佳訊

ABC Communications

(Holdings) Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 30)

2013 / 2014

Annual Report

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors:

Mr. Chen Jiasong *(Chairman)*
Mr. Cheung Wai Shing
Mr. Song Gaofeng (retired on 30 September 2013)
Ms. Ma Sai (resigned on 1 August 2013)

Non-Executive Director:

Mr. Qiu Hai Jian (retired on 30 September 2013)

Independent Non-Executive Directors:

Mr. Chen Haoyun, Jordy
Mr. Lee Kwong Yiu
Mr. Yau Chung Hang (appointed on 16 May 2013)
Mr. Zhang Guang Hui

Chief Executive Officer:

Mr. Zhao Bao Long

Chief Operating Officer:

Mr. Wang Zhao Qing, Tiger (appointed on 1 December 2013)

COMMITTEES

Audit Committee

Mr. Yau Chung Hang *(Chairman)*
Mr. Lee Kwong Yiu
Mr. Zhang Guang Hui

Remuneration Committee

Mr. Lee Kwong Yiu *(Chairman)*
Mr. Yau Chung Hang
Mr. Zhang Guang Hui
Mr. Chen Jiasong
Mr. Cheung Wai Shing

Nomination Committee

Mr. Chen Jiasong *(Chairman)*
Mr. Lee Kwong Yiu
Mr. Yau Chung Hang
Mr. Zhang Guang Hui
Mr. Cheung Wai Shing

COMPANY SECRETARY

Mr. Cheung Wai Shing

AUTHORIZED REPRESENTATIVES

Mr. Chen Jiasong
Mr. Cheung Wai Shing

REGISTERED OFFICE

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Hong Kong

AUDITORS

SHINEWING (HK) CPA Limited

REGISTRARS

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

SOLICITORS

Cheung & Choy Solicitors & Notaries

HOMEPAGE

www.0030hk.com

Management Discussion and Analysis

OPERATING RESULTS

In 2013/2014 financial year, the turnover of the Group amounted to HK$60.0 million, representing an decrease of 13% as compared to HK$68.7 million in previous year. The total comprehensive expense of the Group amounted to HK$25.0 million, representing an increase of HK$5.7 million as compared to the total comprehensive expense of HK$19.3 million in year 2012/2013. The comprehensive expense attributable to owners of the Company amounted to HK$23.1 million, representing an increase of HK$3.9 million from that of previous year. During the year, the Group's financial quotation and securities trading system licensing remained the core revenue contributor, which accounted for 99% of the Group's revenue. The mining operation segment has contributed revenue of HK$0.7 million from the sale of silver ores extracted in the course of mining site preparation. Nevertheless after taking into account of the depreciation and amortization charges, the mining operation segment suffered a loss of HK$5.2 million.

Loss for the year amounted to HK$26.3 million, and representing an increase by HK$2.6 million as comparing to the loss for the year of HK$23.6 million in year 2012/2013. The increase in loss for the year was mainly due to the decline in gross profit by HK$1.6 million as a result of the fall in turnover, despite the fact that the gross profit margin had remained at approximately 24%.

FINAL DIVIDEND

The Board did not propose a final dividend.

BUSINESS REVIEW

The Mining Operation

During the year, the mining operation contributed a turnover of approximately HK$0.7 million (2012/2013: HK$2.6 million) to the Group. Loss before tax attributable to the segment amounted to HK$5.2 million (2012/2013: HK$2.5 million).

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

Yin Di Mining Area (銀地礦區) in Henan

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

BUSINESS REVIEW (CONTINUED)

The Mining Operation (Continued)

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

Yin Di Mining Area is an operating polymetallic mine that contains gold, silver, lead and zinc ore deposits. At the end of March 2014, according to the Gold, Silver Lead and Zinc Polymetallic Reserves and Resources Verification Report (金銀鉛鋅多金屬資源儲量核查報告) (the "Reserve Report") prepared by the First Geological Survey Team of Henan Geology and Mineral Exploration and Development Bureau (河南省地質礦產勘查開發局第一地質調查隊), estimated mineral resources of the mining area are as follows:

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

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

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

BUSINESS REVIEW (CONTINUED)

The Mining Operation (Continued)

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

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

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

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

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

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

During the year, the Group had got only minimal revenue of HK$0.7 million from selling of salable mineral ores extracted during the course of improvement works as management effort was diverted to cater for fulfilling the new policy statement. On the other hands, certain ores processing facilities was leased out for a short-term. This helped Yin Di Company to generate an other income of HK$0.4 million during the year.

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

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

The Department of Land and Resources of Henan Province has issued a policy statement No. [2009]9. According to this policy statement, whenever exploration license is renewed, the area of the exploration site will be reduced by not less than 25%. If the Group renews the exploration license in 2014, the area of the renewed exploration license will be further reduced by not less than 25%, unless the relevant provincial policy has been rescinded. The Group will facilitate the progress of exploration works for this mining property. When the relevant reserve reports and feasibility study are completed, the Group will apply for the mining license immediately.

BUSINESS REVIEW (CONTINUED)

The Mining Operation (Continued)

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

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

During the financial year, the total expenditures of exploration, development and mining production were as follows:

	Yin Di Mining Area		Li Zi Yuan Mine		Hu Lei Si De Mine		Total	
	RMB million	HK$ million	RMB million	HK$ million	RMB million	HK$ million	RMB million	HK$ million
Improvement and reinforcement of mining site	1.5	1.9	–	–	–	–	1.5	1.9
Exploration	–	–	–	–	0.3	0.4	0.3	0.4
Total	1.5	1.9	–	–	0.3	0.4	1.8	2.3

Save for those 3 mining properties disclosed above, the Group do not have any other mining property or holds any other mining license.

The Financial Quotation Segment

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

During the financial year, QuotePower was still the core revenue contributor of the Group. Its turnover amounted to approximately HK$59.9 million. As compared with the last financial year, turnover from QuotePower has been declined by approximately 10%. This reflected loss of subscribers of our financial quotation services owing to the pessimistic market and investment sentiments. The segment suffered a loss of HK$0.9 million.

SELLING AND DISTRIBUTION COSTS

During the financial year, the Group's selling and distribution costs amounted to approximately HK$1.2 million, which were almost the same as that of the previous year. Selling and distribution costs were incurred mostly in our financial quotation segment.

GENERAL AND ADMINISTRATIVE EXPENSES

During the financial year, the Group's general and administrative expenses increased by approximately HK$5.5 million or 15%. The increase was primarily due to the increase in legal and professional fees in relation to the Group's merger and acquisition activities by approximately HK$3.3 million; and the expenses incurred for the renewal of the mining and exploration licenses of approximately HK$1.7 million.

FINANCE COSTS

Finance costs decreased by 52% from HK$0.8 million to HK$0.4 million. The Group had no bank borrowings. The finance costs were mainly due to interest incurred on bonds.

PROVISION FOR REINSTATEMENT COSTS

As at 31 March 2014, the Group has made a provision of reinstatement costs of HK$0.8 million (31 March 2013: HK$0.8 million). The provision was made for the reinstatement costs, which would be incurred in the future when the exploitation activities completed and the Group was obliged to recover the mining properties to their original landscape. The provision is estimated and reassessed at the end of each financial year with reference to the latest available quotation from independent contractors or market information and practices. Estimation based on current market information may vary over time and could differ from the actual reinstatement cost upon full extraction of the mining reserves by the Group.

INCOME TAX EXPENSE

During the financial year, income tax expenses amounted to HK$54,545. The tax expenses represented under provision of PRC Enterprise Income Tax, on the taxable profit of the Group's subsidiaries in PRC in prior years.

LOSS PER SHARE

For the year ended 31 March 2014, the basic and diluted loss per share amounted to 1.62 cents, which shown an improvement from the loss per share of 2.12 cents from the last reporting year.

DEFERRED TAX LIABILITIES

As at 31 March 2014, deferred tax liabilities attributable to Jun Qiao amounted to HK$76.8 million (2013: HK$76.3 million), which was calculated at the tax rate of PRC Enterprise Income Tax of 25% mainly on the increase in fair value of intangible assets in accordance with the relevant accounting principle. The movement during the current financial year represented exchange realignment.

FINANCIAL POSITION

The Group's consolidated statement of financial position remained solid. Shareholders' equity increased from HK$292.8 million to HK$340.0 million. Total assets and net assets increased by 14% and 11% to HK$596.0 million and HK$461.0 million respectively, which was primarily due to the successful placement and issue of new shares in the year.

During the financial year, the net cash used in operations amounted to HK$17.5 million, as compared to that of HK$17.2 million in previous year. The net cash used in the Group's investing activities amount to HK$67.9 million, which was due to the acquisition of available-for-sale investment and deposit and prepayment for acquisition of subsidiaries made by the Company. Overall, the net increase in cash and cash equivalents of the Group amount to HK$9.5 million, as compared to the net decrease in previous year of HK$0.3 million. As at 31 March 2014, the Group's cash and cash equivalents amounted to approximately HK$40.9 million (31 March 2013: HK$31.4 million). The Group was endeavor to maintain a conservative approach to cash management and risk controls.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2014, the Group's cash and cash equivalents amounted to HK$40.9 million (2013: HK$31.4 million). Except for the long term bonds with a principle amount of HK$30.0 million, the group had no other banks loans or borrowings with fixed term of repayment at the end of year.

	As at 31 March 2014	As at 31 March 2013
Current ratio (current assets/current liabilities)	**2.3 times**	4.2 times
Gearing ratio (total liabilities/total assets)	**22.7%**	20.2%

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

TRADE RECEIVABLES

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

	31 March 2014 HK$	31 March 2013 HK$
Financial Quotation Services	**4,767,419**	4,799,756
Mining Operations	**31,460**	1,575,378
	4,798,879	6,375,134

Trade receivable in the Group's financial quotation segment has been decreased by approximately 25%. The management did not foresee any recoverability problem as the amount has been settled as at the date of this report. The management will constantly review the aging and credit standing of customers to ensure trade receivables can be fully recovered.

OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

The breakdown of other receivables, deposits and prepayments were as follows:

	31 March 2014 HK$	31 March 2013 HK$
Other receivables	**20,284,984**	1,495,423
Deposits	**2,105,501**	1,688,447
Prepayment	**998,663**	966,161
	23,389,148	4,150,031

The increase in the overall balance was due to some short-term interest-free advances to certain independent third parties amounted to approximately HK$17.5 million. The amount has been fully returned subsequent to the end of the reporting period. The remaining balances were not material to the Group.

PREPAYMENTS FOR EXPLORATION AND EVALUATION ACTIVITIES

As at 31 March 2014, the prepayments for exploration and evaluation activities amounted to approximately HK$13.2 million were made for exploration drilling activities in relation to the Group's exploration rights held. The prepayments were made in accordance with the contracts entered into with the exploration teams and the exploration drilling activities had not yet been completed as at 31 March 2014.

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

	31 March 2014 HK$'000	31 March 2013 HK$'000
Li Zi Yuan Mining Area exploration contract	**4,530**	4,447
Hu Lei Si De Mining Area exploration contract	**8,620**	8,307
Miscellaneous expenses, fees and levies	**39**	38
	13,189	12,792

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

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

PREPAYMENTS FOR EXPLORATION AND EVALUATION ACTIVITIES (CONTINUED)

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

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

INTANGIBLE ASSETS

The Group's intangible assets, which comprised of mining right and reserves and exploration rights, amounted to approximately HK$320.6 million, which was resulting from the acquisition of Jun Qiao in the prior year. The value of intangible assets as at 5 May 2011, being the date of completion of the acquisition of Jun Qiao, were valued by Roma Appraisal Limited ("Roma"), an independent valuer.

Income-Based Approach was adopted for the mining right valuation; while Market-Based Approach was adopted for exploration rights valuation at the date of completion of acquisition.

Regarding mining right valuation, the valuer has adopted the following key assumptions in determining the mining right value:

– The pre-tax discount rate of 21.67% was adopted as at 9 May 2011;

– The mining company 桐柏縣銀地礦業有限公司 (Tong Bai County Yin Di Mining Company Limited) can successfully renew the mining licence and develop the gold mine as planned;

– There exist reliable and adequate transportation network and capacity for processing the mine products;

– Economic conditions will not deviate significantly from forecasts; and

– There will be no major changes in the political, legal, economic or financial conditions in the localities in which the gold mine operates or intends to operate, which would adversely affect the revenues attributable to and the profitability of the mining right.

Regarding the exploration rights valuation, the valuer has adopted the following key assumptions in determining the exploration rights value:

– The list of comparable transactions adopted reflects market conditions and economic fundamentals as at the valuation dates;

– The list of comparable transactions adopted is sufficient and representative for the valuation; and

– There will be no major changes in the political, legal, economic or financial conditions in the localities in which the gold and lead mines operate or intend to operate, which would adversely affect value of the exploration rights.

INTANGIBLE ASSETS (CONTINUED)

In ascertaining the carrying value and assessing if there is any impairment on the mining right and reserves, the Directors had engaged Roma to perform valuation on the mining right reserves based on financial forecasts prepared by the management as at 31 March 2014. The management had prepared the financial forecasts based on the probable and proven reserves as stipulated in the reserve report prepared by 河南省地質礦產勘查開發局 as at 31 March 2014. The Directors considered that the financial forecast had been prepared under due and careful considerations. Roma had discussed the assumptions with the management and compared the parameters of the financial forecast to market information and considered reasonable. Based on the valuation as at 31 March 2014, which had a higher fair value than the carrying amount, the Directors considered that there was no impairment on the mining right and reserve as at 31 March 2014.

The valuation of the Group's intangible assets relied upon the estimated mineral resources data in the Reserves Report prepared by the First Survey Team of Henan Geology and Mineral Exploration and Development Bureau. The Reserve Reports was based on factual geological survey, drillings and sample testing. There was no specific assumption made in the preparation of the Reserves Report.

Based on the valuation reports issued by Roma Appraisal Limited on 27 June 2014, the fair value of each of the Group's mining properties as at 31 March 2014 were as follows:

Mining Property	Status	Fair Value			
		31 March 2014		31 March 2013	
		RMB'000	**HK$'000**	RMB'000	HK$'000
Yin Di Mining Area	Mining	**311,000**	**391,362**	435,000	543,881
Li Zi Yuan Mining Area	Exploration	**387**	**487**	682	853
Hu Lei Si De Mining Area	Exploration	**612**	**770**	2,119	2,649
		311,999	**392,619**	437,801	547,383

Note: The fair value of the Group's mining properties as at 31 March 2014 was prepared as reference for the purpose of assessing if there was any impairment on intangible assets and for management information purposes. As no impairment on intangible assets has been provided for in the audited financial statements, the fair value as at 31 March 2014 was not reflected in the financial report.

The fair values of Li Zi Yuan Mining Area and Hu Lei Si De Mining Area were assessed with Market-Based Approach. Under the Market-Based Approach, transaction of comparable exploration licenses had been selected in determining the consideration-to-exploration area multiples. The change in fair values of these exploration licenses was mainly due to the change in the consideration-to-exploration area multiples, as an updated set of market comparables had been used in assessing the fair value as at 31 March 2014, in order to reflect the latest market position.

INTANGIBLE ASSETS (CONTINUED)

In the valuation report issued by Roma for the fair value of intangible assets as at 31 March 2014, Roma have adopted certain assumptions in their valuation and the major ones are as follows:

– The Group can successfully renew the mining licence and exploration licences, and develop the mining properties based on the updated business plan provided by the management;

– The projections outlined in the financial information provided are reasonable, reflecting market conditions and economic fundamentals, and will be materialized;

– There exist reliable and adequate transportation networks and capacity for processing the mine products;

– Economic conditions will not deviate significantly from forecasts; and

– There will be no major changes in the political, legal, economic or financial conditions in the localities in which the mining properties operate or intend to operate, which could adversely affect the revenues attributable to and the profitability of the mining right and the exploration rights.

The auditor of the Company had discussed the financial forecasts with the management and Roma and considered that the assumptions, parameters and discount rate adopted in the valuations are reasonable and concurred with the Directors that there was no impairment on the mining right and reserves as at 31 March 2014.

In assessing if there is any impairment on the exploration rights, the Directors had made reference to the requirements stipulated in HKFRS 6 – Exploration for and Evaluation of Mineral Resources, issued by the Hong Kong Institute of Certified Public Accountants. Having considered inter alia the terms of the explorations had been renewed subsequent to the end of the reporting period, the Group had paid the professional fees for the exploration and drilling activities for the subject mining area and the positive findings as reverted by the exploration team up to the date of this report, the Directors considered that there was no impairment on the exploration rights. The auditor of the Company, after discussing with the Directors and taken into the above, concurred with the Directors that there was no impairment over the Group's exploration rights.

In accordance with HKFRS 6, exploration right should be stated at cost less impairment losses and therefore no amortisation had been recognized during the year.

In respect of the mining right and reserves, in accordance with the Group's accounting policy, they are amortised over the estimated useful life on a straight line basis based on the probable and proven reserves, the estimated useful life. Such kind of amortisation method is named as the unit-of-production ("UOP") method. With the UOP method, the intangible assets are amortised according to the production quantity during the reporting period. As the sales of ores made during the year were side-products produced during the site preparation works without any impact to the overall reserves, and therefore, no amortisation had been recognised in such respect.

DEPRECIATION

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

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

The amortisation method and the estimation of useful lives is in line with market practice.

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

On the other hand, straight-line depreciation over $6\frac{2}{3}$ years is adopted for non-mine specific items such as tailings pond and the roads built to connect the mine with the highway as the Company considered that their useful life are not directly correlated to the extraction of reserves.

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

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

SHARE CAPITAL

As at 31 March 2014, the total number of issued ordinary shares of the Company was 1,655,347,200 shares (31 March 2013: 1,167,797,200 shares).

On 10 June 2013, the Company entered into a placing agreement with Orient Securities Limited as placing agent to place, on a best efforts basis, a maximum of 233,000,000 shares at a price of HK$0.15 per share under a general mandate granted to the Directors at the annual general meeting held on 18 February 2013. Completion of the placing took place on 5 July 2013 where a total of 211,660,000 shares were placed. The gross proceeds from the placing was approximately HK$31.75 million and the net proceeds from the placing, after deducting the placing commission and other professional fees incurred by the Company, was approximately HK$30.48 million. The net placing price per share was approximately HK$0.143. The net proceeds from the placing was intended to use as to approximately HK$20.0 million for future potential investments, and the balance for general working capital of the Group.

On 15 October 2013, the Company entered into a placing agreement with Orient Securities Limited as placing agent to place, on a best efforts basis, a maximum of 275,891,440 shares at a price of HK$0.15 per share under a general mandate granted to the Directors at the annual general meeting held on 30 September 2013. Completion of the placing took place on 23 October 2013 where a total of 275,890,000 shares were placed. The gross proceeds from the placing was approximately HK$41.38 million and the net proceeds from the placing, after deducting the placing commission and other professional fees incurred by the Company, was approximately HK$39.73 million. The net placing price per share was approximately HK$0.143. The net proceeds from the placing was intended to use as to approximately HK$30.0 million for future potential investments, and the balance for general working capital of the Group.

ISSUE OF BONDS

On 25 July 2013, the Company entered into the Placing Agreement with Convoy Investment Services Limited ("Convoy"), whereby the Company has agreed to issue and Convoy has agreed, on a best efforts basis, to act as placing agent to procure subscribers to subscribe for bonds of up to HK$400.0 million in principal amount (the "Bonds Issue"). The maximum gross and net proceeds from the Bonds Issue will be approximately HK$400.0 million and HK$368.0 million. The Company intends to use the net proceeds from the Bonds Issue as to (i) not less than 70% of the net proceeds for financing any investment opportunities identified by the Group; (ii) not more than 20% of the net proceed for financing future development costs of the Mining Assets of the Group; and (iii) not more than 10% of the net proceeds for general working capital of the Group.

During the year ended 31 March 2014, Convoy has procured investors to subscribe for the Bond Issue. The Company has issued bonds in the principal amount of HK$30.0 million and net proceeds of HK$27.6 million were received. Pursuant to the first and second supplemental placing agreement entered with Convoy on 24 January 2014 and 30 April 2014 respectively, the long stop date for the Bonds Issue has been extended to 31 July 2014.

MERGERS AND ACQUISITIONS

On 7 November 2011, the Company entered into a conditional sales and purchase agreement with Magic Luck International Limited for the acquisition of 55% issued share capital and shareholders' loan of Billion Light Holdings Limited ("Billion Light"), for a total consideration of HK$200.0 million of which HK$30.0 million was paid as refundable deposit upon the signing of the sales and purchase agreement. Billion Light through its subsidiaries, are principally engaged in the leasing of point-of-sales terminals and provision of ancillary services in mainland China. The acquisition has been terminated on 1 May 2013, the refundable deposit of HK$30.0 million had been returned.

As announced by the Company on 16 May 2013 and 14 June 2013, the Company entered into a non-legally binding Memorandum of Understanding with Mr. Peng Yong Ning in relation to the proposed acquisition of the entire issued share capital and all shareholders' loans of Giant Purity Limited. The memorandum had already lapsed on 15 September 2013, and the Company did not intend to proceed with the proposed acquisition any further.

On 17 January 2014, the Company entered into a non-legally binding Memorandum of Understanding (the "Diamond Peak MOU") with Gold Wheel Management Inc. and On Focus Inc. in relation to the proposed acquisition of the entire issued share capital and all shareholders' loans of Diamond Peak Inc. at a total consideration of not exceeding HK$700,000,000, which was expected to be satisfied by cash and the issue of shares, convertible bonds and/or promissory notes by the Company (the "Proposed Acquisition"). The Proposed Acquisition is still in progress and further announcement will be made by the Company in relation to such Proposed Acquisition as and when appropriate.

On 24 March 2014, the Company entered into an acquisition agreement with Mr. Guo Weijun pursuant to which the Company would acquire 60% of the issued share capital of POMP International Limited ("POMP") and 100% of its shareholders' loan for a total cash consideration of HK$60,000,000 (the "POMP Acquisition"). The POMP Acquisition had been completed on 30 April 2014. POMP, through its PRC subsidiary, Detron Tech Limited ("Detron"), engages in the development of an application platform with software relating to crypto cloud computing and quantum direct key ("QDK") encryption and the design, manufacture and distribution of portable devices embedded with such encryption technology. Detron has applied for 3 patents in the PRC and the United States in respect of its crypto cloud and encryption technologies. Its portable devices are targeted for high-end enterprise customers, government officials and retail customers with high awareness of safe and secure payments and communication over internet and, in particular, via smart-phones.

MERGERS AND ACQUISITIONS (CONTINUED)

On 28 March 2014, the Company entered into an acquisition agreement with Mr. Fan Man Keung Eddy pursuant to which the Company would acquire 18% of the issued share capital of Sharp Legend Inc. ("Sharp Legend") for a total cash consideration of HK$60,000,000 (the "Sharp Legend Acquisition"). The Sharp Legend Acquisition had been completed on 31 March 2014. Sharp Legend indirectly held 51% of Henan Huaken Oil Limited (河南華墾油脂有限公司) ("Henan Huaken"). Henan Huaken is principally engaged in the storage, reserves and trading of agricultural products, like cotton and grains; and the production and distribution of refined edible vegetable oil. It owns a 270 Chinese Mu (equivalent to 180,090 square meters) headquarter, with storage and production facilities in Luohe Economic and Technical Development Zone in Luohe City, Henan Province, China. It is capable to produce 180,000 tonnes of refined edible vegetable oil per annum.

EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period and on 30 April 2014, the POMP Acquisition was completed. Thereafter POMP and its subsidiaries became subsidiaries of the Company.

Subsequent to the reporting period and up to the date of this report, Convoy has further procured investors to subscribe for the bonds in the principal amount of HK$40.0 million. Net proceed of HK$36.8 million was received.

PLEDGE OF ASSETS

As at 31 March 2014, no assets of the Group were pledged to secure general banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 31 March 2014, the Group had no material contingent liabilities.

CAPITAL COMMITMENTS

	2014	2013
	HK$	HK$
Contracted but not provided for capital commitment		
in respect of the acquisition of:		
– Subsidiaries (note)	–	170,000,000
– Property, plant and equipment	–	210,425
	–	170,210,425

Note: During the financial year, the major transaction has been terminated and the Group had no capital commitment as at the date of this report.

FOREIGN EXCHANGE EXPOSURE

Most of the operations and trading transaction, assets and liabilities of the Group were denominated in Hong Kong dollar and Renminbi. During the year ended 31 March 2014, the Group had an insignificance amount of exchange difference.

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

COMMODITY PRICE RISK

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

EMPLOYEE REMUNERATION POLICY

As at 31 March 2014, the Group had 60 employees (31 March 2013: 59 employees). Total salaries, commissions, incentives and all other staff related costs incurred for the year ended 31 March 2014 amounted to approximately to HK$19.2 million (31 March 2013: HK$20.2 million). Our remuneration policies are in line with prevailing market practices and formulated on the basis of the performance and experience of individual employees. Apart from basic salaries, other staff benefits included provident funds, life insurance and medical assistances benefit. The Company may also grant share options to eligible employees to motivate their performance and contribution to the Group.

OUTLOOK

The Mining Operations

The scale of the Group's mining operation is considered small and limited. The Group can only be a market follower, and has no influence on both the market price and sales of ores and ores concentrates in the local market. The prospect of the Group's mining operation relies solely on the Group's ability to extract valuable mineral resources efficiently and economically, and to identify new mineral reserves in the Group's mining properties. Regarding this direction, the Group has appointed local experienced exploitation and exploration teams in order to deliver the full potential of the Group's mineral reserve and resources.

Based on the existing gold and silver reserves and resources of the Group, it is expected to have higher production in the future. In near term, the Group will focus on the exploitation of gold and silver ore and production of concentrates. To achieve greater stability, predictability, consistency and sustainability of the Group's mining production, the management has set the following strategies:

1. Further enhance the mining and ore processing technologies;

2. Increase the capacity of ore processing plant by constructing additional processing facilities;

3. Increase the exploitation capacity by appointing or co-operating with contracted qualified mining teams; and

4. Facilitate the completion of the exploration works and feasibility studies in Li Zi Yuan Mining Area and Hu Lei Si De Mining Area so as to formulate suitable development plan.

OUTLOOK (CONTINUED)

The Mining Operations (Continued)

Regarding the exploration works of the Group, the previous and current works on the fields of the two exploration license have showed the results of finding gold mineralization. There have been mineral samples taken from the field surface of licensed exploration area in Henan and Xinjiang, and the samples examined for gold. The results are positive as the grade of gold ore samples are ranging from 0.5 g/t and 6 g/t. However, at the moment it could not provide details of the geological results, because there are extra geological works to be carried out, and the stage geological summary report will be produced after the works finished.

Regarding the development plan and the strategy for the Yin Di Mining Area, the Group's only operating mine, the management planned to achieve a mining and gold ores processing capacity of 450 tonnes per day by three stages, which is expected to be completed before the end of 2018. The first stage of gold production is expected to be started in the last quarter of 2015 with daily ores production of 150 tonnes. The second stage will be started in the last quarter of 2016 and daily ores production will reach 300 tonnes. The final stage will be started in the second quarter of 2018 when the Yin Di Mining Area could produce 450 tonnes of ores per day. It is expected the Group will be able to produce contained gold of about 525 kg per year and create an output value of about RMB128 million from year 2019 onwards. In the meantime, the Group will continue the extraction of silver ores from the mining area to fully utilize the potential of our mining property. Subsequent to the financial year end, the Group recorded sales revenue from selling of silver ores. The selling of silver ores could provide a stable revenue and cash flow for the mining operation. It will be the strategy of the Group to carry out mining operation, mine development and exploration works simultaneously in order to keep generating cash-flow from the mining operation while making investment.

The Financial Quotation Segment

The financial results of QuotePower, the main revenue producer of the Group, to a large extent depend on the performance of the stock market. QuotePower is one of the leading financial quotation service providers in Hong Kong. It has long history in the market and has wide client base. However, it is believed that the market for paid financial quotation services has been fully developed and saturated. The potential for further development is very limited and raise of subscription price would result in loss of subscribers. The management of QuotePower has launched financial quotation services in mobile devices platform in recent years, yet the effort has achieved little in terms of attracting subscribers and widening revenue base. The prospect of the Group's financial quotation service segment depends on the management's ability to retain customers by providing quality services and control costs. Demand for the Group's financial quotation services derives mainly from the investment sentiments in the financial market. Investor sentiments have been recovering as a result of the quantitative easing monetary policies adopted by various governments after the financial tsunami in earlier years. Given the strong market position and customer base built up over the years, we are reasonably confident that QuotePower will be able to regain its proven track records. However, as a matured and fully developed business sector, the room for further growth and development of the segment is limited. Meanwhile, the continued strengthening of Hong Kong as an international financial centre should also present us with new growth prospects, which we believe QuotePower is well-placed to capture. It will continue to explore business opportunities to enhance its market leadership in the area of financial information services and to expand the geographical reach of its sales and marketing activities. It is expected that the financial quotation services provided by the Group will still face severe challenge ahead. The management will strive to exercise prudent business measures to maximize its profitability or to minimize the loss.

OUTLOOK (CONTINUED)

New Businesses from POMP and Detron

In the light of the booming e-commerce and m-commerce sectors, the Group considers that the encryption technology and products of the POMP and Detron should have great business potentials. The acquisition also represents a good opportunity for the Group to explore synergy with the Group's existing businesses of financial information and securities trading system which also requires secured and encrypted transmission of data and personal information over the Internet and mobile devices. Moreover, it also helps the Group to enter into the fast-growing portable communication and computing device industry.

Detron is in the process of designing the second generation portable devices with built-in QDK encryption technology. Detron's products are targeted for the China Market. When the specification and prototype of portable devices are ready, the management of Detron is required to apply for the Telecommunication Equipment's Network Access License from the Ministry of Industry and Information Technology of the PRC. Mass production of portable devices is expected to be sourced out to electronic manufacturing services provider. It was expected that Detron's products could be launched in the financial year 2014/2015.

Available-for-sale investment

For accounting purpose, the Company's investment in Sharp Legend and Henan Huaken has been classified as available-for-sale investment and the Company intends to hold the investment for long-term purpose. Henan Huaken has a relative stable source of revenue and proven profitable track records. The management considered this was an attractive investment opportunity. The Company has acquired 18% of the issued share capital of Sharp Legend on 31 March 2014. Yet the Company has no plan, at the moment, to acquire further interest in Sharp Legend and/or Henan Huaken.

Other

The management always believes that it is in the best interest of the Company and the shareholders to diversify the Group's business portfolio. The Company will continue to identify appropriate potential investment opportunities.

Except for the Bonds Issue, the POMP Acquisition and the Diamond Peak MOU disclosed above, the Company has no current intention or plan for any fund raising activities, any acquisition or investments, and any disposal or scale-down of any current business.

Directors' Report

The directors are pleased to present their report together with the audited consolidated financial statements for the year ended 31 March 2014.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The activities of the principal subsidiaries are shown in note 41 to the consolidated financial statements.

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

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated statement of comprehensive income on page 37.

RESERVES

Movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 40.

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 32 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company are set out in note 40 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 92.

DIRECTORS

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

Executive Directors:

Mr. Chen Jiasong *(Chairman)*
Mr. Cheung Wai Shing
Mr. Song Gaofeng (retired on 30 September 2013)
Ms. Ma Sai (resigned on 1 August 2013)

Non-Executive Director:

Mr. Qiu Hai Jian (retired on 30 September 2013)

Independent Non-Executive Directors:

Mr. Chen Haoyun, Jordy
Mr. Lee Kwong Yiu
Mr. Yau Chung Hang (appointed on 16 May 2013)
Mr. Zhang Guang Hui

In accordance with the Company's Bye-laws, Mr. Chen Jiasong and Mr. Cheung Wai Shing should retire at the forthcoming annual general meeting (Notice of which will be dispatched in due course) and, being eligible, offer themselves for re-election. None of the directors proposed for re-election has a service contract with the Company or its subsidiaries which is not determinable by the Company or its subsidiaries within a year without payment of compensation other than statutory compensation.

DIRECTORS' AND SENIOR MANAGEMENT BIOGRAPHICAL DETAILS

Biographical details of the directors and senior management of the Company are set out on pages 23 to 24 of this Annual Report.

NEW SHARE OPTION SCHEME

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

The New Share Option Scheme is valid and effective for ten years and will expire on 29 September 2023. From the Adoption Date up to 31 March 2014, no option has been granted. Save for the New Share Option Scheme, the Company do not have any other share option scheme as at 31 March 2014.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at 31 March 2014, according to the register of interest kept by the Company under Section 336 of the Securities and Futures Ordinance (the "SFO") and so far as was known to the Directors, none of the Directors and chief executives of the Company held any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) where required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for the Securities Transactions by Directors of Listed Companies (the "Model") of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), to be notified to the Company and the Stock Exchange.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

DIRECTORS' INTEREST IN CONTRACTS

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

RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group are set out in note 38 to the consolidated financial statements.

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.

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

As at 31 March 2014, so far as is known to the Directors and the chief executive of the Company, the following person (not being a Director or chief executive of the Company) had an interest or a short position in the Shares or underlying Shares of the Company as recorded in the register required to be kept under Section of the SFO or which would be fall to be disclosed to the Company under the provision of Division 2 and 3 of Part XV of the SFO.

Name	Capacity	Number of Ordinary Shares held	Percentage
Asian Gold Dragon Limited Note	Beneficial Interest	215,054,500	15.59%
Wang Xiaobo Note	Interest in a controlled corporation	215,054,500	15.59%

Note:

Asian Gold Dragon Limited is a substantial shareholder of the Company as at the date of this report. Other than being a substantial shareholder of the Company, Asian Gold Dragon Limited and its ultimate beneficial owners have no relationship with the Company and its connected persons.

The Company notes that, according to the disclosure of interest filed by Mr. Wang Xiaobo on 12 September 2013, Asian Gold Dragon Limited is wholly owned by Mr. Wang Xiaobo, the ultimate beneficial owner of Asian Gold Dragon Limited.

The Company further notes that, according to the disclosure of interest made by Mr. Sze Chun Ning, Vincent on 16 June 2014, Mr. Sze Chun Ning, Vincent has not held any interest in Asian Gold Dragon Limited.

Save as disclosed above, as at 31 March 2014, the Company had not been notified of any other interests or short positions in the shares or underlying shares of the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

PRE-EMPTIVE RIGHTS

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

MAJOR CUSTOMERS AND SUPPLIERS

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

Purchases

– the largest supplier	79%
– five largest suppliers combined	88%

Sales

– the largest customer	49%
– five largest customers combined	69%

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

SUFFICIENCY OF PUBLIC FLOAT

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

EVENTS AFTER THE REPORTING PERIOD

On 17 January 2014, the Company entered into a non-legally binding Memorandum of Understanding (the "Diamond Peak MOU") with Gold Wheel Management Inc. and On Focus Inc. in relation to the proposed acquisition of the entire issued share capital and all shareholders' loans of Diamond Peak Inc. at a total consideration of not exceeding HK$700,000,000, which was expected to be satisfied by cash and the issue of shares, convertible bonds and/or promissory notes by the Company (the "Proposed Acquisition"). The Proposed Acquisition is still processing and further announcement will be made by the Company in relation to such Proposed Acquisition as and when appropriate.

On 24 March 2014, the Company entered into an acquisition agreement with Mr. Guo Weijun pursuant to which the Company would acquire 60% of the issued share capital of POMP International Limited (the "POMP") and 100% of its shareholders' loan for a total cash consideration of HK$60,000,000 (the "POMP Acquisition"). The POMP Acquisition had been completed on 30 April 2014. POMP, through its PRC subsidiary, Detron Tech Limited ("Detron"), engages in the development of an application platform with software relating to crypto cloud computing and quantum direct key ("QDK") encryption and the design, manufacture and distribution of portable devices embedded with such encryption technology. Detron has applied for 3 patents in the PRC and the United States in respect of its crypto cloud and encryption technologies. Its portable devices are targeted for high-end enterprise customers, government officials and retail customers with high awareness of safe and secure payments and communication over internet and, in particular, via smart-phones. Subsequent to the reporting period and on 30 April 2014, the POMP Acquisition was completed. Thereafter POMP and its subsidiaries became subsidiaries of the Company.

On 25 July 2013, the Company entered into the Placing Agreement with Convoy Investment Services Limited ("Convoy"), whereby the Company has agreed to issue and Convoy has agreed, on a best efforts basis, to act as placing agent to procure subscribers to subscribe for bonds of up to HK$400.0 million in principal amount (the "Bonds Issue"). The maximum gross and net proceeds from the Bonds Issue will be approximately HK$400.0 million and HK$368.0 million. The Company intends to use the net proceeds from the Bonds Issue as to (i) not less than 70% of the net proceeds for financing any investment opportunities identified by the Group; (ii) not more than 20% of the net proceed for financing future development costs of the Mining Assets of the Group; and (iii) not more than 10% of the net proceeds for general working capital of the Group. Subsequent to the reporting period and up to the date of this Annual Report, Convoy has further procured investors to subscribe for the bonds in the principal amount of HK$40.0 million. Net proceed of HK$36.8 million was received.

CORPORATE GOVERNANCE

The Company's corporate governance practices, including Audit Committee, Nomination Committee and Remuneration Committee, are set out in the Corporate Governance Report on pages 25 to 34 of this Annual Report.

AUDITORS

The financial statements for the year ended 31 March 2014 have been audited by SHINEWING (HK) CPA Limited who retires and, being eligible, offer itself for reappointment. A resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Chen Jiasong
Chairman and Executive Director

Hong Kong, 30 June 2014

EXECUTIVE DIRECTORS

Mr. Chen Jiasong, aged 60, graduated from Huazhong University of Science & Technology. Mr. Chen worked in the Bureau of Light Industry of the People's Government of Shashi, Jingzhou. Then in 1982, he was relocated to work in the Committee of Economic and Trade of the People's Government of Jingzhou. During the period from 1993 to 2004, Mr. Chen acted as the Managing Director of Shenzhen Lian Jing Investment Co. Ltd. Mr. Chen joined Guangdong Junye (Group) Co. Ltd. in 2004 an is presently the Vice President of Guangdong Junye (Group) Co. Ltd. Mr. Chen has extensive experience in business development, investment and project management. Mr. Chen has been appointed as the executive director of the Company on 29 October 2008. He was the Chairman and Deputy Chairman of the Company from 12 May 2009 to 30 July 2009 and from 31 July 2009 to 8 December 2010 respectively, and has been re-designated as Chairman of the Company effective on 9 December 2010. Mr. Chen has been appointed as a member of the remuneration committee and the nomination committee and he also acts as the Chairman of the nomination committee with effect from 29 March 2012.

Mr. Cheung Wai Shing, aged 43, holds a Bachelor Degree in Accountancy from City University of Hong Kong, and a Master's of Science Degree in Finance from University of Michigan-Dearborn. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants, and an associated member of The Institute of Chartered Accountants in England and Wales. Mr. Cheung has extensive experience in accounting, financial management and corporate governance and has worked in "big four" accounting firms and various private and public companies. Mr. Cheung has been appointed as the company secretary and authorized representative of the Company with effect from 21 August 2008 and an executive director of the Company effective 28 August 2008. Mr. Cheung resigned as authorized representative of the Company on 21 May 2011 and was re-appointed on 28 September 2011. Mr. Cheung has been appointed as a member of the remuneration committee and the nomination committee with effect from 29 March 2012.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chen Haoyun, Jordy, aged 39, is presently the Associate Director of China YINSHENG Securities Limited. Mr. Chen obtained his bachelor degree in York University, Toronto, Canada major in economics. Mr. Chen has over ten years' experience in the investment sector and is familiar with financial and economic analysis, portfolio management, and securities trading. Mr. Chen has extensive knowledges in investment principles and practices as well as the capital and money market. Mr. Jordy Chen has been appointed as an independent non-executive director on 28 December 2012.

Mr. Lee Kwong Yiu, aged 51, is a practicing solicitor in Hong Kong since 1994. He holds professional qualification as a solicitor of the High Court of Hong Kong and an associate member of the Chartered Institute of Arbitrators. On 20 April 2006, Mr. Lee was appointed by the Ministry of Justice of the People's Republic of China as a China-Appointed Attesting Officer. He is now the principal of Messrs. Philip K.Y. Lee & Co. Solicitors. Mr. Lee is also the independent non-executive director of Sun Hing Vision Group Holdings Limited (Stock Code: 125). Between January 2002 and August 2011, Mr. Lee was an independent non-executive director of CNG Mining Company Limited (Stock Code: 1164), all of them are listed on the Stock Exchange. Mr. Lee has been appointed as an independent non-executive director, a member of audit committee and a member of remuneration committee on 19 June 2009 and a member of nomination committee of the Company on 29 March 2012. Mr. Lee also acts as the Chairman of the remuneration committee.

Mr. Yau Chung Hang, aged 41, was the chief financial officer and company secretary of Brilliant Circle Holdings International Limited (Stock Code: 1008) listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and has resigned on 28 February 2014. Mr. Yau is working in a private company. Mr. Yau obtained the Bachelor of Arts in Accounting from the University of Bolton, the UK. Mr. Yau has more than 18 years of experience in finance and accounting. Mr. Yau had worked as financial controller for two listed companies in Hong Kong and had previously worked in an international accounting firm. He is a fellow member of the Association of Chartered Certified Accountants and a certified public accountant of HKICPA. Mr. Yau has been appointed as an independent non-executive director, the Chairman of audit committee, members of nomination committee and remuneration committee on 16 May 2013.

Mr. Zhang Guang Hui, aged 50, has over ten years of experience in strategic marketing, sales promotion and trading. He was the deputy general manager of Shenzhen City Jin Yuan Futures Corporation Limited during the period from October 2004 to December 2008. Mr. Zhang has been appointed as an independent non-executive director, a member of audit committee and remuneration committee on 19 June 2009 and a member of nomination committee on 29 March 2012.

SENIOR MANAGEMENT

Chief Executive Officer

Mr. Zhao Bao Long, aged 50, was appointed as Chief Executive Officer of the Company on 11 April 2011. He has over 23 years of working experience in the mining sector in China and overseas. Mr. Zhao holds a Bachelor of Engineering degree in mining engineering from the Baotou Institute of Iron and Steel Technology, a Master of Science degree in mining engineering from Beijing University of Science and Technology and a Master of Science degree in environmental technology and management from the University of Waikato, New Zealand. Mr. Zhao is currently a member of Australia Institute of Mining and Metallurgy (MAusIMM). Mr. Zhao had worked as an independent mining consultant in Australia, and a researcher at the University of New South Wales, Australia in the fields of sustainable mining for a period of over 7 years. He had also worked as a mining engineering instructor at Baotou Institute of Iron and Steel Technology in the Inner Mongolia, the PRC. Mr. Zhao had held directorship and senior management positions in a number of renounced mining companies with mining projects and investments in Yunnan, Guangxi and Guizhou provinces – the Golden Triangle, and earlier in Yantai City of the PRC, involving in mining technology development, gold mining project development and operations, project financing and investment, as well as mine management including mine plan, mine scheduling, and environmental and safety management. Mr. Zhao was also an executive director of the Company during the period from 13 April 2010 to 28 January 2011.

Chief Operating Officer

Mr. Wang Zhao Qing, Tiger, aged 51 was appointed as Chief Operating Officer of the Company on 1 December 2013. He has over 25 years of working experience in the business operating sector in China. Mr. Wang studied in Guangzhou Customs District People's Republic of China and Jinan University Economics College from 1985 to 1989. Mr. Wang obtained his master degree of Business Administration in Hong Kong Baptist University (MBA). Mr. Wang has been admitted to the degree of Doctor of Business Administration in Victoria University Switzerland. From 2007 to 2008, he was a Senior Visiting Scholar in Asia School of Business Singapore completed research on <The Impacts & Implication of Entrepreneurship in China>. Mr. Wang has over 25 years' experience in the business operating sector and is familiar with financial and economic analysis, import and export management, sales etc.

Corporate Governance Report

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

CORPORATE GOVERNANCE PRACTICES

The corporate governance standards of the Company are built on the principles of independence, accountability, transparency and fairness. The Company has complied with the Code Provisions set out in the Corporate Governance Code with effect from 1 April 2012 (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited ("the Stock Exchange") throughout the year ended 31 March 2014.

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

CODE PROVISION A.4.1

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

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

CODE PROVISION A.6.7

Code Provision A.6.7 stipulates that independent non-executive directors ("INEDs") and other non-executive directors ("NEDs") should attend general meeting. Out of four INEDs of the Company, only three INEDs attended the annual general meeting of the Company held on 30 September 2013 (the "2013 AGM") but the other one INED and one NED were unable to attend the 2013 AGM due to other business engagement.

CODE PROVISION E.1.3

The Company should arrange for the notice to shareholders to be sent for annual general meeting at least 20 clear business days before the meeting. The Company had not given 20 clear business days before the 2013 AGM due to the 2013 AGM circular should need more time to be pre-vetted by the Stock Exchange.

DIRECTORS' SECURITIES TRANSACTIONS

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

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

THE BOARD OF DIRECTORS

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

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

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

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

Board Composition

The Board currently consists of six directors as follows:

Executive Directors
Mr. Chen Jiasong *(Chairman)*
Mr. Cheung Wai Shing

Independent Non-executive Directors
Mr. Chen Haoyun, Jordy
Mr. Lee Kwong Yiu
Mr. Yau Chung Hang (appointed on 16 May 2013)
Mr. Zhang Guang Hui

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

All Directors have different professional and relevant industry experiences and background so as to bring in valuable contributions and advices for the development of the Group's business. Currently, there are 4 out of 6 Directors are INEDs and one of them is qualified accountant. Biographical details of the Directors are set out in the section of "Biographical Information of Directors and Senior Management" in this Annual Report.

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

THE BOARD OF DIRECTORS (CONTINUED)

Chairman and Chief Executive Officer

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

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

Non-Executive Directors

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

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

Board Meetings

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

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

THE BOARD OF DIRECTORS (CONTINUED)

Board Meetings (Continued)

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

Name	Board	Audit Committee	Nomination Committee	Remuneration Committee
Total numbers of meetings held during the year ended 31 March 2014	11	2	2	1
Executives:				
Mr. Chen Jiasong	10/11	N/A	2/2	0/1
Mr. Cheung Wai Shing	10/11	N/A	2/2	1/1
Mr. Song Gaofeng (retired on 30 September 2013)	3/8	N/A	N/A	N/A
Ms. Ma Sai (resigned on 1 August 2013)	0	N/A	N/A	N/A
Non-Executive:				
Mr. Qiu Hai Jian (retired on 30 September 2013)	0	N/A	N/A	N/A
Independent Non-executives:				
Mr. Chen Haoyun, Jordy	9/11	N/A	N/A	N/A
Mr. Lee Kwong Yiu	9/11	2/2	2/2	1/1
Mr. Yau Chung Hang (appointed on 16 May 2013)	5/9	2/2	1/1	N/A
Mr. Zhang Guang Hui	9/11	2/2	2/2	1/1

Directors' training and professional development

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

CORPORATE GOVERNANCE FUNCTIONS

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

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

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

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

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

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

BOARD DIVERSITY POLICY

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

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

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

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

BOARD COMMITTEES

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

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

Remuneration Committee

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

The work of the RC during the year ended 31 March 2014 included the following matters:

i. reviewed and made recommendations to the Board the bonus payments for the year 2013 and the increment in remuneration packages for the year 2014 for all the Directors and senior management staff of the Company. The RC has considered factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration. Further details on the remuneration policy and the basis of determining the remuneration payable to the Directors and senior management are set out in the pages 69 to 72 of this Annual Report;

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

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

iv. The Group's share option scheme has been expired since 26 March 2012, a new share option scheme has been adopted on 30 September 2013; and

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

Further details on the remuneration policy and the basis of determining the remuneration payable to the Directors and senior management are set out in pages 69 to 72 of this Annual Report.

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

BOARD COMMITTEES (CONTINUED)

Remuneration Committee (Continued)

The RC currently consists of the following members:

Independent Non-executive Directors
Mr. Lee Kwong Yiu *(Chairman)*
Mr. Yau Chung Hang
Mr. Zhang Guang Hui

Executive Directors
Mr. Chen Jiasong
Mr. Cheung Wai Shing

Nomination Committee

The Company has established a nomination committee (the "NC") with revised written terms of reference in consistence with the CG Code for the purpose of reviewing the structure, size and composition of the Board on a regular basis and identifying individuals suitably qualified to become board members. It is also responsible for accessing the independence of independent non-executive directors and making recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors. On 29 November 2013, the Board has approved and adopted a Board Diversity Policy. The revised written terms of reference are posted on the websites of the Company and the Stock Exchange.

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

The work of the NC during the year ended 31 March 2014 included the following matters:–

i. nominated Mr. Yau Chung Hang ("Mr. Yau") as INED to join the Board of the Company in order to comply with the Rules 3.21 and 3.27 of the Listing Rules;

ii. appointed Mr. Wang Zhao Qing, Tiger ("Mr. Wang") as chief operating officer of the Company;

iii. made recommendation to the Board on Messrs. Mr. Yau and Wang's appointments;

iv. evaluated Messrs. Yau and Wang's skills, qualifications, knowledge and experiences; and

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

The biographies of Messrs. Yau and Wang are set out in the section of "Biographical Information of Directors and Senior Management" in this Annual Report. Mr. Yau had held the office until the 2013 AGM and had been re-elected at the 2013 AGM.

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

BOARD COMMITTEES (CONTINUED)

Nomination Committee (Continued)

The NC currently consists of the following members:

Independent Non-executive Directors
Mr. Lee Kwong Yiu
Mr. Yau Chung Hang
Mr. Zhang Guang Hui

Executive Directors
Mr. Chen Jiasong *(Chairman)*
Mr. Cheung Wai Shing

Audit Committee

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

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

During the year ended 31 March 2014, the AC held 2 meetings and the work of AC included the following matters:–

i. discussed with management the status of annual results for the year ended 31 March 2014, interim results for the year ended 30 September 2013 and reported the comments from the Stock Exchange from time to time;

ii. reviewed and discussed with management and the external auditors regarding the unaudited interim financial statements for the six months ended 30 September 2013 and management letter;

iii. reviewed the effectiveness of internal control system;

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

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

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

The number of AC meetings held during the year and record of individual attendance of members, on a named basis, at meetings held during was set out in section headed "Board Meetings" above. The Group's Annual Report for the year ended 31 March 2014 has been reviewed by the AC.

BOARD COMMITTEES (CONTINUED)

Audit Committee (Continued)

The AC currently consists of the following members. Mr. Yau Chung Hang is the certified public accountant for many years.

Independent Non-executive Directors
Mr. Yau Chung Hang *(Chairman)*
Mr. Lee Kwong Yiu
Mr. Zhang Guang Hui

Accountability and Audit

Financial Reporting

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other regulatory requirement. The directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 March 2014.

A statement by the independent auditors of the Company about their reporting responsibilities is included in the Independent Auditors' Report on pages 35 to 36 of this Annual Report. The details of the internal controls of the Company and the audit committee are set out under the section "Internal Control" and "Audit Committee".

Internal Control

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

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

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

AUDITOR'S REMUNERATION

For the financial year, SHINEWING (HK) CPA Limited is the auditor of the Company. Fee paid or payable to the auditor for audit service provided to the Group is approximately HK$1,055,000. The auditor's remuneration has been duly approved by the Audit Committee and there was no disagreement between the Board and the Audit Committee on the selection and appointment of the auditor. During the financial year, fee paid or payable to the auditor for non-audit services provided to the Group was approximately HK$675,000, most of which was related to the professional accountancy works for the Group's proposed acquisition.

COMPANY SECRETARY

Mr. Cheung Wai Shing ("Mr. Cheung"), the Company Secretary of the Company, has confirmed that for the year ended 31 March 2014, he has complied with Rule 3.29 of the Listing Rules. Mr. Cheung has taken no less than 15 hours of relevant professional training. Mr. Cheung is also the Executive Director of the Company his biography is set out in the section of "Biographical Information of Directors and Senior management" in this Annual Report.

COMMUNICATION WITH SHAREHOLDERS

Effective communication

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

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

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

Voting by poll

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

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

SHAREHOLDERS' RIGHTS

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

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

Shareholders' Enquiries to the Board

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

CONSTITUTIONAL DOCUMENTS

For the year ended 31 March 2014, there has been no significant change in the constitutional documents of the Company.

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

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

We have audited the consolidated financial statements of ABC Communications (Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 37 to 91, which comprise the consolidated statement of financial position as at 31 March 2014, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

Independent Auditor's Report

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 March 2014, and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

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

Hong Kong
30 June 2014

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2014

	Notes	2014 HK$	2013 HK$
Turnover	7	**59,965,275**	68,747,913
Cost of sales		**(45,220,897)**	(52,422,855)
Gross profit		**14,744,378**	16,325,058
Other income and gain	8	**1,375,004**	1,440,494
Decrease in fair value of held for trading investment	24	**(4,680)**	(2,210,565)
Realised loss on held for trading investment	24	**(78,365)**	(1,899,070)
Fair value losses on derivative financial assets		**–**	(15,000)
Selling and distribution costs		**(1,151,234)**	(1,160,408)
General and administrative expenses		**(40,700,922)**	(35,247,031)
Finance costs	9	**(384,778)**	(799,471)
Loss before tax	10	**(26,200,597)**	(23,565,993)
Income tax expense	13	**(54,545)**	(6,960)
Loss for the year		**(26,255,142)**	(23,572,953)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation for the year		**1,253,237**	4,258,565
Total comprehensive expense for the year		**(25,001,905)**	(19,314,388)
Loss for the year		**(26,255,142)**	(23,572,953)
Loss for the year attributable to:			
Owners of the Company		**(23,453,872)**	(22,258,263)
Non-controlling interests		**(2,801,270)**	(1,314,690)
		(26,255,142)	(23,572,953)
Total comprehensive expense for the year		**(25,001,905)**	(19,314,388)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(23,052,469)**	(19,173,974)
Non-controlling interests		**(1,949,436)**	(140,414)
		(25,001,905)	(19,314,388)
Loss per share			
Basic and diluted	14	**(1.62 cents)**	(2.12 cents)

Consolidated Statement of Financial Position

As at 31 March 2014

	Notes	2014 HK$	2013 HK$
Non-current assets			
Property, plant and equipment	15	**71,632,641**	68,052,797
Prepaid lease payments	16	**1,528,327**	1,626,953
Intangible assets	17	**320,637,792**	318,573,940
Prepayments for exploration and evaluation activities	18	**13,189,290**	12,791,819
Prepayment for acquisition of a subsidiary	23	**60,000,000**	–
Available-for-sale investment	19	**60,000,000**	–
		526,988,050	401,045,509
Current assets			
Trade receivables	20	**4,798,879**	6,375,134
Other receivables, deposits and prepayments	21	**23,389,148**	4,150,031
Loan receivables	22	**–**	41,649,280
Deposits paid for acquisition of subsidiaries	23	**–**	34,800,000
Held for trading investment	24	**18,460**	1,772,435
Bank balances and cash	25	**40,855,102**	31,395,321
		69,061,589	120,142,201
Current liabilities			
Trade and other payables	26	**20,815,998**	16,906,693
Advance subscriptions and licence fees received		**2,417,113**	2,271,841
Amount due to a substantial shareholder	27	**–**	754,385
Amounts due to directors	27	**–**	1,834,821
Amount due to non-controlling interest of a subsidiary	28	**4,375,651**	4,375,651
Tax payable		**2,209,690**	2,184,836
		29,818,452	28,328,227
Net current assets		**39,243,137**	91,813,974
Total assets less current liabilities		**566,231,187**	492,859,483

Consolidated Statement of Financial Position

As at 31 March 2014

	Notes	2014 HK$	2013 HK$
Non-current liabilities			
Provision for reinstatement costs	29	**792,792**	787,689
Bonds	30	**27,667,000**	–
Deferred tax liabilities	31	**76,796,772**	76,302,451
		105,256,564	77,090,140
		460,974,623	415,769,343
Capital and reserves			
Share capital	32	**16,553,472**	11,677,972
Reserves		**323,443,923**	281,164,707
Equity attributable to owners of the Company		**339,997,395**	292,842,679
Non-controlling interests		**120,977,228**	122,926,664
		460,974,623	415,769,343

The consolidated financial statements on pages 37 to 91 were approved and authorised for issue by the board of directors on 30 June 2014 and are signed on its behalf by:

Chen Jiasong	**Cheung Wai Shing**
Director	*Director*

Consolidated Statement of Changes in Equity

For the year ended 31 March 2014

	Attributable to owners of the Company								
	Share capital HK$	Share premium HK$	Capital redemption reserve HK$	Convertible bonds reserve HK$	Exchange reserve HK$	Retained earnings (accumulated losses) HK$	Sub-total HK$	Non-controlling interests HK$	Total HK$
At 1 April 2012	6,406,432	158,234,075	176,000	169,000	6,271,677	11,227,240	182,484,424	123,067,078	305,551,502
Loss for the year	–	–	–	–	–	(22,258,263)	(22,258,263)	(1,314,690)	(23,572,953)
Other comprehensive income for the year									
Exchange differences arising on translation	–	–	–	–	3,084,289	–	3,084,289	1,174,276	4,258,565
Total comprehensive income (expense) for the year	–	–	–	–	3,084,289	(22,258,263)	(19,173,974)	(140,414)	(19,314,388)
Reclassification on maturity of convertible bonds	–	–	–	(169,000)	–	169,000	–	–	–
Issue of shares on placing of shares (note 32)	5,271,540	129,633,500	–	–	–	–	134,905,040	–	134,905,040
Transaction costs attributable to placing of shares	–	(5,372,811)	–	–	–	–	(5,372,811)	–	(5,372,811)
At 31 March 2013 and 1 April 2013	11,677,972	282,494,764	176,000	–	9,355,966	(10,862,023)	292,842,679	122,926,664	415,769,343
Loss for the year	–	–	–	–	–	(23,453,872)	(23,453,872)	(2,801,270)	(26,255,142)
Other comprehensive income for the year									
Exchange differences arising on translation	–	–	–	–	401,403	–	401,403	851,834	1,253,237
Total comprehensive income (expense) for the year	–	–	–	–	401,403	(23,453,872)	(23,052,469)	(1,949,436)	(25,001,905)
Issue of shares on placing of shares (note 32)	4,875,500	68,257,000	–	–	–	–	73,132,500	–	73,132,500
Transaction costs attributable to placing of shares	–	(2,925,315)	–	–	–	–	(2,925,315)	–	(2,925,315)
At 31 March 2014	16,553,472	347,826,449	176,000	–	9,757,369	(34,315,895)	339,997,395	120,977,228	460,974,623

Consolidated Statement of Cash Flows

For the year ended 31 March 2014

	2014 HK$	2013 HK$
OPERATING ACTIVITIES		
Loss before tax	**(26,200,597)**	(23,565,993)
Adjustments for:		
Depreciation of property, plant and equipment	**3,582,484**	2,900,775
Amortisation of prepaid lease payments	**110,138**	107,107
Decrease in fair value of held for trading investment	**4,680**	2,210,565
Realised loss on held for trading investment	**78,365**	1,899,070
Fair value losses on derivative financial assets	**–**	15,000
Finance costs	**384,778**	799,471
Interest income	**(866,382)**	(1,291,854)
Operating cash flows before movements in working capital	**(22,906,534)**	(16,925,859)
Decrease (increase) in trade receivables	**1,586,461**	(824,803)
(Increase) decrease in other receivables, deposits and prepayments	**(1,103,477)**	1,558,877
Decrease in held for trading investment	**1,670,930**	2,391,930
Increase (decrease) in trade and other payables	**3,093,753**	(3,108,501)
Increase (decrease) in advance subscriptions and licence fees received	**145,272**	(287,624)
NET CASH USED IN OPERATIONS	**(17,513,595)**	(17,195,980)
Taxes paid	**(54,545)**	–
NET CASH USED IN OPERATING ACTIVITIES	**(17,568,140)**	(17,195,980)
INVESTING ACTIVITIES		
Repayment of loans from independent third parties	**41,649,280**	187,545
Refund of deposits paid for acquisition of subsidiaries	**30,000,000**	–
Interest received	**269,099**	285,804
Deposit and prepayment for acquisition of subsidiaries	**(60,000,000)**	(4,800,000)
Acquisition of available-for-sale investment	**(60,000,000)**	–
Loans advanced to independent third parties	**(17,535,000)**	(41,836,825)
Purchases of property, plant and equipment	**(1,946,647)**	(113,258)
Prepayments for exploration and evaluation activities	**(314,600)**	(987,727)
NET CASH USED IN INVESTING ACTIVITIES	**(67,877,868)**	(47,264,461)
FINANCING ACTIVITIES		
Proceeds from placing of shares	**73,132,500**	134,905,040
Expenses paid for placing of shares	**(2,925,315)**	(5,372,811)
Proceeds from issue bonds	**30,000,000**	–
Expenses paid for issue of bonds	**(2,400,000)**	–
Repayments to directors	**(1,834,821)**	(7,955,509)
Repayment to non-controlling interest of a subsidiary	**–**	(123,530)
Repayment to a substantial shareholder	**(754,385)**	(19,428,000)
Interest paid	**(317,778)**	(855,536)
Repayment of promissory notes	**–**	(37,040,000)
NET CASH FROM FINANCING ACTIVITIES	**94,900,201**	64,129,654
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**9,454,193**	(330,787)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**31,395,321**	31,322,480
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**5,588**	403,628
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	**40,855,102**	31,395,321

1. GENERAL INFORMATION

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

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

As at 31 March 2014, the Company did not have a parent.

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

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

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

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2011 Cycle
Amendments to HKFRS 1	Government Loans
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
HKAS 19 (revised 2011)	Employee Benefits
HKAS 27 (revised 2011)	Separate Financial Statements
HKAS 28 (revised 2011)	Investments in Associates and Joint Ventures
HK(IFRIC*) – int 20	Stripping Costs in the Production Phase of a Surface Mine

* IFRIC represents the International Financial Reporting Interpretations Committee.

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

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

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a "statement of comprehensive income" is renamed as a "statement of profit or loss and other comprehensive income" and an "income statement" is renamed as a "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 items of other comprehensive income to be 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.

Amendments to HKFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities

The Group has applied the amendments to HKFRS 7 *Disclosures – Offsetting Financial Assets and Financial Liabilities* for the first time in the current year. The amendments to HKFRS 7 require entities to disclose information about:

a) recognised financial instruments that are set off in accordance with HKAS 32 *Financial Instruments: Presentation*; and

b) recognised financial instruments that are subject to an enforceable master netting agreement or similar agreement, irrespective of whether the financial instruments are set off in accordance with HKAS 32.

The amendments to HKFRS 7 have been applied retrospectively. As the Group does not have any offsetting arrangements or any master netting agreements in place, the application of the amendments has had no material impact on the disclosures or on the amounts recognised in the consolidated financial statements.

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

In the current year, the Group has applied for the first time HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (revised 2011) and HKAS 28 (revised 2011) together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding transitional guidance. HKAS 27 (revised 2011) is not applicable to the Group as it deals only with separate financial statements. HKFRS 11 is not applicable to the Group as the Group does not have any joint arrangements.

The impact of the application of these standards is set out below.

HKFRS 10 Consolidated Financial Statements

HKFRS 10 replaces the parts of HKAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements and Hong Kong (Standard Interpretation Committee) – Int 12 *Consolidation – Special Purpose Entities*. HKFRS 10 changes the definition of control such that an investor has control over an investee if and only if it has a) power over the 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. All these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

As a result of the initial application of HKFRS 10, the directors of the Company made an assessment whether the Group has control over its investees at the date of initial application and concluded that the application of HKFRS 10 does not result in any change in control conclusions.

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

HKFRS 12 Disclosure of Interests in Other Entities

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 application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements. Details are set out in note 41.

HKFRS 13 Fair Value Measurement

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements for 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 for share-based payment transactions within the scope of HKFRS 2 *Share-based Payment*, leasing transactions within the scope of HKAS 17 *Leases* and measurements that have some similarities to fair value but are not fair value.

HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

HKFRS 13 has been applied prospectively as of the beginning of the annual period and resulted in additional disclosure as set out in note 6 to the consolidated financial statements. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

New and revised HKFRSs issued but not yet effective

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

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[2]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[1]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[4]
HKFRS 9	Financial Instruments[3]
HKFRS 14	Regulatory Deferral Accounts[4]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptance Methods of Depreciation and Amortisation[4]
Amendments to HKAS 19	Defined Benefit Plans – Employee Contributions[2]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
HK(IFRIC) – Int 21	Levies[1]

1 Effective for annual periods beginning on or after 1 January 2014, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.
3 HKFRS 9, as amended in December 2013, amended the mandatory effective date of HKFRS 9. The mandatory effective date is not specified in HKFRS 9 but will be determined when the outstanding phases are finalised. However, application of HKFRS 9 is permitted.
4 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

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

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

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

Annual Improvements to HKFRSs 2010-2012 Cycle

The Annual Improvements to HKFRSs 2010-2012 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to HKFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to HKFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of HKFRS 9 or HKAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to HKFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to HKFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision maker.

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to HKAS 16 and HKAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to HKAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

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

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

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

Annual Improvements to HKFRSs 2011-2013 Cycle

The *Annual Improvements* to *HKFRSs 2011-2013 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The amendments to HKAS 40 clarify that HKAS 40 and HKFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of HKAS 40; and

(b) the transaction meets the definition of a business combination under HKFRS 3.

The directors of the Company anticipates that the application of the amendments included in the Annual Improvements to *HKFRSs 2011-2013 Cycle* will not have a material effect on the Group's consolidated financial statements.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 includes the requirements for the classification and measurement subsequently of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for hedge accounting that will allow entities to better reflect their risk management activities in the financial statements.

Key requirements of HKFRS 9 are described as follows:

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

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

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

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

HKFRS 9 Financial Instruments (Continued)

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

The effective date of HKFRS 9 is not yet determined. However, earlier application is permitted.

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 Investment Entities

The amendments to HKFRS 10 define an investment entity and introduce an exception to consolidating subsidiaries for an investment entity, except where the subsidiaries provide services that relate to the investment entity's investment activities. Under the amendments to HKFRS 10, an investment entity is required to measure its interests in subsidiaries at fair value through profit or loss.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with professional investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments to HKFRS 12 and HKAS 27 have been made to introduce new disclosure requirements for investment entities.

The amendments to HKFRS 10, HKFRS 12 and HKAS 27 are effective for annual periods beginning on or after 1 January 2014 with early application permitted. The directors of the Company anticipate that the application of the amendments will have no effect on the Group as the Company is not an investment entity.

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities

The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

The amendments to HKAS 32 are effective for annual periods beginning on or after 1 January 2014 with early application permitted and require retrospective application.

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

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

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities (Continued)

The directors of the Company anticipate that the application of the amendments to HKAS 32 will not have significant impact on the Group's consolidated financial statements as the Group does not have any financial assets and financial liabilities that qualify for offset.

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

The amendments to HKAS 36 require disclosures on additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. If the recoverable amount is fair value less costs of disposal, an entity shall disclose the level of the fair value hierarchy within which the fair value measurement of the asset or cash generating unit is categorised in its entirety. The Group is required to make additional disclosures for Level 2 and Level 3 of the fair value hierarchy:

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

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

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

The amendments to HKAS 36 are effective for annual periods beginning on or after 1 January 2014 with earlier application permitted, provided HKFRS 13 is also applied, and require retrospective application.

The directors of the Company anticipate that the application of the amendments to HKAS 36 may result in additional disclosures being made with regard to the impairment assessment on non-financial assets.

3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The principal accounting policies are set out below.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation

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

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

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

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

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

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

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

Revenue recognition

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

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

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

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

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

Property, plant and equipment

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

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

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

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

Leasing

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

The Group as lessor

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

The Group as lessee

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

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

Prepaid lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

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

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

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

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

Borrowing costs

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

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

Retirement benefits costs

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

Taxation

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

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

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

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

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

Current and deferred tax are recognised in profit or loss.

Intangible assets

Intangible assets acquired in a business combination

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

Subsequent to initial recognition, intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses.

Mining right and reserves

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

Exploration rights

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (Continued)

Exploration rights (Continued)

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

Cash and cash equivalents

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

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

Financial instruments

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

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

Financial assets

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

Effective interest method

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at FVTPL

Financial assets at FVTPL are financial assets held for trading.

A financial asset is classified as held for trading if:

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

A financial asset other than a financial asset held for trading may be designated as at FVTPL 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 FVTPL.

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

Loans and receivables

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

Available-for-sale financial assets

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

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

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

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

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

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments

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

Equity instruments

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

Effective interest method

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

Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities including trade and other payables, amounts due to a substantial shareholder, directors, non-controlling interest of a subsidiary and bonds, are subsequently measured at amortised cost, using the effective interest method.

Derecognition

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

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

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

Provision for reinstatement costs

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

Provisions are measured at the best estimation 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurement

When measuring fair value, except for the Group's share-based payment transactions, and value in use of certain property, plant and equipment and intangible assets for the purpose of impairment assessment, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

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

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

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

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

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

Impairment losses on tangible and intangible assets

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

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

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

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a systematic basis over their estimated useful lives, after taking into account their estimated residual value. The Group assesses annually the residual value and the useful life of the property, plant and equipment. If the expectation differs from the original estimates, such differences from the original estimates will affect the depreciation charges in the year in which the estimates change. The carrying amount of the Group's property, plant and equipment as at 31 March 2014 was HK$71,632,641 (2013: HK$68,052,797).

Impairment of mining assets and property, plant and equipment

The carrying amounts of mining assets and property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount of these assets, or, where appropriate, the cash-generating unit to which they belong, is the higher of their fair value less costs of disposal and value in use. Estimating the value in use requires the Group to estimate the expected future cash flows from the cash-generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of mining assets and property, plant and equipment as at 31 March 2014 were HK$317,116,790 (2013: HK$315,100,600) and HK$71,632,641 (2013: HK$68,052,797) respectively.

Impairment of exploration rights

The carrying amounts of exploration rights are assessed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable. Such assessment is made with reference to the likelihood of such rights not being renewed on expiry, the likelihood that commercially viable quantities of mineral resources are not discovered and the likelihood that the carrying amounts cannot be recovered through further development or sales. The carrying amount of the Group's exploration rights as at 31 March 2014 was HK$3,521,002 (2013: HK$3,473,340).

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Mining reserves

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

Despite the inherent imprecision in these engineering estimates, these estimates are used in determining depreciation expenses and impairment losses. The capitalised cost of mining right is depreciated over the estimated useful lives. The useful lives are reviewed annually in accordance with the production plans of the Group and the proven and probable reserves of the mines.

Provision for reinstatement costs

Provision for reinstatement costs is estimated and reassessed at the end of each reporting period with reference to the latest available quotation from independent contractors. Estimation based on current market information may vary over time and could differ from the actual reinstatement cost upon full extraction of the mining reserves by the Group. The carrying amount of the Group's provision for reinstatement costs as at 31 March 2014 was HK$792,792 (2013: HK$787,689).

Estimated impairment loss on trade receivables, other receivables and loan receivables

The Group makes impairment loss based on an assessment of the recoverability of trade receivables, other receivables and loan receivables. Allowances are applied to trade receivables, other receivables and loan receivables where events or change in circumstances indicate that the balances may not be collectible. The identification of doubtful debts requires the use of judgement and estimates. In determining whether impairment loss on receivables is required, the Group takes into consideration the current creditworthiness, the past collection history, age status and likelihood of collection. Specific allowance is only made for receivables that are unlikely to be collected and is recognised on the difference between the estimated future cash flow expected to receive discounted using the original effective interest rate and its carrying amount. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required. The carrying amount of the Group's trade receivables, other receivables, and loan receivables was HK$4,798,879 (2013: HK$6,375,134), HK$19,138,333 (2013: HK$1,006,050) and nil (2013: HK$41,649,280) respectively.

Estimated impairment loss on available-for-sale investment

In determining whether the Group's investment in available-for-sale investment is impaired requires an estimation of the recoverable amount. Impairment assessment had been carried out at the end of the reporting period on the investments in their entirety with reference to the investee companies' financial performance and financial position. In the opinion of the directors, no impairment is considered necessary. As at 31 March 2014, the carrying amount of the Group's available-for-sale investment is HK$60,000,000 (2013: nil).

5. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt, which included the amounts due to a substantial shareholder, directors and non-controlling interest of a subsidiary and bonds, bank balances and cash, and equity attributable to owners of the Company, comprising issued share capital and reserves.

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

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2014	2013
	HK$	HK$
Financial assets		
FVTPL:		
Held for trading investment	**18,460**	1,772,435
Available-for-sale investment	**60,000,000**	–
Loans and receivables (including bank balances and cash)	**68,044,466**	117,403,606
	128,062,926	119,176,041
Financial liabilities		
Financial liabilities at amortised cost	**45,985,301**	19,123,671

(b) Financial risk management objectives and policies

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

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

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

6. FINANCIAL INSTRUMENTS (CONTINUED)

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

Market risk

(i) Foreign exchange risk

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

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

	Assets	
	2014	2013
	HK$	HK$
Renminbi ("RMB")	**10,106,539**	10,188,683

Sensitivity analysis

The Group is mainly exposed to the currency of RMB.

For a 5% (2013: 5%) strengthening/weakening in the functional currency of the respective group entities against the relevant foreign currency, the Group's post-tax loss for the year would decrease/increase by HK$505,327 (2013: HK$509,434). 5% (2013: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, and adjusts their translation at the year end for a 5% (2013: 5%) change in foreign currency rates.

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to the fixed-rate bonds and loan receivables issued by the Group. The Group currently does not have any interest rate hedging policy. However, the management monitors interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated.

The Group is also exposed to the cash flow interest rate risk in relation to variable-rate bank balances (see note 25 for details). The Group's exposure to interest rate risk is minimal as the bank balances have a short maturity period.

(iii) Other price risk

The Group is exposed to equity price risk through its investment in listed equity securities. The Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risk at the reporting date.

If the price of the equity investment had been 5% (2013: 5%) higher/lower, the post-tax loss for the year would decrease/increase by HK$771 (2013: HK$73,999) as a result of the change in fair value of held for trading investment.

6. FINANCIAL INSTRUMENTS (CONTINUED)

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

Credit risk

As at 31 March 2014, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

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

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

The Group has concentration of credit risk as 40% (2013: 34%) and 68% (2013: 76%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

The Group's concentration of credit risk by geographical locations is mainly in Hong Kong, which accounted for 99% (2013: 75%) of the total trade receivables as at 31 March 2014.

Liquidity risk

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

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. For non-derivative financial liabilities, the table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

6. FINANCIAL INSTRUMENTS (CONTINUED)

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

Liquidity risk (Continued)

	On demand or less than one year HK$	One to five years HK$	Total undiscounted cash flows HK$	Carrying amount HK$
As at 31 March 2014				
Non-derivative financial liabilities:				
Trade and other payables	**13,942,650**	**–**	**13,942,650**	**13,942,650**
Amount due to non-controlling interest of a subsidiary	**4,375,651**	**–**	**4,375,651**	**4,375,651**
Bonds	**1,650,000**	**28,632,222**	**30,282,222**	**27,667,000**
	19,968,301	**28,632,222**	**48,600,523**	**45,985,301**
As at 31 March 2013				
Non-derivative financial liabilities:				
Trade and other payables	12,158,814	–	12,158,814	12,158,814
Amount due to a substantial shareholder	754,385	–	754,385	754,385
Amounts due to directors	1,834,821	–	1,834,821	1,834,821
Amount due to non-controlling interest of a subsidiary	4,375,651	–	4,375,651	4,375,651
	19,123,671	–	19,123,671	19,123,671

Principal repayment of the Group's bonds with an early redemption option by the bondholders is included in the "one to five years" time band in the above maturity analysis. At 31 March 2014, the aggregate undiscounted principal amount of the bonds amounted to HK$31,865,222 (2013: nil). Taking into account the Group's financial position and that the bonds will only be redeemed at 80% of the principal, the directors of the Company do not believe that it is probable that the bondholders will exercise the early redemption option, which is available to the bondholders after the fourth anniversary of the bonds. In addition, taking into account the expected increase in interest rate in the future, the directors of the Company do not consider it is probable for the Company to exercise its early redemption option after the fifth anniversary of the bonds. Thus, the directors of the Company believe that the bonds will be repaid on the maturity of the bonds (seventh anniversary). At that time, the aggregate principal and interest cash outflows will amount to HK$41,232,222 (2013: nil).

6. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value

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

The fair value of held for trading investment with standard terms and conditions and traded in active liquid market is determined with reference to quoted market bid price.

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

Fair value measurement recognised in the consolidated statement of financial position

The measurements of fair value of financial instruments subsequent to initial recognition are grouped into Levels 1 to 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

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

– Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

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

The fair value of the Group's held for trading investment of HK$18,460 (2013: HK$1,772,435) as at 31 March 2014 fall within Level 1 based on the quoted price from the Stock Exchange.

7. TURNOVER AND SEGMENT INFORMATION

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

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

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

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

7. TURNOVER AND SEGMENT INFORMATION (CONTINUED)

Segment revenues and results

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

For the year ended 31 March 2014

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

For the year ended 31 March 2013

	Financial quotation and securities trading system licensing HK$	Mining operations HK$	Total HK$
Turnover	66,181,538	2,566,375	68,747,913
Segment loss	(138,279)	(2,533,951)	(2,672,230)
Unallocated corporate income and gains			1,155,614
Unallocated corporate expenses and losses			(21,249,906)
Finance costs			(799,471)
Loss before tax			(23,565,993)

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

7. TURNOVER AND SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

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

	2014 HK$	2013 HK$
Segment assets		
Financial quotation and securities trading system licensing	**34,412,230**	35,381,260
Mining operations	**403,053,303**	401,839,872
Unallocated corporate assets	**158,584,106**	83,966,578
Consolidated total assets	**596,049,639**	521,187,710

	2014 HK$	2013 HK$
Segment liabilities		
Financial quotation and securities trading system licensing	**9,717,378**	10,256,029
Mining operations	**93,599,593**	91,609,565
Unallocated corporate liabilities	**31,758,045**	3,552,773
Consolidated total liabilities	**135,075,016**	105,418,367

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

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

– all liabilities are allocated to reportable and operating segments other than certain other payables, amounts due to a substantial shareholder and directors and bonds which are managed on a group basis.

In measuring the Group's segment liabilities, tax payable of HK$2,209,690 (2013: HK$2,184,836) and deferred tax liabilities of HK$76,796,772 (2013: HK$76,302,451) were allocated to the mining operations segment. However, the relevant income tax expense of HK$54,545 (2013: HK$6,960) was not included in the measurement of segment results.

7. TURNOVER AND SEGMENT INFORMATION (CONTINUED)

Other segment information

	Financial quotation and securities trading system licensing HK$	Mining operations HK$	Unallocated HK$	Total HK$
2014				
Amounts included in the measure of segment results or segment assets:				
Depreciation of property, plant and equipment	**303,718**	**2,210,644**	**1,068,122**	**3,582,484**
Amortisation of prepaid lease payment	**–**	**110,138**	**–**	**110,138**
Additions to non-current assets*	**60,592**	**2,192,326**	**4,808,329**	**7,061,247**
Interest income	**(260,614)**	**–**	**(605,768)**	**(866,382)**
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment results or segment assets:				
Decrease in fair value of held for trading investment	**–**	**–**	**4,680**	**4,680**
Realised loss on held for trading investment	**–**	**–**	**78,365**	**78,365**
Finance costs	**–**	**–**	**384,778**	**384,778**
Income tax expense	**–**	**54,545**	**–**	**54,545**
2013				
Amounts included in the measure of segment results or segment assets:				
Depreciation of property, plant and equipment	394,938	2,128,473	377,364	2,900,775
Amortisation of prepaid lease payment	–	107,107	–	107,107
Additions to non-current assets*	255,133	16,054,880	13,124	16,323,137
Interest income	(284,880)	–	(1,006,974)	(1,291,854)
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment results or segment assets:				
Fair value losses on derivative financial assets	–	–	15,000	15,000
Decrease in fair value of held for trading investment	–	–	2,210,565	2,210,565
Realised loss on held for trading investment	–	–	1,899,070	1,899,070
Finance costs	–	–	799,471	799,471
Income tax expense	–	6,960	–	6,960

* Including additions through acquisition of a subsidiary of HK$4,800,000 (2013: nil) (note 34).

7. TURNOVER AND SEGMENT INFORMATION (CONTINUED)

Revenue from major product and services

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

	2014	2013
	HK$	HK$
Revenue from financial quotation and securities trading system licensing services	**58,705,399**	65,620,620
Revenue from wireless applications	**570,072**	560,918
Revenue from mining operations	**689,804**	2,566,375
	59,965,275	68,747,913

Geographical information

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

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

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

	Hong Kong		PRC (excluding Hong Kong)		Total	
	2014	2013	**2014**	2013	**2014**	2013
	HK$	HK$	**HK$**	HK$	**HK$**	HK$
For the year ended 31 March						
Segment revenue	**59,275,471**	66,181,538	**689,804**	2,566,375	**59,965,275**	68,747,913
As at 31 March						
Non-current assets	**5,151,081**	1,592,576	**461,836,969**	399,452,933	**466,988,050**	401,045,509

Information about major customers

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

	2014	2013
	HK$	HK$
Customer A[1]	**29,201,453**	33,975,350

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

8. OTHER INCOME AND GAIN

	2014 HK$	2013 HK$
Bank interest income	**263,049**	285,804
Exchange gains	**782**	148,640
Loan interest income	**603,333**	1,006,050
Rental Income	**507,840**	–
	1,375,004	1,440,494

9. FINANCE COSTS

	2014 HK$	2013 HK$
Effective interest expense on bonds not wholly repayable within 5 years	**384,778**	–
Imputed interest expense on convertible bonds	**–**	148,000
Interest on promissory notes wholly repayable within 5 years	**–**	604,055
Loan interest expense to a former director	**–**	47,416
	384,778	799,471

10. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	2014 HK$	2013 HK$
Depreciation of property, plant and equipment	**3,582,484**	2,900,775
Auditor's remuneration	**1,055,000**	835,000
Employee benefit expenses (note 11)	**19,157,449**	20,119,454
Amortisation of prepaid lease payments	**110,138**	107,107
Minimum lease payments under operating leases in respect of land and buildings	**3,569,790**	3,419,643

11. EMPLOYEE BENEFIT EXPENSES

	2014 HK$	2013 HK$
Wages, salaries and other benefits (including directors' remunerations)	**18,587,572**	19,586,374
Retirement benefit costs (including directors' remunerations) – defined contribution scheme (note a)	**569,877**	533,080
	19,157,449	20,119,454

11. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(a) Retirement benefit costs – defined contribution schemes

No forfeited contribution was available at the end of the reporting period to reduce future contributions (2013: nil).

(b) Directors' and senior management's emoluments

The remuneration of every director and the chief executive for the year ended 31 March 2014 is set out below:

Name of director	Fees HK$	Salary HK$	Discretionary bonus (note) HK$	Employer's contribution to retirement schemes HK$	Total HK$
Executive directors					
Chen Jiasong (Chairman)	1,300,000	131,040	–	29,862	1,460,902
Cheung Wai Shing	1,300,000	–	–	15,000	1,315,000
Song Gao Feng (retired on 30 September 2013)	30,000	–	–	–	30,000
Ma Sai (retired on 1 August 2013)	–	–	–	–	–
	2,630,000	131,040	–	44,862	2,805,902
Non-executive director					
Qiu Hai Jian (resigned on 30 September 2013)	30,000	–	–	–	30,000
Independent non-executive directors					
Lee Kwong Yiu	240,000	–	–	–	240,000
Zhang Guang Hui	240,000	–	–	–	240,000
Chen Haoyun, Jordy	120,000	–	–	–	120,000
Yau Chung Hang (appointed on 16 May 2013)	105,161	–	–	–	105,161
	705,161	–	–	–	705,161
Senior Management					
Zhao Bao Long, CEO	–	1,300,000	–	15,000	1,315,000
TOTAL	3,365,161	1,431,040	–	59,862	4,856,063

11. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(b) Directors' and Senior Management's emoluments (continued)

The remuneration of every director and the chief executive for the year ended 31 March 2013 was set out below:

Name of director	Fees HK$	Salary HK$	Discretionary bonus (note) HK$	Employer's contribution to retirement scheme HK$	Total HK$
Executive directors					
Chen Jiasong (Chairman)	650,000	118,527	1,500,000	3,457	2,271,984
Cheung Wai Shing	598,000	–	1,500,000	14,500	2,112,500
Song Gao Feng	60,000	–	–	–	60,000
Ma Sai	120,000	–	–	–	120,000
Choy Kai Chung, Andy (resigned on 18 February 2013)	106,071	–	–	–	106,071
Lau Kevin (resigned on 18 February 2013)	212,143	–	–	–	212,143
	1,746,214	118,527	3,000,000	17,957	4,882,698
Non-executive director					
Qiu Hai Jian	60,000	–	–	–	60,000
Independent non-executive directors					
Lee Kwong Yiu	120,000	–	–	–	120,000
Zhang Guang Hui	120,000	–	–	–	120,000
Chen Haoyun, Jordy (appointed on 28 December 2012)	31,290	–	–	–	31,290
Lee Ho Yiu, Thomas (resigned on 18 February 2013)	106,071	–	–	–	106,071
	377,361	–	–	–	377,361
Senior Management					
Zhao Bao Long, CEO	–	1,300,000	–	14,500	1,314,500
TOTAL	2,183,575	1,418,527	3,000,000	32,457	6,634,559

No emoluments were paid by the Group to any directors or the chief executive of the Group as an inducement to join or upon joining the Group, or as compensation for loss of office for the two years ended 31 March 2014 and 2013.

No director or the chief executive waived or agreed to waive his emoluments during the two years ended 31 March 2014 and 2013.

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

11. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(c) Five highest paid individuals

Of the five individuals with the highest emoluments in the Group, three (2013: three) were directors and the chief executive of the Company whose emoluments are disclosed in note (b) above. The emoluments of the remaining two (2013: two) individuals were as follows:

	2014 HK$	2013 HK$
Basic salaries, housing allowances, other allowances and benefits in kind	**1,589,593**	1,541,000
Contributions to retirement schemes	**30,000**	30,000
	1,619,593	1,571,000

The emoluments fell within the following band:

	Number of individuals 2014	2013
Nil – HK$1,000,000	**2**	2

12. DIVIDEND

No dividend was paid or proposed during the year, nor has any dividend been proposed since the end of the reporting period (2013: nil).

13. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been made in current year as there are no profits chargeable to Hong Kong Profits Tax. No provision for Hong Kong Profits Tax has been made in 2013 as the assessable profits are offset by allowable tax losses brought forward.

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

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

	2014 HK$	2013 HK$
Current tax:		
PRC Enterprise Income Tax	**–**	6,960
Underprovision for prior years	**54,545**	–
	54,545	6,960

13. INCOME TAX EXPENSE (CONTINUED)

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

	2014 HK$	2013 HK$
Loss before tax	(26,200,597)	(23,565,993)
Calculated at the rates applicable to loss in the tax jurisdictions concerned	(4,760,105)	(4,340,952)
Tax effect of income not taxable for tax purpose	(43,016)	(111,884)
Tax effect of expenses not deductible for tax purpose	3,382,612	2,616,038
Utilisation of tax losses previously not recognised	(11,852)	(10,165)
Tax effect of tax losses not recognised	1,432,361	1,853,923
Underprovision for prior years	54,545	–
Income tax expense	54,545	6,960

Details of deferred tax are set out in note 31.

14. LOSS PER SHARE

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

	2014 HK$	2013 HK$
Loss for the year attributable to owners of the Company	(23,453,872)	(22,258,263)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	1,445,305,613	1,050,216,991

Diluted loss per share for the year ended 31 March 2014 is the same as the basic loss per share as there are no dilutive potential ordinary shares outstanding during the year.

The computation of diluted loss per share for the year ended 31 March 2013 did not assume the conversion of the Company's outstanding convertible bonds since their exercise would result in a decrease in loss per share.

15.PROPERTY, PLANT AND EQUIPMENT

	Motor vehicle HK$	Mining structures HK$	Plant and machinery HK$	Leasehold improvements HK$	Computer equipment HK$	Furniture and fixtures HK$	Total HK$
COST							
At 1 April 2012	–	39,129,037	14,633,482	2,061,372	12,511,817	829,441	69,165,149
Additions	–	15,031,718	–	–	267,657	36,035	15,335,410
Written-offs	–	–	–	–	(902,706)	–	(902,706)
Exchange realignment	–	729,344	212,473	4,317	2,283	1,453	949,870
At 31 March 2013 and 1 April 2013	–	54,890,099	14,845,955	2,065,689	11,879,051	866,929	84,547,723
Additions	–	1,877,726	–	–	66,938	1,983	1,946,647
Acquisition of a subsidiary	4,800,000	–	–	–	–	–	4,800,000
Written-offs	–	–	–	–	(304,809)	–	(304,809)
Exchange realignment	–	320,377	95,946	2,331	1,143	777	420,574
At 31 March 2014	**4,800,000**	**57,088,202**	**14,941,901**	**2,068,020**	**11,642,323**	**869,689**	**91,410,135**
ACCUMULATED DEPRECIATION							
At 1 April 2012	–	251,597	950,983	768,122	11,837,405	560,882	14,368,989
Provided for the year	–	534,337	1,584,544	241,141	414,604	126,149	2,900,775
Eliminated on written-offs	–	–	–	–	(902,706)	–	(902,706)
Exchange realignment	–	55,359	66,402	3,778	1,566	763	127,868
At 31 March 2013 and 1 April 2013	–	841,293	2,601,929	1,013,041	11,350,869	687,794	16,494,926
Provided for the year	800,000	549,458	1,629,388	173,468	314,363	115,807	3,582,484
Eliminated on written-offs	–	–	–	–	(304,809)	–	(304,809)
Exchange realignment	–	299	2,251	1,559	519	265	4,893
At 31 March 2014	**800,000**	**1,391,050**	**4,233,568**	**1,188,068**	**11,360,942**	**803,866**	**19,777,494**
CARRYING VALUES							
At 31 March 2014	**4,000,000**	**55,697,152**	**10,708,333**	**879,952**	**281,381**	**65,823**	**71,632,641**
At 31 March 2013	–	54,048,806	12,244,026	1,052,648	528,182	179,135	68,052,797

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

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

16. PREPAID LEASE PAYMENTS

The amount represented prepayments for operating leases in respect of certain of the Group's production premises with medium unexpired lease terms located in the PRC.

The current portion of the prepaid lease payments of HK$109,166 (2013: HK$108,464) was included in other receivables, deposits and prepayments in the consolidated statement of financial position.

17. INTANGIBLE ASSETS

	Mining right and reserves HK$	Exploration rights HK$	Total HK$
COST			
At 1 April 2012	311,296,757	3,456,369	314,753,126
Exchange realignment	3,803,843	16,971	3,820,814
At 31 March 2013 and 1 April 2013	315,100,600	3,473,340	318,573,940
Exchange realignment	2,016,190	47,662	2,063,852
At 31 March 2014	**317,116,790**	**3,521,002**	**320,637,792**
ACCUMULATED AMORTISATION			
At 1 April 2012, 31 March 2013, 1 April 2013 and 31 March 2014	–	–	–
CARRYING VALUES			
At 31 March 2014	**317,116,790**	**3,521,002**	**320,637,792**
At 31 March 2013	315,100,600	3,473,340	318,573,940

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

18. PREPAYMENTS FOR EXPLORATION AND EVALUATION ACTIVITIES

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

19. AVAILABLE-FOR-SALE INVESTMENT

	2014 HK$	2013 HK$
Unlisted equity investment in the PRC, at cost	**60,000,000**	–

The Group's available-for-sale investment as at 31 March 2014 amounted to HK$60,000,000 is measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that the fair value cannot be measured reliably. As at 31 March 2014, the directors of the Company performed a review of the recoverable amount of the Group's available-for-sale investment based on the latest financial information and profitability trend of the investee company. In the opinion of the directors of the Company, no impairment loss was considered necessary.

20. TRADE RECEIVABLES

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

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

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

	2014 HK$	2013 HK$
0 – 3 months	**4,652,701**	4,760,656
4 – 6 months	**146,178**	1,614,478
	4,798,879	6,375,134

At the end of reporting period, included in the Group's trade receivables balance were debtors with aggregate balances of approximately HK$4,767,420 (2013: HK$4,799,756) which were past due but not impaired as at the end of the reporting period.

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

	2014 HK$	2013 HK$
0 – 3 months	**4,621,241**	4,760,656
4 – 6 months	**146,179**	39,100
	4,767,420	4,799,756

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

21. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2014 HK$	2013 HK$
Interest receivable	**1,603,333**	1,006,050
Other receivables, deposits and prepayments*	**21,785,815**	3,143,981
	23,389,148	4,150,031

* Included in the balance was advances to certain independent third parties of HK$17,535,000 (2013: nil) that are interest-free, unsecured and repayable on demand.

22. LOAN RECEIVABLES

(a) As at 31 March 2013, included in loan receivables was HK$40,000,000 advanced to an independent third party, which was unsecured, repayable within eight months from the signing of agreement and carried interest at 6% per annum.

(b) As at 31 March 2013, the remaining balance of HK$1,649,280 represented advanced to an independent third party, which were unsecured, repayable from six to twelve months from the signing of agreements and carried interest at 1.2% per annum.

(c) The entire loan receivables as at 31 March 2013 were fully settled during the year ended 31 March 2014.

23. PREPAYMENT/DEPOSITS PAID FOR ACQUISITION OF SUBSIDIARIES

(a) On 17 November 2011, the Group entered into a conditional sale and purchase agreement with an independent third party for the acquisition of a settlement services business in the PRC for an aggregate consideration of HK$200,000,000 of which HK$100,000,000, HK$50,000,000 and HK$50,000,000 to be settled by cash, two-year convertible bonds and two-year promissory notes respectively. A refundable deposit of HK$30,000,000 was paid during the year ended 31 March 2012 in such respect.

On 1 May 2013, the Group entered into a deed of termination with that independent third party to terminate the acquisition as the acquisition was delayed significantly without any parties' fault, and agreed that it was no longer in the parties' interest to carry on with the acquisition in light of the prevailing market conditions. Further details of the termination of the acquisition were set out in the Company's announcement dated 1 May 2013. The deposit was refunded in full during the year ended 31 March 2014.

(b) On 28 March 2013, the Group entered into a sale and purchase agreement for the acquisition of the entire interest in Take Industry Investment Limited ("Take Industry"), a company incorporated in Hong Kong, at a cash consideration of HK$4,800,000. A deposit of HK$4,800,000 was paid during the year ended 31 March 2013 in such respect. The acquisition of Take Industry was completed during the current year and was accounted for as an asset acquisition through acquisition of a subsidiary (note 34).

(c) On 24 March 2014, the Group entered into a sale and purchase agreement with an independent third party for the acquisition of 60% equity interest in POMP International Limited ("POMP"), a company incorporated in the British Virgin Islands, for a cash consideration of HK$60,000,000. Further details of the proposed acquisition were set out in the Company's announcement dated 25 March 2014.

As at 31 March 2014, the Group had settled the consideration in full and the acquisition of POMP has been completed subsequent to the end of the reporting period in April 2014.

24. HELD FOR TRADING INVESTMENT

	2014 HK$	2013 HK$
Equity securities listed in Hong Kong, at fair value	**18,460**	1,772,435

The fair value of the listed equity securities at the end of the reporting period is determined based on the quoted market bid price available on the Stock Exchange and a fair value loss of HK$4,680 (2013: HK$2,210,565) was recognised in profit or loss for the year ended 31 March 2014.

During the year ended 31 March 2014, the Group disposed of certain listed equity securities and a realised loss on held for trading investments of HK$78,365 (2013: HK$1,899,070) was recognised in profit or loss for the year.

25. BANK BALANCES AND CASH

	2014 HK$	2013 HK$
Cash at banks and in hand	**30,876,702**	21,383,321
Short-term time deposits	**9,978,400**	10,012,000
	40,855,102	31,395,321

Cash at bank carries interest at prevailing market rate for both years.

As at 31 March 2014, the effective interest rate on short-term time deposits was 2.55% (2013: 2.55%). These deposits had an average original maturity of 30 days.

The carrying amounts of the bank balances and cash are denominated in the following currencies:

	2014 HK$	2013 HK$
HK$	**28,121,874**	19,122,627
RMB	**12,733,228**	12,272,694
	40,855,102	31,395,321

26. TRADE AND OTHER PAYABLES

	2014 HK$	2013 HK$
Trade payables (notes a and b)	**6,345,222**	6,976,124
Receipt in advance	**6,873,348**	4,747,879
Other payables and accrued charges	**7,597,428**	5,182,690
	20,815,998	16,906,693

Notes:

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

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

27. AMOUNTS DUE TO A SUBSTANTIAL SHAREHOLDER AND DIRECTORS

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

28. AMOUNT DUE TO NON-CONTROLLING INTEREST OF A SUBSIDIARY

The amount is unsecured, interest-free and repayable on demand.

29. PROVISION FOR REINSTATEMENT COSTS

	2014 HK$	2013 HK$
At 1 April	**787,689**	778,239
Exchange realignment	**5,103**	9,450
At 31 March	**792,792**	787,689

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

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

30. BONDS

During the current year, the Group issued unsecured bonds with aggregate principal of HK$30,000,000 with the following major terms:

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

The movements of the bonds are set out below:

	2014 **HK$**	2013 HK$
Carrying amount at the beginning of the year	**–**	–
Inception	**30,000,000**	–
Transaction costs	**(2,400,000)**	–
Effective interest charged for the year	**384,778**	–
Interest paid	**(317,778)**	–
Carrying amount at the end of the year	**27,667,000**	–
Less: Bonds repayable after five years shown under non-current liabilities	**(27,667,000)**	–
Current portion	**–**	–

The Company's bonds carry interest at effective interest rate of 7.22% (2013: nil) per annum.

31. DEFERRED TAX

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

	Accelerated tax depreciation HK$	Tax losses HK$	Fair value adjustments HK$	Total HK$
At 1 April 2012	24,080	(24,080)	75,387,332	75,387,332
Charged (credited) to profit or loss	16,135	(16,135)	–	–
Exchange realignment	–	–	915,119	915,119
At 31 March 2013 and 1 April 2013	40,215	(40,215)	76,302,451	76,302,451
(Credited) charged to profit or loss	(40,215)	40,215	–	–
Exchange realignment	–	–	494,321	494,321
At 31 March 2014	**–**	**–**	**76,796,772**	**76,796,772**

At 31 March 2013, deferred tax assets of HK$40,215 had been presented as an offset against deferred tax liabilities in the consolidated statement of financial position.

At the end of the reporting period, the Group had unused tax losses of HK$166,717,627 (2013: HK$158,352,207) available for offset against future profits.

As at 31 March 2014, no deferred tax asset had been recognised in respect of the tax losses of HK$166,717,627 due to unpredictability of future profits streams.

As at 31 March 2013, deferred tax asset had been recognised in respect of the tax losses of HK$243,727 while no deferred tax asset has been recognised in respect of the remaining tax losses of HK$158,108,480 due to unpredictability of future profits streams.

Tax losses of the Group can be carried forward indefinitely.

32. SHARE CAPITAL

	2014 No. of shares	**2014** Amount HK$	2013 No. of shares	2013 Amount HK$
Authorised:				
Ordinary shares of HK$0.01 each	**6,000,000,000**	**60,000,000**	6,000,000,000	60,000,000
Issued and fully paid:				
Ordinary shares of HK$0.01 each				
At beginning of year	**1,167,797,200**	**11,677,972**	640,643,200	6,406,432
Issue of shares on placing	**487,550,000**	**4,875,500**	527,154,000	5,271,540
At 31 March	**1,655,347,200**	**16,553,472**	1,167,797,200	11,677,972

32. SHARE CAPITAL (CONTINUED)

(i) On 15 May 2012, 86,154,000 ordinary shares of HK$0.01 each were placed at a price of HK$0.26 per share, raising a total proceed of HK$21,740,024, net of direct expenses.

(ii) On 26 June 2012, 41,000,000 ordinary shares of HK$0.01 each were placed at a price of HK$0.305 per share, raising a total proceed of HK$12,092,360, net of direct expenses.

(iii) On 29 June 2012, 400,000,000 ordinary shares of HK$0.01 each were placed at a price of HK$0.25 per share, raising a total proceed of HK$95,699,845, net of direct expenses.

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

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

33. SHARE OPTION SCHEME

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

Details of the Share Option Scheme are as follows:

(i) Purpose

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

(ii) Participants

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

33. SHARE OPTION SCHEME (CONTINUED)

(iii) Maximum number of shares

(1) 30% Limit

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

(2) 10% Limit

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

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

(iv) Maximum Entitlement of Each Participant

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

(v) Price of Shares

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

(vi) Amount Payable Upon Acceptance of the Option

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

(vii) Time of Exercise of Option

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

(viii) The Remaining Life of the Share Option Scheme

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

33. SHARE OPTION SCHEME (CONTINUED)

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

There is no outstanding option as at 31 March 2014 and 31 March 2013.

34. ACQUISITION OF A SUBSIDIARY ACCOUNTED FOR AS ASSET ACQUISITION

On 16 April 2013, the Group completed the acquisition of the entire equity interests of Take Industry from an independent third party for a cash consideration of HK$4,800,000. The directors of the Company are of the opinion that the acquisition of Take Industry is in substance an asset acquisition instead of a business combination, as the net assets of Take Industry was mainly plant and equipment and Take Industry was inactive prior to the acquisition by the Group.

Net assets of Take Industry:

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

35. OPERATING LEASE COMMITMENTS

(a) The Group as lessor

Rental income earned during the year was approximately HK$507,840 (2013: nil). The Group lease certain of its plant and machinery under an operating lease arrangement with no fixed lease term without requiring the lessee to pay security deposit.

As at 31 March 2014 and 2013, the Group did not have committed future minimum lease receivable.

(b) The Group as lessee

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

	2014 **HK$**	2013 HK$
Within one year	**3,207,763**	2,560,007
In the second to fifth years inclusive	**1,782,648**	774,063
	4,990,411	3,334,070

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

36. CAPITAL COMMITMENTS

	2014 HK$	2013 HK$
Contracted but not provided for capital commitment in respect of the acquisition of:		
– Subsidiaries	–	170,000,000
– Property, plant and equipment	–	210,425
	–	170,210,425

37. NON-CASH TRANSACTION

During the year ended 31 March 2013, the purchase of property, plant and equipment of HK$15,222,152 of the Group was settled by a customer on behalf of the Group and was settled via trade receivable from that customer.

38. RELATED PARTY TRANSACTIONS

(a) The balances with the Company's directors, a substantial shareholder and non-controlling interest of a subsidiary are disclosed in notes 27 and 28.

(b) Compensation of directors and key management personnel

	2014 HK$	2013 HK$
Short-term employee benefits	**4,796,201**	6,602,102
Post-employment benefits	**59,862**	32,457
	4,856,063	6,634,559

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

39. RETIREMENT BENEFITS PLANS

Hong Kong

The Group joins the MPF Scheme. Where staff are eligible to participate in the MPF Scheme, both the Group and staff are required to contribute 5% of the employees' relevant income (capped at HK$1,000 per month from each party before 1 June 2013, and HK$1,250 per month from 1 June 2013 onwards). Contributions from the employer are 100% vested in the employees as soon as they are paid to the relevant MPF Scheme but all benefits derived from the mandatory contributions must be preserved until the employee reaches the retirement age of 65 subject to certain exceptions. Staff may elect to contribute more than the minimum as a voluntary contribution.

PRC

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

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2014 HK$	2013 HK$
Non-current assets		
Property, plant and equipment	**896,885**	1,116,744
Available-for-sale investment	**60,000,000**	–
Prepayment for acquisition of a subsidiary	**60,000,000**	–
Interests in subsidiaries	**171,169,432**	163,987,366
	292,066,317	165,104,110
Current assets		
Other receivables, deposits and prepayments	**20,235,743**	1,600,773
Deposits paid for acquisition of subsidiaries	**–**	34,800,000
Loan receivables	**–**	40,000,000
Bank balances and cash	**10,151,796**	104,603
	30,387,539	76,505,376
Current liabilities		
Other payables	**1,763,005**	1,709,030
Amount due to a substantial shareholder (note a)	**–**	754,385
Amounts due to directors (note a)	**–**	1,834,821
	1,763,005	4,298,236
Net current assets	**28,624,534**	72,207,140
Total assets less current liabilities	**321,490,851**	237,311,250
Non-current liability		
Bonds	**27,667,000**	–
	293,823,851	237,311,250
Capital and reserves		
Share capital	**16,553,472**	11,677,972
Share premium	**347,826,449**	282,494,764
Capital redemption reserve	**176,000**	176,000
Accumulated losses	**(71,532,070)**	(57,037,486)
	293,023,851	237,311,250

Note:

(a) The amounts are unsecured, non-interest bearing and repayable on demand.

41. PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the principal subsidiaries as at 31 March 2014 and 2013 are as follows:

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid share capital/ registered capital	Proportion ownership interest held by the Company		Principal activities
			Directly	Indirectly	
Choudary Limited ("Choudary")	British Virgin Islands ("BVI")	US$48,465	51.00% (2013: 51.00%)	–	Investment holding
ABC QuickSilver Limited (note 1)	BVI/Hong Kong	US$25	–	50.97% (2013: 50.97%)	Wireless application development
QuotePower International Limited (note 1)	Hong Kong	HK$67,264,000	–	50.97% (2013: 50.97%)	Financial information services and securities trading system licensing
Jun Qiao Limited ("Jun Qiao")	BVI	US$50,000	60.00% (2013: 60.00%)	–	Investment holding
Tong Bai County Yin Di Mining Company Limited (note 2)	PRC	RMB500,000	–	54.00% (2013: 54.00%)	Extraction and sale of mineral products
Xin Jiang Xin Jiang Yuan Mining Company Limited (note 2)	PRC	RMB3,000,000	–	51.30% (2013: 51.30%)	Mine exploration

The above table lists the subsidiaries of the Group which, in the opinion of the directors of the Company, principally affected the results or assets of the Group.

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

Notes:

1. Subsidiaries of Choudary

2. Subsidiaries of Jun Qiao

41. PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

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

Principal activities	Principal place of business	Number of subsidiaries 2014	2013
Inactive	Hong Kong	**6**	5
	PRC	**2**	2
Provision of administrative support to group entities	PRC	**1**	1
Investment holding	Hong Kong	**1**	1
		10	9

Details of non-wholly owned subsidiaries that have material non-controlling interests

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

Name of subsidiaries	Place of incorporation and principal place of business	Proportion of ownership interest held by non-controlling interests	Proportion of voting rights held by non-controlling interests	Loss attributable to non-controlling interests HK$	Accumulated non-controlling interest HK$
Year ended 31 March 2014					
Choudary and its subsidiaries	BVI/Hong Kong	49%	49%	(430,890)	12,091,303
Jun Qiao and its subsidiaries	BVI/Hong Kong	40%	40%	(2,370,380)	108,885,925
				(2,801,270)	120,977,228
Year ended 31 March 2013					
Choudary and its subsidiaries	BVI/Hong Kong	49%	49%	(16,681)	12,520,698
Jun Qiao and its subsidiaries	BVI/Hong Kong	40%	40%	(1,298,009)	110,405,966
				(1,314,690)	122,926,664

41. PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

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

Choudary and its subsidiaries

	2014 HK$	2013 HK$
Current assets	**34,147,083**	35,314,004
Non-current assets	**265,148**	507,877
Current liabilities	**(9,717,378)**	(10,256,029)
Equity attributable to owners of the Company	**12,603,550**	13,045,154
Non-controlling interest	**12,091,303**	12,520,698

	2014 HK$	2013 HK$
Revenue	**59,536,085**	66,613,664
Expenses	**(60,410,136)**	(66,647,707)
Loss for the year	**(874,051)**	(34,043)
Loss attributable to owners of the Company	**(443,161)**	(17,362)
Loss attributable to the non-controlling interests	**(430,890)**	(16,681)
Loss for the year	**(874,051)**	(34,043)
Other comprehensive income attributable to owners of the Company	**1,557**	2,709
Other comprehensive income attributable to the non-controlling interests	**1,495**	2,602
Other comprehensive income for the year	**3,052**	5,311
Total comprehensive expenses attributable to owners of the Company	**(441,604)**	(14,653)
Total comprehensive expenses attributable to the non-controlling interests	**(429,395)**	(14,079)
Total comprehensive expenses for the year	**(870,999)**	(28,732)
Net cash outflow from operating activities	**(1,087,017)**	(1,698,660)
Net cash inflow from investing activities	**200,023**	29,747
Net cash outflow	**(886,995)**	(1,668,913)

41. PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

Jun Qiao and its subsidiaries

	2014 HK$	2013 HK$
Current assets	**1,240,503**	2,492,071
Non-current assets	**401,812,800**	399,347,798
Current liabilities	**(89,396,435)**	(85,350,196)
Non-current liabilities	**(77,589,564)**	(77,090,140)
Equity attributable to owners of the Company	**127,181,379**	128,993,567
Non-controlling interest	**108,885,925**	110,405,966

	2014 HK$	2013 HK$
Revenue	**1,197,644**	2,566,375
Expenses	**(6,425,591)**	(5,107,240)
Loss for the year	**(5,227,947)**	(2,540,865)
Loss attributable to owners of the Company	**(2,857,567)**	(1,242,856)
Loss attributable to the non-controlling interests	**(2,370,380)**	(1,298,009)
Loss for the year	**(5,227,947)**	(2,540,865)
Other comprehensive income attributable to owners of the Company	**1,045,379**	1,713,733
Other comprehensive income attributable to the non-controlling interests	**850,339**	1,171,674
Other comprehensive income for the year	**1,895,718**	2,885,407
Total comprehensive (expenses) income attributable to owners of the Company	**(1,812,188)**	470,877
Total comprehensive expenses attributable to the non-controlling interests	**(1,520,041)**	(126,335)
Total comprehensive (expenses) income for the year	**(3,332,229)**	344,542
Net cash outflow from operating activities	**(289,004)**	(313,816)
Net cash outflow from investing activities	**(2,192,326)**	(1,178,152)
Net cash inflow from financing activities	**2,070,378**	1,295,406
Net cash outflow	**(410,952)**	(196,562)

42. EVENTS AFTER THE REPORTING PERIOD

(a) Subsequent to the end of the reporting period, the Group issued bonds with aggregate principal amount of HK$40,000,000 to four independent third parties having the same terms as those set out in note 30.

(b) The acquisition of POMP was completed on 30 April 2014.

The directors of the Company are of the opinion that the acquisition of POMP is in substance an asset acquisition instead of a business combination as the net assets of POMP and its subsidiaries (the "POMP Group") mainly consisted of certain intangible assets that were acquired by the POMP Group prior to acquisition by the Group and the POMP Group had not commenced commercial application of those intangible assets.

Five-Year Financial Summary

	2010 HK$'000	2011 HK$'000	2012 HK$'000	2013 HK$'000	**2014** **HK$'000**
Turnover	130,258	103,409	115,025	68,747	**59,965**
(Loss) profit before income tax	(2,921)	(22,356)	19,161	(23,566)	**(26,201)**
Taxation (charge) credit	–	–	(2,139)	(7)	**(54)**
(Loss) profit after taxation	(2,921)	(22,356)	17,021	(23,573)	**(26,255)**
(Loss) profit attributable to shareholders	(5,266)	(23,144)	12,554	(22,258)	**(23,454)**
(Loss) profit attributable to shareholders per share	(1.1) cents	(4.6) cents	1.98 cents	(2.12) cents	**(1.62) cents**
ASSETS AND LIABILITIES					
Total assets	196,591	193,784	477,947	521,187	**596,049**
Current liabilities	(145,422)	(63,950)	(96,230)	(28,328)	**(29,818)**
Funds employed	51,169	129,834	381,717	492,859	**566,231**
Shareholders' fund	51,169	129,834	182,484	292,843	**339,997**
Provision for reinstatement costs, deferred taxation and bonds	–	–	76,166	77,090	**105,257**
Funds employed	51,169	129,834	258,650	369,933	**445,254**
Return on average shareholders' fund (%)	(15.9)	(25.6)	8.0	(9.4)	**(7.4)**
Dividends per share	–	–	–	–	**–**