



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)

Interim Report 2015



* For identification only

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

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

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

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the “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 the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited 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 aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

UNAUDITED INTERIM RESULTS

The board of Directors (the “Board”) of Zhi Cheng Holdings Limited (the “Company”) presents the unaudited condensed consolidated results (the “Unaudited Consolidated Results”) of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2015, together with the comparative unaudited figures for 2014 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	For the three months ended 30 September		For the six months ended 30 September	
		2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Continuing operations					
Turnover	5	5,549	8,541	11,403	14,725
Cost of sales		(5,110)	(6,167)	(9,610)	(11,175)
Gross profit		439	2,374	1,793	3,550
Other income and gains	6	648	5,067	1,310	5,077
Administrative expenses		(8,260)	(24,353)	(18,342)	(36,839)
Gain on disposal of property, plant and equipment		18	–	18	–
Gain on disposal of subsidiaries	18	1,615	–	1,615	–
Loss arising on change in fair value of financial assets of fair value through profit or loss		(152)	–	(152)	–
Gain on bargain purchase		–	322	–	322
Loss from operations	7	(5,692)	(16,590)	(13,758)	(27,890)
Finance costs		–	–	–	–
Loss before taxation		(5,692)	(16,590)	(13,758)	(27,890)
Income tax expense	8	(171)	(1,538)	(212)	(1,541)
Loss for the period from continuing operations		(5,863)	(18,128)	(13,970)	(29,431)
Discontinued operations					
Profit/(loss) for the period from discontinued operations	9	335	(1,338)	(705)	(2,656)
Loss for the period		(5,528)	(19,466)	(14,675)	(32,087)

	Note	For the three months ended 30 September		For the six months ended 30 September	
		2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Loss for the period attributable to:					
owners of the Company		(5,219)	(21,100)	(14,348)	(33,529)
non-controlling interests		(309)	1,634	(327)	1,442
		<u>(5,528)</u>	<u>(19,466)</u>	<u>(14,675)</u>	<u>(32,087)</u>
Loss per share					
From continuing and discontinued operations					
Basic and diluted	10	<u>(0.83) cents</u>	(4.29) cents	<u>(2.32) cents</u>	(7.21) cents
From continuing operations					
Basic and diluted	10	<u>(0.89) cents</u>	(4.01) cents	<u>(2.20) cents</u>	(6.64) cents
Loss for the period		<u>(5,528)</u>	(19,466)	<u>(14,675)</u>	(32,087)
Other comprehensive (expense)/ income for the period					
Exchange differences on translation of financial statements of overseas subsidiaries		<u>(2,982)</u>	72	<u>(2,964)</u>	1,061
Other comprehensive (expense)/income for the period		<u>(2,982)</u>	72	<u>(2,964)</u>	1,061
Total comprehensive expense for the period		<u>(8,510)</u>	(19,394)	<u>(17,639)</u>	(31,026)
Total comprehensive (expense)/ income for the period attributable to:					
owners of the Company		(7,740)	(21,196)	(17,009)	(32,710)
non-controlling interests		(770)	1,802	(630)	1,684
		<u>(8,510)</u>	<u>(19,394)</u>	<u>(17,639)</u>	<u>(31,026)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 30 September 2015 (Unaudited) HK\$'000	At 31 March 2015 (Audited) HK\$'000
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment	11	5,136	7,391
Investment properties		–	21,406
Goodwill	12	32,446	32,446
Intangible assets	13	5,882	7,722
Available-for-sale investments	14	–	–
		<u>43,464</u>	<u>68,965</u>
Current assets			
Trade and other receivables	15	181,053	186,346
Financial assets at fair value through profit or loss		918	–
Bank balances and cash		2,505	4,252
		<u>184,476</u>	<u>190,598</u>
Assets of disposal group classified as held for sales	9	48,362	25,925
		<u>232,838</u>	<u>216,523</u>
Current liabilities			
Trade and other payables	16	17,095	18,199
Tax payable		4,728	4,795
		<u>21,823</u>	<u>22,994</u>
Liabilities of disposal group classified as held for sale	9	13,177	8,200
		<u>35,000</u>	<u>31,194</u>
Net current assets		<u>197,838</u>	<u>185,329</u>
Total assets less current liabilities		<u>241,302</u>	<u>254,294</u>

		At 30 September 2015 (Unaudited) HK\$'000	At 31 March 2015 (Audited) HK\$'000
	<i>Note</i>		
Capital and reserves			
Share capital	17	6,261	6,112
Reserves		226,795	236,334
		<hr/>	<hr/>
Equity attributable to owners of the Company		233,056	242,446
Non-controlling interests		8,246	8,876
		<hr/>	<hr/>
		241,302	251,322
		<hr/>	<hr/>
Non-current liability			
Deferred tax liabilities		-	2,972
		<hr/>	<hr/>
		-	2,972
		<hr/>	<hr/>
		241,302	254,294
		<hr/>	<hr/>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity attributable to equity shareholders of the Company

	Issued capital		Share premium	Share-based compensation		Statutory reserve	Translation reserve		Accumulated losses	Total		Non-controlling interests	Total equity
	(Unaudited)	HK\$'000		(Unaudited)	HK\$'000		(Unaudited)	HK\$'000		(Unaudited)	HK\$'000		
At 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)/profit for the period	-	-	-	-	-	-	(63,529)	(33,529)	1,442	(62,087)			
Other comprehensive income for the period	-	-	-	-	-	819	-	819	242	1,061			
Total comprehensive income/(expense) for the period	-	-	-	-	-	819	(63,529)	(32,710)	1,684	(31,026)			
Transfer of statutory reserve	-	-	-	-	291	-	(291)	-	-	-			
Exercise of share option	139	11,652	-	(3,806)	-	-	-	7,985	-	7,985			
Placing of new shares	770	42,330	-	-	-	-	-	43,100	-	43,100			
Share issuing expense	-	(889)	-	-	-	-	-	(889)	-	(889)			
Recognition of equity settled share-based payment	-	-	-	11,529	-	-	-	11,529	-	11,529			
At 30 September 2014	5,083	1,308,363	325,798	15,755	2,242	5,636	(1,343,761)	319,116	11,557	330,673			
At 1 April 2015	6,112	1,356,192	325,798	15,489	1,966	2,207	(1,465,318)	242,446	8,876	251,322			
Loss for the period	-	-	-	-	-	-	(14,348)	(14,348)	(327)	(14,675)			
Other comprehensive expense for the period	-	-	-	-	-	(2,661)	-	(2,661)	(303)	(2,964)			
Total comprehensive expense for the period	-	-	-	-	-	(2,661)	(14,348)	(17,009)	(630)	(17,639)			
Exercise of share option	149	10,929	-	(3,459)	-	-	-	7,619	-	7,619			
Cancellation of share option	-	-	-	(1,153)	-	-	1,153	-	-	-			
At 30 September 2015	6,261	1,367,121	325,798	10,877	1,966	(454)	(1,478,513)	233,056	8,246	241,302			

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended	
	30 September	
	2015	2014
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net cash used in operating activities	(7,070)	(48,544)
Net cash used in investing activities	(1,380)	(4,375)
Net cash generated from financing activities	7,619	50,096
Net decrease in cash and cash equivalents	(831)	(2,823)
Cash and cash equivalents at beginning of period	4,252	5,815
Effect of foreign exchange rate changes	(184)	(41)
Cash and cash equivalents at end of period	3,237	2,951
Analysis of cash and cash equivalents		
Cash and cash equivalents of the Group	3,237	2,951
Reclassification to assets of disposal group held for sale	(732)	–
	2,505	2,951

NOTES

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.

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 Unaudited Consolidated Results 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 Company's principal activity is investment holding and the principal activities of its subsidiaries are provision of consultancy services, advertising and media related services, provision of project management services and travel agency and related operations.

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

The accounting policies used in the preparation of the Unaudited Consolidated Results are consistent with those used in the annual financial statements of the Group for the year ended 31 March 2015, except for the impact of the adoption of the new and revised Hong Kong Accounting Standard ("HKAS"), Hong Kong Financial Reporting Standards and interpretation described below.

In the current period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations (collectively referred to as the "new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). A summary of the new and revised HKFRSs adopted by the Group is set out as follows:

HKFRSs (Amendments)	Annual Improvements to HKFRS 2010-2012 Cycle
HKFRS (Amendments)	Annual Improvements to HKFRS 2011-2013 Cycle
HKAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions

The adoption of the new and revised HKFRSs has no material effect on the Unaudited Consolidated Results for the current or prior accounting period.

3. BASIS OF PREPARATION AND CONSOLIDATION

The Unaudited Consolidated Results have been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the HKICPA and the applicable disclosures provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules").

The measurement basis used in the preparation of the Unaudited Consolidated Results is the historical cost convention, as modified for the revaluation of certain financial instruments and investment property which are stated at their fair values.

3. BASIS OF PREPARATION AND CONSOLIDATION *(Continued)*

The preparation of Unaudited Consolidated Results 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 accounting policies and basis of preparation adopted in the preparation of the Unaudited Consolidated Results are consistent with those adopted in annual financial statements for the year ended 31 March 2015.

All intra-group transactions, balances, incomes and expenses are eliminated in full on consolidation. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

4. 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 four reportable segments. No operating segments have been aggregated to form the following reportable segments.

- | | |
|--|--|
| (i) 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. |
| (ii) Advertising and media related services: | Engaged in designing, production, acting as agency and placement of advertisements, information consulting and marketing planning in the PRC. |
| (iii) Project management services: | Provision of PRC project management services to entities in relation to the operation and monitoring of RFID card system. |
| (iv) Travel agency and related operations: | Rendering travel agency services related to air ticketing and air/hotel packages in Hong Kong. |

There are two operations segments (Property investments and Decoration and interior design services) were discontinued during the period.

4. SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

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

	Continuing operations			Discontinued operations				Total (Audited) HK\$'000
	Advertising and media related services (Audited) HK\$'000	Travel agency and related operations (Audited) HK\$'000	Project management services (Audited) HK\$'000	Segment total (Audited) HK\$'000	Property investments (Audited) HK\$'000	Decoration and interior design services (Audited) HK\$'000	MIDS (Audited) HK\$'000	
At 31 March 2015	4,077	103,395	14,960	124,580	22,725	2,666	16,546	168,517
Reportable segment assets								
Unallocated assets								118,971
Total assets								285,488
Reportable segment liabilities	-	7,895	2,014	11,940	301	1,908	6,186	20,335
Unallocated liabilities								13,881
Total liabilities								34,166
Capital expenditure								
- Allocated	-	2,110	-	2,110	-	429	8	2,547
- Unallocated								3,002

Capital expenditure comprises additions to non-current assets represents additions to property, plant and equipment and intangible assets, including additions resulting from acquisitions through business combination.

5. TURNOVER

	For the three months ended 30 September		For the six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Continuing operations				
Provision of consultancy services	-	451	-	676
Provision of advertising and media related services	3,319	3,613	6,181	5,498
Provision of project management services	-	255	-	507
Provision of travel agency services	2,230	4,222	5,222	8,044
	<u>5,549</u>	<u>8,541</u>	<u>11,403</u>	<u>14,725</u>
Discontinued operations				
Gross rental income from investment properties	296	410	672	928
Provision of decoration and interior design services	19	282	25	426
	<u>315</u>	<u>692</u>	<u>697</u>	<u>1,354</u>

6. OTHER INCOME AND GAINS

	For the three months ended 30 September		For the six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Continuing operations				
Bank interest income	2	1	2	1
Interest income on loan to an independent third parties	-	-	290	-
Management fee income	636	-	1,003	-
Other income	10	5,066	15	5,076
	<u>648</u>	<u>5,067</u>	<u>1,310</u>	<u>5,077</u>
Total				

7. LOSS FROM OPERATIONS

	For the three months ended 30 September		For the six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
The Group's loss from continuing operations are arrived at after charging/ (crediting):				
Amortisation of intangible assets	274	3,469	1,840	4,049
Cost of sales	5,110	6,167	9,610	11,175
Depreciation of property, plant and equipment	668	551	1,479	1,028
Gain on disposal of property, plant and equipment	(18)	–	(18)	–
Gain on disposal of subsidiaries	(1,615)	–	(1,615)	–
Loss arising on change in fair value of financial assets of fair value through profit or loss	152	–	152	–
Gain on bargain purchase	–	(322)	–	(322)
Net foreign exchange loss/(gain)	57	(100)	61	64
Minimum lease payment under operating lease on premises	1,018	1,304	2,666	2,543
Staff costs (including directors' remuneration)	3,009	15,853	5,809	19,728

8. INCOME TAX EXPENSE

	For the three months ended 30 September		For the six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Current tax charged:				
PRC Enterprise Income Tax	171	1,538	212	1,541
Total tax charged	171	1,538	212	1,541

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.

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profits in Hong Kong or the estimated assessable profit was wholly absorbed by tax losses brought forward for the six months ended 30 September 2015 (2014: Nil).

No provision for overseas income tax was made as the Company's overseas subsidiaries did not have taxable income for the six months ended 30 September 2015 (2014: Nil).

The Group had no significant unprovided deferred tax assets and liabilities at 30 September 2015 (2014: Nil).

9. DISCONTINUED OPERATIONS AND DISPOSAL GROUPS HELD FOR SALE

(a) Discontinued operations

Disposal of decoration and interior design services

The Group has an intention to sell its decoration and interior design services operation, Chun Sing Design (HK) Limited (“Chun Sing”), a wholly-owned subsidiary of the Company. Chun Sing directly holds entire equity interests in 駿昇設計製作(深圳)有限公司 (“駿昇”). The Group initiated an active programme to locate a buyer and completed the sale during the second half of the year. The subsidiary was sold on 31 August 2015 for cash consideration of HK\$1,200,000. Its results are presented in this unaudited condensed consolidated results as a discontinued operation.

Financial information relating to decoration and interior design services operation (Chun Sing and 駿昇) for the period to the date of disposal is set out below. The income statement and statement of cash flow distinguish discontinued operations from continuing operations. Comparative figures have been restated.

Income statement and cash flow information

	For the six months ended 30 September 2015	
	HK\$'000	HK\$'000
Turnover	25	426
Expenses	(445)	(827)
Loss from discontinued operations	(420)	(401)

Analysis of the cash flows of discontinued operation is as follows:

Net cash flow outflow from operating activities (66)

Plan to dispose of MIDS operations

The Group has an intention to sell its medical information digitalisation system (“MIDS”) operation, Fortune Mark International Limited (“Fortune Mark”), a wholly-owned subsidiary of the Company. The Group initiated an active programme to locate a buyer and completed the sale during the second half of the year. The subsidiary was sold on 28 July 2015 for cash consideration of HK\$700,000. Its results are presented in this unaudited condensed consolidated results as a discontinued operation.

On 13 March 2015 and 26 March 2015, the Group entered into two sale and purchase agreements with purchaser A and purchaser B to dispose of its entire registered capital of 嘉鈦華數碼科技(天津)有限公司 (“嘉鈦華”) and 天津市逸晨電子科技有限公司 (“逸晨”), wholly-owned subsidiaries of the Company, which carried out the Group’s MIDS operations at a cash 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 fair value less costs to sell and, accordingly, no impairment loss was recognised when Fortune Mark, 嘉鈦華 and 逸晨 were reclassified as held for sale at the end of the reporting period. Details of the assets and liabilities of disposal group held for sale at 30 September 2015 are disclosed in note 9(b).

Financial information relating to MIDS operation (Fortune Mark, 嘉鈦華 and 逸晨) for the period to the date of disposal is set out below. The income statement and statement cash flow distinguish discontinued operations from continuing operations. Comparative figures have been restated.

9. DISCONTINUED OPERATIONS AND DISPOSAL GROUPS HELD FOR SALE (Continued)

(a) Discontinued operations (Continued)

Income statement and cash flow information

	For the six months ended 30 September	
	2015 HK\$'000	2014 HK\$'000
Expenses	<u>(296)</u>	<u>(2,253)</u>
Loss from discontinued operations	<u>(296)</u>	<u>(2,253)</u>

Analysis of the cash flows of discontinued operation is as follows:

Net cash flow outflow from operating activities (46)

Plan to dispose of property investments

On 15 April 2015, the Group announced its intention to sell its property investment operation. The Group entered into the sale and purchase agreement with Gold Train Limited ("Gold Train"), pursuant to which Gold Train has agreed to acquire and the Company agreed to dispose the sale share, representing the entire issued share capital of the Grandeur Concord Limited ("Grandeur Concord"), and the sale loan at the aggregate consideration of HK\$20,000,000. Grandeur Concord, a wholly-owned subsidiary of the Company. Grandeur Concord directly holds entire equity interests in Vincent Investment Limited ("Vincent Investment"). The sole asset of significance of Grandeur Concord and Vincent Investment is the property. Its results are presented in this unaudited condensed consolidated results as a discontinued operation.

The carrying amount of the related assets and liabilities are carried at the lower of carrying amount and fair value less costs to sell and, accordingly, no impairment loss was recognised, when Grandeur Concord and Vincent Investment were reclassified as held for sale at the end of the reporting period. Details of the assets and liabilities of disposal group held for sale at 30 September 2015 are disclosed in note 9(b).

Financial information relating to property investments operation (Grandeur Concord and Vincent Investment) for the period to the date of disposal is set out below. The income statement and statement cash flow distinguish discontinued operations from continuing operations. Comparative figures have been restated.

Income statement and cash flow information

	For the six months ended 30 September	
	2015 HK\$'000	2014 HK\$'000
Turnover	672	928
Expenses	<u>(661)</u>	<u>(927)</u>
Profit from discontinued operations	<u>11</u>	<u>1</u>

Analysis of the cash flows of discontinued operation is as follows:

Net cash flow outflow from operating activities (185)

9. DISCONTINUED OPERATIONS AND DISPOSAL GROUPS HELD FOR SALE (Continued)

(b) Disposal Group Held for Sale

On 23 March 2015, the Group entered into a sale and purchase 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 at a consideration of HK\$8,000,000. The disposal of the Group's project management service operations is to streamline the Group's operations in the PRC. The disposal has not been completed as at the date of the interim 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 recognized, when 廣州迅置通 was reclassified as held for sale at the end of reporting period.

The major classes of assets and liabilities of 嘉欽華, 逸晨, 廣州迅置通, Grandeur Concord, and Vincent Investment in the disposal group are as follows:

	嘉欽華 and 逸晨 HK\$'000	廣州迅置通 HK\$'000	Grandeur Concord and Vincent Investment HK\$'000	At 30 September 2015 Total HK\$'000
Assets classified as held for sale:				
Property, plant and equipment	43	-	-	43
Investment properties	-	-	20,257	20,257
Intangible assets	1,404	542	-	1,946
Trade and other receivables	14,500	10,384	500	25,384
Bank balances and cash	11	103	618	732
Total assets of the disposal group	15,958	11,029	21,375	48,362
Liabilities directly associated with assets classified as held for sale:				
Trade and other payables	5,950	4,284	66	10,300
Tax payables	-	-	65	65
Deferred tax liabilities	-	-	2,812	2,812
Total liabilities of the disposal group	5,950	4,284	2,943	13,177
Total net assets of the disposal group	10,008	6,745	18,432	35,185

10. LOSS PER SHARE

From continuing and discontinued operations

The calculation of the basic loss per share is based on the loss attributable to owners of the Company for the three months ended 30 September 2015 of approximately HK\$5,219,000 (2014: HK\$21,100,000) and loss attributable to owners of the Company for the six months ended 30 September 2015 of approximately HK\$14,348,000 (2014: HK\$33,529,000) and the weighted average of 625,263,109 shares in issue during the three months ended 30 September 2015 (2014: 492,384,196 shares) and the weighted average of 619,435,066 shares in issue during the six months ended 30 September 2015 (2014: 465,011,350 shares).

10. LOSS PER SHARE (Continued)**From continuing operations**

The calculation of the basic loss per share is based on the loss attributable to owners of the Company for the three months ended 30 September 2015 of approximately HK\$5,554,000 (2014: HK\$19,762,000) and loss attributable to owners of the Company for the six months ended 30 September 2015 of approximately HK\$13,643,000 (2014: HK\$30,873,000) and the weighted average of 625,263,109 shares in issue during the three months ended 30 September 2015 (2014: 492,384,196 shares) and the weighted average of 619,435,066 shares in issue during the six months ended 30 September 2015 (2014: 465,011,350 shares).

From discontinued operations

For the six months ended 30 September 2015, the basic loss per share attributable to the owners of the Company was HK\$0.11 which was based on the loss for the period of HK\$705,000 and the weighted average of 619,435,066 shares in issue during the six months ended 30 September 2015.

No diluted loss per share has been presented as there were no potential ordinary shares in issue during both periods.

11. PROPERTY, PLANT AND EQUIPMENT

(Unaudited)

HK\$'000

Cost

At 1 April 2014	8,881
Additions	5,517
Acquisition through business combination	32
Written-off for the year	(163)
Exchange adjustments	9
Reclassification to assets of disposal group held for sale	(1,599)
	<hr/>
At 31 March 2015 and 1 April 2015	12,677
Additions	63
Disposals	(509)
Disposal of a subsidiary	(526)
Exchange adjustments	(81)
	<hr/>
At 30 September 2015	11,624

Accumulated depreciation and impairment

At 1 April 2014	4,304
Depreciation for the year	2,656
Written-off for the year	(126)
Exchange adjustments	6
Reclassification to assets of disposal group held for sale	(1,554)
	<hr/>
At 31 March 2015 and 1 April 2015	5,286
Depreciation for the period	1,556
Disposals	(184)
Disposal of a subsidiary	(150)
Exchange adjustments	(20)
	<hr/>
At 30 September 2015	6,488

Carrying amount

At 30 September 2015	5,136
	<hr/>
At 31 March 2015	7,391
	<hr/>

12. GOODWILL(Unaudited)
HK\$'000**Cost**

At 1 April 2014	48,697
Acquisition of a subsidiary	2,497
Disposal of a subsidiary	(2,497)

At 31 March 2015, 1 April 2015 and 30 September 2015	48,697
--	--------

Accumulated impairment losses

At 1 April 2014	(1,449)
Impairment loss recognised for the year	(14,802)

At 31 March 2015, 1 April 2015 and 30 September 2015	(16,251)
--	----------

Carrying amount

At 30 September 2015	32,446
-----------------------------	---------------

At 31 March 2015	32,446
------------------	--------

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.

	At 30 September 2015 HK\$'000	At 31 March 2015 HK\$'000
Properties investments	1,449	1,449
Advertising and media related services	47,248	47,248

13. INTANGIBLE ASSETS

	(Unaudited)
	<i>HK\$'000</i>
Cost	
At 1 April 2014	1,431,356
Acquisition through business combination	17
Disposal of a subsidiary	(17)
Exchange adjustments	37
Reclassification to assets of disposal group held for sale	(1,389,459)
	<hr/>
At 31 March 2015, 1 April 2015 and 30 September 2015	41,934
	<hr/>
Accumulated amortisation and impairment	
At 1 April 2014	1,335,822
Amortised for the year	17,294
Impairment loss recognised for the year	68,433
Disposal of a subsidiary	(17)
Exchange adjustments	20
Reclassification to assets of disposal group held for sale	(1,387,340)
	<hr/>
At 31 March 2015 and 1 April 2015	34,212
Amortised for the period	1,840
	<hr/>
At 30 September 2015	36,052
	<hr/>
Carrying amount	
At 30 September 2015	5,882
	<hr/>
At 31 March 2015	7,722
	<hr/>

14. AVAILABLE-FOR-SALE INVESTMENTS

	At 30 September 2015 (Unaudited) HK\$'000	At 31 March 2015 (Audited) HK\$'000
Unlisted shares, at cost (<i>Note</i>)	-	-
- Equity securities incorporated in Hong Kong	-	-

Note: During the year ended 31 March 2015, the directors of the Company have determined that an impairment loss of HK\$6,000,000 was recognised in the consolidated statement of profit or loss and other comprehensive income 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.

15. TRADE AND OTHER RECEIVABLES

	At 30 September 2015 (Unaudited) HK\$'000	At 31 March 2015 (Audited) HK\$'000
Trade receivables	9,490	15,433
Deposits	66,770	51,923
Prepayments	25,134	27,577
Other receivables	70,979	87,333
Loan receivables	8,680	4,080
	181,053	186,346

An aged analysis of the Group's trade receivables at the end of the reporting period is as follows:

0 – 30 days	1,201	1,115
31 – 60 days	412	5,352
61 – 90 days	236	620
Over 90 days	7,641	8,346
	9,490	15,433

16. TRADE AND OTHER PAYABLES

	At 30 September 2015 (Unaudited) HK\$'000	At 31 March 2015 (Audited) HK\$'000
Trade payables	5,498	6,453
Accruals and other payables	5,860	6,717
Tenant deposits	–	37
Receipt in advance	4,789	4,145
Amounts due to key officer	103	105
Other non-income tax payable	845	742
	<hr/>	<hr/>
	17,095	18,199
	<hr/>	<hr/>

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

	At 30 September 2015 (Unaudited) HK\$'000	At 31 March 2015 (Audited) HK\$'000
0 – 30 days	65	2,963
31 – 60 days	15	285
61 – 90 days	65	40
Over 90 days	5,353	3,165
	<hr/>	<hr/>
	5,498	6,453
	<hr/>	<hr/>

17. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Authorised:		
At 1 April 2014, 31 March 2015, 1 April 2015 and 30 September 2015, ordinary shares of HK\$0.01 each	20,000,000,000	200,000
Issued and fully paid:		
At 1 April 2014, ordinary shares of HK\$0.01 each	417,335,066	4,174
Issue of new shares	129,600,000	1,296
Placing of new shares	47,000,000	470
Exercise of share options	17,200,000	172
At 31 March 2015 and 1 April 2015, ordinary shares of HK\$0.01 each	611,135,066	6,112
Exercise of share options (<i>Note</i>)	14,940,000	149
At 30 September 2015, ordinary shares of HK\$0.01 each	626,075,066	6,261

Note: During the period ended 30 September 2015, certain option holders exercised their option rights to subscribe for an aggregate of 9,960,000 and 4,980,000 new shares on 9 June 2015 and 16 July 2015 respectively at an exercise price of HK\$0.51 per new share.

18. DISPOSAL OF SUBSIDIARIES**(a) Disposal of Fortune Mark International Limited**

On 28 July 2015, the Company has entered into a sale and purchase agreement to dispose of its entire equity interest in Fortune Mark International Limited ("Fortune Mark") to Kencon Limited, an independent third party, at an aggregate consideration of HK\$700,000 payable in cash. The disposal was completed on 28 July 2015.

	<i>HK\$'000</i>
Consideration receivables	700
Total consideration	700

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

	<i>HK\$'000</i>
Other receivables	4
Net assets disposal of	4
Total consideration	(700)
Gain on disposal of a subsidiary	696

Analysis of net cash flow in respect of the disposal of subsidiary is as follows:

	<i>HK\$'000</i>
Cash received upon disposal of subsidiary	-
Cash and cash equivalents in subsidiary disposed	-
Cash outflow on disposal of subsidiary	-

18. DISPOSAL OF SUBSIDIARIES *(Continued)***(b) Disposal of Chun Sing Design (HK) Limited**

On 31 August 2015, the Company has entered into a sale and purchase agreement to dispose of its entire equity interest in Chun Sing Design (HK) Limited ("Chun Sing") to an independent third party, at an aggregate consideration of HK\$1,200,000 payable in cash. Chun Sing directly holds entire equity interest in 駿昇設計製作(深圳)有限公司. The disposal was completed on 31 August 2015.

	<i>HK\$'000</i>
Consideration receivables	1,200
Total consideration	<u>1,200</u>

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

	<i>HK\$'000</i>
Property, plant and equipment	376
Trade and other receivables	4,251
Bank balances and cash	593
Trade and other payables	<u>(4,939)</u>
Net assets disposed of	281
Total consideration	<u>(1,200)</u>
Gain on disposal of a subsidiary	<u>919</u>

Analysis of net cash flow in respect of the disposal of subsidiary is as follows:

	<i>HK\$'000</i>
Cash received upon disposal of subsidiary	–
Cash and cash equivalents in subsidiary disposed	<u>(593)</u>
Cash outflow on disposal of subsidiary	<u>(593)</u>

19. COMMITMENTS

Operating lease commitments

The Group as lessor

The Group leases its out investment property under operating leases. At the end of the reporting period, the Group had contracted with tenants for the future minimum lease payments under non-cancellable operating leases receivable as follows:

	At 30 September 2015 (Unaudited) HK\$'000	At 31 March 2015 (Audited) HK\$'000
Within one year	604	991
In the second to fifth years, inclusive	—	294
	<u>604</u>	<u>1,285</u>

The Group as lessee

At the end of the reporting period, the Group was committed to make the following future minimum lease payments in respect of office properties with lease terms under non-cancellable operating leases which are payable as follows:

	At 30 September 2015 (Unaudited) HK\$'000	At 31 March 2015 (Audited) HK\$'000
Within one year	4,532	5,067
In the second to fifth years, inclusive	2,037	2,066
	<u>6,569</u>	<u>7,133</u>

Other commitments

	At 30 September 2015 (Unaudited) HK\$'000	At 31 March 2015 (Audited) HK\$'000
Capital expenditure in respect of the acquisition of subsidiaries contracted for	<u>77,800</u>	<u>77,800</u>



20. MATERIAL RELATED PARTY TRANSACTION

Save as disclosed elsewhere in the Unaudited Consolidated Results, the Group had no material transaction with related parties during the period:

21. EVENTS AFTER REPORTING PERIOD

On 2 October 2015, the Company proposes to raise approximately HK\$31,300,000, before expenses, by issuing 313,037,533 Offer Shares at the Subscription Price of HK\$0.10 per Offer Share. The net proceeds to be raised by the Company from the Open Offer will amount to approximately HK\$29,200,000 (after expenses). The Company intends to apply the net proceeds from the Open Offer as to (i) approximately HK\$15,600,000 as the registered capital for Shenzhen City Jia Ying Financial Leasing Company Limited, the Group's finance leasing business in PRC; and (ii) approximately HK\$13,600,000 for general working capital of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

Interim Dividend

The Board does not recommend the payment of any dividend for the six months ended 30 September 2015 (2014: Nil).

Business Review

Provision of consultancy services

Operating results remains sluggish and the Group's review for this business segment is expected to conclude by the end of the year. During the period under review, the revenue contributed by such segment was HK\$Nil (2014: HK\$0.7 million).

Advertising and media related services

While the number of advertising and media projects continues to build, with competition in the market the margins are being driven down. During the period under review, the revenue contributed by such segment was HK\$6.2 million (2014: HK\$5.5 million).

Provision of project management services

The Group is pending the final results from the negotiation on the cooperation agreements with the technology provider and expects to conclude by the end of the year. During the period under review, the revenue contributed by such segment was HK\$Nil (2014: HK\$0.5 million).

Travel agency and related operations

The competition intensified in terms of talents and human resources and expects to affect the operating results in the upcoming periods. During the period under review, the revenue contributed by such segment was HK\$5.2 million (2014: HK\$8.0 million).

Financial Review

For the period under review, the revenue of the Group for the six months ended 30 September 2015 was approximately HK\$11.4 million (2014: HK\$14.7 million), of which HK\$6.2 million was generated from provision of advertising and media related services (2014: HK\$5.5 million); HK\$Nil was generated from provision of consultancy services (2014: HK\$0.7 million); HK\$Nil (2014: HK\$0.5 million) was generated from the provision of project management services and HK\$5.2 million (2014: HK\$8.0 million) was generated from travel agency and related operations; tantamount to a decrease of approximately 22.6% as compared with the period ended 30 September 2014.

Loss attributable to owners of the Company for the six months ended 30 September 2015 amounted to approximately HK\$14.3 million (2014: HK\$33.5 million). The change was mainly attributed to decrease of 50.2% in administrative expenses to approximately HK\$18.3 million (2014: HK\$36.8 million), wherein was a decrease in amortization expenses of intangible assets of HK\$1.8 million (2014:HK\$8.7 million); a decrease in staff costs to approximately HK\$5.8 million (2014:HK\$19.7 million); and a decrease in consultancy fees of approximately HK\$1.2 million (2014:HK\$2.9 million).



MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Future Plans

On 2 October 2015, the Company and Kingsway Financial Services Group Limited (the “Underwriter”) entered into the underwriting agreement in respect of the proposed open offer of 313,037,533 offer shares available to the qualifying shareholders on the basis of one offer share for every two existing shares in issue and held on the record date and payable in full on acceptance (the “Open Offer”). The qualifying shareholders are not entitled to apply for excess offer shares and any such offer shares not taken up by the qualifying shareholders in excess of their respective entitlements under the Open Offer will be underwritten by the Underwriter. The gross proceeds to be raised by the Company from the Open Offer will amount to approximately HK\$31.3 million (before expenses). The net proceeds to be raised by the Company from the Open Offer will amount to approximately HK\$29.2 million (after expenses). The Group intends to apply the net proceeds from the Open Offer towards financial leasing business in the PRC and general working capital of the Group.

The review on business segment is expected to complete by the end of the year. In the event the outcome indicates that the performance and/or indicators which demonstrate the return on investment are less than anticipated, the Group will then decide the direction for each of the affected segments. The Group is also exploring current trending businesses to identify the future strategic way forward for a sustainable medium to long term return.

Liquidity and Financial Resources

At 30 September 2015, the Group had total assets of approximately HK\$276.3 million (31 March 2015: HK\$285.5 million), including cash and bank balances of approximately HK\$2.5 million (31 March 2015: HK\$4.3 million). During the period under review, the Group financed its operation mainly with internally generated cash flow and proceeds from issuance of shares.

Capital Structure

Save as disclosed below, there was no change in capital structure of the Group as at 30 September 2015 as compared with that at 31 March 2015.

During the six months period ended 30 September 2015, certain option holders exercised their option rights to subscribe for an aggregate of 14,940,000 shares at HK\$0.51 per share. The proceeds from the exercise of option rights amounted to approximately HK\$7.6 million.

Gearing Ratio

The gearing ratio, expressed as percentage of total liabilities over total assets, was 12.7% (31 March 2015: 12.0%). The increase in gearing ratio was mainly attributed to an increase in total liabilities and a decrease of equity during the period.

Charge on the Group’s Assets

At 30 September 2015, there was no charge on the Group’s assets.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Foreign Exchange Risks

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 30 September 2015, the Group, as a lessor, had operating lease commitments of approximately HK\$0.6 million (31 March 2015: HK\$1.3 million) and as a lessee, had operating lease commitment of approximately HK\$6.6 million (31 March 2015: HK\$7.1 million).

Contingent Liabilities

At 30 September 2015, the Group had no contingent liabilities (2014: Nil).

Material Acquisitions and Disposal of Subsidiaries and Affiliated Companies

Save as the acquisition disclosed in the “Management Discussion and Analysis” section, the Group had no other material acquisitions and disposal of subsidiaries and affiliated companies during the period under review.

Employees

At 30 September 2015, the Group had 24 employees (2014: 51). 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 granted or to be granted under the share option scheme.

Significant Investment

At 30 September 2015, the Group did not hold any significant investment.

OTHER INFORMATION

Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debenture of the Company and its Associated Corporations

At 30 September 2015, the interests and short position of the then 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 Interest	Percentage of the Company's issued share capital
Mr. Mao Hua Feng	17,180,000	2.74%

Share Option Scheme

The Company adopted a new share option scheme (the "New Share Option Scheme") pursuant to a resolution passed at the annual general meeting of the Company on 25 September 2012. The principal terms of the New Share Option Scheme have been set out in note 39 to the financial statements as included in the annual report of the Company for the year ended 31 March 2015.

Details of the Company's share options granted under the New Share Option Scheme are as follows:

Date of Grant	Category of eligible persons	Exercise Price	Exercise Period	Outstanding at 1/4/2015	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	Outstanding at 30/9/2015
04/12/2013	Consultants	HK\$0.73	04/12/2013 to 03/12/2016	15,920,000	-	-	-	-	15,920,000
22/08/2014	Consultants	HK\$0.51	22/08/2014 to 21/08/2017	39,840,000	-	14,940,000	-	4,980,000	19,920,000
				55,760,000	-	14,940,000	-	4,980,000	35,840,000

OTHER INFORMATION *(Continued)*

Directors and Chief Executives' Rights to Acquire Shares or Debentures

Save as disclosed above, at 30 September 2015, neither the Company nor any of its subsidiaries was a party to any arrangements to enable the directors and chief executive of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate, and none of the directors and chief executive of the Company or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such rights.

Substantial Shareholders

At 30 September 2015, no person had an interest or a short position of 5% or more in the issued share capital of the Company as 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, or as the Company is aware.

Competing Interest

At 30 September 2015, none of the directors, management shareholders and substantial shareholders, or their respective associates had any interests in any business which competes or may compete with the business of the Group pursuant to Rule 11.04 of the GEM Listing Rules.

Purchase, Sale or Redemption of Listed Securities of the Company

The Company has not redeemed any of its listed securities during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the six months ended 30 September 2015.

Corporate Governance

Save as disclosed below, the Company complied with Code of Corporate Governance Practices as set out in Appendix 15 of the GEM Listing Rules for the six months ended 30 September 2015.

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.

OTHER INFORMATION *(Continued)*

Code of Conduct Regarding Securities Transactions by Directors

During the six months ended 30 September 2015, the Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries of all Directors, all the Directors confirmed they have complied with the required standards of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company.

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 comprised four independent non-executive directors namely, Mr. Chong Yiu Kan, Sherman, Ms. Feng Lei, Ms. Chan Wing Yan, Carman and Mr. Yeung Kwong Wai. The audit committee has reviewed the Group's unaudited consolidated financial statements for the six months ended 30 September 2015.

Board of Directors

At the date of this report, the executive directors are Mr. Lien Wai Hung, Mr. Wei Shu Jun and Ms. Zhu Qi; the independent non-executive directors are Mr. Chong Yiu Kan, Sherman, Ms. Feng Lei, Ms. Chan Wing Yan, Carman and Mr. Yeung Kwong Wai.

By Order of the Board
Zhi Cheng Holdings Limited
Lien Wai Hung
Chairman

Hong Kong, 13 November 2015