GLOBAL TECH (HOLDINGS) LIMITED
耀科國際（控股）有限公司

(Stock Code 股份代號 : 143)

2013
Annual Report
年報

Contents

CORPORATE PROFILE

Global Tech (Holdings) Limited (the "Company") and its subsidiaries (collectively the "Group") work in partnership with mobile telecommunications players to add value to the product proliferation process. The Group's user experience management process covers brand adaptation, marketing, distribution and the provision of after-sale services.

The Group constantly evaluates the market benefits and cost implications of product adoptions in order to optimise its offering to the digitised generation. It matches products to heterogeneous consumer needs and along the line, it incorporates into its product portfolio a host of handset and computer accessories with a diverse range of functions, styles and prices.

To complete its user experience solution, the Group maintains a business unit to provide reliable repair and smartphone upgrading services. Where and when appropriate, the Group will also consider engaging in investments in financial assets and other business initiatives to enhance shareholder value.

As the telecommunications industry flourishes to become one of the most important sectors within the world economy, the Group seeks to continue its role in facilitating the diffusion of mobile technology.

CHAIRMAN'S STATEMENT

This far into the recovery from the 2008 financial crisis, the global economy remains far from any growth trend. During the year ended 30 September 2013, headwinds remained strong owing to offsets to positive signs in the major advanced economies, including resurfaced geopolitical and monetary policy risks.

Despite clearer signs of continued expansion of the private sector in the United States (US), risks concerning high debt levels, particularly public-sector debt in the Organisation for Economic Co-operation and Development (OECD) countries, and rebalancing in emerging economies, are critical factors impacting the global growth profile.

As pointed out by the International Monetary Fund (IMF), the US has seen solid private demand in the last few quarters. Although public sector demand has been pushing in the opposite direction, this counterforce is expected to diminish in the coming year, setting the stage for higher growth. The eurozone is crawling out of recession, but activity is forecast to stay tepid.

After being the world's growth driver in recent years, emerging economies are expected to face heightened risks owing to changing global growth patterns. China and a growing number of emerging market economies are coming off cyclical peaks. Their growth rates are projected to decline from the elevated levels previously seen, for both cyclical and structural reasons. These risks would potentially affect a wide span of economies through cross-border trade and financial spill-overs.

Certain recent developments may also alter the recovery path of the global economy. The US monetary policy is reaching a turning point, with the possible tapering off of its quantitative easing measures. Another critical element in determining the pace of world recovery will be China's anticipated slower growth over the medium term.

Looking ahead, some new downside risks have come to the fore, while old risks largely remain. Overall, the IMF expects ongoing global activity to strengthen moderately, but the risks to its forecast remain on the downside. Unemployment will remain high in many advanced economies as well as in some emerging markets.

According to the International Data Corporation (IDC), global shipments of smart connected devices, including personal computers (PCs), tablets, and smartphones are expected to surpass 1.7 billion units by 2014.

In terms of product category, the smart connected device market will be largely driven by the growing demand for smartphones and tablets. Of the 1.7 billion units forecast to be shipped in 2014, more than 1.4 billion units will be smartphones and tablets. PCs, on the other hand, will constitute a comparatively small market with just over 300 million units shipped.

IDC concluded that smartphones and tablets have successfully established a strong presence as the 'second screen', owing to the transformation in usage patterns, device affordability, and the comfort of a 'mobile lifestyle'. Vendors have to stay close to changing usage patterns so as to drive product innovation that suits the needs of consumers.

It is, however, notable that with the rise in global smartphone and tablet shipments, the average selling price (ASP) of these mobile computing devices is steadily decreasing. This pattern is most prominent in emerging countries.

Another factor fuelling the growth of smart connected devices is the upsurge in the use of different mobile applications (apps), such as mobile messaging, gaming, social networking and e-commerce.

To analyse the development of the global telecommunications industry, one should follow the investment flows. Overall global telecommunications carrier capex is forecast by Infonetics to grow at a 2% compound annual growth rate from 2012 to 2017, reaching US$355 billion. Much of the spending will be driven by mobile service providers. It is witnessed that major carriers are reducing their capital investment for fixed-line broadband Internet access infrastructure and shifting the investment to new Long Term Evolution (LTE) fourth-generation (4G) networks. Asia Pacific will remain the region with the highest capex spending through at least 2017.

Capex flow reflects the fact that revenue growth of carriers is coming from the mobile segment. In particular, as indicated in a Deloitte industry outlook, the telecommunications sector has revolved around growth opportunities tied to a dramatic growth in data consumption in 2013. For an increasing number of people, mobile is embedded in their daily lives and integrated into the workplace. Moreover, multi-device ownership is also a driver of mobile data spend.

App spend is still driven by a minority of users, thereby generating intense competition among developers and limited billing capabilities for app stores. Overall, app spend is hindered by the increasing availability of free apps, challenges surrounding mobile payments, and the inability to transfer paid-for apps from one operating system (OS) to another. The industry has yet to draw up a sustainable and profitable app strategy.

The overall evolution of mobile networks is providing opportunities for carriers, equipment manufacturers and device providers. More activity is seen in almost all the verticals and traction around new services, but while the opportunities are open, the question remains: What do consumers favour?

For example, consumer appetite for over-the-top (OTT) communications has led to disruption to the sector, and has ignited a battle for market share. With consumers favouring free Internet calling platforms and social messaging services over traditional telecommunications offerings, communications service providers are suffering substantial revenue losses. An Ovum analysis predicted that telecommunications companies will lose US$54 billion in SMS revenues by 2016, as a growing number of users turn to OTT communications.

Cloud computing and data monetization, on the other hand, present new opportunities for the telecommunications sector. As service providers lose market share to OTT operators, they are capitalising on their cloud hosting solutions to find new business opportunities on the OTT battleground. The challenge for the service providers is to find a way to fully utilise their network assets and cloud-based resources to generate new revenue streams in this arena.

With the growing hype around big data, companies are seeking to create a new revenue stream through the monetisation of their data. By 2016, around 30% of businesses will sell or trade their information assets gathered through big data, Gartner, Inc. predicts. However, privacy and security will continue to be issues, especially as the market gets bigger and more sophisticated, and different types of companies find ways to add value with all of the available consumer data.

With the evolving notion of bring your own device (BYOD) and the changing business environment enabled by mobile and other technologies, enterprise demand is another area that provides room for development.

To stay relevant to the constantly shifting telecommunications marketplace, management regularly reflects on the Group's business strategies, product portfolio and servicing capability. It is important that what the Group does matters to our customers.

Given the prolonged environment of economic uncertainty, it is crucial that the Group maintains risk management practices at the enterprise level. In doing so, the Group first identifies potential risks and limitations that matter to the achievement of its business objectives and corporate health, then develops mitigation measures and integrates the risk management framework into its navigation through business uncertainty.

In this age of uncertainty, the Group will remain risk-averse. It will continue to implement optimal inventory replenishment and employment policies, and to maintain financial sustainability to invest in viable new business opportunities to capture emerging trends.

It remains the Group's goal to deliver long-term and sustainable value to shareholders. The Board is thankful to the staff team for their dedication towards this common goal.

SY Ethan, Timothy
Chairman

Hong Kong, 16 December 2013

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Highlights

In the year ended 30 September 2013 the Group delivered a turnover of approximately HK$110.5 million (2012: HK$100.6 million), up 9.8% year on year contributed by the increase in revenue from the provision of repair services on the back of an expanding product portfolio.

Revenue from the provision of repair services during the year rose 21.9% year on year to approximately HK$91.3 million (2012: HK$74.9 million), as a result of increased demand for services in upgrading smartphones. While complementing the trading business, the services provision segment has also developed into a growing source of recurrent income for the Group.

A loss from operations of approximately HK$40.1 million (loss in 2012: HK$21.1 million) was incurred, with loss for the year standing at approximately HK$40.1 million (loss in 2012: HK$20.6 million). The loss incurred widened as there is a significant increase in other operating expenses.

The Group recorded a net profit of approximately HK$12.9 million for the year ended 30 September 2013 as compared to a net loss for the corresponding year ended 30 September 2012, which is mainly attributable to the one-off written back of provision for taxation previously made by the Group during the year.

Uncertainty continued to surround global economic prospects during the year. The Hong Kong economy expanded moderately, albeit at a slower pace, while major advanced economies remained generally sluggish. The Group has taken further steps to tighten controls on business and financial management, and will remain on high alert for economic headwinds ahead.

The Hong Kong Market

With five mobile network operators in the market, competition in public mobile services in Hong Kong remains keen. According to information from the Office of the Communications Authority, the number of mobile service subscribers was boosted to 16.71 million in June 2013, representing one of the highest penetration rates in the world at about 233%. Among these 16.71 million subscribers, 10.9 million were third-generation (3G) or fourth-generation (4G) service consumers.

Other than basic voice services, local mobile data usage recorded a remarkable surge to 9,422 Terabytes, or an average of 843 Mbytes per 2.5G/3G/4G mobile user as at the end of June 2013. This represents a growth of 1.62 times in mobile data usage over the same period last year.

In addition to 3G services, all five mobile network operators have deployed 4G services utilising Long Term Evolution (LTE) technology. This has enabled mobile service subscribers to enjoy data downlink speeds of up to 150 Mbps. With a wide range of high-speed mobile data services available in the market, subscribers are able to enjoy faster and better quality video streaming and Web browsing on mobile devices.

In November 2013, the Hong Kong SAR Government announced plans to auction off a third of the 3G spectrum when current operators' licences expire in 2016. The move has aroused grave concerns from existing operators over possible higher prices and degradation in service quality. The plan is expected to substantially increase the costs for the carriers and compel them to revamp operations.

As the Hong Kong telecommunications sector is headed for a shake-up, the carriers claimed that the high spectrum fees would eventually impact consumers in the form of a new 'tax'.

A report released by BMI in July 2013 indicated a slowdown of growth in spending on consumer electronics devices in Hong Kong during 2012 and 2013, caused by a combination of a weaker economic environment, price erosion and high penetration of devices in key markets. Total spending in 2013 was forecast to increase by almost 6% to US$4.45 billion. Among the key product categories driving this growth are high-definition television (HDTV) sets, tablets, and 4G smartphones. Hybrids and Ultrabooks also demonstrate potential to contribute to growth over the medium term.

The value of handset sales in Hong Kong was US$605 million in 2013, up 9% year on year, with sales growth mainly driven by upgrades and replacement of smartphones. Smartphones have been the most important sub-segment of the handset market in the past few years, with penetration rising from 35% in 2011 to 63% in 2013. BMI expects smartphones to remain the fastest-growing sub-segment of the overall handset market over the coming few years.

In addition to replacements for existing users, who have grown accustomed to short replacement cycles for their handsets, smartphone sales will also be driven by upgrades. Although the overall market is healthy, price pressures are expected to narrow margins for vendors as Apple launches its cheaper iPhone 5C amid intensified competition from mainland China vendors such as Xiaomi, Lenovo and Huawei.

This growth scenario faces a potential downside risk in the form of the negative wealth effect arising from further cooling in property prices, which could erode consumer confidence. A Nielsen survey found a modest downward movement in Hong Kong's confidence level in the third quarter of 2013 as a result of economic uncertainty caused by the monetary policy of the United States (US) and the flat local property market. The index dropped slightly from the second quarter. The survey also reported a drop in Hong Kong consumers' optimism in relation to job prospects and personal finance.

Liquidity, Financial and Working Capital Resources

The Group's total non-current assets decreased slightly to approximately HK$9.9 million (2012: HK$10.5 million) at 30 September 2013.

The Group maintained its conservative low-inventory policy during the year. As a result, inventories remained at a relatively low level of approximately HK$6.4 million (2012: HK$9.1 million) at 30 September 2013.

At 30 September 2013, the Group had net trade receivables of approximately HK$4.7 million (2012: HK$28.0 million).

The Group had no bank borrowings at 30 September 2013 (2012: HK$ Nil). Its gearing ratio, expressed as a percentage of total borrowings over total assets, was nil (2012: Nil). No fixed deposit was pledged for obtaining any banking facility during the year (2012: HK$ Nil). The current ratio was approximately 4.60 (2012: 1.48) while the liquid ratio stood at approximately 4.09 (2012: 1.34).

The objective of the Group's cash management policy is to optimise liquidity to gain a better return for shareholders in a risk-averse manner. At 30 September 2013, there was no investment in financial assets at fair value through profit or loss (2012: HK$ Nil).

With increasing financial volatility around the world, the Group is committed to maintaining a conservative cash management policy.

Currencies

The Group conducts its core business transactions mainly in Hong Kong dollars, New Taiwan dollars and United States dollars. The majority of the Group's cash and bank balances are also denominated in these three currencies. During the year ended 30 September 2013, the Group did not experience significant exposure to exchange rate and interest rate fluctuations. As a result, the Group did not enter into any material foreign exchange contracts, currency swaps or other financial derivatives.

Contingent Liability

The Group did not have any significant contingent liability at 30 September 2013.

Material Acquisition or Disposal of Subsidiaries

There was no material acquisition or disposal of subsidiaries during the year ended 30 September 2013. No (2012: Two) subsidiaries of the Group were deregistered during the year.

Prospects and Strategic Outlook

On examining the ongoing world economic outlook, the International Monetary Fund (IMF) described global growth as in low gear, with the drivers of activity changing, and these dynamics will raise new policy challenges.

Held back by an uneven recovery in the US and the still weak eurozone economy, growth in major advanced markets will continue to be subdued. Emerging market economies also face the dual challenges of slowing growth and tighter global financial conditions. The IMF therefore revised downward its forecasts for growth in both 2013 and 2014 to 2.9% and 3.6% respectively.

The US economy remains at the centre of events, although private demand growth has been hobbled by excessive fiscal consolidation. Politics is creating uncertainty in fiscal adjustment, and conflicts around increasing the debt ceiling could lead to another bout of destabilising uncertainty and lower growth. IMF forecasts therefore show US growth in 2013 and 2014 down from its previous estimates. Future challenges will include the country's eventual exit from ultra-low interest rates and quantitative easing.

The eurozone continues to see a divergence in terms of economic strength and disinflation among its member countries. The periphery has a much weaker growth profile, and bank deleveraging is progressing at a much faster pace than at the core. Highlighting fiscal austerity, the eurozone's monetary policy aimed at fighting fires is not necessarily pro-growth.

Growth in major emerging markets is expected to be weaker than indicated by the IMF's previous forecast, owing partly to a natural cooling in growth following the stimulus-driven surge in activity after the financial crisis in 2008. The slowdown in many emerging markets has been exacerbated by structural bottlenecks in infrastructure, labour markets, and investment. The IMF warned that this transition is leading to tensions.

The new challenges and risks arising from these growth transitions are intensified by the approaching turning point in US monetary policy. A less accommodating US monetary policy coupled with domestic vulnerabilities in emerging economies could lead to further global market adjustment, bringing risks of asset price overshooting or even balance of payments disruptions.

Moreover, old risks remain. They include unfinished financial sector reforms in the eurozone and corporate debt overhang in some eurozone economies, and high government debt and related fiscal and financial risks in many other advanced economies. In its world economic outlook, the IMF highlights the risk of the global economy remaining stuck in low gear for a prolonged period.

In the telecommunications sector, operators will remain torn between the pressures of stagnating revenues and the need to invest in innovation on one hand, against a backdrop of slowing economies, market uncertainty, cost pressures, strict regulations and squeezed margins on the other.

On the upside, Deloitte expects consumers to begin to derive more value from the features, functionality and applications on their devices. With the rollout of 4G technology and other technologies to enhance broadband access, together with new devices and services to benefit from this, data usage will continue to expand exponentially, with the overall value equation for consumers moving in the same direction.

Higher speeds and widespread adoption of mobile applications are also expected to benefit vertical markets, especially in banking and mobile payments. These incremental services will not only offer new opportunities, but will drive ever higher data needs.

The key near-term challenges for the sector will be spectrum availability and the continued heavy capital requirements for building and upgrading networks. The technological advances of 4G will be overtaken by the projected increase in data usage, leading towards a potential spectrum shortage within a year or two. Deloitte therefore predicts continued consolidation in the marketplace, driven primarily by the need for scale, spectrum positioning and vertical market development.

Overall, the mobile ecosystem is generating more economic activity and value to companies in the system. However, as the industry focuses on marketplace growth and innovation in strategic areas in order to provide a broader array of value-adding data services, the Group anticipates continued tight control of expenditures on after-sales services by vendors, thereby imposing further pressures on the Group's profit margins.

To stay resilient in the face of change, the Group will align sustainability principles with its business strategy. It will also derive positive momentum through an expanding, market-relevant product portfolio and by building innovation into its services and business processes. Furthermore, a defensive strategy is in place to guard against more economic headwinds. The Group is well prepared for future 'creative destructions' in the industry and changes in the operating environment. The Group remains focused on creating long-term value for shareholders.

Employee Information

At 30 September 2013, the Group employed a work force of 107 (2012: 121). Staff costs, including salaries, bonuses and allowances, were approximately HK$28.0 million (2012: HK$27.0 million).

The Group maintains a competitive remuneration policy to motivate, retain and attract talent. The remuneration packages mainly comprise salary payments, group medical insurance plans and discretionary bonuses awarded on a performance basis. The Group provides pension schemes for employees as part of the staff benefits.

CORPORATE GOVERNANCE PRACTICES

Adapting and adhering to recognised standards of corporate governance principles and practices has always been one of the top priorities of the Company. The board of directors of the Company (the "Board") believes that good corporate governance is one of the areas that leads to the success of the Company and in balancing the interests of shareholders, customers and employees, and the Board is devoted to ongoing enhancements of the efficiency and effectiveness of such principles and practices.

Throughout the year ended 30 September 2013, the Company has complied with the code provisions ("Code Provisions") set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except for certain deviations specified with considered reasons as explained below.

THE BOARD OF DIRECTORS

Composition and Responsibilities

The Board currently comprises six directors ("Directors"), of which two are Executive Directors, one is Non-executive Director, and three are Independent Non-executive Directors.

The Board members are:

Executive Directors:
Mr. SY Ethan, Timothy *(Chairman)*
Mr. SUNG Yee Keung, Ricky

Non-executive Director:
Mr. KO Wai Lun, Warren

Independent Non-executive Directors:
Mr. Andrew David ROSS
Mr. Geoffrey William FAWCETT
Mr. Charles Robert LAWSON

The biographical details of each Director are set out in the section "Human Capital" on page 21.

During the year ended 30 September 2013, there was no change in the composition of the Board.

While the Board is primarily overseeing and managing the Company's affairs, the Chairman of the Board provides leadership to the Board in carrying out its duties. The Executive Directors constituting the senior management of the Company are delegated with responsibilities in the day-to-day management of the Company and make operational and business decisions within the control of and delegation framework of the Company. The Non-executive Directors (including Independent Non-executive Directors) contribute valuable views and proposals for the Board's deliberation and decisions.

The positions of Chairman of the Board and Chief Executive Officer ("CEO") of the Company are both currently carried on by Mr. SY Ethan, Timothy. Although Code Provision A.2.1 provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual, the Board considers that the structure currently operated by the Company does not undermine the balance of power and authority between the Board and the management. The Board members have considerable experience and qualities which they bring to the Company and the Board believes that it is able to ensure that the balance of power between the Board and the management is not impaired. The Board believes that having the same person performing the roles of both Chairman and CEO does provide the Group with strong and consistent leadership and that, operating in this manner allows for more effective and efficient overall strategic planning of the Group.

The Company has put in place appropriate insurance cover in respect of Directors' liability.

Board Meetings

The Board members meet regularly, normally four times each year at approximately quarterly intervals, to discuss the overall strategy as well as the operational and financial performance of the Company. Other Board meetings will be held when necessary. Such Board meetings involve the active participation, either in person or through other electronic means of communication, of a majority of Directors. During the year ended 30 September 2013, four regular Board meetings were held and the attendance records of individual Directors are set out below:

	Number of Meetings Attended/Held
Executive Directors:	
Mr. SY Ethan, Timothy	4/4
Mr. SUNG Yee Keung, Ricky	3/4
Non-executive Director:	
Mr. KO Wai Lun, Warren	3/4
Independent Non-executive Directors:	
Mr. Andrew David ROSS	4/4
Mr. Geoffrey William FAWCETT	4/4
Mr. Charles Robert LAWSON	4/4

Appropriate notices are given to all Directors in advance for attending regular and other Board meetings. Meeting agendas and other relevant information are normally provided to the Directors in advance of Board meetings. All Directors are consulted to include additional matters in the agenda for Board meetings.

Directors have access to the advice and services of the Company Secretary with a view to ensuring that Board procedures, and all applicable law, rules and regulations, are followed.

Draft and final versions of the minutes are sent to all Directors for their comment and records respectively. Minutes of Board meetings are kept by the Company Secretary and such minutes are open for inspection at any reasonable time on reasonable prior notice by any Director.

Appointments, Re-election and Removal

All Non-executive Directors have entered into service contracts with the Company for a specific term of two years.

Code Provision A.4.2 provides that every director should be subject to retirement by rotation at least once every three years. According to Article 116 of the articles of association, all Directors (except the CEO) shall retire by rotation at the annual general meeting of the Company at least once every three years. In the opinion of the Board, stability and continuation are key factors to the successful implementation of business plans. The Board believes that it is beneficial to the Group that there is continuity in the role of the CEO and, therefore, the Board is of the view that the CEO should be exempt from this arrangement at the present time.

The Board is collectively responsible for appointing new Directors either to fill casual vacancies or as additional Board members and removing any Director. Candidates to be appointed are those experienced, high caliber individuals with sufficient skill and knowledge required for the positions. All candidates must be able to meet the standards as set forth in rules 3.08 and 3.09 of the Listing Rules. A candidate who is to be appointed as an Independent Non-executive Director should also meet the independence criteria set out in rule 3.13 of the Listing Rules.

During the year, the Board adopted a board diversity policy setting out the approach to diversity of members of the Board. The Company recognises and embraces the benefits of diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

Nomination Committee

The Board established the Nomination Committee in March 2012, with written terms of reference in compliance with the Code Provisions, which have been under review from time to time to keep them in line with the most up-to-date requirements. The Committee comprises one Executive Director, namely Mr. SY Ethan, Timothy and two Independent Non-executive Directors, namely Messrs. Andrew David ROSS and Charles Robert LAWSON, and is chaired by Mr. SY Ethan, Timothy. The most up-to-date written terms of reference of the Nomination Committee are available on the Company's website.

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board regularly and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy. Its duties include making recommendations to the Board on the selection of individuals nominated for directorships, the appointment or re-appointment of Directors and succession planning for Directors. In carrying out the responsibility for identifying suitably qualified candidates to become members of the Board, the Committee will give adequate consideration to the board diversity policy. The Committee is also responsible for assessing the independence of Independent Non-Executive Directors. The Nomination Committee is provided with sufficient resources to perform its duties.

During the year, the Nomination Committee reviewed the structure, size and composition of the Board. It also assessed and confirmed the independence of the three Independent Non-executive Directors, and recommended to the Board the nomination of Mr. KO Wai Lun, Warren and Mr. Geoffrey William FAWCETT for re-appointment as Directors by the shareholders at the 2013 annual general meeting of the Company.

The Nomination Committee held one meeting during the year, and the attendance record of individual Committee members are set out below:

	Number of Meetings Attended/Held
Mr. SY Ethan, Timothy *(Chairman)*	1/1
Mr. Andrew David ROSS	1/1
Mr. Charles Robert LAWSON	1/1

Confirmation of Independence

The independence of the Independent Non-executive Directors has been assessed in accordance with the applicable Listing Rules. Each of the Independent Non-executive Directors has made an annual written confirmation of independence pursuant to rule 3.13 of the Listing Rules. The Company is of the view that all Independent Non-executive Directors meet the guidelines for assessing independence set out in rule 3.13 of the Listing Rules and are independent.

Corporate Governance Functions

The Board is collectively responsible for performing the corporate governance duties which have been formalised into the terms of reference of the Board, a summary of which are as follows:–

- to develop and review the Company's policies and practices on corporate governance and make any changes it considers necessary to ensure their effectiveness;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to Directors and employees; and
- to review the Company's compliance with the Code Provisions and disclosure in the Corporate Governance Report.

During the year, the Board devised a board diversity policy in accordance with a new Code Provision, and revised the terms of reference of the Nomination Committee to take account of the board diversity policy.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct for dealing in securities of the Company by the Directors. Specific enquiry has been made to all Directors who have confirmed that they have complied with the required standard set out in the Model Code throughout the year under review.

Directors' Training and Professional Development

Every Director keeps abreast of responsibilities as a director of the Company and of the conduct, business activities and development of the Company. Directors are continually updated with regulatory and governance developments. During the year, the Company provided all members of the Board with monthly updates on the Company's performance, position and prospects.

Directors are encouraged to participate in professional development courses and seminars to develop and refresh their knowledge and skills. The Company has devised a training record to assist the Directors to record the training they have undertaken.

During the year, Messrs. SY Ethan, Timothy, KO Wai Lun, Warren, Andrew David ROSS, Geoffrey William FAWCETT and Charles Robert LAWSON received briefings on updates of accounting standards from the auditors of the Company at Audit Committee meetings. Mr. SUNG Yee Keung, Ricky was provided with reading materials on relevant rules and regulatory updates.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Emolument Policy

The remuneration policy of the Group is to ensure the fairness and competitiveness of total remuneration. The emoluments of Executive Directors are determined based on the skill, knowledge, individual performance as well as contributions, the scope of responsibility and accountability of such Directors, taking into consideration the Company's performance and prevailing market conditions. The remuneration policy of Non-executive Directors (including Independent Non-executive Directors) is to ensure that the Non-executive Directors are adequately compensated for their efforts and time dedicated to the Company's affairs including their participation in respective Board committees. The emoluments of Non-executive Directors are determined with reference to their experience, duties and knowledge.

Remuneration Committee

The Board established the Remuneration Committee in July 2006, with written terms of reference in compliance with the Code Provisions, which have been reviewed from time to time by the Board to keep them in line with the most up-to-date requirements. The Committee comprises three Independent Non-executive Directors, namely Messrs. Geoffrey William FAWCETT, Andrew David ROSS and Charles Robert LAWSON, one Non-executive Director, namely Mr. KO Wai Lun, Warren and one Executive Director, namely Mr. SY Ethan, Timothy, and is chaired by Mr. Geoffrey William FAWCETT. The most up-to-date version of the written terms of reference of the Remuneration Committee are available on the Company's website.

The Remuneration Committee is responsible for making recommendations to the Board on the Company's emolument policy and on the establishment of a formal and transparent procedure for developing such policy. Prior to making its recommendations, the Committee consults the Chairman of the Board and CEO and takes into consideration factors including the Group's performance and profitability, experience, duties and time commitment of Directors, prevailing market conditions, salaries paid by comparable companies, employment conditions elsewhere in the Group and desirability of performance-based remuneration. The Committee has adopted the operation model where it performs an advisory role to the Board, with the Board retaining the final authority to approve the remuneration packages of individual Executive Directors and senior management. The Committee is provided with sufficient resources enabling it to discharge its duties.

During the year, the Remuneration Committee reviewed the remuneration packages of the Directors and employees of the Company. No Director was involved in deciding his own remuneration.

The Remuneration Committee held one meeting during the year, and the attendance record of individual Committee members are set out below:

	Number of Meetings Attended/Held
Mr. Geoffrey William FAWCETT *(Chairman)*	1/1
Mr. Andrew David ROSS	1/1
Mr. Charles Robert LAWSON	1/1
Mr. KO Wai Lun, Warren	1/1
Mr. SY Ethan, Timothy	1/1

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board acknowledges its responsibility for the preparation of the financial statements which give a true and fair view of the state of affairs of the Group. The financial statements set out on pages 33 to 71 were prepared on a going concern basis. Financial results of the Group are announced in a timely manner in accordance with statutory and/or regulatory requirements.

During the year, the Company engaged HLB Hodgson Impey Cheng Limited ("HLB") as the external auditors. Apart from providing audit services, HLB also reviewed the interim results of the Group. The fees in respect of audit and non-audit services provided by HLB for the year ended 30 September 2013 approximately amounted to HK$1,000,000 and HK$250,000 respectively.

The reporting responsibilities of HLB are set out in the Independent Auditors' Report on pages 31 and 32.

Internal Controls

The Board has overall responsibility for the Group's systems of internal controls and for reviewing their effectiveness.

During the year, the Company conducted reviews on the effectiveness of the Group's internal control systems as required by the Code Provisions, covering financial, operational and compliance controls and risk management functions, and including reviews on the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial report function.

Audit Committee

The Audit Committee of the Company was established in December 2004, with written terms of reference in compliance with the Code Provisions, which have been reviewed from time to time by the Board to keep them in line with the most up-to-date requirements. The Committee comprises three Independent Non-executive Directors, namely Messrs. Andrew David ROSS, Geoffrey William FAWCETT and Charles Robert LAWSON and one Non-executive Director, namely Mr. KO Wai Lun, Warren, and is chaired by Mr. Andrew David ROSS. The most up-to-date version of the written terms of reference of the Audit Committee are available on the Company's website.

The Audit Committee reports to the Board and has held regular meetings to assist the Board in reviewing the effectiveness of the Group's financial reporting process, internal controls and risk management systems. The Committee monitors the integrity of the Company's financial statements, annual report and accounts and half-year report and reviews significant financial report judgments contained therein. It reviews, makes recommendations and reports to the Board on findings relating to the financial statements, reports and accounts, systems of internal controls and risk management and compliance issues. The Committee also oversees the Company's relationship with the external auditors, reviews auditors' letter of engagement and makes recommendations to the Board on the appointment and re-appointment of external auditors. It is empowered to review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. It reviews external auditors' management letter and any material queries raised by the auditors to the management and the management's response. The Audit Committee is provided with sufficient resources enabling it to discharge its duties.

During the year, the Audit Committee discussed with the management of the Company the internal controls and financial reporting matters, and reviewed the accounting principles and practices adopted by the Group and the effectiveness of the Group's internal control systems. The Audit Committee also met with the external auditors and reviewed the annual and interim reports of the Company.

The Audit Committee members met twice during the year, and the attendance records of individual Committee members are set out below:

	Number of Meetings Attended/Held
Mr. Andrew David ROSS *(Chairman)*	2/2
Mr. Geoffrey William FAWCETT	2/2
Mr. Charles Robert LAWSON	2/2
Mr. KO Wai Lun, Warren	2/2

DELEGATION BY THE BOARD

While at all times the Board retains full responsibility for guiding and monitoring the Company in discharging its duties, certain responsibilities are delegated to various Board committees which have been established by the Board to deal with different aspects of the Company's affairs. Unless otherwise specified in their respective written terms of reference as approved by the Board, these Board committees are governed by the Company's articles of association as well as the Board's policies and practices (in so far as the same are not in conflict with the provisions contained in the articles of association).

The Board has also delegated the responsibility of implementing its strategies and the day-to-day operation to the management of the Company under the leadership of the Executive Directors. Clear guidance has been made as to the matters that should be reserved to the Board for its decision which include matters on, inter alia, capital, finance and financial reporting, internal controls, communication with shareholders, Board membership, delegation of authority and corporate governance.

COMPANY SECRETARY

The Company Secretary of the Company is Ms. WONG Shuk Ching, a solicitor qualified to practise law in Hong Kong and a member of The Hong Kong Institute of Chartered Secretaries. Ms. Wong assists the Board by ensuring good information flow within the Board and that the Board policy and procedures including those on governance matters are followed. She reports to Mr. SY Ethan, Timothy, Chairman of the Board and CEO, who is also her primary corporate contact person at the Company.

SHAREHOLDER AND INVESTOR RELATIONS

Communication Strategies

The Board established a shareholders' communication policy setting out the principles of the Company in relation to its communication with the shareholders, with the objective of ensuring effective and timely dissemination of information to shareholders. Information would be communicated to shareholders mainly through the Company's corporate communications including interim and annual reports, announcements and circulars. These publications are sent to the shareholders in a timely manner and are also available on the website of the Company.

The Chairman of the Board, members of the Board and external auditors attended the 2013 annual general meeting of the Company ("AGM") held on 12 March 2013. The attendance record of the Directors at the AGM is set out below:

	AGM attended/Held
Executive Directors:	
Mr. SY Ethan, Timothy *(Chairman)*	1/1
Mr. SUNG Yee Keung, Ricky	0/1
Non-executive Director:	
Mr. KO Wai Lun, Warren	1/1
Independent Non-executive Directors:	
Mr. Andrew David ROSS	1/1
Mr. Geoffrey William FAWCETT	1/1
Mr. Charles Robert LAWSON	1/1

Shareholders may direct enquiries about their shareholdings to the Company's Share Registrars. To the extent the requisite information of the Company is publicly available, shareholders and the investment community may at any time make enquiry in respect of the Company in writing at our head office in Hong Kong by post, facsimile or email via the numbers and email address provided on the Company's website or through the Company's Investor Relations Adviser whose contact details are provided in the "Corporate Information" section of this Annual Report.

Shareholders' Rights

Pursuant to the articles of association of the Company, any two or more shareholders or any one shareholder which is a clearing house (or its nominee) (in either case) holding not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings can make a requisition to convene and put forward proposals at an extraordinary general meeting. The requisition must specify the objects of the meeting, and must be signed by the relevant requisitionist(s) and deposited at the head office of the Company in Hong Kong.

Shareholders may put forward their enquiries about the Company to the Board or the Company Secretary at the Company's head office in Hong Kong or by email or through the Investor Relations Adviser of the Company.

HUMAN CAPITAL

Hong Kong employers continued to be challenged by a skills shortage in 2013, in particular in the area of information and communications technology (ICT), where increased demand is driven by the further sophistication of social networking and technology.

The Group rewards expertise and commitment, and offers competitive compensation packages, performance-based incentives and advancement opportunities for staff. To attract and retain talent, it also stays proactive in communicating with its teams, understanding their career aspirations and empowering them to exploit their potential. A motivating workplace is created for team members to perform and be recognised in.

ICT is at the forefront of change and the Group needs talents to help accommodate the change. Our team understands the dynamics of the market and consumer needs to help the Group further its product offerings and services.

Staff development is therefore always a priority at the Group. Our staff development strategy aims to prepare team members to cope with industry cycles and technological disruptions. Through talent development and inspiration, management keeps its team up-to-date with market and consumer behavioural changes.

In helping team members to manage family and work commitments, the Group makes arrangements to improve work-life balance. The work environment puts staff members' well-being first.

The Group is thankful to its staff for their professional input and contribution. Indeed, attracting, developing, and retaining a strong team provides the Group with a competitive advantage. Investment in people therefore creates value for the Group's business and shareholders.

EXECUTIVE DIRECTORS

Mr. SY Ethan, Timothy, aged 40, is the Chairman and Chief Executive Officer of the Company. He joined the Group in 1997 and is responsible for the Group's corporate strategies.

Mr. SUNG Yee Keung, Ricky, aged 48, is an Executive Director of the Company. He joined the Group in 1993 and is responsible for the Group's strategic planning. Mr. Sung has over 21 years of experience in the customer telecommunications industry and over 24 years of trading experience in the People's Republic of China.

NON-EXECUTIVE DIRECTOR

Mr. KO Wai Lun, Warren, aged 46, is a Non-executive Director of the Company since 2003. Educated in England and Canada, Mr. Ko obtained his Bachelor of Science Degree from Simon Fraser University in Canada and Bachelor of Laws Degree in England. He was a partner of Richards Butler, an international law firm, between 2001 and 2005. He is currently a partner at the law firm, Robertsons and specialises in corporate finance work including initial public offerings, mergers and acquisitions and restructuring. He is qualified to practise law in both England and Wales and Hong Kong.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Andrew David ROSS, aged 59, is an Independent Non-executive Director of the Company since 2004. He is a partner of Baker Tilly Hong Kong Limited, Certified Public Accountants and the finance director of Windy City International Limited. Mr. Ross holds a Bachelor of Arts Degree in Accountancy and Law and is a member of both the Institute of Chartered Accountants of Scotland and the Hong Kong Institute of Certified Public Accountants. Mr. Ross has over 30 years of experience in auditing, business accounting, taxation and business valuations and has been involved in due diligence investigations, preparation of pre-listing documents and giving expert opinions on a number of auditing and accounting issues.

Mr. Geoffrey William FAWCETT, aged 56, is an Independent Non-executive Director of the Company since 2004. Graduated from John Moores University of Liverpool, England, Mr. Fawcett has over 30 years of experience in the maritime transportation industry, particularly in successfully formulating plans and strategies for Fortune 200 level maritime transportation companies, the fastest growing US State Port Authority and a variety of other large international organisations.

Mr. Charles Robert LAWSON, aged 64, is an Independent Non-executive Director of the Company since 2005. Mr. Lawson is the Director of Finance at Mega-Link International Holdings Limited. He is a fellow member of the Institute of Chartered Accountants in England and Wales. Mr. Lawson has extensive experience in general and financial management. He has been exposed to a number of bank negotiations and restructuring documentation. He also has extensive knowledge of most of the areas in the Far East region.

MARKET OVERVIEW

Global mobile phone sales jumped about 6% year on year in the third quarter of 2013 to 455 million units, as intense competition dragged vendors into price wars in the smartphone market.

Sales of smartphones surged 46% to over 250 million from the third quarter of 2012, according to Gartner, Inc. For the first time, smartphones outsold feature phones and accounted for 55% of total phone sales.

While global shipments of smartphones are expected to surpass one billion units in 2013, the main driver behind this market growth is nothing more than the steady decline in average selling prices.

According to International Data Corporation (IDC), the average selling price of a smartphone in 2013 was around US$337, down 13% compared with 2012. The price cut was a result of the dominance of Google's Android smartphone platform, which has created vast opportunities for new vendors to get into the smartphone space but also new competitive pressures at the top of the market.

During the third quarter, the Android operating system (OS) reached a new milestone with over 80% market share, a testament to its broad and deep list of vendors, including four of the top five vendors worldwide.

But the vast majority of its vendors still struggle to find meaningful market share. Samsung accounted for nearly 40% of all Android shipments for the quarter, while the rest of the vendors either saw single-digit market share or, in the case of the majority, market share of less than 1%.

Samsung increased its lead over Apple in the global smartphone market in the third quarter, while maintaining a comfortable 31% market share. During the period, Samsung shipped 81.2 million phones, more units than the next four vendors combined, an achievement supported by its flagship models such as Galaxy S4 and Galaxy Note 3. Apple saw its market share decline to 13% with a total sales volume of 33.8 million pieces during the quarter owing to soft demand in the weeks leading up to the launch of iOS 7 smartphones. The new products were well received, with the iPhone 5S living up to the hype of the gold case and the fingerprint sensor, while the iPhone 5C drew mixed reactions owing to limited usability of the fingerprint sensor and higher-than-expected pricing. Still, this did not prevent Apple from enjoying a record 9 million units shipped on their debut.

While the balance of power remains with Samsung/Android and Apple, two mainland handset makers, Huawei and Lenovo, were able to advance in the league, ranking third and fourth respectively. Huawei returned to the list of top five vendors after a one-quarter hiatus, narrowly beating out Lenovo, which posted the largest year-over-year increase among the leading vendors, on the back of a stronghold in Asia/Pacific, and particularly China, where the overwhelming majority of its smartphones went.

LG slipped to fifth place, but nevertheless posted strong double-digit year-over-year smartphone growth of 72%. LG's product portfolio shows continued maturity at the high end of the market, as evident in the successful launch of the Optimus G2 and a continued strong reception for the Optimus G and the Optimus G Pro.

Windows Phone posted the largest year-over-year growth worldwide of any of the leading OS, a result primarily driven by the support of Nokia. By itself, Nokia accounted for 93% of all the Windows Phone-powered smartphones shipped during the quarter with a variety of products at different price points.

Blackberry, by contrast, recorded the largest year-over-year decline among the leading OS during the quarter. Underpinning its results was softer demand for its new BB10 OS and continued demand for its older BB7 within emerging markets.

Market Overview

Also registering a growth was the smartphone's sibling: the tablet. Worldwide tablet shipments grew to 47.6 million units in the third quarter, representing a 7% growth over the previous quarter and 37% growth compared to the third quarter of 2012, according to IDC. Android products once again drove much of the shipment growth in the market as iOS growth stalled and Windows tablets continued to struggle to win over consumers.

Despite its top status, Apple experienced a quarter-over-quarter decline in shipments to 14.1 million units in the third quarter, from 14.6 million in the second quarter, due to the absence of any new iPad product. As a result, the firm's tablet market share slipped to below 30%, its lowest share to date. However, Apple is expected to enjoy robust shipment growth throughout 2013, driven by two new iPad models launched in November.

Apple is one of the few vendors to enjoy pricing power in its products. It is also worth noting that Apple was not the only one to increase the price of its small-sized tablet during this product cycle: Both Google and Amazon increased the price of their newest 7-inch tablets from US$199 to US$229 to cover the higher costs associated with high resolution screens and better processors.

Samsung once again secured second position with shipments of about 9.7 million units. The company, which owes a measure of its tablet success to its ability to bundle them with other successful Samsung products, such as smartphones and televisions, grabbed 20% of the worldwide market.

Strong growth in tablets hurt personal computer (PC) sales, as worldwide PC shipments are expected to fall by 10% in 2013, by far the most severe yearly contraction on record, according to IDC.

Interest in PCs has remained limited, leading to little indication of positive growth beyond replacement of existing systems. The commercial market is faring notably better than the consumer market in 2013 with shipments declining by 5% year over year compared to nearly 15% for consumer models. The relative stability is due to a mix of more stable PC investment planning, a smaller impact from tablets, and to replacements of Windows XP systems before the end of support planned for 2014.

The growing mobile market has benefited mobile-related businesses. One example is mobile application (app) stores, which are expected to see annual downloads reach 102 billion in 2013, up from 64 billion in 2012, according to Gartner. Total revenue in 2013 will reach US$26 billion, up from US$18 billion in 2012. However, free apps would account for 91% of total downloads in 2013, with 60% of total available apps in Apple's App Store, and 80% for Google Play.

Another growing sector to watch is smartphone accessories, which would account for 56% of accessory shipments and 64% of revenues, according to ABI Research. With a large portion of the accessory ecosystem focusing on smartphones, handset and accessory OEMs are looking to make their accessory products 'smart' – such as smart watches and smart glasses in an attempt to differentiate, extend brands, and increase revenues.

As companies continue to expand the technologies they use to improve their overall security, Gartner predicted the worldwide security technology and services market would reach US$67.2 billion in 2013, up 9% from US$61.8 billion in 2012. In particular, bring your own device (BYOD) is a megatrend that will have a far-reaching influence on the entire security industry. Changes in how security addresses BYOD open up several opportunities for technology service providers.

Overall the global combined shipments of devices (PCs, tablets and mobile phones) are projected to reach 2.3 billion units in 2013, a 5% increase from 2012, based on Gartner's estimates. However, it is notable that the market is being driven by a shift to lower-priced devices in nearly all device categories.

Corporate Information

Executive Directors	Mr. SY Ethan, Timothy Mr. SUNG Yee Keung, Ricky
Non-executive Director	Mr. KO Wai Lun, Warren
Independent Non-executive Directors	Mr. Andrew David ROSS Mr. Geoffrey William FAWCETT Mr. Charles Robert LAWSON
Registered office	P.O. Box 309 Ugland House George Town Grand Cayman KY1-1104 Cayman Islands
Head office and principal place of business	2903 Prosperity Place 6 Shing Yip Street Kwun Tong Kowloon Hong Kong Tel. : 2425-8888 Fax. : 3181-9980 E-mail : info@iglobaltech.com Website : www.iglobaltech.com
Company Secretary	Ms. WONG Shuk Ching
Authorised representatives	Mr. SY Ethan, Timothy Ms. WONG Shuk Ching
Auditors	HLB Hodgson Impey Cheng Limited Certified Public Accountants 31/F., Gloucester Tower The Landmark 11 Pedder Street Central Hong Kong
Principal banker	DBS Bank (Hong Kong) Limited 16/F., The Center 99 Queen’s Road Central Central Hong Kong

Corporate Information

Principal share registrar and transfer office	Royal Bank of Canada Trust Company (Cayman) Limited 4th Floor, Royal Bank House 24 Shedden Road George Town Grand Cayman KY1-1110 Cayman Islands
Hong Kong branch share registrar and transfer office	Tricor Abacus Limited 26/F., Tesbury Centre 28 Queen's Road East Hong Kong
Singapore share transfer agent	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
Listing information	The Stock Exchange of Hong Kong Limited: 143 Singapore Exchange Securities Trading Limited: G11
Investor relations adviser	t6.communications limited 8A CATIC Plaza 8 Causeway Road Causeway Bay Hong Kong Tel. : 2511-8388 Fax. : 2511-8238 E-mail : enquiry@t6pr.com

The Directors submit their report together with the audited financial statements of the Company and the Group for the year ended 30 September 2013.

PRINCIPAL ACTIVITIES AND SEGMENT INFORMATION

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

An analysis of the Group's performance for the year ended 30 September 2013 by business and geographical segments is set out in note 7 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 30 September 2013 are set out in the consolidated statement of profit or loss and other comprehensive income on page 33.

The Directors resolved not to make any payment of an interim dividend (2012: HK$ Nil) and do not recommend the payment of a final dividend (2012: HK$ Nil) for the year ended 30 September 2013.

RESERVES

Movements in the reserves of the Group and the Company during the year ended 30 September 2013 are set out in the consolidated statement of changes in equity on page 36 and note 27 to the consolidated financial statements respectively.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year ended 30 September 2013 are set out in note 16 to the consolidated financial statements.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 30 September 2013.

BANK BORROWINGS

The Group has no bank borrowings at 30 September 2013.

DIRECTORS

The Directors who held office during the year ended 30 September 2013 and up to the date of this report are as follows:

Mr. SY Ethan, Timothy
Mr. SUNG Yee Keung, Ricky
Mr. KO Wai Lun, Warren*
Mr. Andrew David ROSS**
Mr. Geoffrey William FAWCETT**
Mr. Charles Robert LAWSON**

* *Non-executive Director*
** *Independent Non-executive Director*

In accordance with Article 116 of the Articles of Association of the Company, Messrs. Andrew David ROSS and Charles Robert LAWSON shall retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

BIOGRAPHICAL DETAILS OF DIRECTORS

Brief biographical details of the Directors are set out on page 21.

DISTRIBUTABLE RESERVES

Details of distributable reserves of the Company at 30 September 2013 are set out in note 27 to the consolidated financial statements.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 72.

DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for re-election at the forthcoming annual general meeting have a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without payment of compensation, other than statutory compensation.

CONNECTED TRANSACTIONS

No transactions were entered into by the Group during the year ended 30 September 2013, which constitute connected transactions under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 30 to the consolidated financial statements, no Director had material beneficial interests, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries was a party at any time during the year ended 30 September 2013.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, no Director has been recorded as having interests in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

At 30 September 2013, the following Director had the following interests in long positions in the shares of the Company as recorded in the register required to be kept under section 352 of the Securities and Futures Ordinance (Chapter 571 of the Laws of the Hong Kong) (the "SFO"):

Name of Director	Number of ordinary shares	Approximate percentage of shareholding	Capacity in which interests are held
Mr. SUNG Yee Keung, Ricky	72,913,303*	1.41%	Beneficial owner

* These shares include 250,000 shares which were jointly owned by Ms. SUNG Mei Ling, the sister of Mr. SUNG Yee Keung, Ricky.

Save as disclosed above, at 30 September 2013, none of the Directors, chief executive of the Company or their respective 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 were required to be entered in the register kept by the Company pursuant to section 352 of the SFO, or were required to be notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

Apart from the above, at no time during the year was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS DISCLOSEABLE UNDER THE SFO

At 30 September 2013, the register of substantial shareholders maintained under section 336 of the SFO shows that the following companies (not being Directors or chief executive of the Company) had long positions of 5% or more in the shares of the Company which fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

Name of shareholder	Capacity	Number of ordinary shares	Approximate percentage of shareholding
Optimum Pace International Limited	Beneficial owner	2,942,608,695	56.96%

Save as disclosed above, no other person was recorded in the register required to be kept under section 336 of the SFO as having an interest or short position in the shares or underlying shares of the Company at 30 September 2013.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 30 September 2013.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of purchases and sales for the year ended 30 September 2013 attributable to the Group's major suppliers and customers are as follows:

	Percentage of the total purchases/sales accounted for
Purchases	
– the largest supplier	86%
– five largest suppliers combined	98%
Sales	
– the largest customer	60%
– five largest customers combined	64%

None of the Directors, their associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had an interest in the five largest suppliers or customers of the Group noted above.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association although there are no restrictions against such rights under the laws of the Cayman Islands.

PENSION SCHEME

On 1 December 2000, the Group set up a Mandatory Provident Fund Scheme (the "MPF Scheme") in accordance with the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong). The assets of the MPF Scheme are held separately from those of the Group and are under the control of an independent trustee.

Both the Group and its employees are required to contribute 5% of the employees' monthly salaries to the MPF Scheme. The mandatory contributions required to be made respectively by the Group and an employee are each capped at HK$1,000 per month up to 31 May 2012 and HK$1,250 per month since 1 June 2012. Members are entitled to 100% of the employer's mandatory contributions as soon as they are paid to the MPF Scheme but all benefits derived from the mandatory contributions must be preserved until an employee reaches the retirement age of 65 or in accordance with the rules of the MPF Scheme.

In addition to the mandatory contributions, the Group makes voluntary contributions for certain employees during the year. In any event, the total monthly contributions made by the Group to an employee are capped at 5% of the relevant employee's salaries.

PUBLIC FLOAT

Based on information publicly available to the Company and within the knowledge of the Directors at the date of this report, the Company has maintained the prescribed public float under the Listing Rules.

AUDITORS

HLB Hodgson Impey Cheng Limited was appointed auditors of the Company at the annual general meeting of the Company held in March 2013 to fill the vacancy occasioned by the retirement of HLB Hodgson Impey Cheng. Apart from the aforementioned, there have been no other changes of the Company's auditors in the past three years.

HLB Hodgson Impey Cheng Limited will retire at the forthcoming annual general meeting of the Company and a resolution for its re-appointment as auditors of the Company will be proposed at the said meeting.

On behalf of the Board
SY Ethan, Timothy
Chairman

Hong Kong, 16 December 2013

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

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF
GLOBAL TECH (HOLDINGS) LIMITED
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Global Tech (Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 33 to 71, which comprise the consolidated and company statements of financial position as at 30 September 2013, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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 our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the 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 consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 30 September 2013, and of the Group's profit 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, 16 December 2013

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 September 2013

	Notes	2013 HK$'000	2012 HK$'000
Turnover	8	**110,548**	100,583
Cost of sales		**(77,537)**	(75,031)
Gross profit		**33,011**	25,552
Other revenue	9	**166**	437
Other income	10	**270**	1,779
Selling and distribution expenses		**(1,292)**	(2,495)
Administrative expenses		**(50,106)**	(46,298)
Other operating expenses		**(22,154)**	(118)
Loss from operations	11	**(40,105)**	(21,143)
Cumulative gain reclassified from equity to profit or loss upon disposal of available-for-sale financial assets	19	**–**	517
Loss before taxation		**(40,105)**	(20,626)
Taxation	12	**52,993**	–
Profit/(loss) for the year	13	**12,888**	(20,626)
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**196**	(1,647)
Release of exchange reserves upon deregistration of subsidiaries		**–**	108
Gain on fair value change of available-for-sale financial assets		**–**	767
Reclassification adjustments relating to available-for-sale financial assets disposed of during the year	19	**–**	(517)
Other comprehensive income/(loss) for the year, net of tax		**196**	(1,289)
Total comprehensive income/(loss) for the year		**13,084**	(21,915)
Profit/(loss) for the year attributable to owners of the Company		**12,888**	(20,626)
Total comprehensive income/(loss) for the year attributable to owners of the Company		**13,084**	(21,915)
Earnings/(loss) per share attributable to owners of the Company			
Basic and diluted	15	**HK$0.002**	HK$(0.004)

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

Consolidated Statement of Financial Position

At 30 September 2013

	Notes	**2013** **HK$'000**	2012 HK$'000
Non-current assets			
Property, plant and equipment	16	**3,904**	4,510
Available-for-sale financial assets	19	**5,950**	5,950
		9,854	10,460
Current assets			
Inventories	20	**6,353**	9,122
Trade receivables	21	**4,722**	28,036
Prepayments, deposits and other receivables	22	**8,510**	10,591
Cash and bank balances	23	**37,929**	48,429
		57,514	96,178
Current liabilities			
Trade payables	24	**1,697**	2,005
Accrued charges and other payables	25	**10,809**	9,862
Tax payables		**–**	52,993
		12,506	64,860
Net current assets		**45,008**	31,318
Total assets less current liabilities		**54,862**	41,778
Net assets		**54,862**	41,778
Equity			
Capital and reserves attributable to owners of the Company			
Share capital	26	**51,659**	51,659
Reserves		**3,203**	(9,881)
Total equity		**54,862**	41,778

The consolidated financial statements were approved and authorised for issue by the board of directors on 16 December 2013 and signed on its behalf by:

SY Ethan, Timothy
Executive Director

SUNG Yee Keung, Ricky
Executive Director

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

Statement of Financial Position

At 30 September 2013

	Notes	2013 HK$'000	2012 HK$'000
Non-current assets			
Interests in subsidiaries	17	**24,764**	24,764
Available-for-sale financial assets	19	**5,300**	5,300
		30,064	30,064
Current assets			
Amounts due from subsidiaries	18	**9,484**	17,585
Prepayments, deposits and other receivables	22	**881**	352
Cash and bank balances	23	**1,951**	1,425
		12,316	19,362
Current liabilities			
Accrued charges and other payables	25	**4,305**	4,256
Amounts due to subsidiaries		**7,606**	13,613
		11,911	17,869
Net current assets		**405**	1,493
Total assets less current liabilities		**30,469**	31,557
Net assets		**30,469**	31,557
Equity			
Capital and reserves attributable to owners of the Company			
Share capital	26	**51,659**	51,659
Reserves	27	**(21,190)**	(20,102)
Total equity		**30,469**	31,557

The financial statements were approved and authorised for issue by the board of directors on 16 December 2013 and signed on its behalf by:

SY Ethan, Timothy
Executive Director

SUNG Yee Keung, Ricky
Executive Director

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

Consolidated Statement of Changes in Equity

For the year ended 30 September 2013

	Share capital HK$'000	Share premium HK$'000	Capital reserve HK$'000	Capital redemption reserve HK$'000 (Note 1)	Investment revaluation reserve HK$'000 (Note 2)	Exchange difference reserve HK$'000 (Note 3)	Accumulated losses HK$'000	Total HK$'000
At 1 October 2011	51,659	457,804	2,450	160	(250)	(386)	(447,744)	63,693
Loss for the year	–	–	–	–	–	–	(20,626)	(20,626)
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations	–	–	–	–	–	(1,647)	–	(1,647)
Release of exchange reserves upon deregistration of subsidiaries	–	–	–	–	–	108	–	108
Gain on fair value change of available-for-sale financial assets	–	–	–	–	767	–	–	767
Reclassification adjustments relating to available-for-sale financial assets disposed of during the year	–	–	–	–	(517)	–	–	(517)
Total comprehensive income/(loss) for the year	–	–	–	–	250	(1,539)	(20,626)	(21,915)
At 30 September 2012 and 1 October 2012	**51,659**	**457,804**	**2,450**	**160**	**–**	**(1,925)**	**(468,370)**	**41,778**
Profit for the year	–	–	–	–	–	–	12,888	12,888
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations	–	–	–	–	–	196	–	196
Total comprehensive income for the year	–	–	–	–	–	196	12,888	13,084
At 30 September 2013	**51,659**	**457,804**	**2,450**	**160**	**–**	**(1,729)**	**(455,482)**	**54,862**

Notes:

1) **Capital redemption reserve**
The capital redemption reserve represents the repurchase of shares of the Company on The Stock Exchange of Hong Kong Limited during the financial year of 30 September 2000. These repurchased shares were cancelled upon repurchase and, accordingly, the nominal value of the cancelled shares was credited to capital redemption reserve and the aggregate consideration paid was debited to the retained earnings and share premium account.

2) **Investment revaluation reserve**
The investment revaluation reserve represents accumulated gains and losses arising on the revaluation of available-for-sale financial assets that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those investments have been disposed of or are determined to be impaired.

3) **Exchange difference reserve**
Exchange differences arising from the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Hong Kong dollars) are recognised directly in other comprehensive income and accumulated in the exchange difference reserve. The reserve is dealt with in accordance with the accounting policy of foreign currencies set out in note 4(g).

Consolidated Statement of Cash Flows

For the year ended 30 September 2013

	2013 HK$'000	2012 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	**(40,105)**	(20,626)
Adjustments for:		
Cumulative gain reclassified from equity to profit or loss upon disposal of available-for-sale financial assets	**–**	(517)
Depreciation	**1,764**	1,852
Bad debts written off	**95**	–
Impairment loss recognised in respect of trade receivables	**19,892**	–
Fair value losses on financial assets at fair value through profit or loss, net	**–**	1,323
Loss on written off of property, plant and equipment	**1,614**	10
Losses on deregistration of subsidiaries	**–**	108
Allowance for inventories	**899**	482
Reversal of allowance for inventories	**(63)**	(39)
Written off of inventories	**64**	16
Interest income	**(7)**	(162)
Unrealised foreign currency losses/(gains), net	**216**	(1,777)
Operating cash flows before movements in working capital	**(15,631)**	(19,330)
Decrease/(increase) in inventories	**1,865**	(3,969)
Decrease in trade receivables	**3,323**	1,747
Decrease in prepayments, deposits and other receivables	**2,071**	15,807
(Decrease)/increase in trade payables	**(307)**	949
Increase in accrued charges and other payables	**949**	105
Net cash used in operating activities	**(7,730)**	(4,691)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(2,774)**	(1,321)
Purchase of financial assets at fair value through profit or loss	**–**	(5,584)
Proceeds from disposals of available-for-sale financial assets	**–**	1,713
Proceeds from disposals of financial assets at fair value through profit or loss	**–**	4,261
Interest income	**7**	162
Net cash used in investing activities	**(2,767)**	(769)
Net decrease in cash and cash equivalents	**(10,497)**	(5,460)
Cash and cash equivalents at the beginning of the year	**48,429**	53,873
Effect of foreign exchange rate changes	**(3)**	16
Cash and cash equivalents at the end of the year	**37,929**	48,429
Analysis of the balances of cash and cash equivalents		
Cash and bank balances	**37,929**	48,429

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 9 December 1998 as an exempted company with limited liability and its shares have a primary listing on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and a secondary listing on Singapore Exchange Securities Trading Limited.

The registered office of the Company is P.O. Box 309, Ugland House, George Town, Grand Cayman KY1-1104, Cayman Islands and the principal place of business of the Company is located at 2903 Prosperity Place, 6 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong.

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

The directors of the Company (the "Directors") regard Optimum Pace International Limited, a company incorporated in the British Virgin Islands as the ultimate holding company.

2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which is a collective term that includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations ("Ints") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and accounting principles generally accepted in Hong Kong. In addition, the consolidated financial statements include applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the disclosure requirements of the Hong Kong Companies Ordinance.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost convention, as modified for the revaluation of certain available-for-sale financial assets which are stated at their fair values. 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 application of the Group's accounting policies.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, the following new standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning 1 October 2012.

HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The Group has applied the amendments to HKAS 1. The amendments introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, the "statement of comprehensive income" is renamed as the "statement of profit or loss and other comprehensive income" and the "income statement" is renamed as the "statement of profit or loss". The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

Save as described above, the application of the new and revised HKFRSs in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

New and revised standards, amendments and interpretations in issue but not yet effective

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKAS 19 (As revised in 2011)	Employee Benefits[1]
HKAS 27 (As revised in 2011)	Separate Financial Statements[1]
HKAS 28 (As revised in 2011)	Investments in Associates and Joint Ventures[1]
HKAS 32 (Amendments)	Presentation – Offsetting Financial Assets and Financial Liabilities[2]
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets[2]
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting[2]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2009-2011 Cycle[1]
HKFRS 1 (Amendments)	Government Loan[1]
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities[1]
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
HKFRS 9	Financial Instruments[3]
HKFRS 10	Consolidated Financial Statements[1]
HKFRS 11	Joint Arrangements[1]
HKFRS 12	Disclosure of Interests in Other Entities[1]
HKFRS 13	Fair Value Measurement[1]
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[1]
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities[2]
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[1]
HK(IFRIC) – Int 21	Levies[2]

[1] Effective for annual periods beginning on or after 1 January 2013.
[2] Effective for annual periods beginning on or after 1 January 2014.
[3] Effective for annual periods beginning on or after 1 January 2015.

HKFRS 9 Financial Instruments

HKFRS 9 (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 (as revised in November 2010) includes the requirements for classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent reporting periods. All other debt investments and equity investments are measured at their fair values 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.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

New and revised standards, amendments and interpretations in issue but not yet effective (continued)

HKFRS 9 Financial Instruments (continued)

The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities related to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, 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 attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2015, with earlier application permitted.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of these five standards are described below.

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and HK (SIC) – Int 12 Consolidation – Special Purpose Entities will be withdrawn upon the effective date of HKFRS 10. Under HKFRS 10, there is only one basis for consolidation, that is, control. In addition, HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 11 replaces HKAS 31 Interests in Joint Ventures and HK (SIC) – Int 13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements.

In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate consolidation.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

In July 2012, the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 were issued to clarify certain transitional guidance on the application of these five HKFRSs for the first time.

These five standards, together with the amendments relating to the transitional guidance, are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

New and revised standards, amendments and interpretations in issue but not yet effective (continued)

HKFRS 13 Fair Value Measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 Financial Instruments: Disclosures will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

Amendments to HKAS 19 Employee Benefits

The amendments to HKAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of HKAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of HKAS 19 are replaced with a 'net-interest' amount, which is calculated by applying the discount rate to the net defined benefit liability or asset.

The amendments to HKAS 19 are effective for annual periods beginning on or after 1 January 2013 and require retrospective application with certain exceptions.

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

The amendments to HKAS 32 address inconsistencies in current practice when applying the offsetting criteria and clarify:

- the meaning of 'currently has a legally enforceable right of set-off'; and
- that some gross settlement systems may be considered equivalent to net settlement.

The amendments are effective for annual periods beginning on or after 1 January 2014 and are required to be applied retrospectively.

The Group is in the process of assessing the potential impact of the above new and revised HKFRSs upon initial application but is not yet in a position to state whether the above new and revised HKFRSs will have a significant impact on the Group's results of operations and financial position.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements of the Group and of the Company are set-out below. These policies have been consistently applied to all the year presented, unless otherwise stated.

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss from the effective date of acquisition and up to the effective date of disposal, as appropriate. 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.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

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

When the Group loses control of a subsidiary, it (i) derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost, (ii) derecognises the carrying amount of any non-controlling interest in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them), and (iii) recognises the aggregate of the fair value of the consideration received and the fair value of any retained interest, with any resulting difference being recognised as a gain or loss in profit or loss attributable to the Group. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in the other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

(b) Interests in subsidiaries

Interests in subsidiaries are stated at cost less any allowance for impairment losses. The results of subsidiaries are accounted by the Company on the basis of dividend received or receivables.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (the "CODM"), who is responsible for allocating resources and assessing performance of the operating segments.

Unallocated costs represent corporate expenses. Segment assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. Segment assets consist primarily of property, plant and equipment, inventories, receivables, other assets, operating cash and exclude mainly available-for-sale financial assets. Segment liabilities comprise operating liabilities and exclude items such as deferred tax and certain corporate provisions.

Geographical information is not presented as the majority of the Group's revenue is attributed to customers in Hong Kong and the majority of assets are located in Hong Kong.

(d) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

i. Revenue from the sales of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed;

ii. Service income is recognised when services are rendered;

iii. Sales of financial assets are recognised on a trade date basis; and

iv. Interest income is recognised, on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable.

(e) Property, plant and equipment

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

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the 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 the property, plant and equipment, the expenditure is capitalised as an additional cost of that asset.

Depreciation is recognised so as to write off the cost of property, plant and equipment, using the straight-line method, over their estimated useful lives. The principal annual rates are as follows:

Computers and equipment	20 – 30%
Furniture and fixtures	20%
Leasehold improvements	20 – 100%

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)

(f) Leasing

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

The Company as lessee

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.

(g) 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 the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing 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.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for 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. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the 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 exchange difference reserve (attributed to non-controlling interests as appropriate).

(h) Employee benefits

Employee leave entitlements

Employee entitlements to annual leave are recognised when they are accrued to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period. Employee entitlements to sick leave and maternity or paternity leave are not recognised until the time of leave.

Retirement benefit obligations

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement scheme administered by an independent trustee. All contributions to the MPF Scheme are charged to the consolidated statement of profit or loss as incurred and reduced by contributions forfeited by those employees who leave the MPF Scheme prior to vesting fully in contributions.

The Group also undertakes mandatory pension schemes covering retirement benefits for its Taiwan employees as required by relevant legislations and regulations in Taiwan.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Taxation

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

Current tax

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

Deferred tax

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 goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments 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 for the year

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)

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. In general, costs are assigned to individual items on a weighted average basis. Net realisable value is the price at which inventories can be sold in the normal course of business after allowing for the costs of realisation.

(k) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the allowance is recognised in the consolidated statement of profit or loss.

(l) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets 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 the consolidated statement of profit or loss.

Financial assets

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

Effective interest method

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

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit or loss.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Financial instruments (continued)

Financial assets (continued)

Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

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

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item.

Available-for-sale financial assets

Available-for-sale 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 fair value through profit or loss.

Equity and debt securities held by the Group that are classified as available-for-sale 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 available-for-sale monetary financial assets relating to interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognised in profit or loss.

Other changes in the carrying amount of available-for-sale 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Financial instruments (continued)

Financial assets (continued)

Available-for-sale financial assets (continued)

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured 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.

Loans and receivables

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

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, 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 available-for-sale 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.

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 that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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.

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

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 available-for-sale equity investments, 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 investment revaluation reserve. In respect of available-for-sale debt investments, 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

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 the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Other financial liabilities

Other financial liabilities (including trade payables and accrued charges 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 liabilities, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis other than financial liabilities classified as at fair value through profit or loss.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Financial instruments (continued)

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.

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.

(m) Impairment of tangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use.

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

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (or 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)

(n) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(o) 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 (where 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.

(p) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. A contingent asset is not recognised but is disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

(q) Related parties

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

   (i) has control or joint control over the Group;

   (ii) has significant influence over the Group; or

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Related parties (continued)

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

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

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

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

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

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

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

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

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

5. FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

The Group's major financial instruments include available-for-sale financial assets, trade receivables, deposits and other receivables, cash and bank balances, trade payables, accrued charges and other payables. Details of 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.

Categories of financial instruments

	2013 **HK$'000**	2012 HK$'000
Financial assets		
Loans and receivables (including cash and bank balances)	**50,196**	86,024
Available-for-sale financial assets	**5,950**	5,950
Financial liabilities		
Amortised costs	**12,506**	11,867

Financial risk factors

The Group is exposed to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk, which result from both its operating and investing activities. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Management regularly manages the financial risks of the Group. Because of the simplicity of the financial structure and the current operations of the Group, no major hedging activities are undertaken by management.

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (continued)

(a) Market risk

Foreign exchange risk

The Group operates mainly in Hong Kong, principally with respect to Hong Kong Dollars. Hong Kong Dollars are pegged to the United States Dollars and the foreign exchange sale exposure between them are considered limited.

Cash flow and fair value interest rate risk

The Group considers that there is no significant cash flow interest rate risk and fair value interest rate risk as the Group does not have variable rate and fixed rate borrowings.

The Group's exposure to market risk for changes in interest rates relates primarily to the cash and bank balances. Floating rate interest income is charged to the consolidated income statement as incurred.

(b) Credit risk

The carrying amounts of trade and other receivables included in the consolidated statement of financial position represent the Group's maximum exposure to credit risk in relation to the Group's financial assets. No other financial assets carry a significant exposure to credit risk.

In order to minimise the credit risk, the management of the Group has credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In this regards, the Directors consider that the Group's credit risk is significantly reduced.

The Group's concentration of credit risk by geographical location is mainly in Hong Kong. The Group also has concentration of credit risk by customers of approximately 79% (2012: 67%) and 83% (2012: 86%) of total trade receivables was due from the Group's largest customer and the two largest customers respectively.

The Group performs ongoing credit evaluation of its customers' financial condition and requires no collateral from its customers. The impairment loss in trade receivables is based upon a review of the expected collectability of all trade receivables.

(c) Liquidity risk

The Group manages its liquidity risk by regularly monitoring current and expected liquidity requirements and ensuring sufficient cash and cash equivalent to meet the Group's liquidity requirements in the short and long term. In addition, the management of the Group continuously monitors forecast and actual cash flows and matches the maturity profiles of financial assets and liabilities.

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities. The tables below have been drawn up based on the contractual maturities of the undiscounted financial liabilities including interest that will accrue to those liabilities except when the Group are entitled and intends to repay the liability before its maturity.

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (continued)

(c) Liquidity risk (continued)

At 30 September 2013

	Weighted average effective interest rate	Within 1 year HK$'000	Between 1 and 5 years HK$'000	Over 5 years HK$'000	Total contractual undiscounted cash flow HK$'000	Total carrying amount HK$'000
Non-derivative financial liabilities						
Trade payables	–	1,697	–	–	1,697	1,697
Accrued charges and other payables	–	10,809	–	–	10,809	10,809
		12,506	–	–	12,506	12,506

At 30 September 2012

	Weighted average effective interest rate	Within 1 year HK$'000	Between 1 and 5 years HK$'000	Over 5 years HK$'000	Total contractual undiscounted cash flow HK$'000	Total carrying amount HK$'000
Non-derivative financial liabilities						
Trade payables	–	2,005	–	–	2,005	2,005
Accrued charges and other payables	–	9,862	–	–	9,862	9,862
		11,867	–	–	11,867	11,867

Capital risk 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 prior year.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves. The Directors review the capital structure on a continuous basis. As part of this review, the Directors consider the cost of capital and the risks associated with capital. Based on recommendations of the Directors, the Group will balance its overall capital structure through the payment of dividends, issuance of new share and borrowings.

6. 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 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.

(a) Impairment of trade and other receivables

The impairment of trade and other receivables are based on the ongoing evaluation of collectability and aging analysis of the outstanding receivables and on management's judgement. From time to time, the Group may experience delays in collection. Where recoverability of trade and other debtor balances are called into doubts, resulting in an impairment of their ability to make payments, provision may be required. Certain receivables may be initially identified as collectable, yet subsequently become uncollectable and result in a subsequent write-off of the related receivable to the consolidated statement of profit or loss. Changes in the collectability of trade and other receivables for which provisions are not made could affect our results of operations.

(b) Useful lives of property, plant and equipment

In accordance with HKAS 16 Property, Plant and Equipment, the Group estimates the useful lives of property, plant and equipment to determine the amount of depreciation expenses to be recorded. The useful lives are estimated at the time the asset is acquired based on historical experience, the expected usage, wear and tear of the assets, and technical obsolescence arising from changes in the market demands or service output of the assets. The Group also performs annual reviews on whether the assumptions made on useful lives continue to be valid. The Group tests annually whether the assets have suffered any impairment. The recoverable amount of an asset or a cash generating unit is determined based on value-in-use calculations which require the use of assumptions and estimates.

(c) Allowance for slow-moving inventories

Inventories are stated at the lower of cost and net realisable value. Assessment of net realisable value is based primarily on the latest invoice prices and current market conditions. The Group also carries out review of inventories on a product-by-product basis at the end of each reporting period and makes allowance for slow-moving items.

7. SEGMENT INFORMATION

The Group's operating segments based on information reported to the CODM for the purpose of resource allocation and performance assessment are as follows:

(i) Trading of telecommunications products

(ii) Provision of repair services

(iii) Investments in financial assets

7. SEGMENT INFORMATION (CONTINUED)

Information regarding the Group's reportable segments for the years ended 30 September 2013 and 2012 is presented as follows:

(a) Segment revenue and results

	2013			
	Trading of telecommunications products HK$'000	**Provision of repair services HK$'000**	**Investments in financial assets HK$'000**	**Consolidated HK$'000**
Turnover	**19,213**	**91,335**	**–**	**110,548**
Segment results	**(24,251)**	**5,262**	**3**	**(18,986)**
Interest income				**4**
Unallocated income				**304**
Unallocated expenses				**(21,427)**
Loss before taxation				**(40,105)**
Taxation				**52,993**
Profit for the year				**12,888**

	2012			
	Trading of telecommunications products HK$'000	Provision of repair services HK$'000	Investments in financial assets HK$'000	Consolidated HK$'000
Turnover	26,990	74,916	(1,323)	100,583
Segment results	(6,216)	1,097	(803)	(5,922)
Interest income				162
Unallocated income				97
Unallocated expenses				(14,963)
Loss before taxation				(20,626)
Taxation				–
Loss for the year				(20,626)

Turnover reported above represents turnover generated from external customers. There are no intersegment sales for the year ended 30 September 2013 (2012: HK$ Nil).

Segment result represents the result generated from each segment without allocation of central administrative costs including directors' salaries, staff costs, legal and professional fees and taxation. This is the measure reported to the CODM for the purpose of resource allocation and assessment of segment performance.

7. SEGMENT INFORMATION (CONTINUED)

(b) Segment assets and liabilities

	2013			
	Trading of telecommunications products HK$'000	Provision of repair services HK$'000	Investments in financial assets HK$'000	Consolidated HK$'000
Segment assets	**19,499**	**12,892**	**16,630**	**49,021**
Available-for-sale financial assets				**5,950**
Unallocated corporate assets				**12,397**
Consolidated total assets				**67,368**
Segment liabilities	**(1,550)**	**(2,530)**	**–**	**(4,080)**
Unallocated corporate liabilities				**(8,426)**
Consolidated total liabilities				**(12,506)**

	2012			
	Trading of telecommunications products HK$'000	Provision of repair services HK$'000	Investments in financial assets HK$'000	Consolidated HK$'000
Segment assets	52,466	19,851	16,628	88,945
Available-for-sale financial assets				5,950
Unallocated corporate assets				11,743
Consolidated total assets				106,638
Segment liabilities	(4,572)	(2,741)	–	(7,313)
Unallocated corporate liabilities				(57,547)
Consolidated total liabilities				(64,860)

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

i) All assets are allocated to reportable segments other than available-for-sale financial assets and unallocated corporate assets; and

ii) All liabilities are allocated to reportable segments other than current tax liabilities and unallocated corporate liabilities.

7. SEGMENT INFORMATION (CONTINUED)

(c) Other segment information

	2013				
	Trading of telecommunications products HK$'000	**Provision of repair services HK$'000**	**Investments in financial assets HK$'000**	**Unallocated HK$'000**	**Consolidated HK$'000**
Capital expenditure	**–**	**338**	**–**	**2,436**	**2,774**
Depreciation	**52**	**539**	**–**	**1,173**	**1,764**
Impairment loss recognised in respect of trade receivables	**19,892**	**–**	**–**	**–**	**19,892**
Loss on written off of property, plant and equipment	**–**	**–**	**–**	**1,614**	**1,614**

	2012				
	Trading of telecommunications products HK$'000	Provision of repair services HK$'000	Investments in financial assets HK$'000	Unallocated HK$'000	Consolidated HK$'000
Capital expenditure	204	276	–	841	1,321
Depreciation	48	610	–	1,194	1,852
Losses on deregistration of subsidiaries	–	–	–	108	108
Loss on written off of property, plant and equipment	–	10	–	–	10

(d) Geographical segments

During the year ended 30 September 2013, more than 92% (2012: more than 94%) of the Group's turnover and total assets were derived from and located in Hong Kong. Therefore, no geographical segment for the respective years is presented.

(e) Information about major customers

During the year, the turnover from the Group's largest customer arising from provision of repair services amounted to 60% (2012: 60%) of the Group's total turnover. No other single customers contributed 10% or more to the Group's turnover for both of the years ended 30 September 2013 and 2012.

8. TURNOVER

	2013 HK$'000	2012 HK$'000
Sales of goods	**19,213**	26,990
Provision of repair services	**91,335**	74,916
Fair value losses on financial assets at fair value through profit or loss, net	**–**	(1,323)
	110,548	100,583

9. OTHER REVENUE

	2013 HK$'000	2012 HK$'000
Interest income	**7**	162
Sundry income	**159**	275
	166	437

10. OTHER INCOME

	2013 HK$'000	2012 HK$'000
Exchange gains, net	**–**	1,779
Others	**270**	–
	270	1,779

11. LOSS FROM OPERATIONS

Loss from operations has been arrived at after charging/(crediting):

	2013 HK$'000	2012 HK$'000
Auditors' remuneration:		
Auditors of the Company	**1,250**	1,250
Other auditors	**42**	41
Cost of trading inventories sold	**12,314**	20,451
Employee benefit expenses (note 28)	**27,041**	25,920
Retirement benefit costs (note 28)	**959**	1,108
Depreciation	**1,764**	1,852
Bad debts written off*	**95**	–
Impairment loss recognised in respect of trade receivables*	**19,892**	–
Loss on written off of property, plant and equipment*	**1,614**	10
Losses on deregistration of subsidiaries (note 32)*	**–**	108
Allowance for inventories	**899**	482
Reversal of allowance for inventories	**(63)**	(39)
Written off of inventories	**64**	16
Operating lease rental in respect of rental premises	**5,780**	5,724
Exchange losses/(gains), net	**244**	(1,779)

* Items included in other operating expenses.

12. TAXATION

	2013 HK$'000	2012 HK$'000
Current tax:		
Hong Kong Profits Tax:		
Current year	–	–
Overseas taxation:		
Over-provision in prior year	**(52,993)**	–
	(52,993)	–

Notes:

(a) Hong Kong Profits Tax is calculated at 16.5% (2012: 16.5%) on the estimated assessable profits for the year. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

(b) The written-back taxation of approximately HK$52,993,000 (2012: HK$ Nil) represents the aggregate provision made by a subsidiary of the Company in previous years for Macau Profits Tax for which the subsidiary is no longer required to provide. The Directors have enquired an independent Macau legal advisor on the tax position of that subsidiary in Macau and were advised that the subsidiary has no outstanding taxation payable to the Macau Government as at 30 September 2013.

The tax credits for the years are reconciled to the loss before taxation per the consolidated statement of profit or loss as follows:

	2013 HK$'000	2013 %	2012 HK$'000	2012 %
Loss before taxation	**(40,105)**		(20,626)	
Tax at statutory tax rate	**(6,617)**	**(16.5)**	(3,403)	(16.5)
Tax effect of expenses that are not deductible in determining taxable profit	**7,265**	**18.1**	3,051	14.8
Tax effect of income that is not taxable in determining taxable profit	**(2,372)**	**(5.9)**	(2,492)	(12.1)
Utilisation of tax losses previously not recognised	**(1,343)**	**(3.3)**	(561)	(2.7)
Unrecognised tax losses	**3,349**	**8.3**	3,306	16.0
Unrecognised deductible temporary differences	**(282)**	**(0.7)**	99	0.5
Over-provision in prior year	**(52,993)**	**132.1**	–	–
Tax credit and effective tax rate for the year	**(52,993)**	**132.1**	–	–

The Group

At 30 September 2013, the Group has cumulative tax losses of approximately HK$216,378,000 (2012: HK$204,221,000) available for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of the estimated tax losses of HK$216,378,000 (2012: HK$204,221,000) due to uncertainty of future profit streams.

The Company

At 30 September 2013, the Company has estimated unused tax losses of approximately HK$165,134,000 (2012: HK$154,734,000) available for offsetting against future taxable profits. Tax losses may be carried forward indefinitely. No deferred tax assets have been recognised due to uncertainty of future profits streams.

13. PROFIT/(LOSS) FOR THE YEAR

The Group's consolidated profit attributable to owners of the Company for the year is approximately HK$12,888,000 (2012: loss attributable to owners of the Company is HK$20,626,000) of which loss of approximately HK$1,088,000 (2012: HK$664,000) is dealt with in the financial statements of the Company.

14. DIVIDENDS

The Directors do not recommend the payment of any dividend for the year ended 30 September 2013 (2012: HK$ Nil).

15. EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings/(loss) per share is based on the profit attributable to owners of the Company of approximately HK$12,888,000 (2012: loss attributable to owners of the Company of HK$20,626,000) and on 5,165,973,933 (2012: 5,165,973,933) ordinary shares in issue during the year.

The diluted earnings/(loss) per share for the years ended 30 September 2013 and 2012 was the same as basic earnings/(loss) per share as there were no potential outstanding shares for the years.

16. PROPERTY, PLANT AND EQUIPMENT

The Group

	Leasehold improvements HK$'000	Furniture and fixtures HK$'000	Computers and equipment HK$'000	Total HK$'000
Cost:				
At 1 October 2011	4,196	874	7,037	12,107
Exchange difference	14	–	11	25
Additions	326	293	702	1,321
Written off	–	(253)	(2,770)	(3,023)
At 30 September 2012 and 1 October 2012	4,536	914	4,980	10,430
Exchange difference	(2)	–	(2)	(4)
Additions	1,818	192	764	2,774
Written off	(3,158)	(107)	(280)	(3,545)
At 30 September 2013	**3,194**	**999**	**5,462**	**9,655**
Accumulated depreciation and impairment losses:				
At 1 October 2011	1,089	420	5,562	7,071
Exchange difference	6	–	4	10
Charge for the year	944	159	749	1,852
Eliminated on written off	–	(253)	(2,760)	(3,013)
At 30 September 2012 and 1 October 2012	2,039	326	3,555	5,920
Exchange difference	(1)	–	(1)	(2)
Charge for the year	925	178	661	1,764
Eliminated on written off	(1,663)	(56)	(212)	(1,931)
At 30 September 2013	**1,300**	**448**	**4,003**	**5,751**
Carrying amounts:				
At 30 September 2013	**1,894**	**551**	**1,459**	**3,904**
At 30 September 2012	2,497	588	1,425	4,510

17. INTERESTS IN SUBSIDIARIES

	2013 HK$'000	2012 HK$'000
Unlisted shares, at cost	**191,093**	191,093
Impairment loss recognised	**(166,329)**	(166,329)
	24,764	24,764

Details of the Company's principal subsidiaries at 30 September 2013 and 2012 are as follows:

Name of subsidiaries	Place of incorporation/operation	Particulars of fully paid up capital	Percentage of equity attributable to the Company Indirectly held 2013 %	2012 %	Principal activities
Ample Vision Holdings Limited	British Virgin Islands/Hong Kong	US$1 Ordinary	**100**	100	General trading
Camdenville Group Limited	British Virgin Islands/Hong Kong	US$1 Ordinary	**100**	100	Trading of telecommunication products
Linktech Hong Kong Limited	Hong Kong	HK$2 Ordinary	**100**	100	Provision of repair services
Techglory Hong Kong Limited	Hong Kong	HK$1 Ordinary	**100**	100	General trading
Oriental Art Holdings Limited	Hong Kong	HK$1 Ordinary	**100**	100	General trading

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

The carrying amounts of the interests in subsidiaries are reduced to their recoverable amounts which are determined by reference to the estimation of future cash flows expected to be generated from the respective subsidiaries.

18. AMOUNTS DUE FROM SUBSIDIARIES

	2013 HK$'000	2012 HK$'000
Amounts due from subsidiaries	**9,484**	17,585

The amounts due from subsidiaries grouped under current assets are unsecured, interest-free and recoverable on demand.

19. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	The Group		The Company	
	2013	2012	**2013**	2012
	HK$'000	HK$'000	**HK$'000**	HK$'000
At the beginning of the year	**5,950**	6,896	**5,300**	5,300
Disposals	**–**	(1,713)	**–**	–
Fair value change	**–**	767	**–**	–
At the end of the year	**5,950**	5,950	**5,300**	5,300
Available-for-sale financial assets at 30 September, comprise of				
Unlisted debt securities:				
Club debentures (note (a))	**5,950**	5,950	**5,300**	5,300

Notes:

(a) The club debentures are stated at cost less impairment loss at the end of each reporting period because the range of reasonable fair value estimates is so significant that the Directors consider that their fair values cannot be measured reliably. During the years ended 30 September 2013 and 2012, the Group identified no impairment loss related to the club debentures.

(b) For the year ended 30 September 2012, a cumulative gain of approximately HK$517,000 was reclassified from equity to profit or loss upon disposal of all listed equity securities under the Group's available-for-sale financial assets.

20. INVENTORIES

The Group

	2013	2012
	HK$'000	HK$'000
Finished goods	**7,446**	9,951
Less: Allowance for slow-moving inventories	**(1,093)**	(829)
	6,353	9,122

21. TRADE RECEIVABLES

At the end of the reporting periods, the aging analysis of the trade receivables is as follows:

The Group

	2013	2012
	HK$'000	HK$'000
Current	**4,045**	8,112
One to three months overdue	**272**	805
More than three months, but less than twelve months overdue	**1,254**	127
Over twelve months overdue	**138,873**	138,855
	144,444	147,899
Less: Impairment loss recognised	**(139,722)**	(119,863)
	4,722	28,036

21. TRADE RECEIVABLES (CONTINUED)

Notes:

(a) The credit terms granted to the Group's customers vary and are generally the results of negotiations between the Group and individual customers.

(b) Included in the trade receivable balances are debtors with an aggregate carrying amount of approximately HK$677,000 (2012: HK$19,924,000) which are overdue at the reporting date for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and the amounts are still considered recoverable, as there is an agreed repayment plan. The Group does not hold any collateral over these balances.

The aging of trade receivables which are overdue but not impaired is as follows:

	2013 HK$'000	2012 HK$'000
One to three months overdue	**272**	805
More than three months, but less than twelve months overdue	**405**	127
Over twelve months overdue	**–**	18,992
	677	19,924

(c) The movement of the allowance for impairment loss of trade receivables is as follows:

	2013 HK$'000	2012 HK$'000
At the beginning of the year	**119,863**	119,924
Impairment loss recognised	**19,892**	–
Written off	**(34)**	(61)
Exchange difference	**1**	–
At the end of the year	**139,722**	119,863

(d) The aging analysis of the Group's trade receivables which are impaired is as follows:

	2013 HK$'000	2012 HK$'000
More than three months, but less than twelve months overdue	**849**	–
Over twelve months overdue	**138,873**	119,863
	139,722	119,863

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	The Group		**The Company**	
	2013 HK$'000	2012 HK$'000	**2013 HK$'000**	2012 HK$'000
Prepayments	**965**	1,032	**437**	352
Deposits	**4,613**	7,127	**–**	–
Other receivables	**2,932**	2,432	**444**	–
	8,510	10,591	**881**	352

23. CASH AND BANK BALANCES

	The Group		The Company	
	2013	2012	**2013**	2012
	HK$'000	HK$'000	**HK$'000**	HK$'000
Cash at bank and in hand	**37,929**	48,429	**1,951**	1,425

Notes:

(a) Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for period from one day to one month depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposits rates.

(b) The Group's and the Company's bank balances are denominated in the following currencies:

	The Group		The Company	
	2013	2012	**2013**	2012
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong Dollars	**36,615**	47,015	**1,951**	1,425
United States Dollars	**628**	658	**–**	–
New Taiwan Dollars	**601**	742	**–**	–
Others	**85**	14	**–**	–
	37,929	48,429	**1,951**	1,425

24. TRADE PAYABLES

At the end of the reporting periods, the aging analysis of the trade payables is as follows:

The Group

	2013	2012
	HK$'000	HK$'000
Current and within one month	**1,503**	1,804
One to three months overdue	**29**	26
Overdue over three months	**165**	175
	1,697	2,005

25. ACCRUED CHARGES AND OTHER PAYABLES

	The Group		The Company	
	2013	2012	**2013**	2012
	HK$'000	HK$'000	**HK$'000**	HK$'000
Accrued charges	**2,253**	5,038	**1,031**	1,098
Other payables	**8,556**	4,824	**3,274**	3,158
	10,809	9,862	**4,305**	4,256

Included in other payables of the Group and the Company was an amount of approximately HK$487,000 (2012: HK$487,000) due to a Director. The amount was unsecured, interest-free and has no fixed terms of repayment.

26. SHARE CAPITAL

	Number of shares	HK$'000
Ordinary shares of HK$0.01each		
Authorised		
At 1 October 2011, 30 September 2012 and 30 September 2013	20,000,000,000	200,000
Issued and fully paid		
At 1 October 2011, 30 September 2012 and 30 September 2013	5,165,973,933	51,659

27. RESERVES

The Company

	Share premium HK$'000	Capital redemption reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 October 2011	648,897	160	(668,495)	(19,438)
Loss for the year	–	–	(664)	(664)
At 30 September 2012 and 1 October 2012	648,897	160	(669,159)	(20,102)
Loss for the year	–	–	(1,088)	(1,088)
At 30 September 2013	**648,897**	**160**	**(670,247)**	**(21,190)**

At 30 September 2013, the Company has no distributable reserve (2012: HK$ Nil), represented by share premium less accumulated losses of the Company. Under the Companies Law (2012 Revision) of the Cayman Islands, share premium of the Company is distributable to the members, subject to a solvency test.

28. EMPLOYEE BENEFIT EXPENSES

(a) Staff cost

The total staff cost of the Group during the year (including directors and senior management emoluments) is as follows:

	2013 HK$'000	2012 HK$'000
Salaries and allowances	**26,444**	25,403
Discretionary bonuses	**71**	68
Staff welfare	**526**	449
Contributions to retirement fund	**959**	1,108
	28,000	27,028

28. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(b) Directors and senior management emoluments

The emoluments of the Directors are as follows:

	Year ended 30 September 2013			
Name of Directors	Fees HK$'000	Salaries and allowances HK$'000	Contributions to retirement fund HK$'000	Total HK$'000
Executive Directors				
Mr. SY Ethan, Timothy	**–**	**–**	**–**	**–**
Mr. SUNG Yee Keung, Ricky	**–**	**360**	**18**	**378**
Non-executive Director				
Mr. KO Wai Lun, Warren	**300**	**–**	**–**	**300**
Independent non-executive Directors				
Mr. Andrew David ROSS	**420**	**–**	**–**	**420**
Mr. Geoffrey William FAWCETT	**300**	**–**	**–**	**300**
Mr. Charles Robert LAWSON	**300**	**–**	**–**	**300**
	1,320	**360**	**18**	**1,698**

	Year ended 30 September 2012			
Name of Directors	Fees HK$'000	Salaries and allowances HK$'000	Contributions to retirement fund HK$'000	Total HK$'000
Executive Directors				
Mr. SY Ethan, Timothy	–	–	–	–
Mr. SUNG Yee Keung, Ricky	–	360	18	378
Non-executive Director				
Mr. KO Wai Lun, Warren	300	–	–	300
Independent non-executive Directors				
Mr. Andrew David ROSS	420	–	–	420
Mr. Geoffrey William FAWCETT	300	–	–	300
Mr. Charles Robert LAWSON	300	–	–	300
	1,320	360	18	1,698

28. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(b) Directors and senior management emoluments (continued)

Certain Directors have waived emoluments for both of the years ended 30 September 2013 and 2012 and up to the dates of reports:

Name of Directors	Year ended 30 September 2013			From 1 October 2013 to the date of the report		
	Fees HK$'000	Salaries and allowances HK$'000	Contributions to retirement fund HK$'000	Fees HK$'000	Salaries and allowances HK$'000	Contributions to retirement fund HK$'000
Executive Director						
Mr. SY Ethan, Timothy	**–**	**18,000**	**900**	**–**	**3,774**	**189**
Non-executive Director						
Mr. KO Wai Lun, Warren	**120**	**–**	**–**	**25**	**–**	**–**
Independent non-executive Directors						
Mr. Andrew David ROSS	**180**	**–**	**–**	**38**	**–**	**–**
Mr. Geoffrey William FAWCETT	**120**	**–**	**–**	**25**	**–**	**–**
Mr. Charles Robert LAWSON	**120**	**–**	**–**	**25**	**–**	**–**

Name of Directors	Year ended 30 September 2012			From 1 October 2012 to 21 December 2012		
	Fees HK$'000	Salaries and allowances HK$'000	Contributions to retirement fund HK$'000	Fees HK$'000	Salaries and allowances HK$'000	Contributions to retirement fund HK$'000
Executive Director						
Mr. SY Ethan, Timothy	–	18,000	900	–	4,016	201
Non-executive Director						
Mr. KO Wai Lun, Warren	120	–	–	27	–	–
Independent non-executive Directors						
Mr. Andrew David ROSS	180	–	–	40	–	–
Mr. Geoffrey William FAWCETT	120	–	–	27	–	–
Mr. Charles Robert LAWSON	120	–	–	27	–	–

No amounts have been paid by the Group to the Directors as inducement to join the Group, as compensation for loss of office or as commitment fees to existing Directors for entering into new service contracts with the Group for the year ended 30 September 2013 (2012: HK$ Nil).

Apart from the aforesaid, no other emoluments have been paid to the Directors for the year ended 30 September 2013 (2012: HK$ Nil).

28. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(c) Five highest paid individuals

The five individuals with the highest emoluments in the Group for the year included no (2012: no) Directors whose emoluments are set out in note 28(b). The aggregate of the emoluments payable in respect of the five (2012: five) highest paid individuals of which do not include any senior management during the year are as follows:

	2013	2012
	HK$'000	HK$'000
Salaries and allowances	**2,429**	2,809
Contributions to retirement fund	**121**	132
	2,550	2,941

	Number of individual	
	2013	2012
Emolument bands:		
HK$ Nil to HK$1,000,000	**5**	5

29. SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Scheme") on 27 March 2003 pursuant to which employees and directors of the Group and other eligible persons who have made contribution to the Group were given opportunity to obtain equity holdings in the Company.

A summary of the Scheme is set out as follows:

(a) Purpose of the Scheme

The purpose of the Scheme is to enable the Company to grant share options to selected participants as incentives or rewards for their contribution to the Group.

(b) Participants of the Scheme

Eligible participants include full time employees and directors of the Company or its subsidiaries; advisers, consultants, suppliers and agents to the Company or its subsidiaries and such other persons who, at the sole determination of the board of directors, have contributed to the Group.

(c) Total number of shares available for issue under the Scheme and percentage of issued share capital at the date of this annual report

No share option had been granted under the Scheme and no share is available for issue under the Scheme at the date of this annual report.

(d) Maximum entitlement of each participant under the Scheme

The total number of shares issued and to be issued upon exercise of the options granted to each participant (including exercised, cancelled and outstanding options) in any 12-month period must not exceed 1% of the shares in issue unless the same is approved by shareholders in general meeting.

29. SHARE OPTION SCHEME (CONTINUED)

(e) The period within which the shares must be taken up under an option

At any time during a period to be notified by the board of directors, which period not to exceed 10 years commencing on the date on which the option is accepted and expiring on a day not later than the last day of the 10-year period.

(f) The minimum period for which an option must be held before it can be exercised

None.

(g) The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid

HK$1.00 is to be paid as consideration for the grant of option within 30 days from the date of offer.

(h) The basis of determining the exercise price

The exercise price shall be determined by the board of directors but shall not be less than the highest of:

(i) the official closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of offer;

(ii) the average of the official closing price of the shares as stated in the Stock Exchange's daily quotations sheet for the 5 business days immediately preceding the date of offer; and

(iii) the nominal value of a share.

(i) The remaining life of the Scheme

The Scheme shall be valid and effective for a period of 10 years commencing on the adoption date on 27 March 2003.

No share option had been granted under the Scheme since its adoption.

The Scheme expired on 26 March 2013 and no new share option scheme was adopted by the Company.

30. MATERIAL RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group had the following material related party transactions during the year:

Key management personnel compensation

Compensation for key management personnel, including amount paid to the Directors, as disclosed in note 28(b), is as follows:

	2013 **HK$'000**	2012 HK$'000
Salaries and allowances	**1,680**	1,680
Contributions to retirement fund	**18**	18
	1,698	1,698

31. OPERATING LEASE COMMITMENT

The Group leases certain of its properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to five years.

At the end of reporting periods, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2013	2012
	HK$'000	HK$'000
Within one year	**2,392**	4,026
In the second to fifth years, inclusive	**878**	986
	3,270	5,012

32. DEREGISTRATION OF SUBSIDIARIES

For the year ended 30 September 2013, no (2012: two) wholly owned subsidiaries of the Group were deregistered. The assets and liabilities of the subsidiaries deregistered at the relevant dates were as follows:

	2013	2012
	HK$'000	HK$'000
Release of exchange reserves upon deregistration	**–**	(108)
Losses on deregistration of subsidiaries (note 11)	**–**	(108)

33. CONTINGENT LIABILITIES

The Group and the Company did not have any significant contingent liabilities at the end of the reporting periods.

34. AUTHORISATION FOR ISSUE OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Directors on 16 December 2013.

Five-Year Financial Summary

For the year ended 30 September 2013

	For the year ended 30 September				
	2013	2012	2011	2010	2009
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Results					
Turnover	**110,548**	100,583	38,898	32,424	30,927
(Loss)/profit before taxation	**(40,105)**	(20,626)	(15,279)	(10,830)	2,382
Taxation	**52,993**	–	27	549	(297)
Profit/(loss) attributable to owners of the Company	**12,888**	(20,626)	(15,252)	(10,281)	2,085
Dividends	**–**	–	–	–	–

	At 30 September				
	2013	2012	2011	2010	2009
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Assets and liabilities					
Investment property	**–**	–	–	–	13,800
Property, plant and equipment	**3,904**	4,510	5,036	2,299	1,624
Available-for-sale financial assets	**5,950**	5,950	6,896	8,051	19,352
Net current assets	**45,008**	31,318	51,761	71,701	64,147
	54,862	41,778	63,693	82,051	98,923
Equity attributable to owners of the Company	**54,862**	41,778	63,693	82,051	98,122
Deferred tax liabilities	**–**	–	–	–	801
	54,862	41,778	63,693	82,051	98,923

GLOBAL TECH (HOLDINGS) LIMITED
耀 科 國 際（ 控 股 ）有 限 公 司

2903 Prosperity Place,
6 Shing Yip Street, Kwun Tong,
Kowloon, Hong Kong
Tel: (852) 2425 8888 Fax: (852) 3181 9980
E-mail: info@iglobaltech.com

香港九龍
觀塘成業街6號
泓富廣場2903室
電話: (852) 2425 8888 傳真: (852) 3181 9980
電郵: info@iglobaltech.com