ZHI CHENG HOLDINGS LIMITED
智城控股有限公司*

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 8130)

Annual Report 2015

* For identification only

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

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Executive Directors

Mr. Lien Wai Hung *Chairman*
Mr. Wei Shu Jun

Independent Non-executive Directors

Mr. Ho Chun Ki, Frederick
Mr. Lai Miao Yuan
Mr. Chong Yiu Kan, Sherman
Mr. Tam Kin Yip

Company Secretary

Mr. Lo Chi Hung

Compliance Officer

Mr. Lien Wai Hung

Authorised Representatives

Mr. Lien Wai Hung
Mr. Lo Chi Hung

Registered Office

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal Share Registrar and Transfer Office

Codan Services Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Hong Kong Branch Share Registrar and Transfer Office

Tricor Secretaries Limited
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183 Queen's Road East
Hong Kong

Audit Committee

Mr. Chong Yiu Kan, Sherman
Mr. Ho Chun Ki, Frederick
Mr. Lai Miao Yuan
Mr. Tam Kin Yip

Remuneration Committee

Mr. Tam Kin Yip
Mr. Chong Yiu Kan, Sherman
Mr. Lai Miao Yuan
Mr. Lien Wai Hung

Nomination Committee

Mr. Chong Yiu Kan, Sherman
Mr. Lai Miao Yuan
Mr. Lien Wai Hung
Mr. Tam Kin Yip

Auditors

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Legal Advisers to the Company

As to Hong Kong Law
Michael Li & Co

As to Bermuda Law
Conyers Dill and Pearman

Head Office and Principal Place of Business in Hong Kong

Room 3203, 32nd Floor,
Admiralty Centre,
18 Harcourt Road,
Hong Kong

Principal Bankers

Hang Seng Bank Limited

Corporate Website

http://www.zhicheng-holdings.com

GEM Stock Code

08130

Chairman's Statement

Dear shareholders,

On behalf of the board of Directors (the "Board") of Zhi Cheng Holdings Limited (the "Company"), I herein present the results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2015.

The global economy and financial markets are in a fragile equilibrium and there are alternating periods of concerns where growth being too strong will lead to aggressive rate hike starting later in the year, or too weak a growth will morph into sustained price falls. While the PRC markets enjoyed a brief bull ride, the rest of the world has lingering concerns over Eurozone's ability to meet its debt obligations and making a precedent. In the full swing of the new economy, the world's largest taxi company owns no vehicles; the world's most popular media owner creates no content; the most valuable retailer has no inventory and the world's largest accommodation provider owns no real estate. This rapid change in market dynamics have forced brick-and-mortar business to embrace and adopt online-to-offline models to maintain a foothold in the market. Under this trending tide of economics climate, and after reviewing the performance of business segments, the Group is restructuring business line that are under performing or the returns are diminishing.

During the year under review, the Group recorded an increase in turnover of approximately 33.8% to HK$36.7 million (2014: HK$27.5 million). The revenue was derived from the businesses of property investments, provision of consultancy services, advertising and media related services, provision of project management services, travel agency and related operations and decoration and interior design services. The Group recorded a loss attributable to owners of the Company of approximately HK$155.6 million (2014: HK$113.5 million). The change was mainly attributed to increases of impairment losses recognised in respect of: available-for-sale investments of approximately HK$6.0 million (2014: HK$Nil); goodwill of approximately HK$14.8 million (2014: HK$Nil); intangible assets of approximately HK$3.0 million (2014: HK$Nil) and the amortisation of intangible assets of approximately HK$17.3 million (2014: HK$22.9 million).

Future Plans

On 15 April 2015, the Company entered into a disposal agreement with the purchaser, pursuant to which the purchaser has agreed to acquire and the Company has agreed to dispose the sale share, representing the entire issued share capital of the Grandeur Concord Limited, and the sale loan at an aggregate consideration of HK$20,000,000. The target group is principally engaged as a lessor of an investment property located in Canada for rental income. Upon completion, the target will cease to be a subsidiary of the Company.

The changes brought by the information age also enable opportunities when businesses can diversify to develop and grow at a fast pace with the aid of online cloud based platforms. Planning forward, the Group will continue to review its existing businesses and also explore potential diversification of business opportunities for a better return to shareholders.

Finally, I would like to thank our Board, management and staff for their contributions to the Group. I would also like to extend my sincere gratitude to our shareholders, business partners, customers and suppliers for their continued supports.

Lien Wai Hung
Chairman

General

During the year under review, the Group is principally engaged in property investments, provision of consultancy services, advertising and media related services, provision of project management services, travel agency and related operations and decoration and interior design services.

Business Overview

Provision of Medical Information Digitalisation System

Within the National Health and Family Planning Commission ("NHFPC") Statistical Information Center 2015 working priorities, which include promoting the utilisation of residents' health card; improving national-level platform with key information systems; strengthening information security standards and information and IT support for national health statistics, all have emphasis on data security of the electronic information stored on these healthcare information platform involving personal and sensitive data. The construction, maintenance and storage of such electronic data must meet healthcare data securities standards stipulated by the NHFPC and the entities supplying these healthcare information systems must possess appropriate qualifications and conform to these safety measures. Moreover, to ensure information security requirements are being complied with, some electronic computer equipment manufactured by international renowned companies are no longer on the list of approved equipment available for procurement by the PRC authorities. While these tightened policies and measures are essential from the national security prospective, the provision of healthcare information systems by foreign companies are practically cannibalised. Given that further development in this business is no longer viable and the segment did not generate any revenue for the year, provisions were made to the intangible assets and the available-for-sale investment related to this segment and the Group is in the process of disposing the operating companies in the PRC. As such the operation relating to the provision of medical information digitalisation systems is classified as discontinued operation for financial statement purposes.

On 13 March 2015, a wholly-owned subsidiary of the Company entered into a disposal agreement with the purchaser, pursuant to which the purchaser has agreed to acquire and the vendor has agreed to dispose of the sale shares, representing the entire registered capital of 嘉鈦華數碼科技（天津）有限公司 (Jia Tai Hua Digital Technology (Tianjin) Company Limited#) at a consideration of HK$11,000,000. The target is principally engaged in the radio-frequency identification (RFID), development and assignment and consultation of biological monitoring technology, wholesaling and retailing of electronic equipment, mechanical equipment and accessories. Upon completion, the target will cease to be a subsidiary of the Company.

During the year under review, the revenue contributed by such segment was HK$Nil (2014: HK$4.0 million).

Property Investments

During the year under review, the revenue contributed by such segment was HK$1.6 million (2014: HK$1.8 million) and was mainly derived from the leasing of an investment property located in Canada.

Provision of Consultancy Services

The landscape of the mobile telecommunication technology is revolutionised by the introduction of smartphone with internet and apps capabilities and has become the main stream equipment in mobile communications. The growth of mobile data usage in Hong Kong have doubled in the past three years; the number of 4G LTE subscriber doubled during the last 12 months and the SMS sent by mobile subscriber dropped to the same level as ten years ago are all indicators that a new chapter has begun and the Group is contemplating the future direction for this business segment.

During the year under review, the revenue contributed by such segment was HK$0.7 million (2014: HK$0.9 million).

Advertising and Media Related Services

With operations expanding to the Hangzhou area, advertising campaigns covering product roadshows, press release events, recruitment fairs, event planning for shopping malls and real estate exhibitions are gaining momentum. The prospects of advertising and media related services business remains steady. On the other hand, as the mobile data services have become more available and affordable in Asia-Pacific countries, tourists visiting foreign countries can access travel information right from their finger tips and the reliance on printed media have gradually reduced in the past years, evident by the closure of several printed media and periodicals with a long history ceasing to circulate physical copies. The results of the travel books business are also affected by the same climate and provisions were made to the goodwill relating to advertising and media related services segment.

The provision of advertising and media related services are located in the PRC by three subsidiaries of the Company, of which 上海中騰廣告有限公司 (Shanghai Zhong Teng Advertisement Company Limited#, "Zhongteng") and 上海思璇廣告有限公司 (Shanghai Si Xuan Advertisement Company Limited#, "Sixuan") were controlled by contractual arrangements and details and reasons for the contractual arrangements are disclosed in the Company's announcements dated 20 February 2012 and 3 May 2012. The structured contracts for Zhongteng were unwinded during the year ended 31 March 2015 and the Group is reviewing the contractual arrangements for Sixuan and will consider unwinding the structured contracts when the conditions for a foreign-funded advertising enterprise are met (i.e. the investor should have been established and operated for more than three years). Risks associated with the contractual arrangements include the PRC Government may determine that the structured contracts are not in compliance with applicable PRC laws, rules, regulations or policies; the structured contracts may not provide control as effective as direct ownership and the Group may not be able to recover or reclaim any or all of the related interest in the event of breach of contractual terms by the PRC company and its PRC shareholders; the structured contracts may be subject to scrutiny of the PRC tax authorities and additional tax may be imposed. The Group continues to monitor and arrange annual reviews of the contractual arrangements to mitigate the above risks.

During the year under review, the revenue contributed by such segment was HK$16.3 million (2014: HK$19.8 million).

\# The English transliteration of Chinese is included for information only, and should not be regarded as the official English names of such Chinese names.

Provision of Project Management Services

Under the domination of smartphones in the market, the Education Institution Internal Security Control System ("EIISCS") is now transformed into a social network communication platform for the educational market. In view of the change of market dynamics, the Group is renegotiating on the cooperation arrangements with the technology provider to determine the future course of action.

During the year under review, the revenue contributed by such segment was HK$1.0 million (2014: HK$1.7 million).

Travel Agency and Related Operations

The weakening of currencies against US dollars provided ample opportunities for leisure travelers in the Asia-Pacific region and the travel agency and related operations business is enjoying the economic benefits brought by such opportunities. On the other hand the flourish of online travel agency continues to challenge future developments as the costs behind automated online platforms are low compared with tradition brick-and-mortar travel agencies.

During the year under review, the revenue contributed by such segment was HK$15.1 million (2014: HK$3.0 million).

Decoration and Interior Design Services

A subsidiary of the Company is engaging in a medium size decoration and interior design project in the new territories area. The profitability with the overall industry depends on the ability to bring in new projects and delivering the results within the agreed timeframe.

During the year under review, the revenue contributed by such segment was HK$2.0 million (2014: HK$0.2 million).

Provision of Securities Broking Services

On 29 January 2014, a wholly-owned subsidiary of the Company entered into an agreement with the vendor pursuant to which the purchaser has conditionally agreed to acquire and the vendor has conditionally agreed to dispose the sale shares, representing the entire issued share capital of Eastmoney International Securities Limited ("Eastmoney", formerly known as BWC Securities Limited) at a consideration of HK$11,685,000, subject to adjustment. The target is principally engaged in the provision of Type 1 (Dealing in securities) regulated activity under the SFO. The transaction was completed on 17 October 2014 and the target became an indirect wholly-owned subsidiary of the Company, and its financial results were consolidated into the Group's financial accounts.

On 17 December 2014, a wholly-owned subsidiary of the company entered into a disposal agreement with the purchaser pursuant to which the purchaser has conditionally agreed to acquire and the vendor has conditionally agreed to dispose the sale shares, representing the entire issued share capital of Eastmoney at an aggregate consideration of HK$3,500,000 plus the net asset value as at the date of completion. The transaction was completed on 31 March 2015 and the target ceased to be a subsidiary of the Company and its financial results were reclassified as discontinued operations in the Group's financial accounts for the year ended 31 March 2015.

During the year under review, the revenue contributed by such segment was HK$0.1 million (2014: HK$Nil).

Financial Review

For the year under review, the turnover from continuing operations of the Group was approximately HK$36.7 million (2014: HK$27.5 million), of which approximately HK$1.6 million (2014: HK$1.8 million) was generated from the leasing of investment properties located in Canada; approximately HK$16.3 million (2014: HK$19.8 million) was generated from provision of advertising and media related services; approximately HK$0.7 million (2014: HK$0.9 million) was generated from provision of consultancy services; approximately HK$1.0 million (2014: HK$1.7 million) was generated from provision of project management services; approximately HK$15.1 million (2014: HK$3.0 million) was generated from travel agency and related operations; approximately HK$2.0 million (2014: HK$0.2 million) was generated from decoration and interior design services, representing an increase of approximately 33.8% as compared with the year ended 31 March 2014. Other revenue amounted to approximately HK$0.5 million (2014: HK$0.1 million), an increase of approximately 3.9 times over the prior year.

Administrative expenses increased by 23.1% to approximately HK$67.3 million from HK$54.7 million in prior year. Such an increase was mainly attributed to increases in the amortisation of intangible assets of approximately HK$17.3 million (2014: HK$22.9 million) and consultancy expenses to approximately HK$6.8 million (2014: HK$2.8 million); and counterbalanced by a decrease in staff costs to approximately HK$16.8 million (2014: HK$25.6 million).

Finance costs decreased to HK$Nil (2014: HK$5,000). The Company, after cancellation of convertible bonds, has no financial borrowings or debts.

The operations relating to the provision of medical information digitalisation system and securities broking services are classified as discontinued operation for financial statements purposes. The revenue and the loss of the discontinued operation is approximately HK$0.1 million (2014: HK$4.0 million) and HK$75.5 million (2014: HK$71.3 million) respectively.

Loss attributable to owners of the Company was approximately HK$155.6 million (2014: HK$113.5 million). The change was mainly attributed to increases of impairment losses recognised in respect of: available-for-sale investments of approximately HK$6.0 million (2014: HK$Nil); goodwill of approximately HK$14.8 million (2014: HK$Nil); intangible assets of approximately HK$3.0 million (2014: HK$Nil) and the amortisation of intangible assets of approximately HK$17.3 million (2014: HK$22.9 million).

Dividend

The Board does not recommend the payment of a dividend for the year ended 31 March 2015 (2014: HK$Nil).

Liquidity and Financial Resources

At 31 March 2015, the Group had total assets of approximately HK$285.5 million (2014: HK$324.2 million), including net cash and bank balances of approximately HK$4.3 million (2014: HK$5.8 million). The decrease in cash and bank balances coincide with the increase in operating activities.

During the year under review, the Group financed its operations with internally generated cash flows and the proceeds from the issuance of new shares.

Capital Structure

Save as disclosed below, there was no change in the capital structure of the Group at 31 March 2015 as compared with that at 31 March 2014.

During the year ended 31 March 2015, certain option holders exercised their option rights to subscribe for an aggregate of 3,980,000 shares at HK$0.73 per share; an aggregate of 9,960,000 shares at HK$0.51 per share; and an aggregate of 3,260,000 shares at HK$0.19 per share. The net proceeds from the exercise of option rights amounted to approximately HK$8.6 million.

On 30 April 2014, the vendor, the Company and the placing agent entered into a top-up placing and subscription agreement, pursuant to which the placing agent has conditionally agreed, on a best effort basis, for and on behalf of the Company, to place to not less than six independent placees of up to 30,000,000 placing shares at a placing price of HK$0.81 per top-up placing share. The placing of 30,000,000 top-up placing shares was completed on 13 May 2014 and the net proceeds from the placing was approximately HK$23.8 million.

On 30 June 2014, the Company and the placing agent entered into a conditional placing agreement pursuant to which the placing agent has conditionally agreed, on a best effort basis, for and on behalf of the Company, to place to not less than six independent placees of up to 47,000,000 placing shares at a placing price of HK$0.40 per placing share. The placing was completed on 16 July 2014 and the net proceeds from the placing was approximately HK$18.0 million.

On 25 September 2014, the vendor, the Company and the placing agent entered into a top-up placing and subscription agreement pursuant to which, the placing agent has conditionally agreed, on a best effort basis, for and on behalf of the Company, to place to not less than six independent placees of up to 60,000,000 placing shares at a placing price of HK$0.50 per top-up placing share. The placing of 60,000,000 top-up placing shares was completed on 8 October 2014 and the net proceeds from the placing was approximately HK$29.0 million.

On 3 December 2014, the vendor, the Company and the placing agent entered into a top-up placing and subscription agreement pursuant to which, the placing agent has conditionally agreed, on a best effort basis, for and on behalf of the Company, to place to not less than six independent placees of up to 39,600,000 placing shares at a placing price of HK$0.50 per top-up placing share. The placing of 39,600,000 top-up placing shares was completed on 16 December 2014 and the net proceeds from the placing was approximately HK$19.1 million.

The aggregate net proceeds from the above share placing activities during the year of approximately HK$89.9 million were utilised towards: approximately HK$27.9 million towards business development and working capital in the area of financial services; approximately HK$16.0 million towards business development in the provision of advertising and media related services; approximately HK$19.0 million towards refundable deposits in the development of new online-to-offline e-Commerce business segments in the PRC; approximately HK$9.1 million on staff costs including directors' remuneration; approximately HK$5.8 million towards legal, professional and consultancy fees; approximately HK$2.2 million on overseas and domestic travelling, transportation and entertainment expenses; approximately HK$6.7 million towards, inter alia, general administration expenses of the Group; and the balance of approximately HK$3.2 million were held in bank accounts of the Group and used for general administrative expenses.

Gearing Ratio

The gearing ratio, expressed as a percentage of total liabilities over total assets, was 12.0% (2014: 7.4%). The change in gearing ratio was mainly attributed to a reduced value of intangible assets after substantial impairment during the year.

Charge on the Group Assets

As at 31 March 2015, the Group did not have any charge on its assets (2014: the Group has pledged its investment property located in Canada with a fair value of approximately HK$21.4 million to secure banking facilities).

Foreign Exchange Risk

The Group has not used any foreign currency derivative instruments to hedge its exposure to foreign exchange risk. However, the management monitors closely the exposures and will consider hedging the exposures should the need arise.

Commitments

At 31 March 2015, the Group, as a lessor, had operating lease commitments of approximately HK$1.3 million (2014: HK$2.9 million) and as a lessee, had operating lease commitment of approximately HK$7.1 million (2014: HK$1.8 million).

Contingent Liabilities

At 31 March 2015, the Group had no contingent liabilities (2014: HK$Nil).

Employee

At 31 March 2015, the Group had 48 employees (2014: 33). Their remuneration, promotion and salary review are assessed based on job responsibilities, work performance, professional experiences and the prevailing industry practices. The employees in Hong Kong joined the mandatory provident fund scheme. Other benefits include share options eligibility under the current share option scheme.

Significant Investment

At 31 March 2015, the Group did not hold any significant investment.

Material Acquisitions and Disposal of Subsidiaries and Affiliated Companies

Save as disclosed in the "Business Overview" under the "Management Discussion and Analysis" section, the Group did not make any material acquisitions and disposal of subsidiaries and affiliated companies during the year ended 31 March 2015.

Future Plan for Material Investments and Capital Assets

Save as disclosed in the "Future Plans" under the "Chairman's Statement" section, the Group does not have any concrete plan for material investments or capital assets for the coming year.

Profile of Directors

Executive Directors

Mr. Lien Wai Hung, aged 51, is the chairman of the Company and he is responsible for overall management of the Board and overseeing the corporate governance of the Group. Mr. Lien is a practicing solicitor in Hong Kong since 1997. Mr. Lien was appointed as an executive director and the chairman on 27 April 2010 and 15 September 2010 respectively.

Mr. Wei Shu Jun, aged 46, is experienced in management of financial services business. Mr. Wei was appointed as an executive director on 20 December 2013.

Independent Non-executive Directors

Mr. Ho Chun Ki, Frederick, aged 57, has extensive experience in project management and bullion, securities and futures business. He is a practicing solicitor in Hong Kong since 2000 and is an assistant solicitor of Ho, Tse, Wai, Philip Li & Partners, a firm of solicitors in Hong Kong. Mr. Ho was appointed as an independent non-executive director on 1 June 2010.

Mr. Lai Miao Yuan, aged 43, has worked with a film production company for a number of years and acquired extensive experience with the area of finance and accounting of film industry. Mr. Lai was appointed as an independent non-executive director on 31 March 2011.

Mr. Chong Yiu Kan, Sherman, aged 52, has over 27 years of working experience in auditing, accounting, taxation and management consultancy. He is a Certified Public Accountant (Practising) of the Hong Kong Institute of Certified Public Accountants and is currently an independent non-executive director of Beautiful China Holdings Company Limited which is listed on The Stock Exchange of Hong Kong Limited. Mr. Chong was appointed as an independent non-executive director on 1 December 2011.

Mr. Tam Kin Yip, aged 41, is a practicing Barrister-At-Law in Hong Kong and has over 11 years' experience in litigation. Mr. Tam became an associate of Hong Kong Institute of Arbitrators in 2006 and was a part-time lecturer in Department of Professional Legal Education at the University of Hong Kong in 2010. Mr. Tam is currently an independent non-executive director of Gold Tat Group International Limited which is listed on The Stock Exchange of Hong Kong Limited. Mr. Tam was appointed as independent non-executive director on 16 February 2012.

Introduction

The Board of directors (the "Board") and the management of the Company are committed to establishing good corporate governance practices and procedures. The maintenance of high standard of business ethics and corporate governance practices has always been one of the Group's goals. The Company believes that good corporate governance provides a framework that is essential for effective management, successful business growth and a healthy corporate culture, thereby leading to the enhancement of shareholders' value.

Corporate Governance Practices

The corporate governance principles of the Company emphasise a quality Board, sound internal controls, transparency and accountability to all shareholders. By applying rigorous corporate governance practices, the Group believes that its accountability and transparency will be improved thereby instilling confidence to shareholders and the public. Throughout the financial year ended 31 March 2015, the Group has complied with the code provisions in the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 15 of the GEM Listing Rules save for certain deviations, details of which will be explained in the relevant paragraphs in this report. The Board has, since the amendments to the GEM Listing Rules regarding corporate governance practices were first proposed by the Stock Exchange, continued to monitor and review the Group's progress in respect of corporate governance practices to ensure compliance. Meetings were held throughout the year and where appropriate, circulars and other guidance notes were issued to directors and senior management of the Group to ensure awareness to issues regarding corporate governance practices.

The Board

Responsibilities

The Board is responsible for the leadership and control of the Company and oversees the Group's business, strategic decisions and performances and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. In practice, the Board takes responsibility for decision making in all major matters of the Company including: the approval and monitoring of all policy matters, the setting of objectives, annual budgets and overall strategies, material transaction, appointment of directors and other significant financial and operational matters. The day-to-day management, administration and operation of the Company are delegated to the senior executives. These responsibilities include the implementation of decisions of the Board, the co-ordination and direction of day-to-day operation and management of the Company in accordance with the management strategies and plans approved by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by these senior executives and the Board has the full support of them to discharge its responsibilities.

Composition

The Board currently comprises six Directors: two executive Directors and four independent non-executive Directors that are more than one-third of the Board. Biographical details of the Chairman and other Directors are set out in the section of "Profile of Directors" on page 12.

The Directors have distinguished themselves in their field of expertise, and have exhibited high standards of personal and professional ethics and integrity. All the Directors give sufficient time and attention to the Company's affairs. The Board believes that the ratio of executive to non-executive Directors is reasonable and adequate to provide checks and balances that safeguard the interest of the shareholders and the Company as a whole.

At 31 March 2015, the Board comprised seven Directors, including three executive Directors, namely Mr. Lien Wai Hung, Mr. Wei Shu Jun and Chan Wai Kwong, Peter and four independent non-executive Directors, Mr. Ho Chun Ki, Frederick, Mr. Lai Miao Yuan, Mr. Chong Yiu Kan, Sherman and Mr. Tam Kin Yip. One of the independent non-executive Directors has appropriate professional qualifications, or accounting or related financial management expertise.

In accordance with the Company's bye-laws, newly appointed Directors are required to offer themselves for re-election at the first annual general meeting following their appointment.

The Board as a whole is responsible for the appointment of new Directors and Directors nomination for re-election by shareholders at the annual general meeting of the Company. Under the Company's bye-laws, the Board may from time to time appoint a Director either to fill a vacancy or as an addition to the Board. Any new Director appointed to fill a casual vacancy shall hold office until the first general meeting after his appointment and shall then be eligible for re-election. Any Director appointed by the Board as an addition to the existing Board shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election.

Independence

The Company has four independent non-executive Directors, at least one of whom has appropriate financial management expertise, in compliance with the GEM Listing Rules. The Company considers these directors to be independent under the guidelines set out in Rules 5.09 of the GEM Listing Rules.

Deviation from the CG code

Throughout the year ended 31 March 2015, the Company complied with the CG Code in Appendix 15 to the GEM Listing Rules, with the exception of CG Code Provision A.4.1 (specific terms of non-executive Directors).

Terms of non-executive Directors

Under the Code provision A.4.1, all the non-executive directors should be appointed for a specific term, subject to re-election. The term of office for non-executive directors is subject to retirement from office by rotation and is eligible for re-election in accordance with the provisions of the Company's bye-laws. At each annual general meeting, one-third of the directors for the time being, (or if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. As such, the Company considers that such provisions are sufficient to meet the underlying objective of this code provision.

Board Meetings and Shareholders' Meetings

The Board regularly meets in person or through other electronic means of communication at least four times every year to determine overall strategic direction and objectives and approve quarterly, interim and annual results, and other significant matters. At least seven business days' notice of regular Board meeting are given to all Directors, who are all given an opportunity to attend and include matters in the agenda for discussion. Apart from regular meetings, senior management from time to time provides Directors information on activities and development of the businesses of the Group. The company secretary takes detailed minutes of the meetings and keeps records of matters discussed and decision resolved at the meetings.

During the year ended 31 March 2015, 20 board meetings were held. Details of the attendance of the Directors at general meetings, the meetings of the Board and its respective committees are as follows:

Name of Director	*Notes*	General Meeting Attended/ Held	Board Meeting Attended/ Held	Audit Committee Attended/ Held	Remuneration Committee Attended/ Held	Nomination Committee Attended/ Held
Executive Directors						
Mr. Lien Wai Hung		1/1	20/20	N/A	1/1	1/1
Mr. Lui Wing Fong, Alexander	*1*	0/1	13/20	N/A	1/1	1/1
Mr. Wei Shu Jun		0/1	19/20	N/A	N/A	N/A
Mr. Chan Wai Kwong, Peter	*2*	0/1	12/20	N/A	0/0	0/0
Independent non-executive Directors						
Mr. Ho Chun Ki, Frederick		1/1	20/20	4/4	N/A	N/A
Mr. Lai Miao Yuan		1/1	20/20	4/4	1/1	1/1
Mr. Chong Yiu Kan, Sherman		1/1	20/20	4/4	1/1	1/1
Mr. Tam Kin Yip		1/1	20/20	4/4	1/1	1/1

Notes

(1) Mr. Lui Wing Fong, Alexander resigned from his position as an executive Director with effect from 18 March 2015.

(2) Mr. Chan Wai Kwong, Peter resigned from his position as an executive Director with effect from 1 April 2015.

Training and support for Directors

All directors, including non-executive directors and independent non-executive directors, namely, Mr. Lien Wai Hung, Mr. Wei Shu Jun, Mr. Ho Chun Ki, Frederick, Mr. Lai Miao Yuan, Mr. Chong Yiu Kan, Sherman and Mr. Tam Kin Yip must keep abreast of their collective responsibilities as directors and of the business of the Group. As such, the Group provides a comprehensive and formal induction to each newly appointed director upon his/her appointment. Briefings and orientations are provided and organised to ensure that the new directors are familiar with the role of the Board, their legal and other duties as a director as well as the business and governance practices of the Group. Such programmes are tailored to each individual director taking into account their background and expertise. The Company will continuously update all directors on the latest developments regarding the GEM Listing Rules and other applicable regulatory requirements to ensure compliance of the same by all directors.

All directors also participate in continuous professional development programmes provided or procured by the Group, such as external seminars organised by qualified professionals, to develop and refresh their knowledge and skills in relation to their contribution to the Board. A record of the training received by the respective directors are kept and updated by the Company.

Remuneration Committee

A remuneration committee was established with specific written terms of reference. At the date of this annual report, the remuneration committee consists of four members, of which the majority are independent non-executive Directors, namely Mr. Lien Wai Hung, Mr. Lai Miao Yuan, Mr. Chong Yiu Kan, Sherman and Mr. Tam Kin Yip. The chairman of the remuneration committee is Mr. Tam Kin Yip.

The remuneration committee is responsible for formulating and recommending to the Board the remuneration policy, determining the remuneration of executive Directors and members of senior management of the Group, as well as reviewing and making recommendations on the Company's share option scheme, bonus structure, provident fund and other compensation-related issues. This committee consults with the chairman on its proposals and recommendations and has access to professional advice if deemed necessary. The remuneration committee is also provided with other resources enabling it to discharge its duties.

The specific terms of reference of the remuneration committee are posted on the Company's website. The remuneration committee meets at least once a year.

During the year under review, the remuneration committee held 1 meeting.

Nomination Committee

The nomination committee was established with specific written terms of reference. At the date of this annual report, the nomination committee consists of four members, of which the majority are independent non-executive Directors, namely Mr. Lien Wai Hung, Mr. Lai Miao Yuan, Mr. Chong Yiu Kan, Sherman and Mr. Tam Kin Yip. The chairman of the nomination committee is Mr. Chong Yiu Kan, Sherman.

The duties of the nomination committee include reviewing the structure, size and composition of the Board at least annually, making recommendations on any proposed changes to the board to complement the Company's corporate strategy, identifying individuals suitably qualified to become members of the Board and selecting individuals nominated for directorship, assessing the independence of the independent non-executive Directors and making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive officer.

The specific terms of reference of the nomination committee are posted on the Company's website. The nomination committee meets at least once a year.

During the year under review, the nomination committee held 1 meeting.

Auditors' Remuneration

For the year ended 31 March 2015, the remuneration in respect of audit services provided by the auditors, HLB Hodgson Impey Cheng Limited, amounted to HK$880,000. Except for the audit service fee, the Company has paid HK$205,000 to the auditors for non-audit services.

Audit Committee

The Company established an audit committee with written terms of reference in compliance with the GEM Listing Rules. Rule 5.28 to 5.29 of the GEM Rules requires that the audit committee must comprise a minimum of three members with a majority of independent non-executive Directors and at least one member must have appropriate professional qualifications or accounting or related financial management expertise.

The main duties of the audit committee include the followings:

(a) To review the financial statements and reports and consider any significant or unusual items raised by the qualified accountant, compliance officer or external auditors before submission to the board.

(b) To review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment and removal of external auditors.

(c) To review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures.

Other duties of the audit committee are set out in its specific terms of reference which are posted on the Company's website. The audit committee is provided with sufficient resources enabling it to discharge its duties.

The audit committee held 4 meetings during the year ended 31 March 2015, to review the financial results and reports, financial reporting and compliance procedures, report on the company's internal control and risk management review and processes as well as the re-appointment of the external auditors.

There is no material uncertainty relating to events and conditions that may cast significant doubt on the Company's ability to continue as a going concern.

There is no disagreement between the Board and the Audit Committee regarding the selection, appointment, resignation or dismissal of external auditors.

The Company's annual results for the year ended 31 March 2015, has been reviewed by the audit committee.

Directors' Securities Transactions

The Company has adopted the Model Code as set out in rules 5.48 to 5.67 to the GEM Listing Rules as its own code of conduct for dealings in securities of the Company by Directors (the "Code"). The Company, having made specific enquiry of all Directors, confirms that its Directors have complied with the required standard set out in the Code during the financial year ended 31 March 2015.

Respective Responsibilities of Directors and Auditors

The Directors are responsible for the preparation of the financial statements, which give a true and fair view of the financial position of the Group. The auditors are responsible to form an independent opinion, based on the audit, on the financial statements prepared by the Directors and report the opinion solely to the shareholders of the Company.

Internal Controls

The Board has overall responsibility for the internal control system of the Company. The Board has developed its systems of internal control and risk management and is also responsible for reviewing and maintaining an adequate internal control system to safeguard the interests of the shareholders and the assets of the Company.

Directors' and Officers' Liability Insurance

Insurance cover has been taken out for Directors' and Officers' Liability to provide adequate cover, as determined by the Board, in respect of the Board members and senior management members of the Company.

Constitutional Documents

On 25 September 2012, the Company adopted a new set of bye-laws for the purpose of conforming with amendments made to the Listing Rules and the Companies Act 1981 of Bermuda. The new set of the Company's bye-laws is available on the websites of the Company and the Stock Exchange.

Shareholders Relations

The Company is committed to maintaining a high level of transparency and employs a policy of open and timely disclosure of relevant information to its shareholders. The commitment to fair disclosure and comprehensive and transparent reporting of the Company's activities can be reflected in many aspects.

In endeavouring to maintain an on-going dialogue with shareholders, the annual general meeting provides a useful forum for shareholders to exchange views with the Board.

The proceedings of the annual general meeting are reviewed from time to time to ensure the Company conforms to the best practices regarding corporate governance. The annual general meeting circular, which is circulated to all shareholders at least 21 days prior to the holding of the annual general meeting, sets out the details in relation to each resolution proposed, voting procedures (including procedures for demanding and conducting a poll) and other relevant information. At the Company's 2014 annual general meeting, all the resolutions were put to the vote by poll and Tricor Secretaries Limited, the Company's Hong Kong Branch Share Registrar, was engaged as scrutineer to ensure the votes were properly counted. The rights of shareholders and the procedures for demanding a poll on resolutions at shareholders' meeting are contained in the Company's Bye-laws.

The Company also communicates to its shareholders through its annual, interim and quarterly reports.

Conclusion

The Company believes that good corporate governance is significant in maintaining investor confidence and attracting investment. The Management will devote considerate effort to strengthen and improve the standards of the corporate governance of the Group.

Report of the Directors

The directors present their annual report and the audited financial statements for the year ended 31 March 2015.

Principal activities and geographical analysis of operations

The principal activities of the Group are property investments, provision of consultancy services, advertising and media related services, provision of project management services, travel agency and related operations and decoration and interior design services. Details of the activities of its subsidiaries are set out in note 24 to the consolidated financial statements.

An analysis of the Group's turnover for the year by geographic segment is set out in note 10 to the consolidated financial statements.

Results

The results of the Group for year ended 31 March 2015 are set out in the consolidated statement of profit or loss on page 29 of this annual report.

The directors do not recommend the payment of any dividend in respect of the year.

Financial summary

The summary of the results and the assets and liabilities of the Group for the past five financial years is set out on page 126 of this annual report.

Property, plant and equipment

Details of the movements in property, plant and equipment of the Group during the year are set out in note 20 to the consolidated financial statements.

Share capital and share options

Details of the movements in the Company's share capital and share options during the year are set out in notes 30 and 39 to the consolidated financial statements respectively.

Reserves

Details of the movement in the reserves of the Group and the Company during the year are set out in note 31 to the consolidated financial statements.

Purchase, sale or redemption of shares

During the year ended 31 March 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

Pre-emptive rights

There is no provision for pre-emptive rights under the Company's bye-laws and there is no restriction against such rights under the law of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Convertible bonds

There are no outstanding convertible bonds during the year ended 31 March 2015.

Distributable reserves

There are no reserves available for distribution to the Company's shareholders at 31 March 2015 (2014: HK$Nil).

Charitable donations

Charitable donations made by the Group during the year amounted to HK$Nil (2014: HK$Nil).

Events after the reporting period

Details of significant events occurring after the reporting period date are set out in note 40 to the consolidated financial statements.

Sufficiency of public float

The Company has maintained a sufficient public float throughout the year ended 31 March 2015.

Directors

The directors of the Company during the year and up to the date of this report are:

Executive Directors

Mr. Lien Wai Hung	
Mr. Lui Wing Fong, Alexander	(resigned on 18 March 2015)
Mr. Wei Shu Jun	
Mr. Chan Wai Kwong, Peter	(resigned on 1 April 2015)

Independent non-executive Directors

Mr. Ho Chun Ki, Frederick
Mr. Lai Miao Yuan
Mr. Chong Yiu Kan, Sherman
Mr. Tam Kin Yip

In accordance with article 84(1) of the Company's bye-laws, Mr. Lien Wai Hung and Mr. Lai Miao Yuan would retire from office by rotation at the annual general meeting. Mr. Lien Wai Hung and Mr. Lai Miao Yuan would retire and, being eligible, offer themselves for re-election.

Directors' service contracts

None of the directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable within one year without payment of compensation, other than statutory compensation.

Directors' and chief executives' interests and short positions in shares, underlying shares and debentures of the Company and its associated corporations

At 31 March 2015, the interests and short position of the directors and chief executive of the Company and their associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Hong Kong Securities and Futures Ordinance ("SFO")), which were notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have taken under such provisions of the SFO); or which are required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Rule 5.46 of the GEM Listing Rules, are as follows:

Long positions in ordinary shares of HK$0.01 each of the Company

Name of director	Personal interests	Percentage of the Company's issued share capital
Mr. Lien Wai Hung	3,260,000	0.53%

Save as disclosed above, at 31 March 2015, none of the directors, or chief executive of the Company or their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which would have to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have under such provisions of the SFO); or which were required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 of the GEM Listing Rules.

Share option schemes

Particulars of the Company's share option schemes are set out in note 39 to the consolidated financial statements.

Arrangement to purchase shares or debentures

Other than the share option schemes disclosed above and in note 39 to the consolidated financial statements respectively, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interest in contracts

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

Competing interests

At 31 March 2015, none of the directors, the substantial shareholders nor their respective associates had an interest in any business which competes or may compete with the business of the Group pursuant to Rule 11.04 of the GEM Listing Rules.

Substantial shareholders

At 31 March 2015, the register of substantial shareholders maintained by the Company under Section 336 of the SFO showed that, other than the interests disclosed above in respect of certain directors, the following shareholders had an interest of 5% or more in the issued share capital of the Company:

Long position in ordinary shares of HK$0.01 each of the Company

Name of shareholder	Capacity	Interest in Shares	Percentage of the Company's issued share capital
Skystep Holdings Limited	Beneficial owner *(Note 1)*	64,640,710	10.58%
Growth Harvest Limited	Interest of controlled corporation *(Note 1)*	64,640,710	10.58%
Treasure Bonus Limited	Interest of controlled corporation *(Note 1)*	64,640,710	10.58%
Ms. Tan Ting Ting	Interest of controlled corporation *(Note 1)*	64,640,710	10.58%

Note:

(1) Skystep Holdings Limited is wholly owned by Growth Harvest Limited ("Growth Harvest"). Treasure Bonus Limited ("Treasure Bonus") is wholly and beneficially owned by Ms. Tan Ting Ting and owns 72% of the issued share capital of Growth Harvest. Each of Growth Harvest, Treasure Bonus and Ms. Tan Ting Ting is deemed to be interested in the 64,640,710 shares.

Save as disclosed above, at 31 March 2015, the Company has not been notified by any persons (other than the directors and chief executives of the Company) who had interests or short positions in the shares and underlying shares of the Company which were to be recorded in the register required to be kept under Section 336 of the SFO and/or who were directly or indirectly interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group.

Retirement benefits scheme

Particulars of the retirement benefits scheme of the Group are set out in note 38 to the consolidated financial statements.

Major customers and suppliers

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

Sales	
– the largest customer	7.6%
– five largest customers combined	45.0%
Purchases	
– the largest supplier	10.8%
– five largest supplier combined	58.7%

At no time during the year did the directors, an associate of a director or a shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's issued share capital) have an interest in the major customers or suppliers noted above.

Audit committee

The Company has established an audit committee with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control procedures of the Group. The audit committee comprises the four independent non-executive directors namely, Mr. Ho Chun Ki, Frederick, Mr. Lai Miao Yuan, Mr. Chong Yiu Kan, Sherman and Mr. Tam Kin Yip. During the year, the audit committee held 4 meetings to review the Group's annual report, half-year report and quarterly reports.

Remuneration committee

A remuneration committee has been established with written terms of reference in accordance with the requirements of the Corporate Governance Code Provisions. The remuneration committee comprises three independent non-executive directors, namely Mr. Lai Miao Yuan, Mr. Chong Yiu Kan, Sherman and Mr. Tam Kin Yip who is the chairman of the remuneration committee and one executive director, Mr. Lien Wai Hung. The principal responsibilities of the remuneration committee include recommendation to the Board on the Group's policy and structure for all remuneration of directors and senior management, the determination of specific remuneration packages of all executive directors and senior management, and to review and approve performance-based remuneration.

Nomination committee

A nomination committee has been established with written terms of reference in accordance with the requirements of the Corporate Governance Code Provisions. The nomination committee comprises three independent non-executive directors, namely Mr. Lai Miao Yuan, Mr. Tam Kin Yip and Mr. Chong Yiu Kan, Sherman who is the chairman of the nomination committee and one executive director, Mr. Lien Wai Hung. The roles and functions of the nomination committee include nomination of potential candidates for directorship, reviewing the nomination of the Directors and making recommendations to the Board for ensuring that all nominations are fair and transparent.

Compliance with Rules 5.48 to 5.67 of the GEM Listing Rules

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less 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, all directors have complied with such code of conduct and the required standard of dealings regarding directors' securities throughout the year ended 31 March 2015.

Confirmation of independence

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules and considers all the independent non-executive Directors to be independent.

Auditors

The account for the year ended 31 March 2015 were audited by HLB Hodgson Impey Cheng Limited whose term of office will expire upon the annual general meeting. A resolution for the re-appointment of HLB Hodgson Impey Cheng Limited as the auditors of the Company for the subsequent year is to be proposed at the forthcoming annual general meeting.

On behalf of the Board

Lien Wai Hung
Chairman

Hong Kong, 29 June 2015

國衛會計師事務所有限公司
Hodgson Impey Cheng Limited

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

To the Shareholders of Zhi Cheng Holdings Limited
(incorporated in the Cayman Islands and continued in Bermuda with limited liability)

We have audited the consolidated financial statements of Zhi Cheng Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 29 to 125, which comprise the consolidated and company statements of financial position at 31 March 2015, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

Auditors' Responsibility *(Continued)*

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 auditors' judgement, 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 auditors consider internal control relevant to the entity's preparation of the 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 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.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Yu Chi Fat
Practising Certificate Number: P05467

Hong Kong, 29 June 2015

Consolidated Statement of Profit or Loss

For the year ended 31 March 2015

	Notes	2015 HK$'000	2014 HK$'000
Continuing operations			
Turnover	8	**36,743**	27,456
Cost of sales		**(28,266)**	(9,883)
Gross profit		**8,477**	17,573
Other income and gains	9	**479**	124
Administrative expenses		**(67,311)**	(54,662)
Fair value changes on investment properties	21	**460**	440
Gain on bargain purchase	32	**322**	–
Gain on disposal of a subsidiary	33	**256**	–
Impairment loss recognised in respect of available-for-sale investments	25	**(6,000)**	–
Impairment loss recognised in respect of goodwill	22	**(14,802)**	–
Impairment loss recognised in respect of intangible assets	23	**(2,953)**	–
Written off of property, plant and equipment	20	**(37)**	(21)
Loss from operations	11	**(81,109)**	(36,546)
Finance costs	12	**–**	(5)
Loss before taxation		**(81,109)**	(36,551)
Income tax expense	13	**(190)**	(4,566)
Loss for the year from continuing operations		**(81,299)**	(41,117)
Discontinued operations			
Loss for the year from discontinued operations	14	**(75,482)**	(71,338)
Loss for the year		**(156,781)**	(112,455)
Loss for the year attributable to:			
owners of the Company		**(155,627)**	(113,528)
non-controlling interests		**(1,154)**	1,073
		(156,781)	(112,455)
Loss per share	19		
From continuing and discontinued operations			
Basic and diluted		**HK(0.30)**	HK(0.30)
From continuing operations			
Basic and diluted		**HK(0.15)**	HK(0.11)

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2015

	2015 HK$'000	2014 HK$'000
Loss for the year	**(156,781)**	(112,455)
Other comprehensive expense for the year		
Item that may be reclassified to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	**(2,453)**	(756)
Other comprehensive expense for the year, net of income tax	**(2,453)**	(756)
Total comprehensive expense for the year	**(159,234)**	(113,211)
Total comprehensive expense for the year attributable to:		
owners of the Company	**(158,237)**	(114,467)
non-controlling interests	**(997)**	1,256
	(159,234)	(113,211)

Consolidated Statement of Financial Position

At 31 March 2015

	Notes	2015 HK$'000	2014 HK$'000
Non-current assets			
Property, plant and equipment	20	**7,391**	4,577
Investment properties	21	**21,406**	24,083
Goodwill	22	**32,446**	47,248
Intangible assets	23	**7,722**	95,534
Deposits for investment		**–**	520
Available-for-sale investments	25	**–**	6,000
		68,965	177,962
Current assets			
Trade and other receivables	26	**186,346**	140,401
Bank balances and cash	27	**4,252**	5,815
		190,598	146,216
Assets of disposal group classified as held for sale	14	**25,925**	–
		216,523	146,216
Current liabilities			
Trade and other payables	28	**18,199**	16,316
Tax payable		**4,795**	4,440
		22,994	20,756
Liabilities of disposal group classified as held for sale	14	**8,200**	–
		31,194	20,756
Net current assets		**185,329**	125,460
Total assets less current liabilities		**254,294**	303,422

Consolidated Statement of Financial Position

At 31 March 2015

	Notes	2015 HK$'000	2014 HK$'000
Capital and reserves			
Share capital	30	**6,112**	4,174
Reserves	31	**236,334**	286,027
Equity attributable to owners of the Company		**242,446**	290,201
Non-controlling interests		**8,876**	9,873
		251,322	300,074
Non-current liability			
Deferred tax liabilities	29	**2,972**	3,348
		254,294	303,422

The consolidated financial statements were approved and authorised for issue by the board of Directors on 29 June 2015 and signed on its behalf by:

Lien Wai Hung
Director

Wei Shu Jun
Director

The accompanying notes form an integral part of these consolidated financial statements.

Statement of Financial Position

At 31 March 2015

	Notes	2015 HK$'000	2014 HK$'000
Non-current assets			
Property, plant and equipment	20	**464**	670
Deposit for investment		**–**	500
Investments in subsidiaries	24	**26,687**	84,958
		27,151	86,128
Current assets			
Amounts due from subsidiaries	24	**204,216**	211,238
Trade and other receivables	26	**18,074**	797
Bank balances and cash	27	**862**	3,308
		223,152	215,343
Current liability			
Trade and other payables	28	**2,087**	4,015
Net current assets		**221,065**	211,328
Total assets less current liability		**248,216**	297,456
Capital and reserves			
Share capital	30	**6,112**	4,174
Reserves	31	**242,104**	293,282
		248,216	297,456

The financial statements were approved and authorised for issue by the board of Directors on 29 June 2015 and signed on its behalf by:

Lien Wai Hung
Director

Wei Shu Jun
Director

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2015

	Equity attributable to equity shareholders of the Company									
	Issued capital HK$'000	Share premium HK$'000	Contributed surplus HK$'000	Share-based compensation reserve HK$'000	Statutory reserve HK$'000	Translation reserve HK$'000	Accumulated losses HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2013	3,266	1,208,558	325,798	2,647	605	5,756	(1,196,126)	350,504	8,617	359,121
(Loss)/profit for the year	–	–	–	–	–	–	(113,528)	(113,528)	1,073	(112,455)
Other comprehensive (expense)/income for the year										
Exchange differences on translation of financial statements of overseas subsidiaries	–	–	–	–	–	(939)	–	(939)	183	(756)
Total comprehensive expense for the year	–	–	–	–	–	(939)	(113,528)	(114,467)	1,256	(113,211)
Transfer of statutory reserve	–	–	–	–	1,346	–	(1,346)	–	–	–
Recognition of equity-settled share-based payments	–	–	–	14,314	–	–	–	14,314	–	14,314
Exercise of share options	317	22,816	–	(7,870)	–	–	–	15,263	–	15,263
Lapsed of share options	–	–	–	(1,059)	–	–	1,059	–	–	–
Placing of shares	591	24,628	–	–	–	–	–	25,219	–	25,219
Share issuing expense	–	(632)	–	–	–	–	–	(632)	–	(632)
At 31 March 2014 and 1 April 2014	4,174	1,255,370	325,798	8,032	1,951	4,817	(1,309,941)	290,201	9,873	300,074
Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**(155,627)**	**(155,627)**	**(1,154)**	**(156,781)**
Other comprehensive (expense)/income for the year										
Exchange differences on translation of financial statements of overseas subsidiaries	**–**	**–**	**–**	**–**	**–**	**(2,610)**	**–**	**(2,610)**	**157**	**(2,453)**
Total comprehensive expense for the year	**–**	**–**	**–**	**–**	**–**	**(2,610)**	**(155,627)**	**(158,237)**	**(997)**	**(159,234)**
Transfer of statutory reserve	**–**	**–**	**–**	**–**	**15**	**–**	**(15)**	**–**	**–**	**–**
Recognition of equity-settled share-based payments	**–**	**–**	**–**	**11,529**	**–**	**–**	**–**	**11,529**	**–**	**11,529**
Exercise of share options	**172**	**12,261**	**–**	**(3,807)**	**–**	**–**	**–**	**8,626**	**–**	**8,626**
Cancellation of share options	**–**	**–**	**–**	**(265)**	**–**	**–**	**265**	**–**	**–**	**–**
Issue of new shares	**1,296**	**67,134**	**–**	**–**	**–**	**–**	**–**	**68,430**	**–**	**68,430**
Placing of shares	**470**	**24,000**	**–**	**–**	**–**	**–**	**–**	**24,470**	**–**	**24,470**
Share issuing expense	**–**	**(2,573)**	**–**	**–**	**–**	**–**	**–**	**(2,573)**	**–**	**(2,573)**
At 31 March 2015	**6,112**	**1,356,192**	**325,798**	**15,489**	**1,966**	**2,207**	**(1,465,318)**	**242,446**	**8,876**	**251,322**

Consolidated Statement of Cash Flows

For the year ended 31 March 2015

	Notes	**2015** **HK$'000**	2014 HK$'000
Operating activities			
Loss before taxation from continuing operations		**(81,109)**	(36,551)
Loss before taxation from discontinued operations		**(75,482)**	(71,338)
Adjustments for:			
Interest income	9	**(1)**	(7)
Amortisation of intangible assets	23	**17,294**	22,919
Depreciation of property, plant and equipment	20	**2,656**	1,636
Fair value changes on investment properties	21	**(460)**	(440)
Gain on bargain purchase	32	**(322)**	–
Gain on disposal of subsidiaries	33	**(1,259)**	–
Impairment loss recognised in respect of available-for-sale investments	25	**6,000**	–
Impairment loss recognised in respect of goodwill	22	**14,802**	–
Impairment loss recognised in respect of intangible assets	23	**68,433**	53,622
Share-based payment expenses	39	**11,529**	14,314
Written-off of intangible assets	23	**–**	55
Written off of property, plant and equipment	20	**37**	21
Operating cash flow before movements in working capital		**(37,882)**	(15,769)
Increase in trade and other receivables		**(51,759)**	(38,656)
Increase/(decrease) in trade and other payables		**5,894**	(1,983)
Cash used in operating activities		**(83,747)**	(56,408)
Tax paid		**(108)**	–
Net cash used in operating activities		**(83,855)**	(56,408)
Investing activities			
Interest received		**1**	7
Net cash outflow from acquisition of subsidiaries	32	**(4,141)**	–
Proceeds from disposal of subsidiaries	33	**(4,156)**	–
Payment for deposits for investment		**(3,117)**	(520)
Purchase of property, plant and equipment	20	**(5,517)**	(1,571)
Net cash used in investing activities		**(16,930)**	(2,084)

Consolidated Statement of Cash Flows

For the year ended 31 March 2015

	2015 HK$'000	2014 HK$'000
Financing activities		
Repayments of bank loan	–	(373)
Proceeds from issue of shares	**77,056**	15,263
Proceeds from placing of new shares	**24,470**	25,219
Expenses on issue of shares	**(2,573)**	(632)
Net cash generated from financing activities	**98,953**	39,477
Net decrease in cash and cash equivalents	**(1,832)**	(19,015)
Cash and cash equivalents at beginning of the year	**5,815**	24,886
Reclassification to assets of disposal group held for sale	**30**	–
Effect of foreign exchange rate changes	**239**	(56)
Cash and cash equivalents at end of the year		
Cash and cash equivalents to the Group	**4,252**	5,815

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 9 November 2001 and continued in Bermuda on 20 April 2009. The Company's shares have been listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 26 August 2002. According to the register of substantial shareholders maintained by the Company, at 31 March 2015 Growth Harvest Limited is a substantial shareholder of the Company and Growth Harvest Limited is beneficially owned by Ms. Tan Ting Ting.

The registered office and principal place of business of the Company are located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and Room 3203, 32nd Floor, Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong respectively.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company and all values are rounded to the nearest thousand (HK$'000) except otherwise indicated.

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are set out in note 24.

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

In the current year, the Group has applied, for the first time, the following new and revised standards and interpretations (collectively referred to as the "new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which are effective for the Group's financial year beginning on 1 April 2014. A summary of the new and revised HKFRSs adopted by the Group is set out as follows:

HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments 2011)	Investment Entities
HK(IFRIC) – Int 21	Levies

The Group has early applied the amendments to HKAS 36 "Recoverable Amount Disclosures for Non-Financial Assets", which is effective for annual periods beginning on or after 1 January 2014, in the financial year ended 31 March 2014.

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

3. ISSUED BUT NOT YET EFFECTIVE HKFRSs

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

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

1 Effective for annual period beginning on or after 1 July 2014, with earlier application permitted
2 Effective for annual period beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.
3 Effective for annual period beginning on or after 1 January 2016, with earlier application permitted
4 Effective for annual period beginning on or after 1 January 2017, with earlier application permitted
5 Effective for annual period beginning on or after 1 January 2018, with earlier application permitted
6 Effect for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group

HKFRS 9 Financial Instruments

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

3. ISSUED BUT NOT YET EFFECTIVE HKFRSs *(continued)*

HKFRS 9 Financial Instruments *(continued)*

Key requirements of HKFRS 9 are described below:

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

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

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

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

3. ISSUED BUT NOT YET EFFECTIVE HKFRSs *(continued)*

HKFRS 9 Financial Instruments *(continued)*

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

HKFRS 15 Revenue from Contracts with Customers

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

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

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

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

3. ISSUED BUT NOT YET EFFECTIVE HKFRSs *(continued)*

HKFRS 15 Revenue from Contracts with Customers *(continued)*

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

Save as described above, the directors of the Company anticipate that the application of the new and revised HKFRSs will have no material effect on the Group's consolidated financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRSs, which is a collective term that includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations ("Ints") issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules") and by the Hong Kong Companies Ordinance.

Basis of preparation

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 7.

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Basis of preparation *(continued)*

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Basis of consolidation *(continued)*

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

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

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

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

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

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

Business combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Business combination *(continued)*

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 "Income Taxes" and HKAS 19 "Employee Benefits" respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 "Share-based Payment" at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another HKFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Business combination *(continued)*

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39, or HKAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. 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.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses, except that when an item of property, plant and equipment is classified as held for sale, when it is not depreciated and is measured at the lower of carrying amount and fair value less costs to sell. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the consolidated statement of profit or loss in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment and the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	Over the shorter of the lease terms or 20%
Showroom equipment	33%
Office equipment	20% – 33%
Furniture and fixtures	20% – 33%
Motor vehicles	20% – 25%

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Leasing

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

The Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see the accounting policy below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Leasing *(continued)*

The Group as lessee *(continued)*

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

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

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

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

Financial assets

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

Effective interest method

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

Interest income is recognised on an effective interest basis for financial assets.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial assets *(continued)*

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including deposits for investment, trade and other receivables and bank balance and cash) are measured at amortised cost using the effective interest method, less any impairment.

Available-for-sale financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at FVTPL.

Equity and debt securities held by the Group that are classified as AFS financial assets and are traded in an active market are measured at fair value at the end of each reporting period. Changes in the carrying amount of AFS monetary financial assets relating to interest income calculated using the effective interest method and dividends on AFS equity investments are recognised in profit or loss. Other changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on AFS equity investments are recognised in profit or loss when the Group's right to receive the dividends is established.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period.

Impairment of financial assets

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

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial assets *(continued)*

Impairment of financial assets (continued)

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

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

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial assets *(continued)*

Impairment of financial assets (continued)

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

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

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial liabilities and equity instruments *(continued)*

Other financial liabilities

Other financial liabilities including trade and other payables are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

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

Interest expense is recognised on an effective interest basis for financial liabilities.

Derecognition

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

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Derecognition *(continued)*

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

Impairment of tangible and intangible assets other than goodwill

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

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

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 the consolidated statement of profit or loss as follows:

Rental income from operating leases

Rental income receivable under operating leases is recognised in the consolidated statement of profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset.

Lease incentives granted are recognised in the consolidated statement of profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

Provision of medical information digitalisation system ("MIDS")

Revenue from provision of MIDS is recognised on the transfer of risks and rewards of ownership which generally coincide with the time where the systems are delivered, installed and title passed.

Provision of consultancy services

Revenue from consultancy services is recognised when the services are rendered.

Provision of advertising and media related services

Revenue from provision of advertising and media related services is recognised when the services are rendered.

Provision of project management services

Revenue from provision of project management services is recognised when the services are rendered.

Provision of travel agency and related operation

Revenue from provision of travel agency service is recognised when air ticketing and air/hotel packages sold.

Provision of decoration and interior design services

Revenue from provision of decoration and interior design services is recognised when the services are rendered or constructions are completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition *(continued)*

Interest income

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

Employee benefits

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.

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 employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of 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 Company's subsidiaries operating in the PRC are members of retirement benefits schemes (the "PRC RB Schemes") managed by the local municipal governments. The PRC subsidiaries are required to contribute to the PRC RB Schemes to fund the retirement benefits. The local municipal government undertakes to assume the retirement benefit obligation of all existing and future retired employees of the PRC subsidiaries. The only obligation of the PRC subsidiaries with respect to the PRC RB Schemes is to meet the required contributions under the PRC RB Schemes. The contribution are charged to the profit or loss as they become payable in accordance with the relevant laws and regulations of the PRC.

Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in share-based compensation reserve with 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Employee benefits *(continued)*

Share-based payments *(continued)*

During the vesting period, the number of share options expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to the consolidated statement of 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-based compensation 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-based compensation 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-based compensation 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).

Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

Taxation

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Taxation *(continued)*

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, 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 and interests 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 all or part of the asset to be recovered.

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

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

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Provisions and contingent liabilities

Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Foreign currencies

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Foreign currencies *(continued)*

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

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see the accounting policies below); and

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK$) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of foreign currency translation reserve.

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

Related parties

A related party is a person or entity that is considered to be related to the Group if:

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

  (i) has control or joint control of 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) above;

  (vii) A person identified in (a)(i) above 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).

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 Group's executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and 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.

5. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2014.

The directors consider the cost of capital and the risks associates with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowing (including current and non-current liabilities as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as "equity" as shown in the consolidated statement of financial position plus net debt.

5. CAPITAL MANAGEMENT *(continued)*

Gearing ratio

The directors of the Company review the capital structure on an annual basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. The gearing ratios at 31 March 2015 and 31 March 2014 were as follows:

	The Group		The Company	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Total debt (note (i))	**18,199**	16,316	**2,087**	4,015
Less: cash and cash equivalents	**(4,252)**	(5,815)	**(862)**	(3,308)
Net debt	**13,947**	10,501	**1,225**	707
Equity (note (ii))	**251,322**	300,074	**248,216**	297,456
Net debt to equity ratio	**5.5%**	3.5%	**0.5%**	0.2%
Total debt to equity ratio	**7.2%**	5.4%	**0.8%**	1.3%

Notes:

(i) Debt included all trade and other payables, as detailed in note 28.

(ii) Equity included all capital and reserves of the Group and Company.

6. FINANCIAL INSTRUMENTS

Categories of financial instruments

	The Group		The Company	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Financial assets				
Available-for-sale investments	**–**	6,000	**–**	–
Loans and receivables (including cash and cash equivalents)	**163,021**	141,676	**221,922**	214,858
Financial liabilities				
Financial liabilities at amortised cost	**13,312**	14,099	**2,087**	4,015

6. FINANCIAL INSTRUMENTS *(continued)*

Categories of financial instruments *(continued)*

Details of the financial instruments for both the Group and the Company are disclosed in respective notes to the financial statements. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management of the Company manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

There has been no change to the types of the Group's and the Company's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

Fair value measurement

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

- the fair values of financial assets and financial liabilities with standard terms and conditions and traded in active markets are determined with reference to quoted market bid prices and ask prices respectively;

- the fair values of derivative instruments are calculated using quoted prices. When such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives; and

- the fair values of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate to their fair values.

All financial assets and liabilities of the Group and Company at 31 March 2015 and 2014 were loans and receivables and financial liabilities stated at amortised cost respectively.

Financial risk management objectives and policies

The Group's major financial instruments include equity investments, deposits for investment, trade and other receivables, trade and other payables and bank balances. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and 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.

There has been no change to the Group's risk exposure relating to financial instruments or the manner in which it manages and measures the risks.

6. FINANCIAL INSTRUMENTS *(continued)*

Financial risk management objectives and policies *(continued)*

Credit risk

The Group's credit risk is primarily attributable to trade and other receivables. Management of the Company has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade and other receivables, the credit periods usually vary from one month to twelve months depending on the nature of the business. Extension may be granted to major customers and each customer is granted a maximum credit limit. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and also taking into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Given the constant repayment history, the directors are of the option that the risk of default by these counter parties is not significant. Debtors with balances that are more than 3 months past due are requested to settle all outstanding balances before any further credit is granted and all overdue balances are reviewed regularly by the management of the Company. Normally, the Group does not obtain collateral from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry and country in which customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, the Group has certain concentration of credit risk as 32.4% (2014: 21.19%) and 78.97% (2014: 58.58%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position after deducting any impairment allowance. The Group does not provide any guarantees which would expose the Group or the Company to credit risk.

The Group deposited its cash and cash equivalents with approved and reputable banks. Bankruptcy or insolvency of the bank may cause the Group's right with respect to cash and cash equivalents held to be delayed or limited. Management of the Company monitors the credit rating of these banks on an ongoing basis, and considers that the Group's exposure to credit risk at 31 March 2015 and 2014 were minimal.

6. FINANCIAL INSTRUMENTS *(continued)*

Financial risk management objectives and policies *(continued)*

Credit risk *(continued)*

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables is disclosed in note 26 to the consolidated financial statements respectively.

Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to board approval. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient amount of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The Group monitors and maintains a level of cash and cash equivalents considered adequate by the directors of the Company to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group held cash and cash equivalents amounting to approximately HK$4,252,000 at 31 March 2015 (2014: HK$5,815,000).

The following table details the Group's remaining contractual maturity at the end of the reporting period of the Group's and the Company's financial liabilities based on 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 on which the Group and the Company required to pay. The analysis is performed on the same basis for 2014.

The Group

	Weighted average effective interest rate	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total contractual undiscounted cash flow	Total carrying amount
	%	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
2015							
Trade and other payables	**–**	**13,312**	**–**	**–**	**–**	**13,312**	**13,312**
2014							
Trade and other payables	–	14,099	–	–	–	14,099	14,099

6. FINANCIAL INSTRUMENTS *(continued)*

Financial risk management objectives and policies *(continued)*

Liquidity risk *(continued)*

The Company

	Weighted average effective interest rate	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total contractual undiscounted cash flow	Total carrying amount
	%	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
2015							
Trade and other payables	**–**	**2,087**	**–**	**–**	**–**	**2,087**	**2,087**
2014							
Trade and other payables	–	4,015	–	–	–	4,015	4,015

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank deposits and cash flow interest rate risk in relation to variable-rate bank balances. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise. The Group's interest rate profile as monitored by management is set out below.

	The Group				The Company			
	2015		2014		**2015**		2014	
	Weighted average effective interest rate		Weighted average effective interest rate		**Weighted average effective interest rate**		Weighted average effective interest rate	
	%	**HK$'000**	%	HK$'000	**%**	**HK$'000**	%	HK$'000
Variable rate:								
Bank balances	**0.1**	**4,252**	0.1	5,815	**0-0.1**	**862**	0-0.1	3,308

6. FINANCIAL INSTRUMENTS *(continued)*

Financial risk management objectives and policies *(continued)*

Interest rate risk *(continued)*

Sensitivity analysis

The loan to an independent third party of the Group which is fixed rate instrument is insensitive to any change in interest rates. A change in interest rates at the end of the reporting period would not affect profit or loss.

At 31 March 2015, it is estimated that a general increase/decrease of 100 basis points in interest rates for variable-rate bank balances, with all other variables held constant, would decrease/increase the Group's loss after taxation and accumulated losses by approximately HK$43,000 (2014: HK$58,000). Other components of consolidated equity would not change in response to the general increase/decrease in interest rates.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. The 100 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the end of the next annual reporting period. The analysis is performed on the same basis for 2014.

Foreign currency risk

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash and bank balance that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transaction relate. The currencies giving rise to this risk are primarily HK$, Renminbi ("RMB"), United States Dollar ("USD") and Canadian Dollar ("CAD").

Certain cash and bank balances are denominated in RMB, USD and CAD. The conversion of RMB into other currencies is subject to the rules and regulations of foreign exchange control promulgated by the government of the People's Republic of China (the "PRC"). The Group is exposed to foreign exchange risk in respect of exchange fluctuation of HK$ against RMB, USD and CAD. The Group currently does not have a foreign currency hedging policy in respect of foreign currency assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

6. FINANCIAL INSTRUMENTS *(continued)*

Financial risk management objectives and policies *(continued)*

Foreign currency risk *(continued)*

Sensitivity analysis

The carrying amounts of the Group's foreign currency denominated monetary assets at the end of the reporting period are as follows:

	Assets	
	2015	2014
	HK$'000	HK$'000
RMB	**620**	1,267
USD	**391**	29

The following table details the Group's sensitivity to a 5% increase and decrease in the HK$ against the relevant foreign currencies. As HK$ are pegged to USD, it is assumed that there would be no material currency risk exposure between these two currencies and therefore is excluded from the analysis below. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes outstanding foreign currency denominated monetary items, and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number below indicates an increase in profit where the relevant currencies strengthen 5% against HK$. For a 5% weakening of the relevant currencies against HK$, there would be an equal and opposite impact on the profit and the balances below would be negative.

	Profit/(loss)	
	2015	2014
	HK$'000	HK$'000
Impact of RMB	**31**	63
Impact of USD	**19**	1

The Group's sensitivity to foreign currency has increased during the current year mainly due to the increase in non-functional currency denominated monetary net assets.

7. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal to the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account of their estimated residual value. The determination of the useful lives and residual values involve management's estimation. The Group assesses annually the residual value and the useful life of property, plant and equipment and if the expectation differs from the original estimate, such a difference may impact the depreciation in the year and in the future period.

Impairment of property, plant and equipment

The recoverable amount of an asset is the greater of its net selling price 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 risk specific to the asset, which requires significant judgement relating to level of revenue and amount of operating costs. 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 operating costs. Changes in these estimates could have a significant impact on the carrying value of the assets and could result in additional impairment charge or reversal of impairment in future periods.

Fair value of investment properties

As described in note 21, investment properties are stated at fair value based on the valuation performed by independent professional valuers. In determining the fair value of the investment properties, the valuers have based on method of valuation which involves certain assumptions and estimates that reflect comparable market transactions assuming that the Group sells the properties on the market in their existing state by making reference to comparable sales evidences as available in the relevant market. In relying on the valuation report, the management has exercised their judgement and is satisfied that the method valuation is reflective of the current market conditions. Should there be any changes in assumptions due to change of market conditions, the fair value of the investment properties will change in future.

7. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

Classification of assets and liabilities as disposal group held for sale and discontinued operations

On 13 March 2015, the Group entered into a disposal agreement with a purchaser to dispose of the entire registered capital of 嘉鈦華數碼科技(天津)有限公司 ("嘉鈦華"), a wholly-owned subsidiary of the Company, which carried out the Group's MIDS operations.

On 26 March 2015, the Group entered into a disposal agreement with a purchaser to dispose of the entire registered capital of 天津市逸晨電子科技有限公司 ("逸晨"), a wholly-owned subsidiary of the Company, which carried out the Group's MIDS operations.

On 23 March 2015, the Group entered into a disposal agreement with a purchaser to dispose of the entire registered capital of 廣州迅置通信息科技有限公司("廣州迅置通"), a wholly-owned subsidiary of the Company, which carried out all of the Group's project management services operations.

These transaction has not yet been completed as at the date of the annual report.

The Group follows the guidance of HKFRS 5 to classify the assets and liabilities of 嘉鈦華 and 逸晨 as disposal group held for sale and discontinued operations, and 廣州迅置通 as disposal group held for sale. The determination requires significant judgement, the Group considers that (i) the assets (or disposal) group are available for immediate sale in its present condition and the sale is highly probable given the proposed disposal has been approved and committed by the Group and a disposal agreement has been entered; (ii) the disposal would be completed within twelve months after the end of the reporting period; and (iii) the carrying amount would be recovered principally through a sale transaction rather than through continuing use.

If any of the circumstances mentioned above about the classification as disposal group held for sale or discontinued operations is no longer satisfied, the assets and liabilities of 嘉鈦華 and 逸晨 shall be derecognised as assets and liabilities of disposal group held for sale and discontinued operations, and 廣州迅置通 shall be derecognised as assets held for sale. The depreciation of property, plant and equipment and amortisation of intangible assets shall be resumed upon the date of reclassification to continuing operations.

7. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

Impairment of trade and other receivables

The Group's management determines impairment of trade and other receivables on a regular basis. The estimate is based on the credit history of its customers and current market conditions. The management of the Group reassesses the impairment of trade receivables at the end of reporting period.

Impairment of goodwill and intangible assets

Determining whether goodwill and intangible assets are impaired requires an estimation of the value in use of the cash-generating units to which goodwill and intangible assets have been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Income tax

Certain treatments adopted by the Company in its tax returns in the past years are yet to be finalised with the Hong Kong Inland Revenue Department and other jurisdiction. In assessing the Company's income tax and deferred tax during the current year, the Company has followed the tax treatments it has adopted in those tax returns, which may be different from the final outcome in due course.

8. TURNOVER

Turnover represents the net amounts received and receivables from goods sold and rendering of services by the Group to customers, after allowances for returns and trade discounts where applicable and services rendered.

	2015	2014
	HK$'000	HK$'000
Gross rental income from investment properties	**1,624**	1,775
Provision of consultancy services	**675**	902
Provision of advertising and media related services	**16,290**	19,849
Provision of project management services	**1,001**	1,685
Provision of travel agency services	**15,137**	3,015
Provision of decoration and interior design services	**2,016**	230
Total	**36,743**	27,456

9. OTHER INCOME AND GAINS

	2015 **HK$'000**	2014 HK$'000
Bank interest income	**1**	2
Interest income on loan to an independent third party (note 26(e))	**110**	–
Management fee income	**112**	–
Other income	**256**	122
Total	**479**	124

10. SEGMENT INFORMATION

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following six reportable segments. No operating segments have been aggregated to form the following reportable segments.

(i)	Property investments:	Leasing of properties located in Canada to generate rental income.
(ii)	Consultancy services:	Provision of consultancy and advisory services to entities in relation to the rechargeable stored value subscriber identity module ("SIM") card business in Hong Kong.
(iii)	Advertising and media related services:	Engaged in designing, production, acting as agency and placement of advertisements, information consulting and marketing planning in the PRC.
(iv)	Project management services:	Provision of PRC project management services to entities in relation to the operation and monitoring of RFID card system.
(v)	Travel agency and related operations:	Rendering travel agency services related to air ticketing and air/hotel packages in Hong Kong.
(vi)	Decoration and interior design services:	Provision of interior design and decoration services in Hong Kong.

Two operations (MIDS and provision of securities broking services) were discontinued during the year.

10. SEGMENT INFORMATION *(continued)*

For the purposes of assessing segment performances and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment revenue and results

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resources allocation and assessments of segment performance for the years ended 31 March 2015 and 2014 are set out below:

	Continuing operations														Discontinued operations					
	Property investments		Consultancy services		Advertising and media related services		Project management services		Travel agency and related operations		Decoration and interior design services		Subtotal		MIDS		Securities broking services		Subtotal		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Turnover:																						
Sales to external customers	**1,624**	1,775	**675**	902	**16,290**	19,849	**1,001**	1,685	**15,137**	3,015	**2,016**	230	**36,743**	27,456	**–**	4,002	**100**	–	**100**	4,002	**36,843**	31,458
Segment results	**618**	643	**(8,761)**	(5,581)	**(18,425)**	6,420	**(5,570)**	(4,362)	**(540)**	(1,749)	**(807)**	(77)	**(33,485)**	(4,706)	**(76,213)**	(71,338)	**731**	–	**(75,482)**	(71,338)	**(108,967)**	(76,044)
Unallocated other income and gains																					**479**	15
Unallocated expenses																					**(48,103)**	(31,855)
Loss from operations																					**(156,591)**	(107,884)
Finance costs																					**–**	(5)
Loss before taxation																					**(156,591)**	(107,889)
Income tax expense																					**(190)**	(4,566)
Loss for the year																					**(156,781)**	(112,455)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in both years.

10. SEGMENT INFORMATION *(continued)*

Segment revenue and results *(continued)*

The accounting policies of the reportable segments are the same as the Group's accounting policies as described in note 4. Segment results represent the profit/(loss) earned/(suffered) by each segment without allocation of central administration cost including directors' remuneration, other income and gains, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

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

	Continuing operations														Discontinued operations							
	Property investments		Consultancy services		Advertising and media related services		Project management services		Travel agency and related operations		Decoration and interior design services		Subtotal		MIDS		Securities broking services		Subtotal		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Segment assets	22,725	25,419	4,077	13,479	103,395	120,498	14,960	19,096	2,148	958	2,666	406	149,971	179,856	16,546	91,622	–	–	16,546	91,622	166,517	271,478
Unallocated assets																					118,971	52,700
Total assets																					285,488	324,178
Segment liabilities	301	245	–	1	7,895	4,381	2,014	1,082	2,031	1,618	1,908	172	14,149	7,499	6,186	4,845	–	–	6,186	4,845	20,335	12,344
Unallocated liabilities																					13,831	11,760
Total liabilities																					34,166	24,104

10. SEGMENT INFORMATION *(continued)*

Segment assets and liabilities *(continued)*

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

– all assets are allocated to reportable segments other than available-for-sale investments, other unallocated head office and corporate financial assets and current and deferred tax assets. Goodwill is allocated to reportable segments; and

– all liabilities are allocated to reportable segments other than current and deferred tax liabilities, other unallocated head office and corporate financial liabilities.

Other segment information

	Continuing operations														Discontinued operations									
	Property investments		Consultancy services		Advertising and media related services		Project management services		Travel agency and related operations		Decoration and interior design services		Subtotal		MIDS		Securities broking services		Subtotal		Unallocated		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Interest expenses	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	(5)	**–**	(5)
Addition to non-current assets*	**–**	–	**–**	–	**(2,078)**	(576)	**–**	(47)	**–**	–	**(429)**	(106)	**(2,507)**	(729)	**(8)**	–	**(17)**	–	**(25)**	–	**(3,002)**	(842)	**(5,534)**	(1,571)
Amortisation of intangible assets	**–**	–	**(6,478)**	(6,479)	**–**	(84)	**(1,613)**	(1,242)	**–**	–	**–**	–	**(8,091)**	(7,805)	**(9,186)**	(15,114)	**(17)**	–	**(9,203)**	(15,114)	**–**	–	**(17,294)**	(22,919)
Depreciation of property, plant and equipment	**–**	–	**–**	–	**(462)**	(197)	**(29)**	(37)	**–**	–	**(71)**	(4)	**(562)**	(238)	**(81)**	(198)	**–**	–	**(81)**	(198)	**(2,013)**	(1,200)	**(2,656)**	(1,636)
Fair value changes on investment properties	**460**	440	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**460**	440	**–**	–	**–**	–	**–**	–	**–**	–	**460**	440
Impairment loss re-cognised in respect of available-for-sale investment	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**(6,000)**	–	**(6,000)**	–
Impairment loss recognised in respect of goodwill	**–**	–	**–**	–	**(14,802)**	–	**–**	–	**–**	–	**–**	–	**(14,802)**	–	**–**	–	**–**	–	**–**	–	**–**	–	**(14,802)**	–
Impairment loss recognised in respect of intangible assets	**–**	–	**(2,953)**	–	**–**	–	**–**	–	**–**	–	**–**	–	**(2,953)**	–	**(65,480)**	(53,622)	**–**	–	**(65,480)**	(53,622)	**–**	–	**(68,433)**	(53,622)
Written off of intangible assets	**–**	–	**–**	–	**–**	(55)	**–**	–	**–**	–	**–**	–	**–**	(55)	**–**	–	**–**	–	**–**	–	**–**	–	**–**	(55)

10. SEGMENT INFORMATION *(continued)*

Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's non-current assets* ("specified non-current assets"). The geographical location of customers is based on the location of the revenue derived, and the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment and investment properties, and the location of the operation to which they are allocated, in the case of intangible assets and goodwill.

The Group operates in three principal geographical areas – Hong Kong, the PRC (excluding Hong Kong) and Canada.

The Group's revenue from external customers from continuing operations and information about its non-current assets by geographical location are detailed below:

	Revenue from external customers		Non-current assets*	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong	**18,829**	4,249	**12,719**	29,557
The PRC	**16,290**	21,432	**34,840**	124,322
Canada	**1,624**	1,775	**21,406**	24,083
Total	**36,743**	27,456	**68,965**	177,962

* Non-current assets excluded those relating to financial instruments and deposits for investment

Information about major customers

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

	2015	2014
	HK$'000	HK$'000
Customer A[1]	**4,850**	–
Customer B[2]	**4,435**	–
Customer C[1]	**4,260**	–
Customer D[1]	**–**	11,461
Customer E[1]	**–**	47[3]
Customer F[1]	**–**	3,396

1 Revenue from advertising and media related services

2 Revenue from travel agency and related operations

3 The corresponding revenue did not contribute over 10% of the total sales of the Group

11. LOSS FROM OPERATIONS

The Group's loss from continuing operations are arrived at after charging/(crediting):

	2015 HK$'000	2014 HK$'000
Auditors' remuneration	**880**	880
Amortisation of intangible assets	**8,091**	7,805
Cost of sales	**28,266**	9,883
Depreciation of property, plant and equipment	**562**	238
Net foreign exchange loss	**127**	923
Gross rental income from investment property	**(1,624)**	(1,775)
Less: Direct operating expenses from investment property that generate rental income during the year	**1,075**	1,041
	(549)	(734)
Minimum lease payment under operating lease on premises	**2,430**	2,817
Share-based payment expenses in respect of consultancy services	**11,529**	12,814
Staff costs (including directors' remuneration)		
Salaries and allowances	**16,130**	10,843
Share-based payment expenses	**–**	1,500
Contribution to retirement benefits scheme	**680**	439
	16,810	12,782

12. FINANCE COSTS

	2015 HK$'000	2014 HK$'000
Interest on bank loans wholly repayable within five years	**–**	5
Total	**–**	5

13. INCOME TAX EXPENSE

	2015 HK$'000	2014 HK$'000
Current tax charged:		
PRC Enterprise Income Tax	**131**	4,489
	131	4,489
Deferred tax (note 29):		
Current year	**59**	77
Total tax charged	**190**	4,566

13. INCOME TAX EXPENSE *(continued)*

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both years.

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

Canada subsidiaries are subject to Canada Corporate Tax comprising Federal Tax and Provincial Corporation Tax. With effect from 1 January 2012, the Canada Federal Tax has been reduced from 16.5% to 15% while the Provincial Corporation Tax remains at 2.5%. The deferred tax balance has been adjusted to reflect the tax rates that are expected to apply to the respective years when the asset is realised or the liability is settled.

Income tax for the year can be reconciled to the loss before taxation from continuing operations per the consolidated statement of profit or loss as follows:

	2015	2014
	HK$'000	HK$'000
Loss before taxation	**(81,109)**	(36,551)
Notional tax on loss before taxation, calculated at rates applicable to profits in the tax jurisdictions concerned	**(13,324)**	(5,464)
Tax effect of income not taxable for tax purpose	**(7,509)**	(1)
Tax effect of expenses not deductible for tax purpose	**11,250**	5,187
Tax effect of tax losses not recognised	**9,387**	4,844
Under provision in prior year	**386**	–
Income tax expense for the year	**190**	4,566

14. DISCONTINUED OPERATIONS AND DISPOSAL GROUP HELD FOR SALE

(a) Discontinued operations

Plan to dispose of MIDS operations

On 13 March 2015 and 26 March 2015, the Group entered into two disposal agreements with purchaser A and purchaser B to dispose of the entire registered capital of 嘉鈦華 and 逸晨, wholly-owned subsidiaries of the Company, which carried out the Group's MIDS operations at a consideration of HK$11,000,000 and HK$1,000,000 respectively. The carrying amount of the related assets and liabilities are carried at the lower of carrying amount and their fair value less costs to sell and, accordingly, no impairment loss was recognised, neither when 嘉鈦華 and 逸晨 were reclassified as held for sale nor at the end of the reporting period. Details of the assets and liabilities of disposal group held for sale at 31 March 2015 are disclosed in note 14(b).

14. DISCONTINUED OPERATIONS AND DISPOSAL GROUP HELD FOR SALE *(continued)*

(a) Discontinued operations *(continued)*

Plan to dispose of MIDS operations *(continued)*

嘉鈦華 and 逸晨 carried out all of the Group's MIDS operations. The disposal of the Group's MIDS business is to streamline the Group's operations in the PRC.

Analysis of loss for the year from MIDS operations

The results of the discontinued operations, (i.e MIDS operations business) are included in the loss for the year are set out below. The comparative loss and cash flows from discontinued operations have been re-presented to include those operations classified as discontinued in the current year.

	2015 HK$'000	2014 HK$'000
Loss for the year from MIDS operations		
Turnover	–	4,002
Cost of sales	–	(3,038)
Gross profit	–	964
Other income and gains	–	17
Administrative expenses	(10,733)	(18,697)
Impairment loss recognised in respect of intangible assets (note 23)	(65,480)	(53,622)
Loss before taxation	(76,213)	(71,338)
Income tax expense	–	–
	(76,213)	(71,338)
Loss for the year from MIDS operations include the following:		
Amortisation of intangible assets	9,186	15,114
Depreciation of property, plant and equipment	81	198
Cash flows from MIDS operations		
Net cash outflows from operating activities	(634)	(7,766)
Net cash outflows from investing activities	(8)	(47)
Net cash inflows from financing activities	782	7,288

14. DISCONTINUED OPERATIONS AND DISPOSAL GROUP HELD FOR SALE *(continued)*

(a) Discontinued operations *(continued)*

Disposal of securities broking services

On 17 December 2014, the Group entered into a disposal agreement with a purchaser to dispose of the entire issued share capital of Eastmoney International Securities Limited (formerly known as BWC Securities Limited) ("Eastmoney"), which carried out all of the Group's securities broking services operations. The disposal of the Group's securities broking services business is to realign the Group's strategic direction in the area of financial services. The disposal was completed on 31 March 2015, on which date control of the securities broking services operations was passed to the purchaser. Details of the assets and liabilities disposed of, and the calculation of the profit or loss on disposal are disclosed in note 33.

Analysis of loss for the year from discontinued operations

The results of the discontinued operations (i.e. securities broking services business) included in the loss for the year are set out below. As securities broking services business was acquired during the year, no comparative loss and cash flows have been presented.

	2015 **HK$'000**
Profit for the year from securities broking services operations	
Turnover	**100**
Cost of sales	**–**
Gross profit	**100**
Other income and gains	**24**
Administrative expenses	**(396)**
Gain on disposal of a subsidiary (note 33(a))	**1,003**
Profit before taxation	**731**
Income tax expense	**–**
	731
Profit for the year from securities and broking services operations include the following:	
Amortisation of intangible assets	**17**
Cash flows from securities broking services operations	
Net cash inflows from operating activities	**871**

14. DISCONTINUED OPERATIONS AND DISPOSAL GROUP HELD FOR SALE *(continued)*

(b) Disposal Group Held for Sale

Plan to dispose of project management services operations

On 23 March 2015, the Group entered into a disposal agreement with a purchaser to dispose of the entire registered capital of 廣州迅置通, a wholly-owned subsidiary of the Company, which carried out all of the Group's project management services operations at a consideration of HK$8,000,000. The disposal of the Group's project management services operations is to streamline the Group's operations in the PRC. The disposal has not been completed as at the date of the annual report. The carrying amount of related assets and liabilities are carried at the lower of carrying amount and their fair value less costs to sell and, accordingly, no impairment loss was recognised, neither when 廣州迅置通 was reclassified as held for sale nor at the end of the reporting period.

Assets of disposal group held for sale at 31 March 2015

	嘉鈦華 and 逸晨 HK$'000	廣州迅置通 HK$'000	Total HK$'000
Property, plant and equipment (note 20)	45	–	45
Intangible assets (note 23)	1,563	556	2,119
Trade and other receivables	14,910	8,821	23,731
Bank balances and cash	28	2	30
	16,546	9,379	25,925
Liability of disposal group classified as held for sale at 31 March 2015			
Trade and other payables	(6,186)	(2,014)	(8,200)
	(6,186)	(2,014)	(8,200)
Net assets of disposal group classified as held for sale at 31 March 2015	10,360	7,365	17,725

15. DIRECTORS' REMUNERATION

Details of the remuneration paid to the directors of the Company are as follows:

	Directors' fees	Salaries and other allowances	Share-based payments	Retirement scheme contribution	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
For the year ended 31 March 2015					
Executive directors					
Mr. Lien Wai Hung	**1,290**	**618**	**–**	**–**	**1,908**
Mr. Lui Wing Fong, Alexander (Note (a))	**926**	**–**	**–**	**–**	**926**
Mr. Wei Shu Jun (Note (b))	**960**	**–**	**–**	**–**	**960**
Mr. Chan Wai Kwong, Peter (Note (c))	**941**	**–**	**–**	**–**	**941**
Independent non-executive directors					
Mr. Ho Chun Ki, Frederick	**120**	**–**	**–**	**–**	**120**
Mr. Lai Miao Yuan	**120**	**–**	**–**	**–**	**120**
Mr. Chong Yiu Kan, Sherman	**120**	**–**	**–**	**–**	**120**
Mr. Tam Kin Yip	**120**	**–**	**–**	**–**	**120**
Total	**4,597**	**618**	**–**	**–**	**5,215**
For the year ended 31 March 2014					
Executive directors					
Mr. Lien Wai Hung	960	–	–	–	960
Mr. Lui Wing Fong, Alexander (Note (a))	960	–	–	–	960
Mr. Wei Shu Jun (Note (b))	268	–	–	–	268
Mr. Chan Wai Kwong, Peter (Note (c))	–	–	–	–	–
Mr. Yu Qiang (Note (d))	426	–	–	–	426
Independent non-executive directors					
Mr. Ho Chun Ki, Frederick	120	–	–	–	120
Mr. Lai Miao Yuan	120	–	–	–	120
Mr. Chong Yiu Kan, Sherman	120	–	–	–	120
Mr. Tam Kin Yip	120	–	–	–	120
Total	3,094	–	–	–	3,094

15. DIRECTORS' REMUNERATION *(continued)*

Notes:

(a) Mr. Lui Wing Fong, Alexander resigned as an executive director and chief executive director of the Company on 18 March 2015.
(b) Mr. Wei Shu Jun was appointed as executive director on 20 December 2013.
(c) Mr. Chan Wai Kwong, Peter was appointed as executive director on 8 April 2014 and resigned on 1 April 2015.
(d) Mr. Yu Qiang was appointed as executive director on 22 May 2013 and resigned on 31 October 2013.

Mr. Lien Wai Hung is the chairman of the Company and his emoluments disclosed above include those for service rendered by him.

Of the five highest paid individuals, two (2014: two) were directors of the Company and remuneration has been disclosed above.

The share-based payment represents the estimated value of share options granted to the directors under the Company's share option scheme. The value of these share options are measured according to the Group's accounting policies for share-based payment transactions as set out in note 4.

During the years ended 31 March 2015 and 2014, the directors of the Company held share options under the Company's share option scheme. Details of the share options are disclosed under the paragraph "Share option schemes" in the report of the directors and note 39.

During the years ended 31 March 2015 and 2014, no emoluments or incentive payments were paid by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors has waived or agreed to waive any emoluments during the year.

16. INDIVIDUALS WITH HIGHEST EMOLUMENTS

The five highest paid individuals during the year included two (2014: two) directors. Details of their remuneration are set out in note 15 to the consolidated financial statements.

The emoluments of the remaining three (2014: three) individuals with highest emoluments of which three (2014: two) are senior management for the years ended 31 March 2015 and 2014 were as follows:

	2015 **HK$'000**	2014 HK$'000
Salaries and allowances	**3,453**	2,138
Share-based payment expense	**–**	1,500
Retirement benefits scheme contribution	**35**	28
Total	**3,488**	3,666

16. INDIVIDUALS WITH HIGHEST EMOLUMENTS *(continued)*

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

	Number of employees	
	2015	2014
HK$Nil to HK$1,000,000	**–**	–
HK$1,000,000 to HK$1,500,000	**3**	3

Included in the five highest paid employees, the number of senior management (being the non-directors employees) whose remuneration fell within the following band is as follows:

	Number of employees	
	2015	2014
HK$1,000,000 to HK$1,500,000	**3**	2

During the year, no emoluments were paid by the Group to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2014: HK$Nil).

During the years ended 31 March 2015 and 31 March 2014, the individuals with the highest emoluments in the Group held share options under the Company's share option scheme. Details of the share options are disclosed under the paragraph "Share option schemes" in note 39. The fair value of share options granted during the year ended 31 March 2015, which has been charged to the consolidated statement of profit or loss, was determined at the date of the grant and was included in the above non-director, highest paid employees' remuneration disclosures.

At the end of the reporting period, there was no forfeited contribution, which arose upon employees leaving the retirement benefits scheme and which are available to reduce the contribution payable in the futures years.

17. DIVIDEND

No dividend was paid or proposed during the year ended 31 March 2015, nor has any dividend been proposed since the end of the reporting period (2014: HK$Nil).

18. LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The loss attributable to equity holders of the Company is dealt with in the financial statement of the Company to the extent of approximately HK$159,722,000 (2014: HK$161,225,000)

Details of movement in reserves are shown in note 31.

19. LOSS PER SHARE

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

From continuing and discontinued operations

	2015 HK$'000	2014 HK$'000
Loss		
Loss attributable to owners of the Company for the purposes of basic and diluted loss per share	**(155,627)**	(113,528)

	2015	2014
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**526,913,861**	376,828,600

The computation of diluted loss per share does not assume the exercise of the Company's outstanding share options since the exercise would result in a decrease in loss per share both years.

From continuing operations

	2015 HK$'000	2014 HK$'000
Loss		
Loss attributable to owners of the Company for the purposes of basic and diluted loss per share	**(80,145)**	(42,190)

	2015	2014
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**526,913,861**	376,828,600

From discontinued operations

Basic and diluted loss per share for the discontinued operation is HK0.15 cents per share (2014: HK0.19 cents per share), based on the loss for the year from the discontinued operations of approximately HK$75,482,000 (2014: HK$71,338,000).

The denominators used are the same as those detailed above for both basic and dilutive loss per share.

20. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK$'000	Furniture and fixtures HK$'000	Showroom equipment HK$'000	Office equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
The Group						
Cost						
At 1 April 2013	468	339	800	497	5,252	7,356
Additions	906	34	–	54	577	1,571
Written off for the year	–	(24)	–	(17)	–	(41)
Exchange adjustments	(1)	–	(2)	(1)	(1)	(5)
At 31 March 2014 and 1 April 2014	1,373	349	798	533	5,828	8,881
Additions	**2,508**	**275**	**–**	**451**	**2,283**	**5,517**
Acquisition through business combination	**–**	**13**	**–**	**19**	**–**	**32**
Written off for the year	**(76)**	**(27)**	**–**	**(60)**	**–**	**(163)**
Exchange adjustments	**2**	**1**	**2**	**–**	**4**	**9**
Reclassification to assets of disposal group held for sale (note 14)	**(59)**	**(140)**	**(800)**	**(291)**	**(309)**	**(1,599)**
At 31 March 2015	**3,748**	**471**	**–**	**652**	**7,806**	**12,677**
Accumulated depreciation and impairment						
At 1 April 2013	203	147	733	316	1,290	2,689
Depreciation for the year	326	80	66	70	1,094	1,636
Written off for the year	–	(10)	–	(10)	–	(20)
Exchange adjustments	–	(1)	(1)	1	–	(1)
At 31 March 2014 and 1 April 2014	529	216	798	377	2,384	4,304
Depreciation for the year	**1,100**	**105**	**–**	**152**	**1,299**	**2,656**
Written off for the year	**(65)**	**(14)**	**–**	**(47)**	**–**	**(126)**
Exchange adjustments	**1**	**1**	**2**	**1**	**1**	**6**
Reclassification to assets of disposal group held for sale (note 14)	**(59)**	**(140)**	**(800)**	**(276)**	**(279)**	**(1,554)**
At 31 March 2015	**1,506**	**168**	**–**	**207**	**3,405**	**5,286**
Carrying amount						
At 31 March 2015	**2,242**	**303**	**–**	**445**	**4,401**	**7,391**
At 31 March 2014	844	133	–	156	3,444	4,577

20. PROPERTY, PLANT AND EQUIPMENT *(continued)*

	Leasehold improvement HK$'000	Office equipment HK$'000	Furniture and fixtures HK$'000	Total HK$'000
The Company				
Cost				
At 1 April 2013	–	47	48	95
Additions	813	–	6	819
Written off for the year	–	–	(18)	(18)
At 31 March 2014 and 1 April 2014	813	47	36	896
Additions	**171**	**17**	**–**	**188**
At 31 March 2015	**984**	**64**	**36**	**1,084**
Accumulated depreciation and impairment				
At 1 April 2013	–	12	17	29
Charged for the year	184	13	6	203
Written off for the year	–	–	(6)	(6)
At 31 March 2014 and 1 April 2014	184	25	17	226
Charged for the year	**375**	**11**	**8**	**394**
At 31 March 2015	**559**	**36**	**25**	**620**
Carrying amount				
At 31 March 2015	**425**	**28**	**11**	**464**
At 31 March 2014	629	22	19	670

21. INVESTMENT PROPERTIES

	2015 HK$'000	2014 HK$'000
Fair value		
At 1 April	**24,083**	25,715
Increase in fair value recognised in the consolidated statement of profit or loss	**460**	440
Exchange adjustments	**(3,137)**	(2,072)
At 31 March	**21,406**	24,083

The investment properties was revalued at 31 March 2015 and 31 March 2014 on the basis of a valuation carried out on that date by Peak Vision Appraisals Limited ("Peak Vision"), an independent qualified professional valuers not connected to the Group. Peak Vision is a member of The Hong Kong Institute of Surveyors and has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purpose are measured using the fair value model and are classified and accounted for as investment properties.

The fair value of investment properties located in Canada is determined using market comparison approach by reference to recent sales price of comparable properties on a price per square foot basis using market data which is publicly available.

Fair value adjustment of investment properties is recognised in the consolidated statement of profit or loss. All gains recognised in the consolidated profit or loss for the year are arisen from the property held at the end of the reporting period.

At 31 March 2015, the pledged investment properties of the Group with a fair value of approximately HK$21,406,000 was released from the secure banking facilities (2014: HK$24,083,000 was pledged to secure banking facilities).

The carrying amount of investment properties shown above comprises:

	2015 HK$'000	2014 HK$'000
Outside Hong Kong, held under freehold	**21,406**	24,083

21. INVESTMENT PROPERTIES *(continued)*

The Group leases out investment properties under operating leases. The leases typically run for an initial period from two to five years, with an option to renew the lease after that date at which time all terms are renegotiated. Lease payment are usually increased every five years to reflect market rentals. None of the leases includes contingent rentals.

All properties held under operating leases that would otherwise meet the definition of investment properties are classified as investment properties.

Details of the Group's investment properties and information about the fair value hierarchy at 31 March 2015 and 31 March 2014 are as follows:

The Group

	Level 1	Level 2	Level 3	Total
At 31 March 2015				
Investment properties:				
– Located outside Hong Kong	**–**	**21,406**	**–**	**21,406**
At 31 March 2014				
Investment properties:				
– Located outside Hong Kong	–	24,083	–	24,083

During the year ended 31 March 2015 and 31 March 2014, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy at the end of the reporting period in which they occur.

There had been no change on the valuation techniques in the current year. In evaluating the fair value of the investment properties, the highest and best use of the properties is the current use.

22. GOODWILL

The amounts of the goodwill capitalised by the Group as an asset and recognised in the consolidated statement of financial position, arising from the acquisition of subsidiaries, are as follows:

	2015 HK$'000	2014 HK$'000
Cost		
At 1 April	**48,697**	48,697
Acquisition of a subsidiary (note 32(b))	**2,497**	–
Disposal of a subsidiary (note 33(a))	**(2,497)**	–
31 March	**48,697**	48,697
Accumulated impairment losses		
At 1 April	**(1,449)**	(1,449)
Impairment loss recognised for the year	**(14,802)**	–
At 31 March	**(16,251)**	(1,449)
Carrying amount		
At 31 March	**32,446**	47,248

Impairment test of goodwill

For the purpose of impairment testing, goodwill has been allocated to the following cash generating units identified according to operating segment.

	2015 HK$'000	2014 HK$'000
Property investments	**1,449**	1,449
Advertising and media related services		
– Keen Renown Group	**17,221**	17,221
– Joint Vision Group	**30,027**	30,027

22. GOODWILL *(continued)*

Impairment test of goodwill *(continued)*

Advertising and media related services

There are two cash-generating units (the "CGUs"), namely Keen Renown Limited and its subsidiaries (the "Keen Renown Group") and Joint Vision Limited and its subsidiaries (the "Joint Vision Group"), which were acquired through acquisition of subsidiaries during the previous year, and are the main operating entities with the segment "advertising and media related services" identified by the Group.

The recoverable amount of the goodwill allocated to advertising and media related services are determined based on the value-in-use using the present value of cash flows taking into account the expected operating synergy and profitability and growth of businesses arising from Keen Renown Group and Joint Vision Group.

Keen Renown Group

The cash flow projections are based on financial budgets approved by management covering a 5-year period and assumed growth rates are used to extrapolate the cash flows in the following years. The financial budgets are prepared based on a 5-year business plan which is appropriate after considering the sustainability of business growth, stability of core business developments, long term economic cycle and achievement of business targets. All cash flow are discounted at pre-tax discount rates of 15% (2014: 17%) under baseline and stressed scenarios respectively. Management's financial model assumes an average growth rate of 3% per annum beyond the 5-year period taking into account long term gross domestic product growth and other relevant economic factors. The discount rates used are based on the rates which reflect specific risks relating to the CGUs.

No impairment loss has been recognised in respect of goodwill related to CGU of Keen Renown Group for the year ended 31 March 2015 (2014: Nil) as its recoverable amount exceeds the carrying amount.

The directors of the Company believe that any reasonably possible change in the other key assumptions on which the recoverable amount is based would not cause the cash generating unit's carrying amount to exceed its recoverable amount.

Joint Vision Group

The cash flow projections are based on financial budgets approved by management covering a 5-year period and assumed growth rates are used to extrapolate the cash flows in the following years. The financial budgets are prepared based on a 5-year business plan which is appropriate after considering the sustainability of business growth, stability of core business developments, long term economic cycle and achievement of business targets. All cash flow are discounted at pre-tax discount rates of 15% (2014: 15%) under baseline and stressed scenarios respectively. Management's financial model assumes an average growth rate of 3% per annum beyond the 5-year period taking into account long term gross domestic product growth and other relevant economic factors. The discount rates used are based on the rates which reflect specific risks relating to the CGUs.

As the mobile data services have become more available and affordable in Asia-Pacific countries, tourists visiting foreign countries can access travel information right from their finger tips and the reliance on printed media have gradually reduced in past years, evident by the closure of several printed media and periodicals with a long history ceasing to circulate physical copies. Due to the decrease in market demand and dissatisfying operating results of Joint Vision Group, the recoverable amount of the goodwill in relation to Joint Vision Group at 31 March 2015 was calculated to be lower than its carrying amount and accordingly, an impairment loss of HK$14,802,000 was recognised in the consolidated statement of profit or loss during the year ended 31 March 2015.

23. INTANGIBLE ASSETS

	Master services agreement HK$'000	Co-operation agreement and strategic co-operation agreement HK$'000	Licensing agreement HK$'000	Consultancy agreement HK$'000	Advertising and media related services agreement HK$'000	Project management agreement HK$'000	Computer software HK$'000	Trading right HK$'000	Total HK$'000
Cost:									
At 1 April 2013	1,194,655	52,013	134,000	32,000	33,000	9,934	8,794	–	1,464,396
Written off for the year	–	–	–	–	(33,000)	–	–	–	(33,000)
Exchange adjustments	–	(20)	–	–	–	–	(20)	–	(40)
At 31 March 2014 and 1 April 2014	1,194,655	51,993	134,000	32,000	–	9,934	8,774	–	1,431,356
Acquisition through business combination (note 32(b))	–	–	–	–	–	–	–	17	17
Disposal of a subsidiary (note 33(a))	–	–	–	–	–	–	–	(17)	(17)
Exchange adjustments	–	18	–	–	–	–	19	–	37
Reclassification to assets of disposal group held for sale (note 14)	(1,194,655)	(52,011)	(134,000)	–	–	–	(8,793)	–	(1,389,459)
At 31 March 2015	–	–	–	32,000	–	9,934	–	–	41,934
Accumulated amortisation and impairment:									
At 1 April 2013	1,119,706	14,378	106,318	13,944	32,861	1,876	3,158	–	1,292,241
Amortised for the year	6,113	4,931	2,314	6,478	84	1,243	1,756	–	22,919
Impairment loss recognised for the year	26,611	12,250	14,761	–	–	–	–	–	53,622
Written off for the year	–	–	–	–	(32,945)	–	–	–	(32,945)
Exchange adjustments	–	(5)	–	–	–	–	(10)	–	(15)
At 31 March 2014 and 1 April 2014	1,152,430	31,554	123,393	20,422	–	3,119	4,904	–	1,335,822
Amortised for the year	3,750	3,084	968	6,478	–	1,240	1,757	17	17,294
Impairment loss recognised for the year	38,475	17,366	9,639	2,953	–	–	–	–	68,433
Disposal of a subsidiary (note 33(a))	–	–	–	–	–	–	–	(17)	(17)
Exchange adjustments	–	7	–	–	–	–	13	–	20
Reclassification to assets of disposal group held for sale (note 14)	(1,194,655)	(52,011)	(134,000)	–	–	–	(6,674)	–	(1,387,340)
At 31 March 2015	–	–	–	29,853	–	4,359	–	–	34,212
Carrying amount:									
At 31 March 2015	–	–	–	2,147	–	5,575	–	–	7,722
At 31 March 2014	42,225	20,439	10,607	11,578	–	6,815	3,870	–	95,534

23. INTANGIBLE ASSETS *(continued)*

The master services agreement, co-operation agreement and strategic co-operation agreement, licensing agreement, consultancy agreement, advertising and media related services agreement and project management services agreement were purchased through acquisition of subsidiaries with finite useful life.

The following estimated useful lives are used in the calculation of amortisation:

Master services agreement	15 years
Co-operation agreement and strategic co-operation agreement	10 years
Licensing agreement	15 years
Consultancy agreement	5 years
Advertising and media related services agreement	4 years
Project management services agreement	8 years
Computer software	5 years

The intangible assets will be tested for impairment whenever is an indication that they may be impaired. The particulars of impairment testing are disclosed as follows:

Impairment test of master services agreement

The master services agreement refers to the provision of MIDS which relates to healthcare information system and custom built Wi-Fi/RFID identification application system to healthcare sector in the PRC. For the purpose of impairment testing, the carrying amount of the master services agreement is allocated to an individual CGU.

During the year ended 31 March 2014, the Group carried out a review of the recoverable amount of the master services agreement. As the result of the continuous losses suffered by the MIDS business segment, the recoverable amount of the master services agreement at 31 March 2014 was calculated to be lower than its carrying amount and accordingly, impairment losses of HK$26,611,000 was recognised in the consolidated statement of profit or loss for the year ended 31 March 2014.

The recoverable amount of the master services agreement was assessed by the directors of the Company with reference to the valuation carried out by an independent firm of valuers, Peak Vision at 31 March 2014. The valuation was appraised on the value-in-use basis. The key assumptions for the value-in-use calculation are those regarding the discount rate and budgeted gross margin and turnover during the period. The Group estimates discount rate using the rate that reflects current market assessments of the time value of money and the risks specific to the master services agreement associated with the MIDS business. Budgeted gross margin and turnover are based on past practices and expectations in the master services agreement associated with the MIDS industry.

23. INTANGIBLE ASSETS *(continued)*

Impairment test of master services agreement *(continued)*

At 31 March 2014, the Group has prepared 11-years cash flow forecast derived from the most recent financial budget of the master services agreement approved by the directors of the Company using a discount rate of 26.13% per annum.

During the year ended 31 March 2014, as the CGU in which the master services agreement is allocated has been reduced to its recoverable amount of HK42,225,000, any adverse change in the assumptions used in the calculation of recoverable amount would result in further impairment losses.

During the year ended 31 March 2015, to ensure information security requirements are being complied with, some electronic computer equipment manufactured by international renowned companies are no longer on the list of approved equipment available for procurement by the PRC authorities. While these tightened policies and measures are essential from the national security prospective, the provision of healthcare information systems by foreign companies are practically cannibalised. Given that further development in this business is no longer viable and the MIDS segment and the Group is in the process of disposing the operating companies in the PRC. The directors of the Company have assessed the recoverable amount of the master services agreement and are of the opinion that the master services agreement will no longer generate any income in the future and an impairment loss of HK$38,475,000 was recognised in the consolidated statement of profit or loss during the year ended 31 March 2015. The carrying amount of the master services agreement has reduced to its recoverable amount.

Impairment test of Co-operation agreement and strategic co-operation agreement

The co-operation agreement and strategic co-operation agreement refers to the provision of MIDS which relate to marketing and custom-built the regional healthcare information collaboration platform to healthcare sector in the PRC. For the purpose of impairment testing, the carrying amount of the co-operation agreement and strategic co-operation agreement is allocated to an individual CGU.

During the year ended 31 March 2014, the Group carried out a review of the recoverable amount of the co-operation agreement and strategic co-operation agreement. As the result of the continuous losses suffered by the MIDS business segment, the recoverable amount of the co-operation agreement and strategic co-operation agreement at 31 March 2014 was calculated to be lower than its carrying amount and accordingly, impairment losses of HK$12,250,000 was recognised in the consolidated statement of profit or loss for the year ended 31 March 2014.

23. INTANGIBLE ASSETS *(continued)*

Impairment test of Co-operation agreement and strategic co-operation agreement *(continued)*

The recoverable amount of the co-operation agreement and strategic co-operation agreement was accessed by the director of the Company with reference to the valuation carried out by an independent firm of valuers, Peak Vision at 31 March 2014. The valuation was appraised on the value-in-use basis. The key assumptions for the value-in-use calculation are those regarding the discount rate and budgeted gross margin and turnover during the period. The Group estimates discount rate using the rate that reflects current market assessments of the time value of money and the risks specific to the co-operation agreement and strategic co-operation agreement associated with the MIDS business. Budgeted gross margin and turnover are based on past practices and expectations in the co-operation agreement and strategic co-operation agreement associated with the MIDS industry.

At 31 March 2014, the Group has prepared 7-years cash flow forecast derived from the most recent financial budget of the co-operation agreement and strategic co-operation agreement approved by the directors of the Company using a discount rate of 25.14% per annum.

During the year ended 31 March 2014, as the CGU in which the co-operation agreement and strategic co-operation agreement is allocated has been reduced to its recoverable amount of HK$20,439,000, any adverse change in the assumptions used in the calculation of recoverable amount would result in further impairment losses.

During the year ended 31 March 2015, to ensure information security requirements are being complied with, some electronic computer equipment manufactured by international renowned companies are no longer on the list of approved equipment available for procurement by the PRC authorities. While these tightened policies and measures are essential from the national security prospective, the provision of healthcare information systems by foreign companies are practically cannibalised. Given that further development in this business is no longer viable and the MIDS segment and the Group is in the process of disposing the operating companies in the PRC. The directors of the Company have assessed the recoverable amount of the co-operation agreement and strategic co-operation agreement and are of the opinion that the co-operation agreement and strategic co-operation agreement will no longer generate any income in the future and an impairment loss of HK$17,366,000 was recognised in the consolidated statement of profit or loss during the year ended 31 March 2015. The carrying amount of the co-operation agreement and strategic co-operation agreement has reduced to its recoverable amount.

23. INTANGIBLE ASSETS *(continued)*

Impairment test of licensing agreement

The licensing agreement refers to the provision of MIDS which relate to the exclusive license for the Group to use and sub-license certain hospital information system software in the PRC in particular to PACS. For the purpose of impairment testing, the carrying amount of the licensing agreement is allocated to an individual CGU.

During the year ended 31 March 2014, the Group carried out a review of the recoverable amount of the licensing agreement. As the result of the continuous losses suffered by the MIDS business segment, the recoverable amount of the licensing agreement at 31 March 2014 was calculated to be lower than its carrying amount and accordingly, impairment losses of HK$14,761,000 was recognised in the consolidated statement of profit or loss for the year ended 31 March 2014.

The recoverable amount of the licensing agreement was assessed by the directors of the Company with reference to the valuation carried out by an independent firm of valuers, Peak Vision at 31 March 2014. The valuation was appraised on the value-in-use basis. The key assumptions for the value-in-use calculation are those regarding the discount rate and budgeted gross margin and turnover during the period. The Group estimates discount rate using the rate that reflects current market assessments of the time value of money and the risks specific to the licensing agreement associated with the MIDS business. Budgeted gross margin and turnover are based on past practices and expectations in the licensing agreement associated with the MIDS industry.

At 31 March 2014, the Group has prepared 6-years cash flow forecast derived from the most recent financial budget of the licensing agreement approved by the directors of the Company using a discount rate of 25.14% per annum.

During the year ended 31 March 2014, as the CGU in which the licensing agreement is allocated has been reduced to its recoverable amount of HK$10,607,000, any adverse change in the assumptions used in the calculation of recoverable amount would result in further impairment losses.

During the year ended 31 March 2015, to ensure information security requirements are being complied with, some electronic computer equipment manufactured by international renowned companies are no longer on the list of approved equipment available for procurement by the PRC authorities. While these tightened policies and measures are essential from the national security prospective, the provision of healthcare information systems by foreign companies are practically cannibalised. Given that further development in this business is no longer viable and the MIDS segment and the Group is in the process of disposing the operating companies in the PRC. The directors of the Company have assessed the recoverable amount of the licensing agreement and are of the opinion that the licensing agreement will no longer generate any income in the future and an impairment loss of HK$9,639,000 was recognised in the consolidated statement of profit or loss during the year ended 31 March 2015. The carrying amount of the licensing agreement has reduced to its recoverable amount.

23. INTANGIBLE ASSETS *(continued)*

Impairment test of consultancy agreement

The consultancy agreement to the provision of consultancy services which relate to provision of consultancy and advisory services to entities in relation to the rechargeable stored value SIM card business in Hong Kong. For the purpose of impairment testing, the carrying amount of the consultancy agreement is allocated to an individual CGU.

During the year ended 31 March 2015, the Group carried out a review of the recoverable amount of the consultancy agreement. As the result of the continuous losses suffered by the consultancy services segment, the recoverable amount of the consultancy agreement at 31 March 2015 was calculated to be lower than its carrying amount and accordingly, impairment losses of HK$2,953,000 (2014: HK$Nil) was recognised in the consolidated statement of profit or loss for the year ended 31 March 2015.

The recoverable amount of the consultancy agreement was accessed by the director of the Company with reference to the valuation carried out by an independent firm of valuers, Peak Vision at 31 March 2015 and 31 March 2014. The valuation was appraised on the value-in-use basis. The key assumptions for the value-in-use calculation are those regarding the discount rate and budgeted gross margin and turnover during the period. The Group estimates discount rate using the rate that reflects current market assessments of the time value of money and the risks specific to the consultancy agreement associated with the consultancy services business. Budgeted gross margin and turnover are based on past practices and expectations in the consultancy agreement associated with the consultancy services industry.

At 31 March 2015, the Group has prepared 1-year (2014: 2-years) cash flow forecast derived from the most recent financial budget of the co-operation agreement and strategic co-operation agreement approved by the directors of the Company using a discount rate of 19.27% (2014: 19.5%) per annum.

During the year ended 31 March 2015, as the CGU in which the consultancy agreement is allocated has been reduced to its recoverable amount of HK$2,147,000 (2014: HK$11,578,000), any adverse change in the assumptions used in the calculation of recoverable amount would result in further impairment losses.

Impairment test of advertising and media services agreement

The advertising and media related services agreement refers to the provision of advertising and media related services which including exclusive advertising agency rights in Hong Kong retail chain store.

During the year ended 31 March 2014, the advertising and media services agreement was expired and its carrying amount was fully written off.

24. INTERESTS IN SUBSIDIARIES

The Company

	2015 HK$'000	2014 HK$'000
Unlisted shares, at cost	**1,355,384**	1,340,384
Impairment loss recognised (Note b)	**(1,328,697)**	(1,255,426)
	26,687	84,958
Amounts due from subsidiaries (Note a)	**421,549**	364,704
Impairment loss recognised (Note b)	**(217,333)**	(153,466)
	204,216	211,238
	230,903	296,196

Notes:

(a) At 31 March 2015 and 2014, the amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

(b) The directors of the Company performed impairment tests on the carrying amounts of its investments and advances to subsidiaries in accordance with the accounting policy as stated in note 4. At 31 March 2015 impairment losses on investment in subsidiaries of approximately HK$1,328,697,000 (2014: HK$1,255,426,000) and impairment losses on amounts due from subsidiaries of approximately HK$217,333,000 (2014: HK$153,466,000) were recognised in the Company's financial statements respectively.

The directors of the Company consider that the carrying amounts of amounts due from subsidiaries approximate their fair value.

(c) The following list contains only the particulars of subsidiaries which principally affected the result, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

Name of subsidiaries	Place of incorporation/ operation	Issued and fully paid share capital	Proportion of ownership interest Group's effective interest	Principal activities
Fortune Mark International Limited	British Virgin Islands/ Hong Kong	US$100	100%	Provision of PACS system
嘉鈦華數碼科技（天津）有限公司 (Note 1)	The PRC/The PRC	US$4,500,000	100%	Provision of RFID system and HIS system

24. INTERESTS IN SUBSIDIARIES *(continued)*

Notes: *(continued)*

(c) *(continued)*

Name of subsidiaries	Place of incorporation/ operation	Issued and fully paid share capital	Proportion of ownership interest Group's effective interest	Principal activities
天津市逸晨電子科技有限公司 (Note 1)	The PRC/The PRC	RMB9,800,000	100%	Provision of MIDS
Activemix Investments Limited ("Activemix")	British Virgin Island/ Hong Kong	US$1	100%	Securities investment
Vincent Investment Ltd.	Canada/Canada	CAD360	100%	Property investment
Global Brilliant Tours (HK) Limited	Hong Kong/ Hong Kong	HK$500,000	100%	Travel agency and related operations
Chun Sing Design (HK) Limited	Hong Kong/ Hong Kong	HK$1	100%	Decoration and interior design services
Activepart Limited	British Virgin Islands/ Hong Kong	US$1	100%	Provision of consultancy services
Easy Ace Limited	British Virgin Islands/ Hong Kong	US$1	100%	Provision of project management services
廣州迅置通信息科技有限公司 (Note 1)	The PRC/The PRC	US$3,200,000	100%	Provision of project management services
Keen Renown Limited	British Virgin Islands/ British Virgin Islands	US$200	60%	Investment holding
梓懿管理咨詢（上海）有限公司 (Note 1)	The PRC/The PRC	US$1,000,000	60%	Advertising and media related services
梓庄管理咨詢（上海）有限公司 (Note 1)	The PRC/The PRC	US$1,000,000	100%	Advertising and media related services
上海中騰廣告有限公司 (Note 2)	The PRC/The PRC	RMB20,000,000	60%	Advertising and media related services
上海思璇廣告有限公司 (Note 3)	The PRC/The PRC	RMB100,000	100%	Advertising and media related services
杭州聯力廣告有限公司	The PRC/The PRC	RMB510,000	60%	Advertising and media related services

24. INTERESTS IN SUBSIDIARIES *(continued)*

Notes: *(continued)*

(c) *(continued)*

Notes:

(1) These subsidiaries are wholly foreign owned enterprises in the PRC.

(2) This subsidiary is a domestic enterprise with limited liabilities established in the PRC. At 31 March 2014, the subsidiary is indirectly held by the Company through contractual arrangement by Kang Qian and Wang Weina who hold the interest in the subsidiary of 10% and 90% respectively. At 31 March 2015, the structured contracts for this subsidiary were unwired during the year ended 31 March 2015.

(3) This subsidiary is a domestic enterprise with limited liabilities established in the PRC. The subsidiary is indirectly held by the Company through contractual arrangement by Sun Yiqi who holds the interest in the subsidiary of 100%.

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

None of the subsidiaries had any debt securities outstanding at the end of the year or at any time during the year.

24. INTERESTS IN SUBSIDIARIES *(continued)*

Notes: *(continued)*

(d) The following are the summarised financial information for 上海思璇廣告有限公司 ("Sixuan"), which is accounted for a wholly owned subsidiary under contractual arrangement.

	2015	2014
	HK$'000	HK$'000
Sixuan		
Current assets	**13,369**	11,968
Current liabilities	**(9,082)**	(7,185)
Net assets	**4,287**	4,783
Revenue	**2,710**	5,984
(Loss)/profit for the year	**(505)**	4,207

Under the current PRC regulations, the Group is not allowed to directly hold the equity interests in an advertising and media company. Foreign companies are allowed to acquire 100% equity interests in the advertising enterprise in the PRC in accordance with the provision of Regulations for Merger with and Acquisition of Domestic Enterprises by Foreign Investors and Regulations on the Administration of Foreign-funded Advertising Enterprises.

Hence, the contractual arrangement are designed to provide the Group with effective control over and the right to enjoy the economic benefits in and assets of Sixuan. Upon the contractual arrangement becoming effective, the Group is able to consolidate 100% of the interests in Sixuan by treating this company as indirectly non-wholly owned subsidiary.

(e) Cash and short-term deposits of RMB held in the PRC are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the PRC, other than through normal dividends.

24. INTERESTS IN SUBSIDIARIES *(continued)*

Notes: *(continued)*

(f) The following table lists out the information relating to Keen Renown Group which have material non-controlling interest (NCI). The summarised financial information presented below represents the amounts before any inter-company elimination.

	2015	2014
	HK$'000	HK$'000
NCI percentage	**40%**	40%
Current assets	**60,920**	49,513
Non-current assets	**554**	743
Current liabilities	**(39,284)**	(25,571)
Net assets	**22,190**	24,685
Carrying amount of NCI	**8,876**	9,873
Revenue	**16,290**	19,160
(Loss)/profit for the year	**(2,885)**	2,683
Total comprehensive income	**373**	457
(Loss)/profit allocated to NCI	**(1,005)**	1,256
Cash flows from operating activities	**(1,166)**	(5,604)
Cash flows from investment activities	**(91)**	(576)
Cash flows from financing activities	**–**	–

25. AVAILABLE-FOR-SALE INVESTMENTS

	2015	2014
	HK$'000	HK$'000
The Group		
Unlisted shares, at cost		
– Equity securities incorporated in Hong Kong	**–**	6,000

Note: Unlisted equity securities issued by private entities classified as available-for-sale investments are stated at cost less impairment loss at the end of the reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company consider that their fair values cannot be measured reliably.

During the year ended 31 March 2015, the directors of the Company have determined that an impairment loss of HK$6,000,000 (2014: HK$Nil) was recognised in the consolidated statement of profit or loss as the available-for-sale investments are not expected to generate positive income in the future. Therefore, the carrying amounts of the available-for-sale investments have been reduced to their recoverable amounts.

26. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Trade receivables (Note (a))	**15,433**	49,385	**–**	–
Deposits (Note (b))	**51,923**	33,345	**441**	311
Prepayments	**27,577**	5,060	**1,230**	485
Other receivables (Note (c))	**87,333**	52,611	**12,323**	1
Loan receivables (Note (d))	**4,080**	–	**4,080**	–
	186,346	140,401	**18,074**	797

Notes:

(a) An aged analysis of the Group's trade receivables (which included in trade and other receivables), based on the date of revenue recognition, if earlier, and net of allowance for doubtful debts, at the end of the reporting period is as follows:

	2015	2014
	HK$'000	HK$'000
0 – 30 days	**1,115**	16,280
31 – 60 days	**5,352**	–
61 – 90 days	**620**	1,842
Over 90 days	**8,346**	31,263
	15,433	49,385

Details on the Group's credit policy are set out in note 4.

The following is an aged analysis of trade receivables which were past due but not impaired based on the due date:

	2015	2014
	HK$'000	HK$'000
0 – 30 days	**–**	207
31 – 61 days	**–**	227
61 – 90 days	**–**	83
Over 90 days	**6,949**	21,194
	6,949	21,711

Trade receivables that were past due but not impaired relate to the credits available to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment 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.

26. TRADE AND OTHER RECEIVABLES *(continued)*

Notes: *(continued)*

(b) The deposits paid mainly consist of the followings:

(i) During the year ended 31 March 2015, the Group entered into a letter of intent for granting a priority and exclusion right to acquire the entire shareholding interest in a target company before 31 December 2014 with a vendor, an independent third party, and an earnest money of HK$10,000,000 was paid to the vendor. The Company further entered into a supplemental letter of intent with the vendor to extend the priority and exclusion right to acquire the entire shareholding interest in a target company before 31 December 2015.

(ii) During the year ended 31 March 2015, the Group entered into a letter of intent for granting a priority and exclusion right to acquire the entire shareholding interest in a target company before 30 June 2015 with a vendor, an independent third party, and an earnest money of HK$10,000,000 was paid to the vendor.

(iii) During the year ended 31 March 2015, the Group entered into a letter of intent for granting a priority and exclusion right to acquire the entire shareholding interest in a target company before 30 June 2015 with vendors, independent third parties, and an earnest money of HK$9,000,000 was paid to the vendor. The Group further entered into a supplemental letter of intent with the vendors and an additional earnest money of HK$3,000,000 was paid. At 31 March 2015, the Group deposited a sum of HK$12,000,000 to the vendors as the earnest money.

(c) During the year ended 31 March 2015, included in prepayments is an amount of HK$23,747,000 for planning and development of new online-to-offline e-Commerce business.

(d) (i) At 31 March 2013, included in other receivables of RMB10,000,000 (approximately HK$12,506,000), represented a deposit paid by a wholly owned subsidiary of the Keen Renown Group ("Subsidiary") to Ms. Kang Qian, a former shareholder of Subsidiary, for the purpose of acquiring 50% share capital of a target company at a consideration of RMB40,000,000. The acquisition was terminated on 13 September 2012, and accordingly, the deposit was reclassified as other receivables.

(ii) During the year ended 31 March 2013, the Group entered into a conditional agreement with Mr. Lui Wing Fong, Alexander, the former executive director and chief executive officer of the Company ("Mr. Lui") to further acquire 40% of the issued share capital of Keen Renown Group at a consideration of HK$22,000,000, in which HK$17,000,000 (the "Indebtedness") had been paid to Mr. Lui as deposit and payment of the consideration. The possible acquisition was lapsed during the year ended 31 March 2014, and accordingly, the deposit for investment was reclassified as other receivables. Details of the transaction are set out in the Company's announcement dated 1 April 2014.

During the year ended 31 March 2015, among the Group, Mr. Lui and an independent third party entered into a deed of assignment and novation, pursuant to which, Mr. Lui assigned to the independent third party all its rights, liabilities, obligation titles, benefits and interests in the Indebtedness and to hold the same unto the Group absolutely.

(iii) During the year ended 31 March 2014, the Group entered into a letter of intent with a vendor, an independent third party, for acquiring an associate company of the vendor. Pursuant to the letter of intent, the Group paid RMB9,700,000 as a refundable acquisition earnest money to the vendor. The vendor was unable to fulfill the conditions stated in the letter of intent and the proposed acquisition lapsed during the year ended 31 March 2014, and accordingly, the refundable acquisition earnest money was classified as other receivables. At 31 March 2015, the outstanding balance of the refundable acquisition earnest money is RMB2,705,000.

26. TRADE AND OTHER RECEIVABLES *(continued)*

Notes: *(continued)*

(iv) During the year ended 31 March 2013, the Group entered into a memorandum with a vendor, who is an independent third party, for granting of priority right of management of two power plants to the Group. A sum of HK$3,000,000 was deposited to the vendor as a security deposit. The priority right expired on 31 December 2013 and extended to 31 December 2014. The acquisition was terminated on 31 December 2014, and accordingly, the deposit was reclassified as other receivables. The deposit is interest free and guaranteed by the vendor.

(v) During the year ended 31 March 2014, the Group entered into a memorandum with a vendor, an independent third party, for acquiring a percentage of the issued share capital of a power producer company and a security and refundable deposit of HK$9,000,000 was paid to the vendor. The Group further entered into two supplemental memorandums with the vendor. Pursuant to the supplemental memorandums, Activemix deposited a sum of HK$9,000,000 to the vendor as security and refundable deposit. The acquisition was terminated on 30 September 2014, and accordingly, the deposit was reclassified as other receivables.

(e) During the year ended 31 March 2015, the Company entered into two loan agreements with an independent third party (the "Borrower"). Pursuant to each of the loan agreement, the Company agreed to grant a loan to the Borrower for the sum of HK$2,000,000 at an interest rate of 20% per annum unsecured, repayable within three months and six months from the date of the first drawdown of the loans respectively. At 31 March 2015, the Company granted a sum of HK$3,500,000 to the Borrower.

27. BANK BALANCES AND CASH

	The Group		**The Company**	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Cash in hand and at bank:				
Hong Kong Dollar	**2,416**	3,856	**844**	3,282
Renminbi	**620**	1,267	**18**	26
US Dollar	**391**	29	**–**	–
Canadian Dollar	**825**	663	**–**	–
	4,252	5,815	**862**	3,308

Cash at bank earns interest at floating rates based on daily bank deposit rates which range from 0% to 0.1% for both years. Short term time deposits are denominated in HK$, RMB, USD and CAD which made for varying periods between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates.

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

28. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Trade payables (Note (a))	**6,453**	6,118	**–**	–
Accruals and other payables	**6,717**	7,818	**2,087**	4,015
Tenant deposits	**37**	42	**–**	–
Receipt in advance	**4,145**	65	**–**	–
Amounts due to key officer (Note (b))	**105**	121	**–**	–
Other non-income tax payable	**742**	2,152	**–**	–
	18,199	16,316	**2,087**	4,015

Notes:

(a) An aged analysis of the Group's trade payables at the end of the reporting period is as follows:

	2015	2014
	HK$'000	HK$'000
0 – 30 days	**2,963**	222
31 – 60 days	**285**	969
61 – 90 days	**40**	–
Over 90 days	**3,165**	4,927
	6,453	6,118

(b) Amounts due to key officer are interest free, unsecured and repayable on demand.

29. DEFERRED TAXATION

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2015	2014
	HK$'000	HK$'000
Deferred tax liabilities	**2,972**	3,348

The movements in the Group's deferred tax liabilities/(assets) recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Accelerated tax depreciation	**Revaluation of investment properties**	**Temporary differences**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2013	1,169	2,389	–	3,558
Exchange adjustments	(93)	(194)	–	(287)
Charged to consolidated statement of profit or loss (note 13)	–	77	–	77
At 31 March 2014 and 1 April 2014	1,076	2,272	–	3,348
Exchange adjustments	(262)	(173)	–	(435)
Charged to consolidated statement of profit or loss (note 13)	–	59	–	59
At 31 March 2015	**814**	**2,158**	**–**	**2,972**

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profit earned by the PRC subsidiaries from 1 January 2009 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to the profits earned by the PRC subsidiaries as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

At 31 March 2015, the Group has unused tax losses of approximately HK$108,514,000 (2014: HK$99,127,000) available for offset against future profits. No deferred tax asset has been recognised in respect of unused tax loss due to the unpredictability of future profit streams and in relation to deductible temporary difference as it is not probable taxable profit will be available against which the deductible temporary differences can be utilised. Tax losses are available indefinitely for offsetting future taxable profit of the companies in which the losses arose except for the tax losses arising in the PRC of approximately HK$58,141,000 (2014: HK$56,924,000).

30. SHARE CAPITAL

	2015 Number of shares	**Amount**	2014 Number of shares	Amount
		HK$'000		HK$'000
Authorised:				
Ordinary shares of HK$0.01 each	**20,000,000,000**	**200,000**	20,000,000,000	200,000
Issued and fully paid:				
At 1 April, ordinary shares of HK$0.01 each	**417,335,066**	**4,174**	326,575,066	3,266
Issue of new shares (Note (a), (c) & (d))	**129,600,000**	**1,296**	–	–
Placing of new shares (Note (b) & (f))	**47,000,000**	**470**	59,060,000	591
Exercise of share options (Note (e) & (g))	**17,200,000**	**172**	31,700,000	317
At 31 March, ordinary shares of HK$0.01 each	**611,135,066**	**6,112**	417,335,066	4,174

Notes:

For the year ended 31 March 2015:

(a) On 30 April 2014, the vendor, the Company and the placing agent entered into a top-up placing and subscription agreement, pursuant to which the placing agent has conditionally agreed, on a best effort basis, for and on behalf of the Company, to place to not less than six independent placees of up to 30,000,000 placing shares at a placing price of HK$0.81 per top-up placing share. The placing of 30,000,000 top-up placing shares was completed on 13 May 2014 and the net proceeds from the placing was approximately HK$23.8 million.

(b) On 30 June 2014, the Company and the placing agent entered into a conditional placing agreement pursuant to which the placing agent has conditionally agreed, on a best effort basis, for and on behalf of the Company, to place to not less than six independent placees of up to 47,000,000 placing shares at a placing price of HK$0.40 per placing share. The placing was completed on 16 July 2014 and the net proceeds from the placing was approximately HK$18.0 million.

30. SHARE CAPITAL *(continued)*

Notes: *(continued)*

(c) On 25 September 2014, the vendor, the Company and the placing agent entered into a top-up placing and subscription agreement pursuant to which the placing agent has conditionally agreed, on a best effort basis, for and on behalf of the Company, to place to not less than six independent placees of up to 60,000,000 placing shares at a placing price of HK$0.50 per top-up placing share. The placing of 60,000,000 top-up placing shares was completed on 8 October 2014 and the net proceeds from the placing was approximately HK$29.0 million.

(d) On 3 December 2014, the vendor, the Company and the placing agent entered into a top-up placing and subscription agreement pursuant to which the placing agent has conditionally agreed, on a best effort basis, for and on behalf of the Company, to place to not less than six independent placees of up to 39,600,000 placing shares at a placing price of HK$0.50 per top-up placing share. The placing of 39,600,000 top-up placing shares was completed on 16 December 2014 and the net proceeds from the placing was approximately HK$19.1 million.

(e) During the year ended 31 March 2015, certain option holders exercised their option rights to subscribe for an aggregate of 3,980,000 shares at an exercise price of HK$0.73; an aggregate of 9,960,000 shares at an exercise price of HK$0.51 and an aggregate of 3,260,000 shares at an exercise price of HK$0.197.

For the year ended 31 March 2014:

(f) On 24 June 2013, the Company and SBI E2-Capital Financial Services Limited (the "Placing Agent") entered into a conditional placing agreement, pursuant to which the Placing Agent has conditionally agreed, on a best effort basis, for and on behalf of the Company, to place an offer which is not less than six independent placees up to 65,000,000 placing shares at a placing price of HK$0.427 per placing share. The placing of 59,060,000 placing shares was completed on 18 July 2013.

(g) During the year ended 31 March 2014, certain option holders exercised their option rights to subscribe for an aggregate of 13,040,000 shares at an exercise price of HK$0.197; an aggregate of 6,720,000 shares at an exercise price of HK$0.66 and an aggregate of 11,940,000 shares at an exercise price of HK$0.73.

31. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the current and prior reporting years are presented in the consolidated statement of changes in equity on page 34 to the consolidated financial statements.

The Company

	Share premium (Note (iii)) HK$'000	Contributed surplus (Note (ii)) HK$'000	Share-based compensation reserve (Note (iv)) HK$'000	Accumulated losses (Note (i)) HK$'000	Total HK$'000
At 1 April 2013	1,208,558	325,866	2,647	(1,135,820)	401,251
Total comprehensive expenses for the year	–	–	–	(161,225)	(161,225)
Recognition of equity-settled share-based payments	–	–	14,314	–	14,314
Exercise of share options	22,816	–	(7,870)	–	14,946
Lapsed of share options	–	–	(1,059)	1,059	–
Placing of shares	24,628	–	–	–	24,628
Share issuing expenses	(632)	–	–	–	(632)
At 31 March 2014 and 1 April 2014	1,255,370	325,866	8,032	(1,295,986)	293,282
Total comprehensive expenses for the year	**–**	**–**	**–**	**(159,722)**	**(159,722)**
Recognition of equity-settled share-based payments	**–**	**–**	**11,529**	**–**	**11,529**
Exercise of share options	**12,261**	**–**	**(3,807)**	**–**	**8,454**
Cancellation of share options	**–**	**–**	**(265)**	**265**	**–**
Issue of new shares	**67,134**	**–**	**–**	**–**	**67,134**
Placing of shares	**24,000**	**–**	**–**	**–**	**24,000**
Share issuing expenses	**(2,573)**	**–**	**–**	**–**	**(2,573)**
At 31 March 2015	**1,356,192**	**325,866**	**15,489**	**(1,455,443)**	**242,104**

31. RESERVES *(continued)*

Nature and purpose of reserves

(i) Distributable reserve

The distributable reserve account of the Company is available for distribution in accordance with the Companies Act. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus, if:

(a) it is, or would after the payment be, unable to pay its liabilities as they become due; or

(b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

The Company has no reserves available for distribution to shareholders as at 31 March 2015 and 2014.

(ii) Contributed surplus

The contributed surplus of the Group represents the difference between the nominal value of the shares of the subsidiaries acquired and the nominal value of the shares of the Company issued for the acquisition at the time of the reorganisation of the Group.

The contributed surplus of the Company represents the difference between the nominal value of the shares of the subsidiaries acquired and the nominal value of the shares of the Company issued in exchange pursuant to the reorganisation of the Group.

(iii) Share premium

After the change of domicile, the application of share premium account is governed by the relevant provisions set out in the Company's Bye-laws and the Companies Act.

(iv) Share-based compensation reserve

The share-based compensation reserve of the Company and the Group arise on the grant of share options of the Company and is dealt with in accordance with the accounting policies set out in note 4.

31. RESERVES *(continued)*

Nature and purpose of reserves *(continued)*

(v) Statutory reserve

The statutory reserve of the Group refers to the PRC statutory reserve fund. Appropriations to such reserve fund are made out of profit after tax as recorded in the statutory financial statements of the PRC subsidiaries. The amount should not be less than 10% of the profit after tax as recorded in the statutory financial statements unless the aggregate amount exceeds 50% of the registered capital of the PRC subsidiaries. The statutory reserve can be used to make up prior year losses, if any, and can be applied in conversion into the PRC subsidiaries' capital by means of capitalisation issue.

(vi) Translation reserve

Translation 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 policies set out in note 4

32. ACQUISITION OF SUBSIDIARIES

For the year ended 31 March 2015

(a) Acquisition of 杭州聯力廣告有限公司

On 26 August 2014, the Group acquired a 100% interest in 杭州聯力廣告有限公司("杭州聯力") from an independent third party of the Company. 杭州聯力 is engaged in advertising and media related services. The acquisition was made as part of the Group's strategy to continue the expansion of its operation. The purchase consideration for the acquisition was in the form of cash, amounting to approximately HK$645,000 (RMB510,000).

The fair values of the identified assets and liabilities of 杭州聯力 as at the date of acquisition were as follows:

	HK$'000
Property, plant and equipment	32
Trade and other receivables	5,256
Bank balances and cash	1,979
Trade and other payables	(6,117)
Tax payables	(183)
Total identifiable net assets at fair value	967
Gain on bargain purchase	(322)
Consideration transferred	645

32. ACQUISITION OF SUBSIDIARIES *(continued)*

For the year ended 31 March 2015 *(continued)*

(a) Acquisition of 杭州聯力廣告有限公司 *(continued)*

	HK$'000
Cash consideration paid	645
Less: bank balances and cash acquired	(1,979)
Net cash inflow arising on acquisition	(1,334)

The goodwill represented the excess of the fair value of the consideration as at the acquisition date over the fair value of the net assets.

The consideration of the acquisition settled by cash and the consideration had been fully paid by the Group during the year ended 31 March 2015.

Since the acquisitions, 杭州聯力 contributed approximately HK$11,439,000 to the Group's revenue and HK$127,000 loss to the Group for the year ended 31 March 2015.

Had the combination taken place at the beginning of the year ended 31 March 2015, the revenue and the profit of the 杭州聯力 for the year ended 31 March 2015 would have been approximately HK$16,586,000 and HK$262,000 respectively.

(b) Acquisition of Eastmoney

On 17 October 2014, the Group acquired a 100% interest in Eastmoney from an independent third party of the Company. Eastmoney is engaged in provision of securities broking services. The acquisition was made as part of the Group's strategy to continue the expansion of its operation. The purchase consideration for the acquisition was in the form of cash, amounting to HK$10,660,000.

32. ACQUISITION OF SUBSIDIARIES *(continued)*

For the year ended 31 March 2015 *(continued)*

(b) Acquisition of Eastmoney *(continued)*

The fair values of the identified assets and liabilities of Eastmoney as at the date of acquisition were as follows:

	HK$'000
Deposit	500
Cash consideration paid	10,160
Total consideration	10,660

	HK$'000
Intangible assets (note 23)	17
Statutory deposits in respect of securities dealing	205
Trade and other receivables	3,902
Bank balances and cash	4,685
Trade and other payables	(646)
Total identifiable net assets at fair value	8,163
Goodwill arising on acquisition (note 22)	2,497
Total consideration	10,660

	HK$'000
Consideration paid	10,160
Less: bank balances and cash acquired	(4,685)
Net cash outflow arising from acquisition	5,475

The goodwill represented the excess of the fair value of the consideration as at the acquisition date over the fair value of the net assets.

Acquisition-related costs of approximately HK$30,000 have been charged to "administrative expenses" in the consolidated statement of profit or loss for the year ended 31 March 2015.

Since the acquisitions, Eastmoney contributed approximately HK$100,000 to the Group's revenue and HK$1,568,000 loss to the Group for the year ended 31 March 2015.

Had the combination taken place at the beginning of the year ended 31 March 2015, the revenue and the loss of the Eastmoney for the year ended 31 March 2015 would have been approximately HK$144,000 and HK$1,481,000 respectively.

33. DISPOSAL OF SUBSIDIARIES

For the year ended 31 March 2015

(a) Disposal of Eastmoney

On 17 December 2014, the Company entered into a sale and purchase agreement to dispose of the entire issued share capital of Eastmoney to East Money (HK) Limited, an independent third party, at a cash consideration of HK$10,095,000. The disposal was completed on 31 March 2015.

	HK$'000
Cash consideration received	1,000
Consideration receivables	9,095
Total consideration	10,095

Details of the assets and liabilities of Eastmoney are set out as follows:

	HK$'000
Goodwill (note 22)	2,497
Intangible assets (note 23)	–
Statutory deposits in respect of securities dealing	205
Trade and other receivables	2,543
Bank balances and cash	5,556
Trade and other payables	(1,709)
Net assets disposed of	9,092
Total consideration	(10,095)
Gain on disposal of a subsidiary	(1,003)

	HK$'000
Cash consideration received	1,000
Less: bank balances and cash	(5,556)
Net cash outflow arising from disposal	(4,556)

33. DISPOSAL OF SUBSIDIARIES *(continued)*

For the year ended 31 March 2015 *(continued)*

(b) Disposal of Innovate International Group Limited

On 17 March 2015, the Group entered into a sale and purchase agreement to dispose of the entire issued share capital of Innovate International Group Limited ("Innovate") to an independent third party, at a cash consideration of HK$12,500,000. The disposal was completed on 19 March 2015.

	HK$'000
Cash consideration received	400
Consideration receivables	12,100
Total consideration	12,500

Details of the assets and liabilities of Innovate are set out as follows:

	HK$'000
Deposit for investment	3,137
Trade and other receivables	9,973
Trade and other payables	(866)
Net assets disposed of	12,244
Total consideration	(12,500)
Gain on disposal of a subsidiary	(256)

	HK$'000
Cash consideration received	400
Less: bank balances and cash	–
Net cash inflow arising from disposal	400

34. MAJOR NON-CASH TRANSACTION

During the year ended 31 March 2015, the Group disposed the entire issued share capital of Eastmoney and Innovate to independent third parties with a consideration receivables of HK$9,095,000 and HK$12,100,000 respectively. The consideration receivables of HK$12,100,000 had not been received at the end of the reporting period (note 33). The consideration receivables of HK$9,095,000 was fully received subsequent to the end of the reporting period.

35. PLEDGED OF ASSETS

At 31 March 2015, the Group has not pledged any assets (2014: the Group has pledged its investment property located in Canada with a fair value of HK$24,083,000 to secure banking facilities).

36. COMMITMENTS

Operating lease commitments

As lessor

The Group leases its investment properties (note 21) under operating lease arrangements, with leases negotiated for terms ranging from 1 to 5 years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. The investment property of the Group is held for rental purpose and expected to generate rental yield of 7.8% (2014: 7.4%) on an ongoing basis.

At 31 March 2015 and 2014, the Group had total future minimum lease receivables under non-cancellable operating leases lad contracted with its tenants falling due as follows:

	2015	2014
	HK$'000	HK$'000
The Group		
Within one year	**991**	1,555
In the second to fifth years, inclusive	**294**	1,374
	1,285	2,929

During the year ended 31 March 2015 and 2014, the Group did not recognise any contingent rentals receivables.

As lessee

The Group leases certain of its office properties and office equipment under operating lease arrangements. Leases for properties are negotiated for terms ranging from 1 to 2 years, and those for office equipment are for 1 year term.

At 31 March 2015 and 2014, the Group and the Company had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	The Group	
	2015	2014
	HK$'000	HK$'000
Within one year	**5,067**	1,367
In the second to fifth years, inclusive	**2,066**	477
	7,133	1,844

36. COMMITMENTS *(continued)*

Other commitments

In addition to the operating lease commitments detailed above, the Group and the Company had the following capital commitments at the end of the reporting period:

	The Group	
	2015	2014
	HK$'000	HK$'000
Capital expenditure in respect of the acquisition of subsidiaries contracted for	**77,800**	89,165

Note:

For the year ended 31 March 2015:

In January 2014, the Company has obtained approval from Economy, Trade and Information Commission of Shenzhen Municipality for the registration of a PRC company in the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone of Shenzhen in relation to the provision of financial leasing services with a registered capital of US$10 million (approximately HK$77.8 million). Details of the transaction are set out in the Company's announcements dated 17 January 2014.

For the year ended 31 March 2014:

On 2 December 2013, Innovate, a wholly owned subsidiary of the Company, entered into a sale and purchase agreement with a vendor. Pursuant to which, the vendor agreed to sell and Innovate has agreed to purchase in aggregate 100% of the issued and paid up capital of a production company from the vendor. The total consideration for the sale and purchase shall be HK$200,000. A deposit of HK$20,000 has been paid to the vendor and the balance of HK$180,000 shall be paid on completion.

During the year ended 31 March 2014, the Company entered into a sale and purchase agreement with BWC Holdings Limited in respect of the acquisition of entire issued share capital of Eastmoney at a consideration of HK$11,685,000 (subject to adjust), in which HK$500,000 had been paid as deposit and payment of the consideration. Details of the transaction are set out in the Company's announcements dated 29 November 2013, 29 January 2014 and 17 April 2014.

In January 2014, the Company has obtained approval from Economy, Trade and Information Commission of Shenzhen Municipality for the registration of a PRC company in the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone of Shenzhen in relation to the provision of financial leasing services with a registered capital of US$10 million (approximately HK$77.8 million). Details of the transaction are set out in the Company's announcements dated 17 January 2014.

37. MATERIAL RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Company and the Group had the following material transactions with related parties during the year:

During the year ended 31 March 2014, the Group entered into a conditional agreement with Mr. Lui, the former director and chief executive officer of the Company to further acquire 40% of the issued share capital of Keen Renown Group at a consideration of HK$22,000,000, in which HK$17,000,000 had been paid to Mr. Lui as deposit and payment of the consideration. The possible acquisition was lapsed during the year ended 31 March 2014, and accordingly, the deposits for investment was reclassified as other receivables.

During the year ended 31 March 2015, the Group, Mr. Lui and an independent third party of the Company entered into a deed of assignment and novation. Pursuant to which, Mr. Lui assigned the independent third party all its rights, liabilities, obligation titles, benefits and interest in the Indebtedness and to hold the same unto the Group absolutely.

(a) Compensation to key management personnel

Compensation to directors of the Company and other members of key management personnel during the year is as follows:

	2015	2014
	HK$'000	HK$'000
Salaries and allowance	**8,050**	6,906
Retirement scheme contribution	**18**	30
Share-based payment expense	**–**	–
	8,068	6,936

37. MATERIAL RELATED PARTY TRANSACTIONS *(continued)*

(a) Compensation to key management personnel *(continued)*

The remuneration of directors of the Company and key executives is determined by the remuneration committee with due regard to the performance of individuals and market trends. Further details of directors' and the chief executive's emoluments are included in note 15 to the consolidated financial statements.

(b) Amount due to key officers

Details of the amount due to key officers at the end of the reporting period are set out in note 28 to the consolidated financial statements.

38. DEFINED BENEFIT PLANS

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") for all qualifying employees. The assets of the MPF Scheme are held separately from those of the Group, in fund under the control of trustees. The Group contributes 5% of relevant payroll costs (limited to HK$15,000, HK$12,000 before 1 June 2012, per annum of each individual employee) to the MPF Scheme, which contribution is matched by employees.

The employees employed in the PRC subsidiaries are members of the state-managed retirement benefits schemes operated by the China government. The PRC subsidiaries are required to contribute to the retirement benefits schemes based on a certain percentage of their payroll to fund the benefits. The only obligation of the Group with respect to these retirement benefits schemes is to make the required contributions under the schemes.

Employees employed by the Group outside Hong Kong are covered by the appropriate local defined contribution schemes pursuant to the local labour rules and regulations.

39. SHARE OPTION SCHEME

Pursuant to a resolution passed at the annual general meeting of the Company held on 25 September 2012, a new share option scheme (the "New Share Option Scheme") was adopted by the Company.

The previous share option scheme of the Company (the "Old Share Option Scheme") was expired on 2 August 2012, no further options can be granted under the Old Share Option Scheme thereafter. All outstanding share option granted under the Old Share Option Scheme prior to the said expiry shall be lapsed in accordance with the provisions of the Old Share Option Scheme.

The major terms of the New Share Option Scheme are summarised as follows:

(a) The purpose of the New Share Option Scheme is to enable the Group to grant share options to selected participants as incentives or rewards for their contribution to the Group.

(b) The participants include:

(i) (1) any employee or proposed employee of the Company, any of its subsidiaries or any entity ("Invested Entity") in which the Group holds an equity interest, including any executive director of the Company, any of such subsidiaries or any Invested Entity;

(2) any non-executive director (including independent non-executive directors) of the Company, any of its subsidiaries or any Invested Entity;

(3) any supplier of goods or services to any member of the Group or any Invested Entity;

(4) any customer of the Group or any Invested Entity;

(5) any person or entity that provides research, development or other technological support to the Group or any Invested Entity;

(6) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity; and

(7) any joint venture partner or counter-party to business transactions of the Group.

(ii) any company wholly owned by one or more persons belonging to any of the above classes of participants.

39. SHARE OPTION SCHEME *(continued)*

(c) The exercise price of a share option shall be a price determined by the directors and shall at least be the higher of:

  (i) the closing price of a share of the Company as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and

  (ii) the average closing price of a share of the Company as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant.

(d) Maximum number of shares:

  (i) The total number of shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the shares in issue from time to time; and

  (ii) The total number of shares which may be issued upon exercise of all share options to be granted under the New Share Option Scheme and any other schemes must not in aggregate, exceed 10% of the shares in issue at the date of adoption of the New Share Option Scheme (the "Limit") provided that share options lapsed in accordance with the terms of the New Share Option Scheme will not be counted for the purpose of calculating the Limit.

(e) The total number of shares issued and to be issued upon the exercise of share options granted and to be granted to each participant (including both exercised and outstanding options) in any 12-month period up to and including the date of grant must not exceed 1% of the shares in issue.

(f) The exercisable period should be determined by the board of directors upon grant of the share option but in any event should not exceed 10 years from the date of grant of the share option.

At the end of the reporting period, the number of shares which may be issued upon exercise of share options granted and remain outstanding under the New Share Option Scheme was 55,760,000 (2014: 26,420,000), representing 9% (2014: 6%) of shares of the Company in issue at that date. As at 31 March 2015, 120,960,000 share options were granted under the New Option Scheme since its adoption.

39. SHARE OPTION SCHEME *(continued)*

During the years ended 31 March 2015 and 31 March 2014 the Company's share options granted under the share option schemes are as follows:

Date of grant	Category of eligible persons	Exercise price	Exercise period	Outstanding at 1 April 2013	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at 31 March 2014 and 1 April 2014	Granted during the year	Exercised during the year	Canceled during the year	Outstanding at 31 March 2015
4 December 2012	Directors	0.197	4 December 2012 to 3 December 2015	6,520,000	–	–	–	6,520,000	–	(3,260,000)	(3,260,000)	–
	Employees	0.197	4 December 2012 to 3 December 2015	26,080,000	–	(13,040,000)	(13,040,000)	–	–	–	–	–
4 December 2013	Employees	0.73	4 December 2013 to 3 December 2016	–	3,980,000	–	–	3,980,000	–	(3,980,000)	–	–
	Consultants	0.73	4 December 2013 to 3 December 2016	–	27,860,000	(11,940,000)	–	15,920,000	–	–	–	15,920,000
7 January 2014	Consultants	0.66	7 January 2014 to 6 January 2017	–	6,720,000	(6,720,000)	–	–	–	–	–	–
22 August 2014	Consultants	0.51	22 August 2014 to 21 August 2017	–	–	–	–	–	49,800,000	(9,960,000)	–	39,840,000
			Total	32,600,000	38,560,000	(31,700,000)	(13,040,000)	26,420,000	49,800,000	(17,200,000)	(3,260,000)	55,760,000
			Exercisable at the end of the year	32,600,000				26,420,000				55,760,000
			Weighted average Exercise price	HK$0.20	HK0.72	HK$0.50	HK$0.20	HK$0.60	HK$0.51	HK$0.50	HK$0.20	HK$0.57

The fair value of options granted under the New Share Option Scheme measured at the date of grant during the year ended 31 March 2015 was approximately HK$11,529,000. The following significant assumptions were used to derive the fair values using the Black-Scholes Option Pricing Model:

Date of grant	**22 August 2014**
Total number of share options	49,800,000
Option value	0.2315
Option life	3 year
Expected tenor	3 year
Exercise price	0.51
Stock price at the date of grant	0.51
Volatility	68.86%
Risk free rate	0.752%

39. SHARE OPTION SCHEME *(continued)*

For equity-settled share-based payments with parties other than employees, the Group has rebutted the presumption that the fair values of the services received can be estimated reliably. As in the opinion of the directors, the Group measured the services received from these parties and its fair value is approximate to the fair values of the share options granted using the binomial option pricing model, at the date these parties rendered related services to the Group.

Expected volatility was determined by using the historical volatility of the Company's share price over certain historical periods. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

The Group recognised a total expense of approximately HK$11,529,000 for the year ended 31 March 2015 (2014: HK$14,314,000) in relation to share option granted by the Company.

40. EVENTS AFTER THE REPORTING PERIOD

The following events have occurred subsequent to 31 March 2015:

On 15 April 2015, the Company entered into a disposal agreement with Gold Train Limited (the "Purchaser"), pursuant to which the Purchaser has agreed to acquire and the Company has agreed to dispose the entire issued share capital of the Grandeur Concord Limited (the "Target"), a company incorporated in BVI and the entire issued share capital of which is wholly and beneficially owned by the Company, and the amount due owing as at the date of the completion by the Target to the Group at the aggregate consideration of HK$20,000,000. Upon Completion, the Target will cease to be a subsidiary of the Company.

41. COMPARATIVE INFORMATION

Certain comparative amounts have been reclassified to conform with the current period presentation.

42. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 29 June 2015.

Summary of Financial Information

Results

	Years ended 31 March				
	2011	2012	2013	2014	**2015**
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
Continuing operations					
Turnover	19,953	21,445	35,132	31,458	**36,743**
Loss before taxation	(650,276)	(484,798)	(334,742)	(107,889)	**(81,109)**
Income tax credit/(expenses)	(109)	458	(1,801)	(4,566)	**(190)**
Loss for the year from continuing operations	(650,385)	(484,340)	(336,543)	(112,455)	**(81,299)**
Discontinued operations					
Loss for year from discontinued operations	–	–	–	–	**(75,482)**
Loss for the year	(650,385)	(484,340)	(336,543)	(112,455)	**(156,781)**
Loss attributable to					
owners of the Company	(650,385)	(484,340)	(336,474)	(113,528)	**(155,627)**
non-controlling interest	–	–	(69)	1,073	**(1,154)**
	(650,385)	(484,340)	(336,543)	(112,455)	**(156,781)**

Assets and Liabilities

	As at 31 March				
	2011	2012	2013	2014	**2015**
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
Non-current assets	1,084,720	730,980	272,785	177,962	**68,965**
Current assets	247,657	157,658	108,570	146,216	**216,523**
Current liabilities	9,607	11,639	18,676	20,756	**31,194**
Non-current liabilities	181,650	204,080	3,558	3,348	**2,972**