, his shareholding, the reason to convene an extraordinary general meeting, the agenda proposed to be included as well as the details of the business proposed to be transacted in the extraordinary general meeting.

INVESTORS RELATIONS

The Company disclosed all necessary information to the shareholders in compliance with GEM Listing Rules. Meeting with media and investors periodically. The Company also replied the enquires from shareholders timely. The Directors host the annual general meeting each year to meet the shareholders and answer to their enquiries.

The attendance of members of the Board to the general meeting held on 8 August 2014 is as follows:

Directors	**Attendance**
Executive Directors	
Mr. Ma Yuanguang *(Chairman and Chief Executive Officer)*	1/1
Mr. Lo Kam Hon, Gary	1/1
Mr. Hu Tiejun	1/1
Non-executive Director	
Mr. Wing Kee Eng, Lee	0/1
Independent non-executive Directors	
Professor Lu Ting Jie	0/1
Mr. Leung Kwok Keung	1/1
Mr. Liu Kejun	0/1

During the year under review, there had been no significant change in the Company's constitutional documents.

Crowe Horwath

國富浩華(香港)會計師事務所有限公司
Crowe Horwath (HK) CPA Limited
Member Crowe Horwath International

9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GLOBAL LINK COMMUNICATIONS HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Global Link Communications Holdings Limited ("the Company") and its subsidiaries (together "the Group") set out on pages 29 to 86, which comprise the consolidated and company statements of financial position as at 31 March 2015, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the 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. This report is made solely to you, as a body, 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 audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2015, and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Crowe Horwath (HK) CPA Limited
Certified Public Accountants
Hong Kong, 26 June 2015

Lau Kwok Hung
Practising Certificate Number: P04169

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 HK$'000	2014 HK$'000
Revenue	6	**75,427**	68,133
Cost of sales		**(73,680)**	(53,952)
Gross profit		**1,747**	14,181
Other revenue and net income	7	**1,324**	3,238
Selling expenses		**(9,023)**	(15,817)
Administrative expenses		**(12,027)**	(14,359)
Loss on disposal of a subsidiary		**–**	(1,622)
Other operating expenses		**(23,947)**	(38,663)
(Loss) before taxation	9	**(41,926)**	(53,042)
Income tax	10	**(542)**	(3,780)
(Loss) for the year		**(42,468)**	(56,822)
Other comprehensive income for the year:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating of financial statements of foreign operations		**76**	836
Reclassification adjustments relating to overseas subsidiary disposed of during the year		**–**	299
Other comprehensive income for the year, net of income tax		**76**	1,135
Total comprehensive (loss) for the year		**(42,392)**	(55,687)
(Loss) attributable to:			
Equity shareholders of the Company		**(42,462)**	(56,809)
Non-controlling interests		**(6)**	(13)
		(42,468)	(56,822)
Total comprehensive (loss) attributable to:			
Equity shareholders of the Company		**(42,386)**	(55,674)
Non-controlling interests		**(6)**	(13)
		(42,392)	(55,687)
(Loss) per share (in HK cents):			
– Basic and diluted	12	**(4.28 cents)**	(5.91 cents)

The notes on pages 34 to 86 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2015

	Note	2015 HK$'000	2014 HK$'000
Non-current assets			
Property, plant and equipment	14	**2,242**	1,433
Intangible assets	15	**31,687**	2,420
Deferred tax assets	16	**–**	346
		33,929	4,199
Current assets			
Inventories	18	**29,492**	23,579
Trade and other receivables	19	**43,365**	57,130
Deposits and prepayments	20	**1,155**	10,020
Pledged bank deposit	22	**–**	808
Cash and cash equivalents	21	**18,677**	29,297
		92,689	120,834
Current liabilities			
Trade and other payables	23	**14,917**	13,181
Provision	24	**16,757**	5,743
Provision for taxation		**7,734**	7,798
		39,408	26,722
Net current assets		**53,281**	94,112
Total assets less current liabilities		**87,210**	98,311
Non-current liabilities			
Provision	24	**–**	1,257
Provision for long service payments	25	**56**	56
		56	1,313
NET ASSETS		**87,154**	96,998
CAPITAL AND RESERVES			
Equity attributable to equity shareholders of the Company			
Share capital	26	**10,888**	9,608
Reserves		**76,291**	87,409
		87,179	97,017
Non-controlling interests		**(25)**	(19)
TOTAL EQUITY		**87,154**	96,998

Approved and authorised for issue by the board of directors on 26 June 2015.

Ma Yuanguang
Director

Hu Tiejun
Director

The notes on pages 34 to 86 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2015

	Note	2015 HK$'000	2014 HK$'000
Non-current assets			
Investments in subsidiaries	17	**411**	411
Intangible assets	15	**31,687**	–
		32,098	411
Current assets			
Other receivables	19	**34,870**	40,669
Deposits and prepayments	20	**203**	203
		35,073	40,872
Current liabilities			
Other payables	23	**952**	772
		952	772
Net current assets		**34,121**	40,100
NET ASSETS		**66,219**	40,511
CAPITAL AND RESERVES			
Share capital	26	**10,888**	9,608
Reserves	26	**55,331**	30,903
TOTAL EQUITY		**66,219**	40,511

Approved and authorised for issue by the board of directors on 26 June 2015.

Ma Yuanguang
Director

Hu Tiejun
Director

The notes on pages 34 to 86 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2015

	Attributable to equity shareholders of the Company										
	Share capital	Share premium	Merger reserve	Exchange reserve	Share option reserve	Warrant reserve	(Accumulated losses) /retained profits	Statutory reserves	Total	Non-controlling interests	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2013	9,608	58,725	2,135	10,918	1,195	–	59,303	10,807	152,691	(1,329)	151,362
Loss for the year	–	–	–	–	–	–	(56,809)	–	(56,809)	(13)	(56,822)
Other comprehensive income for the year:											
Exchange differences on translating of financial statements of foreign operations	–	–	–	836	–	–	–	–	836	–	836
Reclassification adjustments relating to overseas subsidiary disposed of during the year	–	–	–	299	–	–	–	–	299	–	299
Total comprehensive (loss)/income for the year	–	–	–	1,135	–	–	(56,809)	–	(55,674)	(13)	(55,687)
Transfer of share option reserve upon the expiry of share options	–	–	–	–	(1,195)	–	1,195	–	–	–	–
Disposal of a subsidiary	–	–	–	–	–	–	–	–	–	1,323	1,323
At 31 March 2014	9,608	58,725[#]	2,135[#]	12,053[#]	–[#]	–	3,689[#]	10,807[#]	97,017	(19)	96,998
At 1 April 2014	9,608	58,725	2,135	12,053	–	–	3,689	10,807	97,017	(19)	96,998
Loss for the year	–	–	–	–	–	–	(42,462)	–	(42,462)	(6)	(42,468)
Other comprehensive income for the year:											
Exchange differences on translating of financial statements of foreign operations	–	–	–	76	–	–	–	–	76	–	76
Total comprehensive (loss)/income for the year	–	–	–	76	–	–	(42,462)	–	(42,386)	(6)	(42,392)
Issue of new shares *(note 26(a)(i))*	1,280	31,082	–	–	–	–	–	–	32,362	–	32,362
Issue of unlisted warrants *(note 26(c))*	–	–	–	–	–	186	–	–	186	–	186
At 31 March 2015	10,888	89,807[#]	2,135[#]	12,129[#]	–[#]	186[#]	(38,773)[#]	10,807[#]	87,179	(25)	87,154

[#] These accounts comprise the consolidated reserves of approximately HK$76,291,000 (2014: HK$87,409,000) in the consolidated statement of financial position.

The notes on pages 34 to 86 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 HK$'000	2014 HK$'000
Operating activities			
(Loss) before tax		**(41,926)**	(53,042)
Adjustments for:			
Depreciation	9(b)	**491**	605
Amortisation of intangible asset	9(b)	**1,191**	649
Loss on disposal of property, plant and equipment	9(b)	**269**	29
Loss on disposal of intangible assets	9(b)	**2,043**	–
Loss on disposal of a subsidiary	9(b)	**–**	1,622
Write-back of trade and other payables	7(a)	**(663)**	(1,007)
Allowance for doubtful debts	9(b)	**30**	7,137
(Reversal of) provision for impairment of deposits	9(b)	**(9)**	(997)
Bank interest income	7(a)	**(582)**	(706)
Changes in working capital		**(39,156)**	(45,710)
(Increase)/decrease in inventories		**(5,913)**	690
Decrease in trade and other receivables		**13,722**	31,233
Decrease in deposits and prepayments		**8,874**	8,887
Increase/(decrease) in trade and other payables		**2,399**	(4,526)
Increase in provision for product warranties		**9,757**	7,088
Increase in provision for long service payments		**–**	56
Cash (used in) operations		**(10,317)**	(2,282)
PRC enterprise income taxes paid		**(260)**	(1,359)
Net cash (used in) operating activities		**(10,577)**	(3,641)
Investing activities			
Payment for purchase of property, plant and equipment		**(1,663)**	(122)
Proceeds from disposals of property, plant and equipment		**99**	–
Bank interest received		**582**	706
Decrease in pledged bank deposit		**808**	–
Net cash (used in)/generated from investing activities		**(174)**	584
Financing activities			
Proceeds from issuance of warrants		**186**	–
Payment of transaction costs on issue of shares		**(138)**	–
Net cash generated from financing activities		**48**	–
Net (decrease) in cash and cash equivalents		**(10,703)**	(3,057)
Cash and cash equivalents at the beginning of the year		**29,297**	31,674
Effect of foreign exchange rate changes		**83**	680
Cash and cash equivalents at the end of the year		**18,677**	29,297
Analysis of the balances of cash and cash equivalents:			
Cash and cash equivalents	21	**18,677**	29,297

The notes on pages 34 to 86 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P. O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is No. 401, Building D, Guangdong Software Park, No.11, Caipin Road, Science City of Guangzhou Development Zone, Guangzhou City, Guangdong Province, the People's Republic of China. The Company's shares are listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 17 to the financial statements.

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

In the current year, the Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies

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

The Group has not applied any new standard or interpretation that have been issued but are not yet effective for the current accounting period (see note 32).

3. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period, as permitted by the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, continue to be those of the predecessor Companies Ordinance (Cap. 32). These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRSs which are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 March 2015 comprise the Company and its subsidiaries (together referred as the "Group").

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). These financial statements are presented in Hong Kong dollars ("HK$"), rounded to the nearest thousand unless otherwise indicated. Hong Kong dollar is the Company's functional and the Group's presentation currency.

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities not readily apparent from other sources. 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

b) Basis of preparation of the financial statements *(continued)*

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 4.

c) Going concern

The Group has incurred loss for the year of approximately HK$42,468,000 and net cash outflow of approximately HK$10,703,000 for the year ended 31 March 2015 which indicated the existence of an uncertainty that may cast doubt on the Group's ability to continue as a going concern. The directors of the Company have evaluated all the relevant facts available, which included operation plan and cashflow forecast of the Group.

The directors of the Company have been taking active steps to improve the liquidity position of the Group. These steps included (1) the directors of the Company are considering various alternatives to strengthen the capital base of the Company through various fund raising exercises, including but not limit to, private placements, rights issue of new shares of the Company; (2) the directors of the Company continue to take action to tighten cost controls over various operating expenses and (3) the directors also expect that sufficient sales orders will be secured in the coming year, with an aim in attaining profitable and positive cash flow operations.

d) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Hong Kong dollars at the closing foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the equity shareholders of the Company are reclassified to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

e) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results 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 equity shareholders of the Company. Total comprehensive income of subsidiaries is attributed to the equity shareholders of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 3(s)).

f) Property, plant and equipment

All property, plant and equipment are stated in the consolidated statement of financial position at historical cost less accumulated depreciation and any accumulated impairment losses (see note 3(s)).

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised in profit or loss during the financial period in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

f) Property, plant and equipment *(continued)*

Depreciation is recognised so as to write off the cost of items of property, plant and equipment, less their estimated 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.

Furniture and fixtures	5 years
Office equipment	5 years
Leasehold improvements	5 years or over the lease term whichever is shorter
Tools and equipment	5 to 10 years
Motor vehicles	5 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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 net proceeds on disposal and the carrying amount of the asset and is recognised in profit or loss on the date of retirement or disposal.

g) Intangible assets (other than goodwill)

(i) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost, being the fair value at the date of acquisition, less accumulated amortisation and any accumulated impairment losses (see note 3(s)). Amortisation is recognised on a straight-line basis over their estimated useful lives. 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. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

Software	5 years
Application rights	10 years

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

g) Intangible assets (other than goodwill) *(continued)*

(ii) *Research and development expenditure*

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

– the technical feasibility of completing the intangible asset so that it will be available for use or sale;

– the intention to complete the intangible asset and use or sell it;

– the ability to use or sell the intangible asset;

– how the intangible asset will generate probable future economic benefits;

– the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

– the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (see note 3(s)), on the same basis as intangible assets that are acquired separately.

(iii) *Derecognition of intangible assets*

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

h) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

i) Classification of assets leased to the Group

Assets held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, with the following exceptions:

– property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease; and

– land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

ii) Operating leases charges

Where the Group has the use of assets under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged as expenses in the accounting period in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

i) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is determined on a first-in-first-out basis and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

j) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts (see note 3(s)).

k) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

l) Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

m) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

i) Supply, development and integration of passenger information management system

Revenue from the supply, development and integration of passenger information management system are recognised when the merchandise is delivered and the related development and integration services are completed.

ii) Interest income

Interest income is recognised as it accrues using the effective interest method.

n) Employee benefits

i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

ii) Employment Ordinance long service payments

Certain of the Group's employees have completed the required number of years of service to the Group in order to be eligible for long service payments under the Hong Kong Employment Ordinance (the "Employment Ordinance") in the event of the termination of their employment. The Group is liable to make such payments in the event that such a termination of employment meets the circumstances specified in the Employment Ordinance.

iii) Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for all of its eligible employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

n) Employee benefits *(continued)*

iv) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in share option reserve within equity. The fair value is measured at grant date using the Black-Scholes Option Pricing Model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year under review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share option reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to the share option reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share option reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

v) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

o) Income tax

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 profit 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 assets and liabilities are not discounted.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

o) Income tax *(continued)*

Deferred tax liabilities are recognised for taxable temporary differences arising on 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 the benefits 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 each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

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 settled the carrying amount of its assets and liabilities. Current or deferred tax is charged or credited to in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  - the same taxation entity; or

  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

p) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

q) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the board of directors of the Company for the purposes of allocating resources to, and assessing the performance of the Group by geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

r) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

i) has control or joint control over the Group;

ii) has significant influence over the Group; or

iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

iii) Both entities are joint ventures of the same third party.

iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

vi) The entity is controlled or jointly controlled by a person identified in (a).

vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

s) Impairment of assets

i) Impairment of trade and other receivables

Current receivables that are stated at cost or amortised cost are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

– significant financial difficulty of the debtor;

– a breach of contract, such as a default or delinquency in interest or principal payments;

– it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and

– significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

If any such evidence exists, any impairment loss is determined and recognised as follows:

– For trade receivables and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

s) Impairment of assets *(continued)*

i) Impairment of trade and other receivables (continued)

– If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

– Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired, an impairment loss previously recognised no longer exists or may have decreased:

– property, plant and equipment;

– intangible assets; and

– investments in subsidiaries.

If any such indication exists, the asset's recoverable amount is estimated.

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its 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. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

s) Impairment of assets *(continued)*

ii) Impairment of other assets (continued)

– Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying amount of an asset will not be reduced below its individual fair value less costs of disposal (if measureable), or value in use, if determinable.

– Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

a) Key sources of estimation uncertainty

In the process of applying the Group's accounting policies which are described in note 3, management has made certain key assumptions concerning the future, and other key sources of estimated uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as discussed below.

i) Impairment of property, plant and equipment and intangible asset

If circumstances indicate that the carrying amounts of property, plant and equipment and intangible asset may not be recoverable, the asset may be considered "impaired", and an impairment loss is recognised in accordance with the accounting policy for impairment of property, plant and equipment and intangible asset as described in note 3(s). The carrying amounts of property, plant and equipment and intangible asset are reviewed periodically in order to assess whether the recoverable amounts have declined below the carrying amounts. These assets are tested for impairment whenever events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable. When such a decline has occurred, the carrying amount is reduced to the recoverable amount. The recoverable amount is the greater of the fair value less costs of disposal and value in use.

In assessing value in use, expected cash flows generated by the asset 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 assets, which requires significant judgement relating to level of revenue and the amount of operating costs and discount rates. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of revenue and the amount of operating costs. Changes in these estimates could have a significant impact on the carrying amounts of the assets and could result in additional impairment charge or reversal of impairment in future periods. As at 31 March 2015, the carrying amount of property, plant and equipment and intangible assets were approximately HK$2,242,000 (2014: HK$1,433,000) and HK$31,687,000 (2014: HK$2,420,000).

ii) Impairment of receivables

The Group maintains allowance for doubtful debts based on evaluation of the recoverability of the trade and other receivables, where applicable, at the end of each reporting period. The estimates are based on the ageing of the trade and other receivables balances and the historical write-off experience, net of recoveries. If the financial condition of the debtors were to deteriorate, additional impairment allowance might be required. As at 31 March 2015, the carrying amount of trade and other receivables was approximately HK$43,365,000 (2014: HK$57,130,000).

4. ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

a) Key sources of estimation uncertainty *(continued)*

iii) Useful lives of property, plant and equipment and depreciation

Depreciation is calculated to write off the cost of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives. The Group reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation expense to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

iv) Write down of inventories

The Group reviews the carrying amounts of the inventories at the end of each reporting period to determine whether the inventories are carried at the lower of cost and net realisable value in accordance with the accounting policy as set out in note 3(i). Management estimates the net realisable value based on current market situation and historical experience on similar inventories. Any change in the assumptions would increase or decrease the amount of inventories write down or the related reversals of write down made in prior years and affect the Group's net asset value. As at 31 March 2015, the carrying amount of inventories was approximately HK$29,492,000 (2014: HK$23,579,000).

v) Provision

A provision is recognised when a present obligation has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. Significant estimation is required in determining the amount of certain obligations. Where the final outcomes of these obligations are different from the amounts that were initially recognised, adjustments will be made according to the latest information available.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

b) Critical accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimates, which have the most significant effect on the amounts recognised in the financial statements:

i) *Impairment of assets*

The Group has to exercise judgements in determining whether an asset is impaired or the event previously causing the asset impairment no longer exists, particularly in assessing: (1) whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence; (2) whether the carrying amount of an asset can be supported by the net present value of future cash flows which are estimated based upon the continued use of the asset or derecognition; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test.

ii) *Income taxes*

The Group is subject to income taxes in various jurisdictions. Significant judgement is required in determining the provision for income taxes. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognised liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provision in the period in which such determination is made. As at 31 March 2015, the carrying amount of provision for taxation was approximately HK$7,734,000 (2014: HK$7,798,000).

Deferred tax assets are recognised for certain deductible temporary differences as management considers it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amount of deferred tax assets at 31 March 2015 was approximately HK$ Nil (2014: HK$346,000).

5. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial assets

The Group

The Group has classified the following financial assets under the category of "loans and receivables":

	2015 HK$'000	2014 HK$'000
Pledged bank deposit	–	808
Trade and other receivables	43,365	57,130
Deposits	39	39
Cash and cash equivalents	18,677	29,297
	62,081	87,274

The Company

The Company has classified the following financial assets under the category of "loans and receivables":

	2015 HK$'000	2014 HK$'000
Amounts due from subsidiaries	34,870	40,669

Financial liabilities

The Group

The Group has classified the following financial liabilities under the category of "financial liabilities at amortised cost":

	2015 HK$'000	2014 HK$'000
Trade and other payables	12,930	9,044

The Company

The Company has classified the following financial liabilities under the category of "financial liabilities at amortised cost":

	2015 HK$'000	2014 HK$'000
Other payables	952	772

5. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(continued)*

Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include credit risk, liquidity risk, currency risk, interest rate risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

a) Financial risk management objectives and policies

The directors of the Company have overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors periodically reviews the Group's exposure to market risk, including changes in interest rates and currency exchange rates. The Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

b) Credit risk

i) The Group's and the Company's credit risk is primarily attributable to trade and other receivables.

ii) In respect of trade and other receivables, in order to minimise risk, the management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Credit evaluations of its customers' financial position and condition are performed on each and every major customer periodically. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. The Group does not require collateral in respect of its financial assets. Debts are usually due within 90 days from the date of billing. For debtors with balances aged more than 90 days past due, further credit would not be granted until all outstanding balances are settled or have the discretion of the management to further extend the credit.

iii) In respect of trade receivables, the Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk. Concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, 21% (2014: 15%) and 62% (2014: 50%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively within PRC segment.

iv) The Company's concentration of credit risk is on amounts due from subsidiaries. The Company reviews the recoverable amounts of individual debts at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. With respect to credit risk arising from amounts due from subsidiaries, the Company's exposure to credit risk arising from default of the counterparties is limited as the Company does not expect to incur a significant loss for uncollected amounts due from subsidiaries.

5. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(continued)*

b) Credit risk *(continued)*

v) In respect of amounts due from subsidiaries, the Company has concentration of credit risk as 100% (2014: 100%) of the amounts due from subsidiaries are owed from 2 subsidiaries within Hong Kong segment.

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

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 19.

c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient amount of cash to meet its liquidity requirements in the short and longer term.

The following tables set out the remaining contractual maturities at the end of the reporting period of the Group's and the Company's non-derivative financial liabilities based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group and the Company can be required to pay.

The Group

	2015				2014			
	Within 1 year or on demand	**More than 1 year**	**Total contractual undiscounted cash flow**	**Carrying amount at 31/3/2015**	Within 1 year or on demand	More than 1 year	Total contractual undiscounted cash flow	Carrying amount at 31/3/2014
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Trade and other payables	**12,930**	**–**	**12,930**	**12,930**	9,044	–	9,044	9,044

The Company

	2015				2014			
	Within 1 year or on demand	**More than 1 year**	**Total contractual undiscounted cash flow**	**Carrying amount at 31/3/2015**	Within 1 year or on demand	More than 1 year	Total contractual undiscounted cash flow	Carrying amount at 31/3/2014
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Other payables	**952**	**–**	**952**	**952**	772	–	772	772

5. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(continued)*

d) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank balances and cash flow interest rate risk in relation to variable rate bank balances and deposits. The management will continuously monitor interest rate fluctuation and will consider hedging significant interest rate risk should the need arise.

i) Interest rate profile

The Group

The following table details the interest rate profile of the Group's bank balances and deposits at the end of the reporting period:

	The Group			
	2015		2014	
	Effective interest rates		Effective interest rates	
	%	***HK$'000***	*%*	*HK$'000*
Fixed rate bank deposit	**–**	**–**	3.75	808
Variable rate bank balances and deposits	**0.01-4.25**	**18,594**	0.01-3.8	29,205

The Company

The Company has no significant interest rate risk. Accordingly, no sensitivity analysis has been prepared for the Company for 2014 and 2015.

ii) Sensitivity analysis

At 31 March 2015, it is estimated that a general increase/decrease of 100 basis points in interest rates for variable rate bank balances and deposits, with all other variables held constant, would decrease/increase the Group's loss after tax and accumulated losses by approximately HK$180,000 (2014: decrease/increase the Group's loss after tax and increase/decrease retained profits by approximately HK$274,000). Other components of consolidated equity would not change in response to the general increase/decrease in interest rates.

The sensitivity analyses above have been determined based on the exposure to interest rates at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 100 basis points (2014: 100 basis points) increase or decrease in interest rates is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. The analysis is performed on the same basis for 2014.

The management is of the opinion that the sensitivity analysis is unrepresentative of the Group's inherent interest rate risk as exposure at the end of reporting period does not reflect the exposure during the year.

5. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(continued)*

e) Currency risk

(i) Exposure to currency risk

The Group

The Group operates in Hong Kong and the People's Republic of China ("PRC"), and is exposed to foreign exchange risk arising from currency exposures primarily with respect to Renminbi ("RMB") and United States Dollars ("US$").

The Group does not have a foreign currency hedging policy. The Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rates.

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in Hong Kong dollars ("HK$"), translated using the spot rate at the end of the reporting period.

	The Group	
	2015	2014
	HK$'000	*HK$'000*
Cash and cash equivalents		
US$	**122**	170
RMB	**12,782**	14,937
Net exposure arising from recognised assets and liabilities	**12,904**	15,107

The Company

The Company has no significant currency risk. Accordingly, no sensitivity analysis has been prepared for the Company for 2014 and 2015.

5. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(continued)*

e) Currency risk *(continued)*

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's loss after tax and (accumulated losses)/retained profits that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between the Hong Kong dollar and the United States dollar would be materially unaffected by any changes in movement in value of the United States dollar against other currencies.

	The Group					
	2015			2014		
	Increase/ (decrease) in foreign exchange rates	**Effect on loss after tax** *HK$'000*	**Effect on accumulated losses** *HK$'000*	Increase/ (decrease) in foreign exchange rates	Effect on loss after tax *HK$'000*	Effect on retained profits *HK$'000*
RMB	**5%**	**(639)**	**(639)**	5%	(747)	747
	(5%)	**639**	**639**	(5%)	747	(747)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the group entities' (loss) after tax and equity measured in the respective functional currencies, translated into HK$ at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis is performed on the same basis for 2014.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure at the end of the reporting period does not reflect the exposure during the year.

f) Fair values measurements

The fair value of financial assets and financial liabilities are determined as follows:

– the fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors consider that the carrying amounts of the Group's and the Company's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 March 2015 and 31 March 2014.

FOR THE YEAR ENDED 31 MARCH 2015

6. REVENUE

Revenue, which is also the Group's turnover, presented net of value-added tax, trade discounts and returns.

	2015	2014
	HK$'000	*HK$'000*
Revenue from the supply, development and integration of passenger information management system	**75,427**	68,133

7. OTHER REVENUE AND NET INCOME

		2015	2014
		HK$'000	*HK$'000*
a)	Other revenue		
	Bank interest income	**582**	706
	Total interest income on financial assets not at fair value through profit or loss	**582**	706
	Refund on value-added tax	**–**	1,488
	Write-back of trade and other payables	**663**	1,007
	Other income	**79**	8
		1,324	3,209
b)	Other net income		
	Net exchange gain	**–**	29
		1,324	3,238

8. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports which provides information about components of the Group. These information are reported to and reviewed by board of directors of the Company, the chief operating decision-makers ("CODM") for the purposes of resource allocation and performance assessment. The Group's operating segments are organised and structured according to the geographical locations where the Group's customers are located. The geographical locations include the People's Republic of China (the "PRC") (place of domicile of the Group) and Hong Kong.

Segment revenue of PRC comprises the revenue from supply, development and integration of passenger information management system while the segment revenue of Hong Kong comprises the revenue from supply, development and integration of passenger information management system.

No reportable operating segment has been aggregated.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the CODM monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment without allocation of central administration costs e.g. directors' salaries, interest income and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment. Taxation charge is not allocated to reportable segment.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

Sales between segments are carried out on arm's length basis. The revenue from external parties reported to the CODM is measured in a manner consistent with that in the consolidated statement of profit or loss and other comprehensive income.

All assets are allocated to reportable segments other than deferred tax assets. All liabilities are allocated to reportable segments other than current tax liabilities.

8. SEGMENT INFORMATION *(continued)*

(a) Segment results, assets and liabilities *(continued)*

Information regarding the Group's reportable segments as provided to the CODM for the purposes of resource allocation and assessment of segment performance for the years ended 31 March 2015 and 2014 is set out below.

	PRC		Hong Kong		Total	
	2015	2014	**2015**	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Reportable segment revenue						
Inter-segment revenue	**815**	–	**–**	–	**815**	–
Revenue from external customers	**72,930**	68,133	**2,497**	–	**75,427**	68,133
	73,745	68,133	**2,497**	–	**76,242**	68,133
Reportable segment (loss)	**(24,059)**	(35,509)	**1,623**	(137)	**(22,436)**	(35,646)
Research and development costs	**(12,685)**	(13,473)	**–**	–	**(12,685)**	(13,473)
Interest revenue	**230**	280	**352**	426	**582**	706
Depreciation	**(466)**	(496)	**(25)**	(109)	**(491)**	(605)
Amortisation of intangible assets	**(1,191)**	(649)	**–**	–	**(1,191)**	(649)
Allowance for doubtful debts	**(30)**	(7,137)	**–**	–	**(30)**	(7,137)
Loss on disposal of property, plant and equipment	**(269)**	(28)	**–**	(1)	**(269)**	(29)
Loss on disposal of intangible asset	**(2,043)**	–	**–**	–	**(2,043)**	–
Provision for product warranty	**(23,134)**	(7,088)	**–**	–	**(23,134)**	(7,088)
Provision for long service payments	**–**	–	**–**	(56)	**–**	(56)
Reversal of provision for impairment of deposits	**9**	997	**–**	–	**9**	997
Reportable segment assets	**82,276**	108,927	**47,486**	18,087	**129,762**	127,014
Reportable segment assets includes:						
Additions to non-current assets (other than financial instruments and deferred tax assets)	**34,163**	119	**–**	3	**34,163**	122
Reportable segment liabilities	**31,882**	19,898	**2,992**	2,666	**34,874**	22,564

8. SEGMENT INFORMATION *(continued)*

(b) Reconciliation of reportable segment revenues, profit or loss, assets and liabilities

	2015 HK$'000	2014 HK$'000
Revenue		
Total reportable segments' revenue	**76,242**	68,133
Elimination of inter-segment revenue	**(815)**	–
Consolidated turnover	**75,427**	68,133
(Loss)/profit		
Total reportable segments' (loss)	**(22,436)**	(35,646)
Elimination of inter-segment profits	**(815)**	–
Reportable segment (loss) derived from Group's external customers	**(23,251)**	(35,646)
Bank interest income	**582**	706
Unallocated head office and corporate expenses	**(19,257)**	(18,102)
Consolidated (loss) before tax expenses	**(41,926)**	(53,042)
Assets		
Total reportable segments' assets	**129,762**	127,014
Elimination of inter-segment receivables	**(3,144)**	(2,327)
	126,618	124,687
Deferred tax assets	**–**	346
Consolidated total assets	**126,618**	125,033
Liabilities		
Total reportable segments' liabilities	**34,874**	22,564
Elimination of inter-segment payables	**(3,144)**	(2,327)
	31,730	20,237
Current tax liabilities	**7,734**	7,798
Consolidated total liabilities	**39,464**	28,035

8. SEGMENT INFORMATION *(continued)*

c) Revenue from major products and services

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

	2015	2014
	HK$'000	*HK$'000*
Supply, development and integration of passenger information management system	**75,427**	68,133

d) Other geographical information

	Non-current assets	
	2015	2014
	HK$'000	*HK$'000*
PRC	**33,923**	3,822
Hong Kong	**6**	31
	33,929	3,853

The Group's non-current assets, which include property, plant and equipment and intangible asset exclude financial instruments and deferred tax assets. The geographical location of the Group's non-current assets are based on the physical location of the asset under consideration in case of tangible assets, and the location of the operation to which they are allocated, in the case of intangible asset.

e) Information about major customers

Revenue from three (2014: four) customers in PRC operating and reportable segment amounted to approximately HK$24,396,000, HK$13,383,000 and HK$8,077,000 (2014: HK$24,462,000, HK$14,133,000, HK$7,562,000 and HK$6,961,000), which individually represent more than 10% of the Group's total revenue.

No other single customer contributed 10% or more to the Group's total revenue for both 2015 and 2014.

9. (LOSS) BEFORE TAXATION

		2015 HK$'000	2014 HK$'000
a)	**Staff costs, including directors' emoluments** *(note 13)*		
	Salaries and wages	**14,108**	14,946
	Contributions to retirement benefit schemes	**1,339**	1,515
	Provision for staff welfare benefits	**638**	842
	Provision for long service payments	**–**	56
		16,085	17,359
b)	**Other items**		
	Auditors' remuneration	**552**	422
	Allowance for doubtful debts	**30**	7,137
	(Reversal of) provision for impairment of deposits	**(9)**	(997)
	Cost of inventories sold *	**73,680**	53,952
	Research and development costs #	**12,685**	13,473
	Depreciation	**491**	605
	Amortisation of intangible assets (included in cost of inventories sold) *	**378**	649
	Amortisation of intangible assets (included in other operating expenses) ##	**813**	–
	Loss on disposal of property, plant and equipment	**269**	29
	Loss on disposal of intangible assets	**2,043**	–
	Provision for product warranty ## *(note 24)*	**23,134**	7,088
	Provision for long service payments *(note 25)*	**–**	56
	Net exchange loss/(gain)	**29**	(29)
	Minimum lease payments under operating lease – land and buildings	**1,543**	1,675
	Loss on disposal of a subsidiary	**–**	1,622

* Cost of inventories sold includes approximately HK$9,397,000 (2014: HK$10,671,000) relating to staff costs, depreciation expenses and amortisation charge which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

\# Research and development costs incurred for the year amounting to approximately HK$12,685,000 (2014: HK$13,473,000) which was included in cost of sales.

\## These items are included in "other operating expenses" on the face of the consolidated statement of profit or loss and other comprehensive income.

10. INCOME TAX

Income tax in the consolidated statement of profit or loss and other comprehensive income represents:

	2015 **HK$'000**	2014 HK$'000
Current year provision:		
PRC enterprise income tax	**196**	529
Underprovision in respect of prior years:		
PRC enterprise income tax	**–**	41
Deferred taxation *(note 16)*		
Origination and reversal of temporary differences	**346**	3,210
	542	3,780

No Hong Kong profits tax has been provided in the financial statements as the Company and its subsidiaries in Hong Kong did not derive any assessable profits for the year. (2014: Nil)

A PRC subsidiary, Guangzhou Global Link Communications Inc. ("Guangzhou GL") was qualified as a high and new technology enterprise from October 2014 and was entitled to a concessionary rate of PRC enterprise income tax (the "PRC EIT") at 15% over 3 years.

Another PRC subsidiary, 廣州勝億信息科技有限公司 (formerly known as "廣州勝億交通信息軟件有限公司") ("勝億") was qualified as an approved software enterprise since year 2011 and was exempted from the PRC EIT for the year ended 31 December 2011, followed by a 50% reduction of enterprise income tax rate from year 2012 to year 2014. 勝億 was qualified as a high and new technology enterprise from October 2014 and was entitled to a concessionary rate of the PRC EIT at 15% over 3 years.

Except for Guangzhou GL and 勝億 as mentioned above, remaining subsidiary located in the PRC is subject to the PRC EIT rate of 25% (2014: 25%) on its assessable profits.

The Company and its subsidiaries incorporated in countries other than the PRC and Hong Kong are not subject to any income tax pursuant to the rules and regulations of their respective countries of incorporation.

10. INCOME TAX *(continued)*

Reconciliation between tax expenses and accounting (loss) at the applicable tax rates:

	2015	2014
	HK$'000	*HK$'000*
(Loss) before taxation	**(41,926)**	(53,042)
Notional tax on (loss) before taxation, calculated at the rates applicable to (loss) in the tax jurisdictions concerned	**(6,319)**	(7,721)
Tax effect of profits entitled to tax exemption in the PRC	**–**	(254)
Tax effect of non-taxable income	**(58)**	(77)
Tax effect of non-deductible expenses	**2,022**	2,262
Tax effect of unused tax losses not recognised	**4,775**	6,995
Tax effect of deductible temporary differences not recognised	**(54)**	2,824
Tax effect of utilisation of unused tax losses not recognised in prior years	**(38)**	–
Underprovision in respect of prior years	**–**	41
Others	**214**	(290)
Tax expenses	**542**	3,780

11. LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated loss for the year attributable to the equity shareholders of the Company includes a loss of approximately HK$6,840,000 (2014: HK$1,175,000) which has been dealt with in the financial statements of the Company (note 26(b)).

12. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the consolidated loss attributable to equity shareholders of the Company of approximately HK$42,462,000 (2014: HK$56,809,000) and the weighted average number of approximately 993,071,000 ordinary shares (2014: 960,808,000 ordinary shares) in issue during the year calculated as follows:

Weighted average number of ordinary shares

	2015	2014
	'000	*'000*
Issued ordinary shares at the beginning of the year	**960,808**	960,808
Effect of new shares issued	**32,263**	–
Weighted average number of ordinary shares at the end of the year	**993,071**	960,808

12. LOSS PER SHARE *(continued)*

(b) Diluted loss per share

The basic and diluted loss per share are the same for the year ended 31 March 2015, as the warrants outstanding during the year are anti-dilutive. There were no dilutive potential ordinary shares in issue during the year ended 31 March 2014, and diluted loss per share is the same as basic loss per share.

13. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

(a) The remuneration paid or payable to each of the eight (2014: seven) directors and disclosed with reference to section 161 of the predecessor Hong Kong Companies Ordinance (Cap. 32), and the chief executive's remuneration are as follows:

	Fees	**Salaries, allowances and benefits in kind**	**Retirement benefits scheme contributions**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31 March 2015				
Executive directors:				
Mr. Ma Yuanguang *(appointed as Chief Executive on 16 December 2014)*	–	940	18	958
Mr. Hu Zhi Jian *(resigned as executive director and Chief Executive on 16 December 2014)*	–	456	–	456
Mr. Hu Tiejun *(re-designated as executive director on 16 December 2014)*	–	123	5	128
Mr. Lo Kam Hon, Gary	–	151	8	159
	–	1,670	31	1,701
Independent non-executive directors:				
Mr. Hu Tiejun *(re-designated as executive director on 16 December 2014)*	36	–	–	36
Mr. Liu Kejun *(appointed on 16 December 2014)*	15	–	–	15
Professor Lu Ting Jie	44	–	–	44
Mr. Leung Kwok Keung	79	–	–	79
	174	–	–	174
Non-executive director:				
Mr. Wing Kee Eng, Lee	70	–	–	70
	244	1,670	31	1,945

13. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION *(continued)*

(a) The remuneration paid or payable to each of the eight (2014: seven) directors and disclosed with reference to section 161 of the predecessor Hong Kong Companies Ordinance (Cap. 32), and the chief executive's remuneration are as follows: *(continued)*

	Fees	**Salaries, allowances and benefits in kind**	**Retirement benefits scheme contributions**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31 March 2014				
Executive directors:				
Mr. Ma Yuanguang	–	940	15	955
Mr. Hu Zhi Jian *(Chief Executive)*	–	645	9	654
Mr. Lo Kam Hon, Gary	–	151	8	159
	–	1,736	32	1,768
Independent non-executive directors:				
Mr. Hu Tiejun	52	–	–	52
Professor Lu Ting Jie	44	–	–	44
Mr. Leung Kwok Keung	79	–	–	79
	175	–	–	175
Non-executive director:				
Mr. Wing Kee Eng, Lee	70	–	–	70
	245	1,736	32	2,013

(b) The five highest-paid individuals of the Group for the year ended 31 March 2015 included two (2014: two) directors, details of which are disclosed in note 13(a). Details of the emoluments of the remaining three (2014: three) highest paid individuals are as follows:

	2015	2014
	HK$'000	*HK$'000*
Basic salaries, other allowances and benefits in kind	**1,027**	999
Contributions to retirement benefit schemes	**35**	34
	1,062	1,033

The number of non-director, highest paid employee whose remuneration fell within the following bands is as follows:

	2015	2014
Nil to HK$1,000,000	**3**	3

During the year ended 31 March 2015, no emoluments were paid or payable by the Group to the directors and the five highest paid individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office (2014: Nil).

None of the directors waived any emoluments in the year ended 31 March 2015 (2014: Nil).

14. PROPERTY, PLANT AND EQUIPMENT

The Group

	Furniture and fixtures	Office equipment	Leasehold improvements	Tools and equipment	Motor vehicles	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cost						
At 1 April 2013	54	917	1,139	710	2,841	5,661
Additions	8	94	–	20	–	122
Disposals	–	(257)	–	(30)	–	(287)
Exchange realignment	–	(2)	–	–	–	(2)
At 31 March 2014 and 1 April 2014	62	752	1,139	700	2,841	5,494
Additions	33	–	1,630	–	–	1,663
Disposals	–	–	(1,139)	–	(1,347)	(2,486)
Exchange realignment	–	–	–	–	12	12
At 31 March 2015	95	752	1,630	700	1,506	4,683
Accumulated depreciation						
At 1 April 2013	20	635	1,074	133	1,858	3,720
Charge for the year	11	110	39	70	375	605
Written back on disposals	–	(231)	–	(27)	–	(258)
Exchange realignment	–	(2)	–	(1)	(3)	(6)
At 31 March 2014 and 1 April 2014	31	512	1,113	175	2,230	4,061
Charge for the year	13	88	155	66	169	491
Written back on disposals	–	–	(1,139)	–	(979)	(2,118)
Exchange realignment	–	(1)	1	–	7	7
At 31 March 2015	44	599	130	241	1,427	2,441
Carrying amounts						
At 31 March 2015	51	153	1,500	459	79	2,242
At 31 March 2014	31	240	26	525	611	1,433

15. INTANGIBLE ASSETS

The Group

	Software *HK$'000*	Application rights *HK$'000*	Total *HK$'000*
Cost			
At 1 April 2013 and 31 March 2014	3,205	–	3,205
Additions	–	32,500	32,500
Disposals	(3,205)	–	(3,205)
At 31 March 2015	–	32,500	32,500
Accumulated amortisation			
At 1 April 2013	144	–	144
Amortisation for the year	649	–	649
Exchange realignment	(8)	–	(8)
At 31 March 2014	785	–	785
Amortisation for the year	378	813	1,191
Disposals	(1,162)	–	(1,162)
Exchange realignment	(1)	–	(1)
At 31 March 2015	–	813	813
Carrying amounts			
At 31 March 2015	–	31,687	31,687
At 31 March 2014	2,420	–	2,420

15. INTANGIBLE ASSETS *(continued)*

The Company

	Application rights *HK$'000*
Cost	
At 1 April 2013 and 31 March 2014	–
Additions	32,500
At 31 March 2015	32,500
Accumulated amortisation	
At 1 April 2013 and 31 March 2014	–
Amortisation for the year	813
At 31 March 2015	813
Carrying amounts	
At 31 March 2015	31,687
At 31 March 2014	–

Intangible assets represent (i) software and (ii) sole and exclusive right for certain applications of the Certificate Authority SIM ("CA-SIM") at Panyu Region, Guangdong Province of the PRC held by the Group and the Company respectively.

During the year, the Company acquired a sole and exclusive right for certain applications of the Certificate Authority SIM ("CA-SIM") at Panyu Region, Guangdong Province of the PRC ("application rights") from an independent third party by issue and allotment of 128,000,000 consideration shares. The fair values of the application rights at the date of acquisition of HK$32,500,000 was arrived at on the basis of a valuation carried out by an independent valuer, LCH (Asia-Pacific) Surveyors Limited, using income approach valuation techniques. The application rights have finite useful lives and are amortised on a straight-line basis over their estimated useful lives of 10 years.

The amortisation charge for the year is included in "cost of inventories sold" and "other operating expenses" in the consolidated statement of profit or loss and other comprehensive income respectively.

16. DEFERRED TAXATION

a) **The component of deferred tax assets recognised and movements during the current year are as follows:**

Deferred tax assets arising from:

	The Group		
	Doubtful debts and provision for impairment	**Unrealised profits arising from intra-group sales**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
At 1 April 2013	1,000	2,516	3,516
(Charged) to profit or loss *(note 10)*	(662)	(2,548)	(3,210)
Exchange realignment	8	32	40
At 31 March 2014	346	–	346
(Charged) to profit or loss *(note 10)*	(346)	–	(346)
At 31 March 2015	–	–	–

b) **Deferred tax assets not recognised**

As at 31 March 2015, the Group had unused tax losses of approximately HK$100,174,000 (2014: HK$68,709,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately HK$45,993,000 and HK$30,569,000 (2014: HK$128,000, HK$89,000 and HK$46,028,000 that will expire in 2015, 2016 and 2019 respectively) that will expire in 2019 and 2020 respectively according to the prevailing tax laws and regulations in the country in which the entity operates. Other losses may be carried forward indefinitely subject to the final assessment of the relevant tax authority.

As at 31 March 2015, the Group had deferred tax assets arising from allowance for doubtful debts and provision for impairment of deposits of approximately HK$1,928,000 (2014: HK$1,507,000) and unrealised profits arising from intra-group sales of approximately HK$564,000 (2014: HK$1,280,000) respectively being not recognised. No deferred tax asset has been recognised due to the unpredictability of future profit streams for the relevant subsidiaries.

16. DEFERRED TAXATION *(continued)*

c) Deferred tax liabilities not recognised

Pursuant to the PRC Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. The Group will be subject to 5% withholding tax on dividends receivable from a PRC subsidiary and 10% withholding tax on dividends receivable from another PRC subsidiary in respect of their earnings accumulated beginning on 1 January 2008.

At 31 March 2015, temporary differences relating to the undistributed profits of PRC subsidiaries for the period from 1 January 2008 to 31 March 2015 amounted to approximately HK$27,599,000 (2014:HK$45,386,000). Deferred tax liabilities of approximately HK$2,760,000 (2014: HK$3,941,000) have not been recognised in respect of the withholding tax that would be payable on the distribution of these retained profits as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that profits will be reinvested or not distributed in the foreseeable future.

17. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2015	2014
	HK$'000	*HK$'000*
Unlisted investments, at cost	**411**	411

17. INVESTMENTS IN SUBSIDIARIES *(continued)*

Details of the Company's subsidiaries as at 31 March 2015 are as follows:

Name of Company	Place of incorporation/ establishment and operation	Issued and fully paid share capital/registered capital	Proportion of ownership interests: Group's effective interest	Held by the Company	Held by a subsidiary	Principal activities
GL Limited *(note (c))*	British Virgin Islands	21,052 Ordinary shares of US$1 each	100%	100%	–	Investment holding
Hilltop Holdings Group Limited *(note (c))*	British Virgin Islands	10,000 Ordinary shares of US$1 each	100%	–	100%	Investment holding and holding of software rights
Tonnex Holdings Limited *(note (c))*	British Virgin Islands	50,000 Ordinary shares of US$1	100%	100%	–	Investment holding
廣州勝億信息科技有限公司 (formerly known as "廣州勝億交通信息軟件有限公司") *(note (a))*	People's Republic of China ("PRC")	Registered capital RMB5,000,000	100%	–	100%	Sale and research and development of electronic hardware and software and development of various community mobile Internet applications and related services
Guangzhou Global Link Communications Inc. (廣州國聯通信有限公司) *(note (a))*	PRC	Registered capital HK$20,000,000	100%	–	100%	Provision of passenger information management systems
北京國聯偉業通信技術有限公司 *(note (b))*	PRC	Registered capital RMB1,000,000	95%	–	95%	Provision of value-added telecommunications solutions, telecommunications application software and networking solutions
Global Link Communications (HK) Limited *(note (c))*	Hong Kong	100 Ordinary shares	100%	–	100%	Provision of passenger information management systems

Notes:

(a) 廣州國聯通信有限公司 (Guangzhou Global Link Communications Inc.) and 廣州勝億信息科技有限公司 (formerly known as "廣州勝億交通信息軟件有限公司") are registered as wholly-foreign-owned enterprises under the PRC law with limited liabilities.

(b) 北京國聯偉業通信技術有限公司 is registered as foreign-invested enterprises under the PRC law with limited liabilities.

(c) GL Limited, Hilltop Holdings Group Limited, Tonnex Holdings Limited and Global Link Communications (HK) Limited are registered as limited liability companies under the rules and regulations of their respective countries of incorporation.

18. INVENTORIES

	The Group	
	2015	2014
	HK$'000	*HK$'000*
Spare parts and accessories	**19,040**	22,038
Finished goods	**10,452**	1,541
	29,492	23,579

The analysis of the amount of inventories recognised as expenses is as follows:

	2015	2014
	HK$'000	*HK$'000*
Carrying amount of inventories sold	**73,680**	53,952
	73,680	53,952

19. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Trade receivables and bills receivables	**52,921**	67,632	**–**	–
Less: allowance for doubtful debts	**(11,375)**	(11,332)	**–**	–
	41,546	56,300	**–**	–
Other receivables	**1,819**	830	**–**	–
Amounts due from subsidiaries	**–**	–	**34,870**	40,669
	43,365	57,130	**34,870**	40,669

19. TRADE AND OTHER RECEIVABLES *(continued)*

Included in trade receivables are retention monies receivable of approximately HK$2,818,000 (2014: HK$3,852,000), which are withheld and will be released upon the expiry of maintenance periods.

All of the trade and other receivables (including amounts due from subsidiaries) are expected to be recovered within one year, except for retention monies receivables of approximately HK$2,337,000 (2014: HK$3,101,000) which are expected to be recovered after more than one year.

Amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

(a) Age analysis

The following is an analysis of trade receivables by age, presented the respective revenue recognition dates:

	The Group	
	2015	2014
	HK$'000	*HK$'000*
Within 90 days	**18,558**	20,179
Between 91 and 180 days	**8,685**	12,723
Between 181 and 365 days	**9,730**	14,803
Between 1 and 2 years	**1,755**	4,743
	38,728	52,448
Retention receivables	**2,818**	3,852
	41,546	56,300

Customers are generally granted with credit terms of 90 days. Generally, the Group does not hold any collaterals from customers. Further details on the Group's credit policy are set out in note 5(b).

(b) Impairment of trade and bills receivables

Impairment losses in respect of trade and bills receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors directly (see note 3(s)).

19. TRADE AND OTHER RECEIVABLES *(continued)*

(b) Impairment of trade and bills receivables *(continued)*

Movements in the allowance for doubtful debts are as follows:

	The Group	
	2015	2014
	HK$'000	*HK$'000*
At the beginning of the year	**11,332**	4,192
Impairment losses recognised	**30**	7,137
Exchange realignment	**13**	3
At the end of the year	**11,375**	11,332

As at 31 March 2015, trade and bills receivables of the Group amounting to approximately HK$11,375,000 (2014: HK$11,332,000) were individually determined to be impaired and full provision had been made. These individually impaired receivables were outstanding for over 1 year as at the end of the reporting period or were due from companies with financial difficulties. The Group does not hold any collateral over these balances.

(c) Trade and bills receivables that are not impaired

The ageing analysis of trade and bills receivables that are neither individually nor collectively considered to be impaired is as follows:

	The Group	
	2015	2014
	HK$'000	*HK$'000*
Neither past due nor impaired	**21,267**	23,942
Past due but not impaired:		
Less than 3 months past due	**8,794**	12,812
Over 3 months past due	**11,485**	19,546
	41,546	56,300

Receivables that were neither past due nor impaired with an aggregate balance of approximately HK$21,267,000 (2014: HK$23,942,000) relate to independent customers for whom there was no recent history of default.

Receivables that were past due but not impaired related to independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

20. DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Deposits	**2,367**	11,299	**–**	–
Prepayments	**269**	211	**203**	203
	2,636	11,510	**203**	203
Less: Provision of impairment	**(1,481)**	(1,490)	**–**	–
	1,155	10,020	**203**	203

During the year, reversal of provision for impairment loss made in prior year of HK$9,000 (2014: HK$997,000) arose due to the amount has been recovered.

21. CASH AND CASH EQUIVALENTS

	The Group	
	2015	2014
	HK$'000	*HK$'000*
Cash at bank and on hand	**18,677**	29,297
Cash and cash equivalents in the consolidated statement of financial position and the consolidated statement of cash flows	**18,677**	29,297

The interest rates on the cash at bank ranged from 0.01% to 4.25% (2014: 0.01% to 3.8%) per annum.

Included in the cash and cash equivalents of the Group was approximately HK$4,285,000 (2014: HK$12,482,000) that were bank deposits placed with banks in the PRC and denominated in RMB. The conversion of these balances into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

22. PLEDGED BANK DEPOSIT

As at 31 March 2015, the Group's bank deposit of approximately HK$ Nil (2014: HK$808,000) was pledged to a bank as collateral for the issuance of performance guarantee. The pledged bank deposit was matured in November 2014 and the collateral was released upon the discharge of performance guarantee. At 31 March 2014, the pledged bank deposits carry fixed interest rate of 3.75% per annum.

23. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Trade payables	**9,496**	5,919	**–**	–
Other payables	**2,566**	2,303	**562**	382
Accrued wages	**868**	822	**–**	–
Payables for value-added tax	**1,456**	3,464	**–**	–
Deposits received from customers	**531**	673	**–**	–
Amount due to a subsidiary	**–**	–	**390**	390
	14,917	13,181	**952**	772

All of the trade and other payables (including amount due to a subsidiary) are expected to be settled within one year or are repayable on demand.

Amount due to a subsidiary is unsecured, interest-free and repayable on demand.

Included in trade and other payables are trade payables with the following ageing analysis as at the end of the reporting period:

	The Group	
	2015	2014
	HK$'000	*HK$'000*
Within 90 days	**7,455**	1,218
Between 91 and 180 days	**552**	350
Between 181 and 365 days	**28**	879
Between 1 and 2 years	**48**	2,166
Over 2 years	**1,413**	1,306
	9,496	5,919

24. PROVISION

The Group provides warranties for its products and undertakes to repair or replace items that fail to perform satisfactory. The amount of provision for product warranties is estimated based on the sales volume and past experience of the level of repairs and returns. The estimation is reviewed on an ongoing basis and is revised when appropriate.

	The Group	
	2015	2014
	HK$'000	*HK$'000*
At beginning of the year	**7,000**	–
Additional provision *(note 9)*	**23,134**	7,088
Amounts utilised during the year	**(13,377)**	–
Exchange realignment	**–**	(88)
At end of the year	**16,757**	7,000
Portion classified as current liabilities	**(16,757)**	(5,743)
Non-current portion	**–**	1,257

25. PROVISION FOR LONG SERVICE PAYMENTS

Under the Employment Ordinance, an entity is required to make long service payments to its employees upon the termination of their employment or retirement when the employee fulfils certain conditions and the termination meets the required circumstances. However, where an employee is simultaneously entitled to a long service payment and to a retirement scheme payment, the amount of the long service payment may be reduced by certain benefits arising from the retirement scheme. Based on the entity's past experience and the directors' knowledge of the business and work force, it is possible that the entity will have to make long service payments to some employees on termination of their employment or retirement.

	The Group	
	2015	2014
	HK$'000	*HK$'000*
Balance at the beginning of the year	**56**	–
Charged to profit or loss	**–**	56
Balance at the end of the year	**56**	56

26. CAPITAL AND RESERVES

a) Share capital

	2015		2014	
	No. of shares	**Amount**	No. of shares	Amount
		HK$'000		*HK$'000*
Authorised:				
Ordinary share of HK$0.01 each	**2,000,000,000**	**20,000**	2,000,000,000	20,000
Issued and fully paid:				
Ordinary share of HK$0.01 each:				
At the beginning of the year	**960,807,500**	**9,608**	960,807,500	9,608
Issuance of new shares *(note i)*	**128,000,000**	**1,280**	–	–
At the beginning and the end of the year	**1,088,807,500**	**10,888**	960,807,500	9,608

(i) On 23 December 2014, the Company entered into an assignment with an independent third party assignor to which the Company acquired application rights. The consideration was satisfied by issue and allotment of 128,000,000 consideration shares (note 15). The acquisition was completed on 30 December 2014 and 128,000,000 consideration shares were issued by the Company to the assignor on the same day.

The fair value of the application rights at date of acquisition amounted to HK$32,500,000, the premium on the issue of new shares of HK$31,082,000 was credited to the share premium account after deducting direct issuance costs of HK$138,000.

The owners of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

26. CAPITAL AND RESERVES *(continued)*

b) The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Share option reserve	Warrant reserve	Share premium	Accumulated losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2013	1,195	–	58,725	(27,842)	32,078
Loss for the year *(note 11)*	–	–	–	(1,175)	(1,175)
Transfer of share option reserve upon the expiry of share options	(1,195)	–	–	1,195	–
At 31 March 2014	–	–	58,725	(27,822)	30,903
At 1 April 2014	–	–	58,725	(27,822)	30,903
Loss for the year *(note 11)*	–	–	–	(6,840)	(6,840)
Issue of new shares *(note 26(a)(i))*	–	–	31,082	–	31,082
Issue of unlisted warrants *(see note 26(c))*	–	186	–	–	186
At 31 March 2015	–	186	89,807	(34,662)	55,331

c) **Unlisted warrants**

During the year, the Company entered into Subscription Agreements with the subscribers to issue 186,000,000 warrants. The issue price per warrant is HK$0.001 and the subscription price is HK$0.21 per share. The subscription period is 36 months from the date of issue of the warrants. The subscription was completed on 12 August 2014, proceeds of HK$186,000 was received and credited to the warrant reserve of the Company.

During the year ended 31 March 2015 and up to the date of this report, no warrant was exercised to subscribe for ordinary shares of the Company.

d) **Dividends**

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

26. CAPITAL AND RESERVES *(continued)*

e) Nature and purpose of reserves

i) Share premium

The share premium represents the difference between the par value of the shares of the Company and proceeds received from the issuance of the shares of the Company. Under the Companies Law of Cayman Islands, the share premium account of the Company is distributable to the equity shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company would be in a position to pay off its debt as they fall due in the ordinary course of business.

ii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 3(d).

iii) Share option reserve

The share option reserve comprises the fair value of the actual or estimated number of shares issuable under unexercised share options granted to employees of the Group recognised in accordance with accounting policy adopted for share-based payment in note 3(n)(iv).

iv) Merger reserve

The merger reserve represents the difference between the nominal value of the share capital issued by the Company in exchange for the nominal value of the share capital and share premium of its subsidiary arising from Group reorganisation in 2002.

v) Statutory reserves

Pursuant to applicable PRC regulations, certain PRC subsidiaries in the Group are required to appropriate 10% of their profit after tax after offsetting prior year losses to the statutory reserve until such reserve reaches 50% of their registered capital. Transfers to the reserve must be made before distribution of dividends to shareholders. Upon approval by relevant authorities, the statutory reserve can be utilised to offset the accumulated losses or to increase the registered capital of the subsidiary, provided that the balance after such issue is not less than 25% of its registered capital.

vi) Warrant reserve

Warrant reserve represents the net proceed received from the issue of warrant. The warrant reserve will be transferred to share premium account upon the exercise of the warrants.

26. CAPITAL AND RESERVES *(continued)*

f) Distributability of reserves

At 31 March 2015, the aggregate amount of reserves available for distribution to equity shareholders of the Company was approximately HK$55,145,000 (2014: HK$30,903,000).

g) Capital management

The capital structure of the Group consists of cash and cash equivalents in an amount of approximately HK$18,677,000 (2014: HK$29,297,000) (note 21). The Group had no bank borrowings as at 31 March 2015 and 2014.

The Group's objectives when managing capital are to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The management reviews the capital structure regularly. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. In view of this, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt as it sees fit and appropriate. The Group's overall strategy remains unchanged from 2014.

Neither the Company nor any of its subsidiaries was subject to externally imposed capital requirements.

27. EMPLOYEE RETIREMENT BENEFITS

The Group operates a Mandatory Provident Fund Scheme ("the MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000 (HK$25,000 prior to June 2014). Contributions to the plan vest immediately.

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the government of the PRC. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

The total expenses recognised to profit or loss of approximately HK$1,339,000 (2014: HK$1,515,000) represents contributions payable to these plans by the Group at rates specified at the rules of the plans (note 9(a)).

FOR THE YEAR ENDED 31 MARCH 2015

28. CAPITAL COMMITMENTS

The Group had the following capital commitment at the end of reporting period:

	2015 HK$'000	2014 HK$'000
Contracted, but not provided for in respect of capital contribution to a subsidiary	8,000	8,000

29. OPERATING LEASE COMMITMENTS

At 31 March 2015, the Group had total future minimum lease payments in respect of land and buildings under non-cancellable operating leases are payables as follows:

	2015 HK$'000	2014 HK$'000
Within 1 year	1,093	1,123
After 1 year but within 5 years	2,966	184
	4,059	1,307

30. RELATED PARTY TRANSACTIONS

a) Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. During the year, consultant fee of HK$80,000 (2014: HK$120,000) was paid to a spouse of an independent non-executive director of the Company.

b) **Key management personnel remuneration**

Remuneration for key management personnel, including amounts paid to the Company's directors as disclosed in note 13, is as follows:

	2015 HK$'000	2014 HK$'000
Salaries and other short-term employee benefits	1,914	1,981
Retirement scheme contributions	31	32
	1,945	2,013

Total remuneration is included in "staff costs" (see note 9(a)).

NOTES TO THE FINANCIAL STATEMENTS

31. MAJOR NON-CASH TRANSACTION

As set out in notes 15 and 26, the Company acquired an intangible asset during the year, with fair value at date of acquisition of HK$32,500,000, by way of issue of 128,000,000 new shares during the year.

32. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2015

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the year ended 31 March 2015 and which have not been adopted in these financial statements.

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

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

The Group is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.