



**偉俊集團控股有限公司\***  
**Wai Chun Group Holdings Limited**

(Incorporated in Bermuda with limited liability)  
(Stock code: 1013)

**2014**  
Annual Report

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## CORPORATE INFORMATION

### EXECUTIVE DIRECTOR

Lam Ching Kui  
*(Chairman and Chief Executive Officer)*

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Ko Ming Tung, Edward  
Shaw Lut, Leonardo  
To Yan Ming, Edmond

### AUTHORISED REPRESENTATIVES

Lam Ching Kui  
Tong Chi Cheong

### COMPANY SECRETARY

Tong Chi Cheong

### AUDIT COMMITTEE

To Yan Ming, Edmond *(Chairman)*  
Ko Ming Tung, Edward  
Shaw Lut, Leonardo

### REMUNERATION COMMITTEE

Ko Ming Tung, Edward *(Chairman)*  
Lam Ching Kui  
Shaw Lut, Leonardo  
To Yan Ming, Edmond

### NOMINATION COMMITTEE

Shaw Lut, Leonardo *(Chairman)*  
Ko Ming Tung, Edward  
Lam Ching Kui  
To Yan Ming, Edmond

### REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

13/F., Admiralty Centre 2  
18 Harcourt Road, Admiralty  
Hong Kong

### AUDITOR

HLM CPA Limited  
Certified Public Accountants  
Room 305  
Arion Commercial Centre  
2-12 Queen's Road West  
Hong Kong

### REGISTRAR IN HONG KONG

Union Registrars Limited  
18th Floor  
Fook Lee Commercial Centre  
Town Place  
33 Lockhart Road  
Wanchai  
Hong Kong

### PRINCIPAL BANKER

Hang Seng Bank Limited  
Standard Chartered Bank (Hong Kong)  
Limited

### STOCK CODE

1013

### COMPANY WEBSITE

[www.1013.hk](http://www.1013.hk)

## CHAIRMAN'S STATEMENT

On behalf of the board (the "Board") of directors (the "Director(s)") of Wai Chun Group Holdings Limited (the "Company"). I would like to present the audited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 March 2014.

### DISCUSSION AND ANALYSIS

#### Financial Review

##### *Financial Performance*

For the year ended 31 March 2014, the Group recorded a turnover of HK\$139,438,000 (2013: HK\$143,329,000) representing a decrease of 2.7% when compared to 2013. The decrease in turnover is attributable to a decrease in the sales and integration services contracts during the year. In line with the decrease in turnover, gross profit decreased to HK\$21,068,000 (2013: HK\$21,625,000) representing a decrease of 2.6% compared to 2013. The gross profit margin remains nearly unchanged at 15.1%. Selling and distribution expenses and administrative expenses increased by 71.0% and 51.6% respectively when compared to 2013, which is mainly due to the expansion of business in the People's Republic of China by increasing staff members of sales and marketing teams and by continuously enhancing its sales and marketing office.

Listed securities investments recorded a loss of HK\$2,882,000 (2013: gain of HK\$3,403,000) during the year, of which mainly mark-to-market adjustment recorded a loss of HK\$1,300,000 (2013: gain of HK\$3,365,000) and disposal of listed securities investments recorded a loss of HK\$1,582,000 (2013: gain of HK\$38,000) to the results of the Group. Other income decreased from HK\$8,389,000 to HK\$781,000 which is mainly attributable to a HK\$7,454,000 compensation income received in 2013 related to guarantee amount paid and vehicle lost case in previous years while no similar gain was recorded during the year ended 31 March 2014.

The Group recorded a loss attributable to shareholders of the Company of HK\$39,147,000 (2013: HK\$10,942,000) for the year.

##### *Financial Resources and Position*

As at 31 March 2014, the Group did not have any external borrowings. Cash and cash equivalents amounted to HK\$14,497,000 (2013: HK\$4,923,000) as at 31 March 2014 which are mostly denominated in Hong Kong Dollars and Renminbi. As the Group's businesses are conducted in the PRC, the Group does not expect to be exposed to any material foreign exchange risks.

## CHAIRMAN'S STATEMENT

The Group had no assets pledged or any material contingent liabilities as at 31 March 2014. At the end of the year, the current ratio of the Group is 1.41 (2013: 2.37).

The Board has resolved not to recommend the payment of a final dividend for the year ended 31 March 2014 (2013: Nil).

### Business Review

The Group is principally engaged in (i) network and system integration by the production of software and provision of solutions and related services; (ii) trading of communication products; (iii) provision of financial services; (iv) investment holdings; (v) securities investments and (vi) provision of telecommunications infrastructure solution services. Through the operations of Beijing HollyBridge System Integration Co., Limited ("Beijing HollyBridge"), the major subsidiary of the Group, the Group has provided one stop solution, including hardware and system modification for the customers. The management continued to devote its effort to enhance the operational efficiency of Beijing HollyBridge, and during the year ended 31 March 2014, service contracts entered into with various customers such as banks, governmental agencies and public transportation companies amounted to approximately RMB128 million.

Looking forward, the Management will devote its effort by enhancing operational efficiency, reducing overheads and increasing manpower in sales and marketing teams to turn the Group back to a profitable position. In addition, the Group is monitoring closely the latest trends and the development of the global economy and to take advantage of all business opportunities.

### APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my gratitude to all staff and management team for their contribution during the year. I would also like to express my appreciation to the continuous support of our shareholders and investors.

**Lam Ching Kui**

*Chairman and Chief Executive Officer*

Hong Kong, 26 June 2014

## BIOGRAPHICAL DETAILS OF DIRECTORS

### EXECUTIVE DIRECTOR

**Mr. Lam Ching Kui**, aged 55, has over 22 years of experience in project investments and securities investments. Mr. Lam has been engaged in industrial and residential property development in the PRC and commercial property investment in Hong Kong. He has made investments in listed securities and renewable energy. Mr. Lam is an indirect substantial shareholder of the Company and has been the Chairman and an executive Director of the Company since August 2008. Mr. Lam is responsible for the overall strategic planning of the Group. Mr. Lam is also the chairman and the executive director of Wai Chun Mining Industry Group Company Limited, a public listed company in Hong Kong. Other than disclosed above, Mr. Lam did not hold any other directorships in any listed public companies in the past three years.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Ko Ming Tung, Edward**, aged 53, was appointed as an independent non-executive Director in August 2008. Mr. Ko obtained an external bachelor of laws degree from the University of London in the United Kingdom in August 1986 and is a member of The Law Society of Hong Kong. Mr. Ko is the principal of Messrs. Edward Ko & Company and has been practising as a solicitor in Hong Kong for more than 20 years.

Other than the directorship in the Company, currently, Mr. Ko is also an independent non-executive director of Sinofert Holdings Limited and EverChina Int'l Holdings Company Limited (formerly known as Interchina Holdings Company Limited) and a non-executive director of Harmonic Strait Financial Holdings Limited (formerly known as Rainbow Brothers Holdings Limited), shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Mr. Ko was previously an independent non-executive director of Kai Yuan Holdings Limited, shares of which are listed on the main board of the Stock Exchange. Other than disclosed above, Mr. Ko did not hold any other directorships in any listed public companies in the past three years.



## BIOGRAPHICAL DETAILS OF DIRECTORS

### INDEPENDENT NON-EXECUTIVE DIRECTORS *(continued)*

**Mr. Shaw Lut, Leonardo**, aged 48, is the deputy head of 華頓綜合經濟研究所 (Huadun Economic Institute), the director of 行政及公務人員研修基金 (Administrator and Official Study Fund), the vice director of 國務院發展研究中心東方公共管理綜合研究所專家委員會 (the Expert Committee of the Eastern Public Management Institute of the Development Research Centre of State Council). Mr. Shaw graduated from Shanghai Fudan University and was a teacher and researcher at Fudan University. Mr. Shaw is currently a committee member of All-China Youth Federation, the deputy chairman of Beijing United Youth Association and the deputy director of Shanghai Economy Magazine. Mr. Shaw has been an Independent Non-executive Director of the Company since May 2009. Mr. Shaw was previously an independent non-executive director of Wai Chun Mining Industry Group Company Limited, a public listed company in Hong Kong. Other than disclosed above, Mr. Shaw did not hold any other directorships in any listed public companies in the past three years.

**Mr. To Yan Ming, Edmond**, aged 42, holds a bachelor degree in Commerce in Accounting from Curtin University of Technology in Western Australia. Mr. To is a Certified Public Accountant practicing in Hong Kong and a director of Edmond To CPA Limited, Zhonglei (HK) CPA Company Limited and R.C.W. (HK) CPA Limited. Mr. To was formerly a director of Fortitude CPA Limited. Mr. To is a member of both the CPA Australia and Hong Kong Institute of Certified Public Accountants. Mr. To worked for one of the international accounting firms, Deloitte Touche Tohmatsu and has over 10 years of experience in auditing, accounting, floatation and taxation matters. Mr. To is currently an independent non-executive director of China Vanguard Group Limited, shares of which are listed on the GEM board of the Stock Exchange. Mr. To was an independent nonexecutive director of BEP International Holdings Limited from June 2009 to December 2013. Mr. To is also an independent non-executive director of each of Theme International Holdings Limited, China Household Holdings Limited and Wai Chun Mining Industry Group Company Limited, shares of all of which are listed on the main board of the Stock Exchange. Mr. To has been an Independent Non-executive Director of the Company since September 2009.

## REPORT OF THE DIRECTORS

The Directors submit their report together with the audited consolidated financial statements of the Group for the year ended 31 March 2014.

### PRINCIPAL ACTIVITIES

The Company acts as an investment holding Company and the principal activities of its subsidiaries are set out in note 31 to the consolidated financial statements. There were no significant changes in the nature of the Company's and of the Group's principal activities during the year.

### RESULTS AND DIVIDEND

The results of the Group for the year ended 31 March 2014 and the state of affairs of the Group at that date are set out in the consolidated financial statements on pages 31 to 103.

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2014 (2013: Nil).

### RESERVES

Details of movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity set out on page 34 and in note 30 to the consolidated financial statements respectively.

### FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for each of the five financial years ended 31 March 2014 is set out on page 104.

### PROPERTY, PLANT AND EQUIPMENT

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

### SHARE CAPITAL

Details of the movement in the share capital of the Company during the year are set out in note 23 to the consolidated financial statements.



# REPORT OF THE DIRECTORS

## DIRECTORS

### Executive Director

Mr. Lam Ching Kui (*Chairman and Chief Executive Officer*)

### Independent Non-executive Directors

Mr. Ko Ming Tung, Edward

Mr. Shaw Lut, Leonardo

Mr. To Yan Ming, Edmond

The biographical details of the Directors of the Company are set out on pages 5 to 6 of this annual report.

In accordance with Bye-law 87 of the Bye-laws of the Company, Mr. Ko Ming Tung, Edward and Mr. To Yan Ming, Edmond shall retire from office by rotation at the forthcoming annual general meeting (“AGM”) and, being eligible, will offer themselves for re-election.

The Company has received an annual confirmation of independence from each of the independent non-executive Directors pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). The Company considers all the independent non-executive Directors to be independent.

### Directors’ Service Contracts

The executive Director has entered into a service agreement with the Company for a term of not more than three years commencing from their date of appointment, which continues thereafter until terminated by either party giving not less than one month notice in writing to the other party.

Each of the two independent non-executive Directors, Mr. Shaw Lut, Leonardo and Mr. To Yan Ming, Edmond has entered into a service agreement with the Company for a term of two years from their date of appointment, which can be terminated by either party giving not less than one month notice in writing to the other party. Mr. Ko Ming Tung, Edward has not entered into a service agreement with the Company. Each of the independent non-executive Directors is subject to retirement by rotation and re-election at the AGM of the Company in accordance with the Company’s Bye-laws.

# REPORT OF THE DIRECTORS

## **DIRECTORS** *(continued)*

### **Directors' Service Contracts** *(continued)*

Save as disclosed above, no Director proposed for re-election at the forthcoming AGM has a service agreement with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

### **Directors' Remuneration**

Details of emoluments of the Directors are set out in note 12 to the consolidated financial statements.

The Directors' fees are subject to shareholders' approval at the AGM. Other emoluments are determined by the Board with reference to the recommendations from the remuneration committee of the Company ("Remuneration Committee") taking into account the directors' duties, responsibilities and performance and the results of the Group.

### **Interests in Contracts**

Other than as disclosed in note 28 to the consolidated financial statements, there are no contract of significance to which the Company, its holding company, fellow subsidiaries or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

### **Competing Business**

None of the Directors had any interests in any business (apart from the Group's business) which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, as defined in the Listing Rules, during the year and up to the date of this report.

# REPORT OF THE DIRECTORS

## DIRECTORS *(continued)*

### Directors' Interests or Short Positions in Shares and Underlying Shares

As at 31 March 2014, the interests and short positions of the Directors and chief executive in the shares of the Company (the "Shares") and underlying shares of the Company or any of, its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which were required pursuant to: (a) divisions 7 to 9 of Part XV of the SFO, to be notified to the Company and the Stock Exchange; (b) section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (c) the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") to be notified to the Company and the Stock Exchange, were as follows:

#### Long Positions

<b>Name of Director</b>	<b>Capacity</b>	<b>Number of Shares Held</b>	<b>Approximate percentage of shareholding</b>
Lam Ching Kui	Interests of controlled corporations	15,400,000,000 <i>(Note)</i>	71.99%

*Note:*

Mr. Lam Ching Kui is deemed to be interested in these 15,400,000,000 shares of the Company held by Ka Chun Holdings Limited (formerly known as Wai Chun Ventures Limited) which is wholly-owned by Wai Chun Investment Fund which, in return, wholly-owned by Mr. Lam Ching Kui.

Save as disclosed above, as at 31 March 2014, none of the Directors or chief executive of the Company or their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.



# REPORT OF THE DIRECTORS

## DIRECTORS *(continued)*

### Directors' Rights to Acquire Shares

At no time during the year was the Company or any of its subsidiaries, a party to any arrangement 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 none of the Directors, or any of their spouses or children under the age of 18, was granted any right to subscribe for equity or debt securities of the Company, nor had exercised any such right.

### SUBSTANTIAL SHAREHOLDERS

As at 31 March 2014, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of the Directors, the following shareholders (other than the Directors or chief executives of the Company as disclosed above) had notified the Company of relevant interests and short positions in the issued share capital of the Company:

<b>Name of Shareholder</b>	<b>Capacity</b>	<b>Number of Shares Held</b>	<b>Approximate percentage of shareholding</b>
Ka Chun Holdings Limited	Beneficial owner	15,400,000,000	71.99%
Wai Chun Investment Fund	Interests of controlled corporations	15,400,000,000 <i>(Note)</i>	71.99%

*Note:*

These 15,400,000,000 shares of the Company are held by Ka Chun Holdings Limited, which is wholly-owned by Wai Chun Investment Fund. Therefore, Wai Chun Investment Fund is deemed to be interested in these 15,400,000,000 shares pursuant to the SFO.

## REPORT OF THE DIRECTORS

### **SUBSTANTIAL SHAREHOLDERS** *(continued)*

Save for the shareholders as disclosed herein, the Directors are not aware of any persons who, as at 31 March 2014, were entitled to exercise or control the exercise of 5% or more of the voting power at general meetings of the Company and were also, as a practicable matter, able to direct or influence the management of the Company.

### **Short positions in Shares and underlying Shares in the Company**

As at 31 March 2014, the Company had not been notified of any short positions being held by any substantial shareholder in the Shares or underlying Shares.

### **Other Persons**

As at 31 March 2014, the Company had not been notified of any interests or short positions being held by any person (other than the Directors and chief executives and the substantial shareholders as disclosed above) in the share capital of the Company that was required to be disclosed under Division 2 and 3 of Part XV of the SFO and the Listing Rules.

### **Share Options**

#### ***Ka Chun Holdings Limited Option***

On 20 August 2008, the Company issued 20,000,000,000 options to Ka Chun Holdings Limited to subscribe for 20,000,000,000 ordinary shares of the Company at HK\$0.01 each (the "Option"). The Option is exercisable in whole or in part at any time for a period of five years commencing 20 August 2008 at an exercise price of HK\$0.01 per share. The Option was issued at a consideration of HK\$20,000,000. During the year ended 31 March 2014, 5,000,000,000 Options were exercised and 15,000,000,000 Options were lapsed. There were no outstanding options as at 31 March 2014.

### **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following specific enquiries by the Company, that they have complied with the required standards set out in the Model Code throughout the year ended 31 March 2014.

# REPORT OF THE DIRECTORS

## CONNECTED TRANSACTIONS

### Tenancy Agreements

A tenancy agreement was entered into between Wai Chun Holdings Group Limited as landlord and Wai Chun Strategic Investment Limited, a wholly owned subsidiary of the Company, as tenant on 31 October 2011 in relation to the right portion of 13/F, Admiralty Centre 2, 18 Harcourt Road, Admiralty, Hong Kong, the Company's principal place of business in Hong Kong. The term of the tenancy agreement commences from 1 November 2011 and expiring on 31 October 2013, both days inclusive, with a rental of HK\$265,675 per calendar month (equivalent to HK\$3,188,100 per annum), exclusive of management fee, rates and all other outgoing charges per calendar month. The tenancy agreement expired on 31 October 2013 and was renewed for another two years starting from 1 November 2013 to 31 October 2015 (both days inclusive) on the same terms and conditions as the expired lease.

Wai Chun Holdings Group Limited is owned as to 50% by Mr. Lam Ching Kui and as to the remaining 50% by Ms. Chan Oi Mo. Mr. Lam Ching Kui is a controlling shareholder of the Company and is interested in approximately 71.99% of the issued share capital of the Company and Ms. Chan Oi Mo is the spouse of Mr. Lam Ching Kui. Accordingly, Wai Chun Holdings Group Limited is regarded as a connected person of the Company under the Listing Rules. Therefore, the tenancy agreement constitutes a continuing connected transaction for the Company under Rule 14A.14 of the Listing Rules.

The aggregate rental payable under the Tenancy Agreement per annum, being HK\$3,188,100, represents less than 5% of the applicable percentage ratios (as defined in the Listing Rules) for the Company on an annual basis. Accordingly, pursuant to Rule 14A.34 of the Listing Rules, the Tenancy Agreement is subject to reporting, announcement and annual review requirements, but no approval of independent shareholders of the Company will be required.

On 22 March 2010, the Group entered into a tenancy agreement (the "Tenancy Agreement") with Ms. Chan Oi Mo ("Ms. Chan"), pursuant to which the Group agreed to pay Ms. Chan the rental charge of the Premises located in Unit 1L and 1K of Block A6, Xili Residences, Tang Lang Village, Nam Shan District, Shenzhen, PRC. The lease term lasts for three years commencing from 1 April 2010. Prior to the expiry of the Tenancy Agreement on 31 March 2013, the Company has entered into a new tenancy agreement with Ms. Chan to renew the term of the Tenancy Agreement for three years from 1 April 2013 to 31 March 2016 (both days inclusive) subject to the terms and conditions of the new tenancy agreement on 12 March 2013.



# REPORT OF THE DIRECTORS

## CONNECTED TRANSACTIONS *(continued)*

### Tenancy Agreements *(continued)*

Ms. Chan is the spouse of Mr. Lam Ching Kui who is director and indirectly owns approximately 71.99% of the issued share capital of the Company. Mr. Lam Ching Kui, being a director and the ultimate controlling shareholder (as defined in the Listing Rules) of the Company and therefore, the entering into the Tenancy Agreement between Ms. Chan and the Company constitutes a continuing connected transaction for the Company which is subject to the reporting and announcement requirements but is exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

During the year ended 31 March 2014, the Company paid total rental charges of HK\$3,600,000 to Ms. Chan.

### Annual Review

Pursuant to Rule 14A.37 of the Listing Rules, the independent non-executive Directors have reviewed the above continuing connected transactions and in their opinion, the transactions are:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms which are no less favourable to the Company than terms available to independent third parties; and
- (3) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Board has also confirmed that a letter pursuant to Rule 14A.38 of the Listing Rules has been issued to the Board by the auditor of the Company.

# REPORT OF THE DIRECTORS

## **CONNECTED TRANSACTIONS** *(continued)*

### **Compliance with Disclosure Requirements**

Save as “Rental expenses” in the amounts of HK\$3,600,000 and HK\$3,188,000 for the year as shown in note 28—“Related party transactions” to the consolidated financial statements which constituted connected transactions of the Company under Chapter 14A of the Listing Rules, all other transactions as shown in note 28 are connected transactions exempted from announcement, reporting, annual review and independent shareholders’ approval requirements under Rule 14A.31/14A.33/14A.65(4) of the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the above connected transactions.

### **PUBLIC FLOAT**

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, there is sufficient public float of not less than 25% of the Company’s issued shares as required under the Listing Rules.

### **MAJOR CUSTOMERS AND SUPPLIERS**

During the year, the five largest customers of the Group accounted for approximately 82% of total turnover and sales to the largest customer accounted for approximately 49%. The five largest suppliers of the Group in aggregate accounted for about 88% of its total purchase costs for the year. Purchases from the largest supplier accounted for about 54% of its total purchase costs. None of the Directors, their associates, or any shareholder (who to the knowledge of the Directors owned more than 5% of the Company’s issued share capital) had any interest in the Group’s five largest customers or suppliers.

### **PRE-EMPTIVE RIGHTS**

There are no provisions for pre-emptive rights under the Bye-laws of the Company or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

### **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 March 2014.

# REPORT OF THE DIRECTORS

## EMOLUMENT POLICY

As at 31 March 2014, the Group had a total of 137 employees, the majority of whom are situated in the PRC. In addition to offering competitive remuneration packages to employee, discretionary bonuses may also be granted to eligible employees based on individual performance.

The Group also encourages its employees to pursue a balanced lifestyle and provides a good working environment for its employees to maximise their potential and contribution to the Group.

The Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics, recommends the Board the emoluments of the Directors. No Director, or any of his associates, and executive, is involved in dealing in his own remuneration.

## CORPORATE GOVERNANCE

Details of the corporate governance of the Company are set out in the section headed "Corporate Governance Report" in this annual report.

## AUDITOR

The consolidated financial statements for the year ended 31 March 2012 were audited by HLM & Co. On 16 January 2013, HLM & Co. resigned as the auditor due to change of entity status from partnership to limited company. HLM CPA Limited has been appointed as the auditor of the Company with effective from 1 March 2013.

The consolidated financial statements for the years ended 31 March 2013 and 31 March 2014 were audited by HLM CPA Limited who will retire and seek for re-election at the forthcoming AGM.

On behalf of the Board

**Lam Ching Kui**

*Chairman and Chief Executive Officer*

Hong Kong, 26 June 2014



## CORPORATE GOVERNANCE REPORT

The Directors and other members of the management team of the Company are dedicated to maintain high standards of corporate governance. They will continue to exercise leadership, enterprise, integrity and judgement so as to achieve continuing prosperity and to act in the best interests of the Company and its shareholders in a transparent and responsible manner. Strategic development with prudence and adherence to ethical principles form the cores of the Company's corporate governance practices.

The Company continues to devote efforts on promoting good corporate governance so as to ensure its ability to attract investment, protect the rights of shareholders and stakeholders, and enhance shareholders' value.

### CORPORATE GOVERNANCE

During the year ended 31 March 2014, the Company complied with the code provisions as set out in the Corporate Governance Code (the "CG Code") in Appendix 14 to the Listing Rules except code provisions A.2.1, A.3.2 and A.4.1.

Under code provision A.2.1, the roles of the chairman and chief executive officer should be separated and should not be performed by the same individual. The Company does not at present separate the roles of the chairman and chief executive officer. Mr. Lam Ching Kui is the chairman and chief executive officer of the Company. He has extensive experience in project management and securities investments and is responsible for the overall corporate strategies, planning and business development of the Group. The balance of power and authorities is ensured by the operation of the Board which comprises experienced and high caliber individuals with sufficient number thereof being independent non-executive Directors.

Code provision A.3.2 provides that an issuer should maintain on its website and on the Stock Exchange's website an updated list of its directors identifying their role and function and whether they are independent non-executive directors. Since January 2013, the Company did not maintain on the Stock Exchange's website and on its website an updated list of Directors due to the inadvertent omission by the responsible personnel. The Company has maintained its updated list of Directors on the websites of the Stock Exchange and the Company since July 2013.

Code provision A.4.1 provides that non-executive directors should be appointed for a specific term and subject to re-election. The Company has not fixed the term of appointment of Mr. Ko Ming Tung, Edward ("Mr. Ko") as an independent non-executive Director, however, he is subject to retirement by rotation at least once every three years and re-election at the AGM of the Company pursuant to the Company's Bye-laws. As such, the Board considers that sufficient measures have been taken to ensure the Company's corporate governance practices are no less exacting than those in the CG Code.

# CORPORATE GOVERNANCE REPORT

## BOARD OF DIRECTORS

### Composition of the Board

As at the date of this annual report, the composition of the Board is set out as follows:

#### Executive Director

Mr. Lam Ching Kui (*Chairman and Chief Executive Officer*)

#### Independent Non-executive Directors

Mr. Ko Ming Tung, Edward

Mr. Shaw Lut, Leonardo

Mr. To Yan Ming, Edmond

#### Responsibilities

The Board has a balance of skill and experience and a balanced composition of executive and non-executive Directors and is responsible for oversight of the management of the Company's business and affairs. The Board has delegated the day-to-day responsibility to the executive Director(s) and senior management of the Company.

The Board, headed by the Chairman and the Chief Executive Officer, is responsible for formulation and approval of the Group's development, business strategies, policies, annual budgets and business plans, recommendation of any dividend and supervision of management.

The Chairman and Chief Executive Officer seeks to ensure that all Directors are properly briefed on issues brought up at Board meetings and receive adequate and reliable information in relation to matters discussed at Board meetings and also other affairs of the Group on a timely basis.

The Chairman and Chief Executive Officer is responsible for day-to-day management of the Company's operations, financial management and the effective implementation of the overall strategies and initiatives adopted by the Board.

The Company considers that internal control system and risk management function are essential, and the Board plays an important role in implementing and monitoring internal control system and risk management function.

# CORPORATE GOVERNANCE REPORT

## **BOARD OF DIRECTORS** *(continued)*

### **Responsibilities** *(continued)*

During the year ended 31 March 2014, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise.

In the course of discharging their duties, the Directors act in good faith, with due diligence and care, and in the best interests of the Company and its shareholders. Their responsibilities include:

- attending regular Board meetings focusing on business strategy, operational issues and financial performance;
- active participation on the boards of subsidiaries and associated companies;
- approval of annual budgets for each operating company covering strategy, financial and business performance, key risks and opportunities;
- monitoring the quality, timeliness, relevance and reliability of internal and external reporting;
- monitoring and managing potential conflicts of interest of the Board, senior management and shareholders;
- consideration of misuse of corporate assets and abuse in related party transactions; and
- ensuring processes are in place to maintain the overall integrity of the Company, including financial statements, relationships with suppliers, customers and other stakeholders, and compliance with all laws and ethics.

To enable the Directors to meet their obligations, an appropriate organisational structure is in place with clearly defined responsibilities and limits of authority.

# CORPORATE GOVERNANCE REPORT

## BOARD OF DIRECTORS *(continued)*

### Appointment, Re-election and Removal of Directors

The appointment of all the Directors, including independent non-executive Directors (except Mr. Ko Ming Tung, Edward), is for a specific term of not more than three years from date of appointment. The Company's Bye-laws provide for the retirement of Directors by rotation and any new Director appointed to fill a casual vacancy shall submit himself/herself for re-election by shareholders at the first general meeting following the appointment.

The procedures and process of appointment, re-election and removal of Directors are set out in the Company's Bye-laws. The Board is responsible for the reviewing its composition, monitoring the appointment of Directors and assessing the independence of the independent non-executive Directors.

### Board Meetings

During the year ended 31 March 2014, the Board held four regular board meetings. In addition, board meetings are convened when necessary to deal with everyday matters that require the Board's prompt decision, and are usually attended by executive Directors only. The Directors attended the meetings in person or through electronic means of communication. The attendance of each Director is set out as follows:

<b>Name of Director</b>	<b>Number of meetings attended/held</b>
Mr. Lam Ching Kui	4/4
Mr. Ko Ming Tung, Edward	4/4
Mr. Shaw Lut, Leonardo	4/4
Mr. To Yan Ming, Edmond	4/4



# CORPORATE GOVERNANCE REPORT

## BOARD OF DIRECTORS *(continued)*

### General Meetings

During the year ended 31 March 2014, an annual general meeting of the Company was held on 24 September 2013. The attendance of each Director is set out as follows:

<b>Name of Director</b>	<b>Number of meetings attended/held</b>
Mr. Lam Ching Kui	1/1
Mr. Ko Ming Tung, Edward	1/1
Mr. Shaw Lut, Leonardo	1/1
Mr. To Yan Ming, Edmond	1/1

### Board Process

Directors are provided with relevant information to make informed decisions. The Board and each director have separate and independent access to the Company's senior management for information and making enquires if necessary. In addition, Directors may seek independent professional advice in appropriate circumstances at the Company's expenses.

Every Director is entitled to have access to the advice and services of the Company Secretary with a view to ensure that the Board procedures, and all applicable rules and regulations, are complied with. All minutes are kept by the Company Secretary and are opened for inspections by any Director during normal office hours by giving reasonable advance notice.

If a substantial shareholder or a Director has a conflict of interest in a matter before the Board, the matter will be dealt with in accordance with applicable rules and regulations and, if appropriate, an independent board committee will be set up to deal with the matter.

# CORPORATE GOVERNANCE REPORT

## BOARD OF DIRECTORS *(continued)*

### Directors' Training

According to the code provision A.6.5 of the CG Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the board remains informed and relevant.

All Directors have participated in continuous professional development by way of receiving in-house briefing, taking part in training relating to the Listing Rules and corporate governance matters or attending seminars relating to their role as a director of listed issuer. Each of the Directors has provided a record of training they received for the year ended 31 March 2014 to the Company.

### Chairman and Chief Executive Officer

Mr. Lam Ching Kui, the Chairman of the Company, was also appointed as the Chief Executive Officer of the Company. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by current Board which comprises experienced and high calibre individuals with sufficient number thereof being independent non-executive Directors.

### Independent Non-executive Directors

The three independent non-executive Directors are persons of high calibre, with academic and professional qualifications in the fields of accounting, laws or economics. With their experience gained from various sectors, they provide strong support towards the effective discharge of the duties and responsibilities of the Board. Each independent non-executive Director has given an annual confirmation of his independence to the Company, and the Company considers each of them to be independent under Rule 3.13 of the Listing Rules.

All independent non-executive Directors (except Mr. Ko Ming Tung, Edward) have been appointed for a term of two years from their date of appointment. Each of the independent non-executive Directors is subject to retirement by rotation and re-election at the AGM of the Company in accordance with the Company's Bye-laws.

# CORPORATE GOVERNANCE REPORT

## BOARD COMMITTEES

The Company has set up three committees of the Board, including the Remuneration Committee, audit committee (“Audit Committee”) and nomination committee (“Nomination Committee”) of the Company, with specific terms of reference relating to their authority and duties, which strengthen the Board’s functions and enhance its expertise.

### Remuneration Committee

The Remuneration Committee comprises the executive Director and three independent non-executive Directors. Mr. Ko Ming Tung, Edward is the chairman of the Remuneration Committee.

The primary function of the Remuneration Committee is to make recommendations to the Board on the Company’s policy and structure for all remuneration of Directors and senior management. The Company’s emolument policy is to ensure that the remuneration offered to employees including executive Directors and senior management is based on the skills, knowledge, responsibilities and involvement in the Company’s affairs. The remuneration packages are also determined by reference to the Company’s performance and profitability, remuneration level in the industry and the prevailing market conditions. The emolument policy for non-executive Directors, mainly comprising directors’ fees, is subject to annual assessment with reference to the market standard. Individual Director and senior management would not be involved in deciding their own remuneration.

The model of remuneration committee described in code provision B.1.2(c)(ii) of the CG Code has been adopted by the Remuneration Committee.

During the year ended 31 March 2014, the Remuneration Committee held two meetings, with attendance record as follows:

<b>Name of Director</b>	<b>Number of meetings attended/held</b>
Mr. Ko Ming Tung, Edward ( <i>Chairman</i> )	2/2
Mr. Lam Ching Kui	2/2
Mr. Shaw Lut, Leonardo	2/2
Mr. To Yan Ming, Edmond	2/2

During the year under review, the Remuneration Committee reviewed matters relating to remuneration packages of directors and senior management.

# CORPORATE GOVERNANCE REPORT

## BOARD COMMITTEES *(continued)*

### Audit Committee

The Audit Committee comprises Mr. Ko Ming Tung, Edward, Mr. Shaw Lut, Leonardo and Mr. To Yan Ming, Edmond, all of whom are independent non-executive Directors. Mr. To Yan Ming, Edmond is the chairman of the Audit Committee.

The Audit Committee reports directly to the Board and reviews financial statements and the effectiveness of internal control, to protect the interests of the Company's shareholders.

The Audit Committee meets regularly with the Company's external auditor to discuss various accounting issues, and reviews the interim and annual reports before submitting the same to the Board. Written terms of reference, which describe the authority and duties of the Audit Committee are regularly reviewed and updated by the Board.

During the year ended 31 March 2014, the Audit Committee held two meetings, with attendance record as follows:

<b>Name of Director</b>	<b>Number of meetings attended/held</b>
Mr. To Yan Ming, Edmond ( <i>Chairman</i> )	2/2
Mr. Ko Ming Tung, Edward	2/2
Mr. Shaw Lut, Leonardo	2/2

At the meetings, the Audit Committee reviewed the audited financial statements for the year ended 31 March 2014 and the interim report for the six months ended 30 September 2013 respectively. The Audit Committee has also reviewed the Group accounting principles and practices, Listing Rules and statutory compliance and financial reporting matters. The Audit Committee is satisfied with their review of the independence of the auditor and their audit process for the year ended 31 March 2014.

The Group's results and consolidated financial statements for the year ended 31 March 2014 have been reviewed by the Audit Committee.



# CORPORATE GOVERNANCE REPORT

## BOARD COMMITTEES *(continued)*

### Nomination Committee

The Nomination Committee comprises the executive Director and three independent non-executive Directors. Mr. Shaw Lut, Leonardo is the chairman of the Nomination Committee.

The primary function of the Nomination Committee is to make recommendations to the Board on new appointment and re-appointment of Directors and senior management. New Directors are sought mainly through referrals and internal promotions. In evaluating whether an appointee is suitable to act as a Director, the Board will review the independence, experience and skills of the appointee as well as personal ethics, integrity and possible time commitment of the appointee with reference to the Diversity Policy adopted by the Board during the year and the requirements under the Listing Rules.

During the year ended 31 March 2014, the Nomination Committee held two meetings, with attendance record as follows:

<b>Name of Director</b>	<b>Number of meetings attended/held</b>
Mr. Shaw Lut, Leonardo ( <i>Chairman</i> )	2/2
Mr. Ko Ming Tung, Edward	2/2
Mr. Lam Ching Kui	2/2
Mr. To Yan Ming, Edmond	2/2

### Corporate Governance Functions

The Company's corporate governance functions are carried out by the Board in compliance with the CG Code.

The corporate governance functions currently performed by the Board are to develop and review the Company's policies and practices on corporate governance to comply with the CG Code and other legal or regulatory requirements; to oversee the Company's orientation program for new Director; to review and monitor the training and continuous professional development of Directors and senior management; to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and to review the Company's disclosure in the Corporate Governance Report.

# CORPORATE GOVERNANCE REPORT

## BOARD COMMITTEES *(continued)*

### Corporate Governance Functions *(continued)*

During the year ended 31 March 2014, the Board has reviewed the Company's policies and practices on corporate governance, the training and continuous professional development of the Directors and senior management as well as the Company's compliance with the CG Code.

## EXTERNAL AUDITOR AND ITS REMUNERATION

HLM CPA Limited, the external auditor of the Company, shall retire and, being eligible, offer themselves for re-appointment. A resolution for the reappointment of HLM CPA Limited as auditor of the Company is to be proposed at the forthcoming AGM.

HLM CPA Limited provided services in respect of the audit of Company's financial statements which were prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") for the year ended 31 March 2014. HLM CPA Limited also reviewed the 2013 unaudited interim financial information of the Company, which was prepared in accordance with HKFRSs.

The total fees charged by HLM CPA Limited in respect of audit services for the year ended 31 March 2014 amounted to HK\$500,000.

<b>Description of non-audit services performed by HLM CPA Limited</b>	<b>Fee Paid</b>
	<i>HK\$</i>
(1) Interim review of financial statements of the Company and its subsidiaries for the six months ended 30 September 2013	128,000

## DIRECTORS' RESPONSIBILITY IN PREPARING CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge that their responsibilities for preparing the consolidated financial statements and ensuring that the preparation of the accounts is in accordance with statutory requirements and applicable accounting standards.

The statement of the Auditors of the Company regarding their reporting responsibilities for the consolidated financial statements is set out in the Independent Auditor's Report on pages 29 to 30 of this Annual Report.

# CORPORATE GOVERNANCE REPORT

## GOING CONCERN

The Directors, having made appropriate enquiries, consider that the Company has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

## INTERNAL CONTROL

The Board has overall responsibilities for maintaining a sound and effective internal control system of the group. The system includes a defined management structure with limits of authority, safeguards its assets against unauthorised use or disposition, ensures the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensures compliances with relevant laws and regulations. The system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss, and to manage the risks of failure in the Group's operational systems and in the achievement of the Group's objectives.

The Directors acknowledge their responsibilities to ensure a sound and effective internal control system designed to facilitate efficient operations and to provide reasonable assurance in the financial reporting and compliance with applicable laws and regulations.

During the internal control system review performed, the Board, through the Audit Committee, has reviewed the effectiveness of the Group's internal control system covering all material controls, including financial, operational and compliance controls and risk management function. There are no material internal controls deficiencies that may affect the shareholders of the Company have come to the attention of the Audit Committee or the Board. They considered that the system had effectively safeguarded the assets of the Group. The Group will continue to enhance the system to cope with the changes in the business environment.

## SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called a special general meeting.

# CORPORATE GOVERNANCE REPORT

## SHAREHOLDERS' RIGHTS *(continued)*

### Shareholders to convene a special general meeting

Shareholders may convene a special general meeting of the Company according to the provisions as set out in the Bye-laws and the Companies Act of Bermuda. The procedures that shareholders can use to convene a special general meeting are set out in Bye-law 58 of the Company's Bye-laws.

### Putting enquiries by shareholders to the Board

Shareholders may send written enquiries to the Company for the attention of the Company Secretary at the Company's principal place of business in Hong Kong.

### Procedures for putting forward proposals by shareholders at shareholders' meeting

Pursuant to the Companies Act of Bermuda, the number of members necessary for a requisition for putting forward a proposal at a general meeting shall be:

- (a) any number of members representing not less than one-twentieth of the total voting rights at the date of the requisition; or
- (b) not less than one hundred members.

A copy or copies of requisition signed by all requisitionists shall be deposited, with a sum reasonably sufficient to meet the Company's expenses in giving notice of the proposed resolution or circulating any necessary statement, at the Company's principal place of business in Hong Kong in the case of:

- (a) a requisition requiring notice of a resolution, not less than six weeks before the meeting; and
- (b) any other requisition, not less than one week before the meeting.

The Company will verify the requisition and upon confirming that the requisition is proper and in order, the Board will proceed with the necessary procedures.

## CONSTITUTIONAL DOCUMENTS

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



# INDEPENDENT AUDITOR'S REPORT

恒健會計師行有限公司

**HLM CPA LIMITED**

**Certified Public Accountants**

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2-12 Queen's Road West, Hong Kong.  
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## **TO THE SHAREHOLDERS OF WAI CHUN GROUP HOLDINGS LIMITED**

偉俊集團控股有限公司

*(Incorporated in Bermuda with limited liability)*

We have audited the consolidated financial statements of Wai Chun Group Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 31 to 103, which comprise the consolidated statement of financial position as at 31 March 2014, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

## **DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

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

## **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.

# INDEPENDENT AUDITOR'S REPORT

## AUDITOR'S RESPONSIBILITY *(continued)*

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

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

## OPINION

In our opinion, the consolidated financial statements give a true and fair view of the Group's state of affairs as at 31 March 2014, and of its 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.

## Emphasis of matter

On 17 January 2013, the 49% non-controlling shareholder of a Company's major subsidiary Beijing HollyBridge System Integration Company Limited (the "Beijing HollyBridge") injected additional share capital into Beijing HollyBridge amounting to RMB30,380,000 (approximately HK\$37,880,000) being the amount attributable to the percentage of share capital held by it. The Group is required to inject the additional share capital of RMB31,620,000 (approximately HK\$39,735,000) on a pro rata basis into Beijing HollyBridge within two years without having to dilute its shareholding and profit sharing ratio in Beijing HollyBridge. The directors have represented that they had agreed to inject the additional share capital within two years. The consolidated financial statements have been prepared on the basis that such capital injection will be made within two years and, accordingly, there are no changes of shareholding percentage and profit sharing ratio in Beijing HollyBridge. If the Group fails to inject the additional share capital in Beijing HollyBridge within the prescribed period, the Group's interest in Beijing HollyBridge will be diluted and will constitute a deemed disposal of a subsidiary in the Group. The Group's interest in Beijing HollyBridge shall be accounted for as investment in an associate upon and after completion of the deemed disposal. As a result, the consolidated financial statements will have to be restated accordingly.

## HLM CPA Limited

*Certified Public Accountants*

## Ho Pak Tat

*Practising Certificate Number: P05215*

Hong Kong

26 June 2014

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2014

	<i>Notes</i>	<b>2014</b> <b>HK\$'000</b>	2013 <i>HK\$'000</i>
<b>Turnover</b>	7	<b>139,438</b>	143,329
Cost of sales		<b>(118,370)</b>	(121,704)
Gross profit		<b>21,068</b>	21,625
Other income	8	<b>781</b>	8,389
Net realised (loss) gain on disposal of held-for-trading investments		<b>(1,582)</b>	38
Net unrealised (loss) gain on held-for-trading investments		<b>(1,300)</b>	3,365
Selling and distribution expenses		<b>(26,723)</b>	(15,630)
Administrative expenses		<b>(42,315)</b>	(27,921)
Finance costs	9	<b>(685)</b>	(1,244)
<b>Loss before taxation</b>		<b>(50,756)</b>	(11,378)
Taxation	10	<b>(133)</b>	(437)
<b>Loss for the year</b>	11	<b>(50,889)</b>	(11,815)
Loss attributable to:			
– Shareholders of the Company		<b>(39,147)</b>	(10,942)
– Non-controlling interests		<b>(11,742)</b>	(873)
		<b>(50,889)</b>	(11,815)
<b>Loss per share</b>	14	<b>HK cents</b>	<i>HK cents</i>
– Basic		<b>(0.25)</b>	(0.20)
– Diluted		<b>(0.25)</b>	(0.20)

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



## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2014

	2014 HK\$'000	2013 HK\$'000
<b>Loss for the year</b>	<b>(50,889)</b>	(11,815)
Other comprehensive income (expense): <i>Items that have been reclassified or may be subsequently reclassified to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	<b>338</b>	(91)
Other comprehensive income (expense) for the year	<b>338</b>	(91)
<b>Total comprehensive expense for the year</b>	<b>(50,551)</b>	(11,906)
<b>Total comprehensive expenses attributable to:</b>		
– Shareholders of the Company	<b>(38,906)</b>	(11,121)
– Non-controlling interests	<b>(11,645)</b>	(785)
	<b>(50,551)</b>	(11,906)



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2014

	<i>Notes</i>	<b>2014</b> <b>HK\$'000</b>	2013 HK\$'000
<b>Non-current asset</b>			
Property, plant and equipment	<i>15</i>	<b>15,547</b>	14,440
<b>Current assets</b>			
Inventories	<i>16</i>	<b>25,286</b>	21,664
Trade and other receivables, prepayments and deposits	<i>17</i>	<b>29,618</b>	45,971
Held-for-trading investments	<i>18</i>	<b>8,488</b>	18,918
Tax recoverable		<b>120</b>	–
Fixed deposits	<i>19</i>	<b>300</b>	300
Bank balances and cash	<i>20</i>	<b>14,197</b>	4,623
		<b>78,009</b>	91,476
<b>Current liabilities</b>			
Trade and other payables	<i>21</i>	<b>26,327</b>	38,488
Tax payable		–	134
Amount due to the non-controlling interests of a subsidiary	<i>22</i>	<b>28,903</b>	–
		<b>55,230</b>	38,622
<b>Net current assets</b>			
		<b>22,779</b>	52,854
<b>Total assets less current liabilities</b>			
		<b>38,326</b>	67,294
<b>Non-current liability</b>			
Loan from the ultimate holding company	<i>28</i>	–	28,417
<b>Net assets</b>			
		<b>38,326</b>	38,877
<b>Capital and reserves</b>			
Share capital	<i>23</i>	<b>213,912</b>	53,912
Reserves		<b>(200,761)</b>	(51,855)
Equity attributable to shareholders of the Company		<b>13,151</b>	2,057
Non-controlling interests	<i>24</i>	<b>25,175</b>	36,820
<b>Total equity</b>			
		<b>38,326</b>	38,877

The consolidated financial statements on pages 31 to 103 were approved and authorised for issue by the Board of Directors on 26 June 2014 and are signed on its behalf by:

**Lam Ching Kui**  
*Director*

**Ko Ming Tung, Edward**  
*Director*

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2014

	Share capital HK\$'000	Share premium HK\$'000	Convertible preference shares HK\$'000	Share option reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Attributable to shareholders of the Company HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
<b>At 31 March 2012</b>	53,912	-	110,000	20,000	(5,491)	(165,243)	13,178	(275)	12,903
Loss for the year	-	-	-	-	-	(10,942)	(10,942)	(873)	(11,815)
Other comprehensive income (expenses) for the year	-	-	-	-	(179)	-	(179)	88	(91)
Total comprehensive expenses for the year	-	-	-	-	(179)	(10,942)	(11,121)	(785)	(11,906)
Additional capital injection attributable to the 49% held by non-controlling shareholder (Note i)	-	-	-	-	-	-	-	37,880	37,880
<b>At 31 March 2013 and 1 April 2013</b>	53,912	-	110,000	20,000	(5,670)	(176,185)	2,057	36,820	38,877
Loss for the year	-	-	-	-	-	(39,147)	(39,147)	(11,742)	(50,889)
Other comprehensive income for the year	-	-	-	-	241	-	241	97	338
Total comprehensive income (expenses) for the year	-	-	-	-	241	(39,147)	(38,906)	(11,645)	(50,551)
Shares issued upon exercise of share options	50,000	5,000	-	(5,000)	-	-	50,000	-	50,000
Share options lapsed	-	-	-	(15,000)	-	15,000	-	-	-
Shares issued upon conversion of convertible preference shares	110,000	-	(110,000)	-	-	-	-	-	-
<b>At 31 March 2014</b>	213,912	5,000	-	-	(5,429)	(200,332)	13,151	25,175	38,326

## Note (i):

The wholly owned subsidiary of the Company, Holy (Hong Kong) Universal Limited (the "Holy (HK)"), has 51% share capital of Beijing HollyBridge incorporated in the People's Republic of China (the "PRC"). On 17 January 2013, 49% non-controlling shareholder injected additional share capital of amount RMB30,380,000 (approximately HK\$37,880,000). According to the renewed Memorandum and Articles of Association and Capital Verification Report, Holy (HK) is allowed to inject the additional share capital of amount RMB31,620,000 (approximately HK\$39,735,000) in Beijing HollyBridge within two years without diluting its shareholding and profit sharing ratio which approved by the board of directors of Beijing HollyBridge. The profit sharing ratio remains unchanged for the year ended 31 March 2014.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2014

	<i>Notes</i>	<b>2014</b> <b>HK\$'000</b>	2013 <i>HK\$'000</i>
<b>Operating activities</b>			
Loss before taxation		<b>(50,756)</b>	(11,378)
Adjustments for:			
Interest expenses	9	<b>685</b>	1,244
Depreciation on property, plant and equipment	11	<b>787</b>	723
Dividend income from held-for-trading investments		<b>(520)</b>	(415)
Interest income		<b>(23)</b>	(23)
Loss (gain) on disposal of property, plant and equipment	11	<b>1</b>	(1)
Allowance (over-provision of allowance) for bad and doubtful debts	11	<b>1,728</b>	(326)
Net realised loss (gain) on disposal of held-for-trading investments		<b>1,582</b>	(38)
Net unrealised loss (gain) on held-for-trading investments		<b>1,300</b>	(3,365)
<hr/>			
Operating cash flows before movements in working capital		<b>(45,216)</b>	(13,579)
(Increase) decrease in inventories		<b>(3,694)</b>	2,936
Decrease (increase) in trade and other receivables, prepayments and deposits		<b>14,389</b>	(29,606)
Increase in amount due to the non- controlling interests of a subsidiary		<b>28,903</b>	–
Decrease in trade and other payables		<b>(11,972)</b>	(27,014)
<hr/>			
<b>Cash used in operations</b>		<b>(17,590)</b>	(67,263)
Interest paid		<b>(685)</b>	(1,244)
Tax paid		<b>(387)</b>	(303)
<hr/>			
<b>Net cash used in operating activities</b>		<b>(18,662)</b>	(68,810)



## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2014

	<i>Notes</i>	<b>2014</b> <b>HK\$'000</b>	2013 HK\$'000
<b>Investing activities</b>			
Purchase of property, plant and equipment	15	<b>(1,900)</b>	(1,341)
Purchase of held-for-trading investments		<b>(296)</b>	–
Proceeds from disposal of property, plant and equipment		–	1
Proceeds from disposal of held-for-trading investments		<b>7,844</b>	100
Dividend received		<b>520</b>	415
Interest received		<b>23</b>	23
<b>Net cash generated from (used in) investing activities</b>		<b>6,191</b>	(802)
<b>Financing activities</b>			
Additional capital injection to the 49% held by the non-controlling shareholder		–	37,880
(Repayment of) loan from the ultimate holding company		<b>(28,417)</b>	13,158
Proceeds from exercise of share options	23	<b>50,000</b>	–
<b>Net cash generated from financing activities</b>		<b>21,583</b>	51,038
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>9,112</b>	(18,574)
<b>Effects of foreign exchange rate changes</b>		<b>462</b>	(552)
<b>Cash and cash equivalents at the beginning of the year</b>		<b>4,923</b>	24,049
<b>Cash and cash equivalents at the end of the year</b>		<b>14,497</b>	4,923
<b>Analysis of the balances of cash and cash equivalents:</b>			
Fixed deposits		<b>300</b>	300
Bank balances and cash		<b>14,197</b>	4,623
		<b>14,497</b>	4,923

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



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 1. GENERAL

The Company was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). In the opinion of the directors, its ultimate holding company is Wai Chun Investment Fund, a private limited company incorporated in the Cayman Islands. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section of the annual report.

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

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 31.

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

### **New and revised HKFRSs affecting amounts reported and/or disclosures in the financial statements**

In the current year, the Group has applied the following new and revised HKFRSs 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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

### New and revised HKFRSs affecting amounts reported and/or disclosures in the financial statements (continued)

HKFRS 10	Consolidated financial statements
HKFRS 11	Joint arrangements
HKFRS 12	Disclosures of interests in other entities
HKFRS 13	Fair value measurement
Amendments to HKAS 1	Presentation of items of other comprehensive income
HKAS 19 (as revised in 2011)	Employee benefits
HKAS 27 (as revised in 2011)	Separate financial statements
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures
HK(IFRIC) – INT 20	Stripping costs in the production phase of a surface mine

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.

#### **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 HK(SIC) Int-12 Consolidation – Special Purpose Entities. HKFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) *(continued)*

**New and revised HKFRSs affecting amounts reported and/or disclosures in the financial statements** *(continued)*

### ***HKFRS 10 – Consolidated Financial Statements*** *(continued)*

The directors are of the opinion that the application of the amendments has had no material impact on the disclosures or on the amounts recognised in these consolidated financial statements.

### ***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. The scope of HKFRS 13 is broad; the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are within the scope of HKAS 17 Leases, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) *(continued)*

### **New and revised HKFRSs affecting amounts reported and/or disclosures in the financial statements** *(continued)*

#### ***HKFRS 13 Fair Value Measurement*** *(continued)*

HKFRS 13 requires prospective application. In accordance with the transitional provisions of HKFRS 13, the Group has not made any new disclosures required by HKFRS 13 for the 2013 comparative period (please see note 6(c) for 2014 disclosures). 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.

#### ***Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income***

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



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

### New and revised HKFRSs in issue but not yet effective

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

Amendments to HKFRSs	Annual improvements to HKFRSs 2010-2012 cycle <sup>2</sup>
Amendments to HKFRSs	Annual improvements to HKFRSs 2011-2013 cycle <sup>3</sup>
HKFRS 9	Financial instruments <sup>4</sup>
HKFRS 14	Regulatory deferral accounts <sup>5</sup>
Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transitional disclosures <sup>4</sup>
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities <sup>1</sup>
Amendments to HKFRS 11	Accounting for acquisition of interests in joint operations <sup>6</sup>
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation <sup>6</sup>
Amendments to HKAS 19	Defined benefit plans: employee contributions <sup>3</sup>
Amendments to HKAS 32	Offsetting financial assets and financial liabilities <sup>1</sup>
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets <sup>1</sup>
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting <sup>1</sup>
HK(IFRIC) – Int 21	Levies <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2014

<sup>2</sup> Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

<sup>3</sup> Effective for annual periods beginning on or after 1 July 2014

<sup>4</sup> Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised

<sup>5</sup> Effective for first annual HKFRS financial statements beginning on or after 1 January 2016

<sup>6</sup> Effective for annual HKFRS periods beginning on or after 1 January 2016

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) *(continued)*

### **New and revised HKFRSs in issue but not yet effective** *(continued)*

#### **HKFRS 9 Financial instruments**

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for hedge accounting.

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 are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) *(continued)*

**New and revised HKFRSs in issue but not yet effective** *(continued)*

**HKFRS 9 Financial instruments** *(continued)*

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

The directors anticipate that the adoption of HKFRS 9 in the future may have no significant impact on amounts reported in respect of the Group’s financial assets and financial liabilities.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### Statement of compliance

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards 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 Limited and by the Hong Kong Companies Ordinance.

### Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies below.

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



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### **Basis of preparation** *(continued)*

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

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

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

The principal accounting policies are set out below.

### **Basis of consolidation**

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

- has power over the investee;



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### **Basis of consolidation** *(continued)*

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

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

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

On 17 January 2013, the 49% non-controlling shareholder of a Company's major subsidiary Beijing HollyBridge injected additional share capital into Beijing HollyBridge amounting to RMB30,380,000 (approximately HK\$37,880,000) being the amount attributable to the percentage of share capital held by it. The Group is required to inject the additional share capital of RMB31,620,000 (approximately HK\$39,735,000) on a pro rata basis into Beijing HollyBridge within two years without having to dilute its shareholding and profit sharing ratio in Beijing HollyBridge. The directors have represented that they had agreed to inject the additional share capital within two years. The consolidated financial statements have been prepared on the basis that such capital injection will be made within two years and, accordingly, there are no changes of shareholding percentage and profit sharing ratio in Beijing HollyBridge. If the Group fails to inject the additional share capital in Beijing HollyBridge within the prescribed period, the Group's interest in Beijing HollyBridge will be diluted and will constitute a deemed disposal of a subsidiary in the Group. The Group's interest in Beijing HollyBridge shall be accounted for as investment in an associate upon and after completion of the deemed disposal. As a result, the consolidated financial statements will have to be restated accordingly.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### **Basis of consolidation** *(continued)*

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

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

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

### **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### **Revenue recognition** *(continued)*

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined by reference to the proportion of the total cost of providing the servicing for the product sold.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

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.

### **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 lessee***

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

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



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 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 recognised at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see the accounting policies below); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### **Foreign currencies** *(continued)*

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

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

### **Borrowing costs**

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### **Retirement benefit costs**

Payments to the Mandatory Provident Fund Scheme and state-managed retirement benefit scheme are recognised as an expense when employees have rendered services entitling them to the contributions.

### **Share-based payment transactions**

#### ***Share options granted by the Company to employees of the Group in an equity-settled share-based payment arrangement***

For grants of share options that are conditional upon satisfying specified vesting conditions, the fair value of services received is determined by reference to the fair value of share options granted at the grant date and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to accumulated losses.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### 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 before tax' as reported in the consolidated statement of profit or loss because of income or expense that are taxable or deductible in other years and 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 amounts 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 differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### **Taxation** *(continued)*

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

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

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

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

### **Property, plant and equipment**

Property, plant and equipment including leasehold improvements, furniture, fixtures and office equipment and motor vehicles for use in the production or supply of goods or services, or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

Depreciation is recognised so as to write off the cost of assets 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.

Leasehold improvements	20% or over the terms of the lease, if higher
Furniture, fixtures and office equipment	20%
Motor vehicles	20%

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

### **Impairment of tangible assets other than goodwill**

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### **Impairment of tangible assets other than goodwill** *(continued)*

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

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

### **Inventories**

Inventories are stated at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### **Provisions**

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### **Financial instruments**

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

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

### ***Financial assets***

Financial assets are classified into the following specified categories: financial assets “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 amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### **Financial instruments** *(continued)*

#### **Financial assets** *(continued)*

##### *Financial assets at FVTPL*

Financial assets are classified as at FVTPL when the financial asset is either held-for-trading or it is designated as at FVTPL.

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

A financial asset other than a financial asset held-for-trading may be designated as at 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 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### **Financial instruments** *(continued)*

#### **Financial assets** *(continued)*

##### *Financial assets at FVTPL (continued)*

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the “other income” line item. Fair value is determined in the manner described in note 6(c).

##### *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, deposits and other receivables, bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment loss on financial assets below).

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

##### *Impairment of financial assets*

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### **Financial instruments** *(continued)*

#### **Financial assets** *(continued)*

##### *Impairment of financial assets (continued)*

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

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### **Financial instruments** *(continued)*

#### **Financial assets** *(continued)*

##### *Impairment of financial assets (continued)*

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

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets, 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.

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

#### **Financial liabilities and equity instruments**

##### *Classification as debt or equity*

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



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### **Financial instruments** *(continued)*

#### **Financial liabilities and equity instruments** *(continued)*

##### *Equity instruments*

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

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

##### *Other financial liabilities*

Other financial liabilities (including deposit received and other payables) are subsequently measured at amortised cost using the effective interest method.

##### *Effective interest method*

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

Interest expense is recognised on an effective interest basis.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### Financial instruments *(continued)*

#### ***Derecognition***

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

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### Related parties

- (i) A person, or a close member of that person's family, is related to the Group if that person:
  - (1) has control or joint control of the Group;
  - (2) has significant influence over the Group; or
  - (3) is a member of the key management personnel of the Group or of a parent of the Group.
  
- (ii) An entity is related to the Group if any of the following conditions applies:
  - (1) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (2) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (3) Both entities are joint ventures of the same third party.
  - (4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (5) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
  - (6) The entity is controlled or jointly controlled by a person identified in (i).
  - (7) A person identified in (i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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.

### **Key sources of estimation uncertainty**

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***

The Group depreciates the property, plant and equipment over their estimated useful lives and after taking into account of their estimated residual values, using the straight line method. The estimated useful life reflects the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The residual values reflect the directors' estimated amount that the Group would currently obtain from disposal of the assets, after deducting the estimated costs of disposal, if the assets were already of the age and in the condition expected at the end of their useful lives.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

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

#### ***Estimated impairment of trade receivables***

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise.

## 5. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to shareholders of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure periodically. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debts.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 6. FINANCIAL INSTRUMENTS

### (a) Categories of financial instruments

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Financial assets		
Loans and receivables (including cash and cash equivalents)	43,179	50,742
Held-for-trading investments	8,488	18,918
Financial liabilities		
Other financial liabilities	53,838	65,287

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

The Group's major financial instruments include trade receivables, deposits and other receivables, held-for-trading investments, bank balances and cash, trade payables, other payables and amount due to the non-controlling interests of a subsidiary. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include credit risk, market risk (including foreign currency risk, interest rate risk and other price risk) and liquidity risk.

The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### **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 trade receivables as stated in the consolidated statement of financial position.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 6. FINANCIAL INSTRUMENTS *(continued)*

### (b) Financial risk management objectives and policies *(continued)*

#### **Credit risk** *(continued)*

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the 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.

None of the Group's financial assets are secured by collateral or other credit enhancements.

The Group has concentration of credit risk on trade receivable as 45% (2013: 58%) and 77% (2013: 82%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively. They have good historical repayment records and no default payment. Other receivables consist of a large number of customers spread across diverse industries and geographical areas. In the opinion of the directors, the Group does not have any significant concentration of credit risk.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 6. FINANCIAL INSTRUMENTS *(continued)*

### (b) Financial risk management objectives and policies *(continued)*

#### **Credit risk** *(continued)*

The Group has concentration of credit risk by geographical location, as all the trade receivables are located in the PRC as at 31 March 2014 and 2013.

The Group has no other significant concentration of credit risk, with exposure spreading over a number of counterparties.

#### **Foreign currency risk**

The Group's foreign currency assets, liabilities and transactions are principally denominated in Renminbi ("RMB"). These currencies are not the functional currencies of the Group entities to which these balances relate.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Assets		Liabilities	
	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
RMB	<b>32,939</b>	46,618	<b>53,040</b>	35,483

The Group currently does not have a foreign currency hedging policy. However, the management will closely monitor foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 6. FINANCIAL INSTRUMENTS *(continued)*

### (b) Financial risk management objectives and policies *(continued)*

#### **Foreign currency risk** *(continued)*

##### *Sensitivity analysis*

The Group is mainly exposed to the effects of fluctuation in RMB.

The following table details the Group's sensitivity to a 5% (2013: 5%) increase or decrease in HKD against RMB. 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 rate. A positive number below indicates an increase in post-tax loss and translation reserve with a 5% weakening of HKD (2013: 5%) against RMB. For a 5% (2013: 5%) strengthening of HKD against RMB, there would be an equal and opposite impact on the post-tax loss and translation reserve, and the balances below would be negative.

	<b>2014</b> <b>HK\$'000</b>	2013 HK\$'000
Profit or loss	<b>(1)</b>	-
Translation reserve	<b>1,006</b>	(557)

The Group's sensitivity to RMB has increase during the current year mainly due to the increase in RMB denominated payables as at 31 March 2014.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 6. FINANCIAL INSTRUMENTS *(continued)*

### (b) Financial risk management objectives and policies *(continued)*

#### ***Interest rate risk***

The Group is exposed to cash flow interest rate risk in relation to the bank balances due to the fluctuation of the prevailing market interest rates for the year ended 31 March 2014. The Group's fair value interest rate risk relates primarily to loan from the ultimate holding company for the year ended 31 March 2013.

The Group currently does not use any derivative contracts to hedge its exposure to fair value interest rate risk. However, the management will consider hedging significant interest rate exposure should the need arise.

#### ***Sensitivity analysis***

For the year ended 31 March 2014, the Group's cash flow interest rate risk is only related to the impact of prevailing market interest rate change on bank balances which are all short-term in nature. Therefore, any future variations in interest rates will not have significant impact on the result of the Group. Accordingly, no sensitivity analysis is performed for the year ended 31 March 2014.

For the year ended 31 March 2013, the sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 100 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's post-tax loss for the year ended 31 March 2013 would increase/decrease by approximately HK\$235,000. This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 6. FINANCIAL INSTRUMENTS *(continued)*

### (b) Financial risk management objectives and policies *(continued)*

#### ***Other price risk***

The Group is exposed to equity price risk mainly through its investments in listed equity securities. The Group's equity price risk is mainly concentrated on equity instruments quoted in the Stock Exchange.

#### ***Sensitivity analysis***

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date.

If equity prices had been 10% higher/lower (2013: 10% higher/lower):

- post-tax loss for the year ended 31 March 2014 would decrease/increase by approximately HK\$849,000 (2013: decrease/increase by approximately HK\$1,892,000). This is mainly due to the changes in fair value of held-for-trading investments.

#### ***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 Group had net current assets and equity attributable to shareholders of the Company of approximately HK\$22,779,000 and HK\$13,151,000 respectively as at 31 March 2014.

The management will closely monitor the cash flow generated from operations and the Group's needs for different types of external financing and will negotiate for proper facilities and consider proper means of equity financing as appropriate.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 6. FINANCIAL INSTRUMENTS *(continued)*

### (b) Financial risk management objectives and policies *(continued)*

#### *Liquidity risk (continued)*

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. 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. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

#### *Liquidity tables*

The maturity profile of the Group's financial liabilities at the end of the reporting period, based on the contracted undiscounted payments, was as follows:

	On demand or less than 180 days <i>HK\$'000</i>	181 to 365 days <i>HK\$'000</i>	Over 1 year <i>HK\$'000</i>	Carrying amount <i>HK\$'000</i>
<b>2014</b>				
<b>Non-derivative financial liabilities</b>				
Trade payables	15,957	407	6,720	23,084
Other payables	1,851	-	-	1,851
Amount due to the non-controlling interests of a subsidiary	28,903	-	-	28,903
	<b>46,711</b>	<b>407</b>	<b>6,720</b>	<b>53,838</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 6. FINANCIAL INSTRUMENTS (continued)

### (b) Financial risk management objectives and policies (continued)

#### Liquidity risk (continued)

#### Liquidity tables (continued)

	On demand or less than 180 days HK\$'000	181 to 365 days HK\$'000	Over 1 year HK\$'000	Carrying amount HK\$'000
2013				
Non-derivative financial liabilities				
Trade payables	24,507	2,602	4,296	31,405
Other payables	5,464	–	–	5,464
Loan from the ultimate holding company	–	–	28,417	28,417
	29,971	2,602	32,713	65,286

### (c) Fair value measurements

#### Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial instruments are measured at fair value at the end of each reporting period on a recurring basis. The following table gives information about how the fair values of these financial instruments are determined (in particular, the valuation techniques and inputs used).

Financial assets	Listed equity securities in Hong Kong with fair value as at 31 March		Fair value hierarchy	Valuation technique and key inputs
	2014 HK\$'000	2013 HK\$'000		
Held-for-trading non- derivative financial assets	8,488	18,918	Level 1	Quoted prices in an active market



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 6. FINANCIAL INSTRUMENTS *(continued)*

### (c) Fair value measurements *(continued)*

#### ***Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)***

At the end of the reporting period, the Group had no Level 2 or 3 fair value measurements financial instruments.

There were no transfers into or out of Level 1 during the year.

Except the financial assets that are measured at fair value on a recurring basis, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

## 7. TURNOVER AND SEGMENT INFORMATION

The reportable segments have been identified on the basis of internal management reports prepared in accordance with accounting policies in conformity with HKFRSs, that are regularly reviewed by the executive directors of the Company, being the Chief Operating Decision Maker (the "CODM") of the Group.

### **Business Segment**

The CODM regularly review revenue and operating results derived from three operating divisions – sales and integration services, services income and securities investments. These divisions are the basis on which the Group reports its primary segment information. Principal activities are as follows:

Sales and integration services:	Income from sales and services provision of integration services of computer and communication systems
Services income:	Income from design, consultation and production of information system software and management training services
Securities investments:	Listed securities in held-for-trading investments

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 7. TURNOVER AND SEGMENT INFORMATION *(continued)*

### Segment revenues and results

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

#### *For the year ended 31 March 2014*

	Sales and integration services <i>HK\$'000</i>	Services income <i>HK\$'000</i>	Securities investments <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>TURNOVER</b>				
External sales	99,815	39,623	-	139,438
<b>SEGMENT RESULTS</b>	<b>(24,771)</b>	<b>681</b>	<b>(2,361)</b>	<b>(26,451)</b>
Unallocated corporate income				261
Unallocated corporate expenses				(23,881)
Finance costs				(685)
Loss before taxation				(50,756)
Taxation				(133)
Loss for the year				(50,889)

#### *For the year ended 31 March 2013*

	Sales and integration services <i>HK\$'000</i>	Services income <i>HK\$'000</i>	Securities investments <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>TURNOVER</b>				
External sales	108,190	35,139	-	143,329
<b>SEGMENT RESULTS</b>	<b>(9,111)</b>	<b>7,575</b>	<b>3,818</b>	<b>2,282</b>
Unallocated corporate income				7,648
Unallocated corporate expenses				(20,064)
Finance costs				(1,244)
Loss before taxation				(11,378)
Taxation				(437)
Loss for the year				(11,815)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 7. TURNOVER AND SEGMENT INFORMATION *(continued)*

### Segment assets and liabilities

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

#### At 31 March 2014

	Sales and integration services <i>HK\$'000</i>	Services income <i>HK\$'000</i>	Securities investments <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	37,546	14,904	8,488	60,938
Unallocated assets				32,618
Consolidated assets				93,556
Segment liabilities	37,849	15,025	-	52,874
Unallocated liabilities				2,356
Consolidated liabilities				55,230

#### At 31 March 2013

	Sales and integration services <i>HK\$'000</i>	Services income <i>HK\$'000</i>	Securities investments <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	44,968	14,605	18,918	78,491
Unallocated assets				27,425
Consolidated assets				105,916
Segment liabilities	27,452	8,916	-	36,368
Unallocated liabilities				30,671
Consolidated liabilities				67,039



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 7. TURNOVER AND SEGMENT INFORMATION *(continued)*

### Other information

#### *For the year ended 31 March 2014*

	Sales and integration services <i>HK\$'000</i>	Services income <i>HK\$'000</i>	Securities investments <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Additions to property, plant and equipment	501	199	-	1,200	1,900
Depreciation of property, plant and equipment	90	36	-	661	787
Allowance for bad and doubtful debts	1,237	491	-	-	1,728

#### *For the year ended 31 March 2013*

	Sales and integration services <i>HK\$'000</i>	Services income <i>HK\$'000</i>	Securities investments <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Additions to property, plant and equipment	19	6	-	1,316	1,341
Depreciation of property, plant and equipment	54	18	-	651	723
Over-provision of allowance for bad and doubtful debts	(246)	(80)	-	-	(326)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 7. TURNOVER AND SEGMENT INFORMATION *(continued)*

### Geographical segments

No geographical segment analysis on turnover is provided as substantially all of the Group's revenue and contribution to results were derived from the PRC.

The following is an analysis of the carrying amount of segment assets and additions to property, plant and equipment, analysed by the geographical area in which the assets are located.

	Carrying amount of segment assets		Additions to property, plant and equipment	
	31.3.2014 HK\$'000	31.3.2013 HK\$'000	31.3.2014 HK\$'000	31.3.2013 HK\$'000
Hong Kong	40,249	45,487	1,200	1,316
The PRC, excluding Hong Kong	53,307	60,429	700	25
	93,556	105,916	1,900	1,341

### Information on major customers

Included in turnover arising from sales and integration services and service income of HK\$139,438,000 (2013: HK\$143,329,000) are turnover of approximately HK\$99,832,000 (2013: HK\$115,021,000) which arose from sales to the Group's three (2013: three) major customers and each customers accounted for more than 10% of the Group's total turnover.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 7. TURNOVER AND SEGMENT INFORMATION *(continued)*

### Information on major customers *(continued)*

Turnover from major customers, each of whom amounted to 10% or more of the Group's total turnover, is set out below:

	<b>2014</b> <b>HK\$'000</b>	2013 HK\$'000
Customer A	<b>68,640</b>	75,534
Customer B	<b>16,592</b>	18,759
Customer C*	<b>N/A</b>	20,728
Customer D**	<b>14,600</b>	N/A

\* Customer C contributed less than 10% of the Group's total turnover for the year ended 31 March 2014.

\*\* Customer D contributed less than 10% of the Group's total turnover for the year ended 31 March 2013.

## 8. OTHER INCOME

	<b>2014</b> <b>HK\$'000</b>	2013 HK\$'000
Bank interest income	<b>23</b>	23
Compensation income <i>(Note)</i>	<b>-</b>	7,454
Dividend income from held-for-trading investments	<b>520</b>	415
Gain on disposal of property, plant and equipment	<b>-</b>	1
Over-provision of allowance for bad and doubtful debts	<b>-</b>	326
Sundry income	<b>238</b>	170
	<b>781</b>	8,389

*Note:*

During the year 2013, the Company has received the compensation income related to guarantee amount paid and vehicle lost case in previous years.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 9. FINANCE COSTS

	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Interests paid to:		
– the ultimate holding company	<b>685</b>	1,244

## 10. TAXATION

	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Current tax:		
– Hong Kong	–	–
– PRC Enterprise Income Tax	<b>133</b>	176
	<b>133</b>	176
Under-provision in prior year:		
– Hong Kong	–	–
– PRC Enterprise Income Tax	–	261
	–	261
Total income tax recognised in profit and loss	<b>133</b>	437

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years. No provision for Hong Kong Profits Tax had been made as the Group did not generate any assessable profits in Hong Kong for both years.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for both years.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

### 10. TAXATION (continued)

The taxation for the years can be reconciled to the loss before taxation per the consolidated statement of profit or loss as follows:

	2014 HK\$'000	2013 HK\$'000
Loss before taxation	(50,756)	(11,378)
Tax at the applicable income tax rate of 16.5%	(8,375)	(1,877)
Tax effect of expenses not deductible for tax purpose	4,281	3,609
Tax effect of income not taxable for tax purpose	(90)	(3,562)
Tax effect of deductible temporary differences not recognised	63	54
Tax effect of tax losses not recognised	4,209	1,892
Effect of different tax rates of subsidiaries operating in other jurisdiction	45	60
Under-provision for previous year in PRC	-	261
Taxation for the year	133	437

At 31 March 2014, the Group has unused tax losses of approximately HK\$43,616,000 (2013: approximately HK\$30,145,000) available to offset against future profits. No deferred tax asset has been recognised in respect of these tax losses due to the unpredictability of future profit streams of the Group.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 11. LOSS FOR THE YEAR

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Loss for the year has been arrived at after charging:		
Auditor's remuneration	500	500
Allowance for bad and doubtful debts	1,728	–
Depreciation on property, plant and equipment	787	723
Loss on disposal of property, plant and equipment	1	–
Staff costs (including directors' emoluments – <i>note 12</i> )		
– salaries and allowance	24,910	19,116
– retirements benefits scheme contributions	1,956	1,734
	<b>26,866</b>	20,850
And after crediting:		
Bank interest income	23	23
Gain on disposal of property, plant and equipment	–	1
Over-provision of allowance for bad and doubtful debts	–	326

## 12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

- (a) The aggregate amounts of emoluments payable to directors of the Company during the year were as follows:

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Fees	480	480
Other emoluments:		
Basic salaries, other allowance and benefits in kind	2,600	2,897
Retirement benefit costs		
– Defined contribution retirement plans	15	22
	<b>2,615</b>	2,919
Total emoluments	<b>3,095</b>	3,399



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(continued)*

### (b) Directors' emoluments

The emoluments paid or payable to each of the 4 (2013: 5) directors were as follows:

#### *Year 2014*

	Other emoluments			2014 Total emoluments HK\$'000
	Directors' fees HK\$'000	Basic salaries, other allowance and benefits in kind HK\$'000	Defined contribution retirement plans HK\$'000	
<b>Executive Director</b>				
<b>Lam Ching Kui</b> <i>(chief executive)</i>	-	2,600	15	2,615
<b>Independent Non-executive Directors</b>				
Ko Ming Tung, Edward	240	-	-	240
Shaw Lut, Leonardo	120	-	-	120
To Yan Ming, Edmond	120	-	-	120
	480	-	-	480
<b>Total</b>	480	2,600	15	3,095

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

### (b) Directors' emoluments (continued)

Year 2013

	Directors' fees <i>HK\$'000</i>	Other emoluments		2013 Total emoluments <i>HK\$'000</i>
		Basic salaries, other allowance and benefits in kind <i>HK\$'000</i>	Defined contribution retirement plans <i>HK\$'000</i>	
Executive Directors				
Lam Ching Kui <i>(chief executive)</i>	–	2,600	14	2,614
Lu Jun Wu <sup>1</sup>	–	297	8	305
	–	2,897	22	2,919
Independent Non-executive Directors				
Ko Ming Tung, Edward	240	–	–	240
Shaw Lut, Leonardo	120	–	–	120
To Yan Ming, Edmond	120	–	–	120
	480	–	–	480
<b>Total</b>	<b>480</b>	<b>2,897</b>	<b>22</b>	<b>3,399</b>

1. Resigned on 2 January 2013

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

### 12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

- (c) Of the five individuals with the highest emoluments in the Group, one (2013: one) was director of the Company whose emoluments are included in the disclosures above. The emoluments of the remaining four (2013: four) individuals were as follows:

	2014 HK\$'000	2013 HK\$'000
Basic salaries, other allowance and benefits in kind	2,200	1,892
Retirement benefit costs		
– Defined contribution retirement plans	45	53
	<b>2,245</b>	1,945

  

	2014	2013
Their emoluments were within the following band:		
HK\$1,000,000 or above	1	1

No emoluments were paid to the directors of the Company or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during each of the two years ended 31 March 2014 and 2013.

### 13. DIVIDEND

No dividend was paid or proposed during the year 2014, nor has any dividend been proposed since the end of the reporting period (2013: Nil).



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 14. LOSS PER SHARE

### (a) Basic loss per share

The calculation of the basic loss per share for the year ended 31 March 2014 was based on the Group's loss attributable to shareholders of the Company of approximately HK\$39,147,000 (2013: approximately HK\$10,942,000) and the weighted average number of ordinary shares of 15,714,450,154 (2013: 5,391,162,483) in issue at the end of the reporting period, calculated as follows:

	2014 '000	2013 '000
Issued ordinary shares at 1 April	5,391,163	5,391,163
Effect of share options exercised	3,167,671	–
Effect of conversion of convertible preference shares	7,155,616	–
Weighted average number of ordinary shares	15,714,450	5,391,163

### (b) Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding due to the effect of all dilutive potential ordinary shares and the Group's loss attributable to shareholders of the Company.

For the year ended 31 March 2014, convertible preference shares were converted fully and share options were exercised or lapsed. The amount of diluted loss per share is the same as basic loss per share as there is no dilutive potential ordinary share for the year ended 31 March 2014.

For the year ended 31 March 2013, the Company has two categories of dilutive potential ordinary shares: convertible preference shares and share options. The calculation of diluted loss per share for the year ended 31 March 2013 does not assume the conversion of the convertible preference shares and the exercise of the share options since their exercise would result in decrease in loss per share.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements <i>HK\$'000</i>	Furniture, fixtures and office equipment <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>COST</b>				
At 1 April 2012	11,727	1,998	2,341	16,066
Additions	1,163	178	–	1,341
Disposals	–	(17)	–	(17)
Effect of foreign current exchange differences	–	20	–	20
At 31 March 2013	12,890	2,179	2,341	17,410
Additions	663	1,237	–	1,900
Disposals	–	(42)	–	(42)
Effect of foreign current exchange differences	–	2	–	2
<b>At 31 March 2014</b>	<b>13,553</b>	<b>3,376</b>	<b>2,341</b>	<b>19,270</b>
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT</b>				
At 1 April 2012	59	1,492	694	2,245
Charge for the year	118	189	416	723
Disposals	–	(17)	–	(17)
Effect of foreign currency exchange differences	–	19	–	19
At 31 March 2013	177	1,683	1,110	2,970
Charge for the year	119	252	416	787
Disposals	–	(41)	–	(41)
Effect of foreign currency exchange differences	–	7	–	7
<b>At 31 March 2014</b>	<b>296</b>	<b>1,901</b>	<b>1,526</b>	<b>3,723</b>
<b>NET CARRYING AMOUNTS</b>				
<b>At 31 March 2014</b>	<b>13,257</b>	<b>1,475</b>	<b>815</b>	<b>15,547</b>
At 31 March 2013	12,713	496	1,231	14,440

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

### 16. INVENTORIES

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Work in progress	18,677	13,699
Other consumables	6,609	7,965
	<b>25,286</b>	21,664

No inventories of the Group were carried at net realisable value (2013: HK\$Nil) at the end of the reporting period.

### 17. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

According to the contracts entered into with trade customers, an average of the contracts revenue is normally collected within 90 days from the date of receipt of customers' acceptance, whereas the remaining trade receivables represent retentions held by customers which are normally due one year after completion of the project.

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Trade receivables	54,099	47,955
<i>Less:</i> Allowance for bad and doubtful debts	<b>(28,735)</b>	(27,007)
	<b>25,364</b>	20,948
Other receivables, prepayments and deposits	4,254	25,023
Total trade and other receivables, prepayments and deposits	<b>29,618</b>	45,971

Other receivables, prepayment and deposits mainly consist of approximately HK\$116,000 for the deposit for leasehold improvements, approximately HK\$1,036,000 for the rental and utility deposit of offices in Hong Kong and the PRC, approximately HK\$479,000 for the tender guarantee of integration services contracts, approximately HK\$643,000 for the cash advances to staff for business purpose in the PRC office and approximately HK\$936,000 for the prepayment of purchase from suppliers.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

### 17. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

(continued)

The following is an aging analysis of trade receivables presented based on the date of receipt of customers' acceptance net of allowance for bad and doubtful debts:

	<b>2014</b> <b>HK\$'000</b>	2013 HK\$'000
0-30 days	<b>24,704</b>	20,719
31-90 days	-	229
Over 90 days	<b>660</b>	-
	<b>25,364</b>	20,948

Movements in the allowance for bad and doubtful debts:

	<b>2014</b> <b>HK\$'000</b>	2013 HK\$'000
Balance at beginning of the year	<b>27,007</b>	27,333
Allowance recognised on receivables	<b>1,728</b>	-
Over-provision of previous years	-	(326)
Balance at end of the year	<b>28,735</b>	27,007

There is no trade receivables that are past due but not impaired for both years ended of 2014 and 2013.

The directors consider that the carrying amount of trade and other receivables approximates their fair value.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 18. HELD-FOR-TRADING INVESTMENTS

Held-for-trading investments comprise:

	<b>2014</b> <b>HK\$'000</b>	2013 HK\$'000
Equity securities listed in Hong Kong, at fair value	<b>8,488</b>	18,918

The fair values of the above listed securities are determined based on the quoted market prices available on the Stock Exchange.

## 19. FIXED DEPOSITS

Fixed deposits carry interest at market rates of 0.01% (2013: 0.01%) per annum.

## 20. BANK BALANCES AND CASH

Bank balances carry interest at market rates which range from 0.01% to 0.385% (2013: 0.01% to 0.02%) per annum.

## 21. TRADE AND OTHER PAYABLES

The following is an analysis of trade payables by age included in trade and other payables at the end of the reporting period:

	<b>2014</b> <b>HK\$'000</b>	2013 HK\$'000
Trade payables		
0-90 days	<b>15,822</b>	20,920
91-180 days	<b>135</b>	3,588
Over 180 days	<b>7,127</b>	6,897
	<b>23,084</b>	31,405
Other payables	<b>3,243</b>	7,083
Total	<b>26,327</b>	38,488

The average credit period on purchases is ranged from 60 to 180 days.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

### 22. AMOUNT DUE TO THE NON-CONTROLLING INTERESTS OF A SUBSIDIARY

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

### 23. SHARE CAPITAL

	Number of shares '000	Share capital HK\$'000
<b>Authorised:</b>		
Ordinary shares of HK\$0.01 each at 1 April 2012, 31 March 2013 and 31 March 2014	89,000,000	890,000
Convertible preference shares of HK\$0.01 each at 1 April 2012, 31 March 2013 and 31 March 2014	11,000,000	110,000
<b>Issued and fully paid:</b>		
Ordinary shares of HK\$0.01 each at 1 April 2012 and 31 March 2013	5,391,163	53,912
Exercise of share options ( <i>Note a, Note 25</i> )	5,000,000	50,000
Conversion of convertible preference shares ( <i>Note b</i> )	11,000,000	110,000
Ordinary shares of HK\$0.01 each at 31 March 2014	21,391,163	213,912
Convertible preference shares of HK\$0.01 each at 1 April 2012 and 31 March 2013	11,000,000	110,000
Conversion of convertible preference share ( <i>Note b</i> )	(11,000,000)	(110,000)
Convertible preference shares of HK\$0.01 each at 31 March 2014	–	–



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

### 23. SHARE CAPITAL *(continued)*

- (a) During the year, 5,000,000,000 share options were exercised into 5,000,000,000 new shares of HK\$0.01 each.
- (b) The convertible preference shares were issued at a total consideration of HK\$110,000,000 on 20 August 2008. The convertible preference shares are convertible in whole or in part at any time for a period of five years commencing 20 August 2008 at a conversion price of HK\$0.01 per share.

During the year, holders of convertible preference shares converted a total of 11,000,000,000 convertible preference shares into 11,000,000,000 ordinary shares of HK\$0.01 each of the Company. All of the convertible preference shares were converted before maturity date during the year.

### 24. NON-CONTROLLING INTERESTS

	2014 HK\$'000	2013 HK\$'000
Balance at beginning of the year	36,820	(275)
Share of loss for the year	(11,742)	(873)
Additional capital injection attributable to the 49% held by the non-controlling shareholder	-	37,880
Exchange realignment	97	88
Balance at end of the year	25,175	36,820

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 25. SHARE OPTIONS

### **Ka Chun Holdings Limited (previous known as “Wai Chun Ventures Limited”) Option**

On 20 August 2008, the Company issued 20,000,000,000 options to Wai Chun Ventures Limited to subscribe for 20,000,000,000 ordinary shares of the Company at HK\$0.01 each (the “Option”). The Option is exercisable in whole or in part at any time for a period of five years commencing 20 August 2008 at an exercise price of HK\$0.01 per share. The Option was issued at a consideration of HK\$20,000,000.

The following table discloses details of the Company’s number of Option held by the grantee and movements in such holdings during the year:

Grantee	At 1.4.2013 '000	Exercised during the year '000 <i>(Note 23)</i>	Lapsed during the year '000	At 31.3.2014 '000
Ka Chun Holdings Limited	20,000,000	(5,000,000)	(15,000,000)	-

## 26. RETIREMENT BENEFITS OBLIGATIONS

### **Defined contribution retirement plans**

The employees of the Group in the PRC are members of defined contribution plans organised by the relevant local government authorities in the PRC. The subsidiary is required to make monthly contributions to these plans at a fixed percentage of the employee’s basic salary. The only obligation of the Group with respect to the retirement benefit scheme in the PRC is to make the required contributions under the scheme.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 26. RETIREMENT BENEFITS OBLIGATIONS *(continued)*

### Defined contribution retirement plans *(continued)*

The Group participates in a retirement benefit scheme, which was registered under the Mandatory Provident Fund Scheme Ordinance (the “MPF Ordinance”), for all its employees in Hong Kong. The scheme is a defined contribution scheme effective from December 2000 and is funded by contributions from employer and employees according to the provisions of the MPF Ordinance. The employer’s contributions vested fully with the employees when contributed into the scheme. The only obligation of the Group with respect to the scheme is to make the specified contributions.

The total expense recognised in the consolidated statement of profit or loss of approximately HK\$1,956,000 (2013: approximately HK\$1,734,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

## 27. COMMITMENTS

### (i) Operating lease commitments

#### *The Group as lessee*

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Minimum lease payments in respect of rented premises paid under operating leases during the year	<b>9,473</b>	7,814



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 27. COMMITMENTS (continued)

### (i) Operating lease commitments (continued)

#### *The Group as lessee (continued)*

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:

	<b>2014</b> <b>HK\$'000</b>	2013 HK\$'000
Within one year	<b>4,399</b>	2,966
In the second to fifth year inclusive	<b>1,860</b>	–
	<b>6,259</b>	2,966

Operating lease payments represent rentals payable by the Group for certain of its office premises in Hong Kong and PRC. Leases and rentals are negotiated and fixed respectively for an average term of two years.

### (ii) Capital commitments

	<b>2014</b> <b>HK\$'000</b>	2013 HK\$'000
Contracted but not provided in the financial statements in respect of property, plant and equipment	<b>4,312</b>	4,210
Additional share capital in a subsidiary due and payable within a period of 9 months (2013: 21 months) (Note)	<b>39,735</b>	39,525

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 27. COMMITMENTS (continued)

### (ii) Capital commitments (continued)

Note:

Holy (HK), a wholly owned subsidiary of the Company, is allowed to inject the additional share capital of amount RMB31,620,000 in Beijing HollyBridge, its 51% owned subsidiary, within two years from December 2012, according to the renewed Memorandum and Articles of Association and Capital Verification Report.

## 28. RELATED PARTIES TRANSACTIONS AND BALANCES

During the year, the Group had the following transactions with related parties in the normal course of business:

	2014 HK\$'000	2013 HK\$'000
Rental expenses paid to:		
Ms. Chan Oi Mo (Note i)	3,600	3,600
Wai Chun Holdings Group Limited (Note ii)	3,188	3,188
Interest expense paid to:		
Wai Chun Investment Fund (Note iii)	685	1,244
Purchase from:		
Non-controlling interests of a subsidiary	6,403	–

Notes:

- (i) Ms. Chan Oi Mo is the wife of Mr. Lam Ching Kui, a director of the Company.
- (ii) Wai Chun Holdings Group Limited is owned as to 50% by Mr. Lam Ching Kui, a director of the Company, and as to 50% by Ms. Chan Oi Mo, the wife of Mr. Lam Ching Kui.
- (iii) Wai Chun Investment Fund is the ultimate holding company of the Company.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

### 28. RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
<b>Loan from the ultimate holding company</b>		
Wai Chun Investment Fund	-	28,417

The amounts due are unsecured, interest-bearing and not repayable within one year.

Save as disclosed in the consolidated financial statements, there were no other significant related party transactions.

#### Key management personnel compensation

Remuneration for key management personnel is as follows:

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Directors' fee	480	480
Basic salaries, other allowance and benefit in kind	3,250	3,569
Retirement benefits scheme contributions	30	37
	<b>3,760</b>	4,086

The remuneration of directors and key executives is determined by the Remuneration Committee having regard to the performance of individuals and market trends.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 29. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	<i>Notes</i>	<b>2014</b> <b>HK\$'000</b>	2013 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		<b>13,463</b>	12,297
Interests in subsidiaries	32	<b>1</b>	1
		<b>13,464</b>	12,298
<b>Current assets</b>			
Inventories		<b>6,609</b>	7,965
Other receivables, prepayments and deposits		<b>116</b>	687
Amount due from subsidiaries	32	<b>20,443</b>	18,777
Held-for-trading investments		<b>-</b>	1,720
Cash at bank		<b>5,915</b>	192
		<b>33,083</b>	29,341
<b>Current liabilities</b>			
Other payables and accruals		<b>620</b>	620
<b>Net current assets</b>		<b>32,463</b>	28,721
<b>Total assets less current liabilities</b>		<b>45,927</b>	41,019
<b>Non-current liability</b>			
Loan from the ultimate holding company	28	<b>-</b>	28,882
<b>Net assets</b>		<b>45,927</b>	12,137
<b>Capital and reserves</b>			
Share capital	23	<b>213,912</b>	53,912
Reserves	30	<b>(167,985)</b>	(41,775)
<b>Total equity</b>		<b>45,927</b>	12,137

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 30. RESERVES

### The Company

	Share premium <i>HK\$'000</i>	Convertible preference shares <i>HK\$'000</i>	Share option reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2012	-	110,000	20,000	(171,009)	(41,009)
Total comprehensive expenses for the year	-	-	-	(766)	(766)
At 31 March 2013	-	110,000	20,000	(171,775)	(41,775)
Total comprehensive expenses for the year	-	-	-	(16,210)	(16,210)
Shares issued upon exercise of share options	5,000	-	(5,000)	-	-
Share options lapsed	-	-	(15,000)	15,000	-
Shares issued upon conversion of convertible preference shares	-	(110,000)	-	-	(110,000)
<b>At 31 March 2014</b>	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>(172,985)</b>	<b>(167,985)</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 31. SUBSIDIARIES

### 31.1 General information of subsidiaries

Details of the Group's material subsidiaries at the end of the reporting period are set out below:

Name of subsidiary	Place/Country of incorporation or establishment/operation	Issued and fully paid up share capital/registered capital	Proportion of ownership interest held by the Company				Principal activities
			Directly		Indirectly		
			2014	2013	2014	2013	
Beijing HollyBridge System Integration Company Limited <i>(Note i)</i>	PRC	RMB82,000,000	-	-	51%	51%	Provide solutions software and service
Holy (Hong Kong) Universal Limited	Hong Kong	HK\$300,000	-	-	100%	100%	Investment holding
Plus Financial Distribution Holdings Limited	Hong Kong	HK\$2	100%	100%	-	-	Investment holding
Plus Financial Management Services Limited	PRC	USD900,000	-	-	100%	100%	Consultancy service
Profit Choice (HK) Limited	Hong Kong	HK\$1,000	-	-	100%	100%	Investment holding
Telecom Plus Technology Holdings Limited	Hong Kong	HK\$2	100%	100%	-	-	Investment holding
Wai Chun Strategic Investment Limited	Hong Kong	HK\$1,000	100%	100%	-	-	Investment holding

To the best of the knowledge of the directors, none of the subsidiaries had any debt securities in issue at the end of the reporting period.

*Note (i):* The English name is directly translated from the Chinese name shown in the PRC business license.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 31. SUBSIDIARIES (continued)

### 31.2 Details of a non-wholly owned subsidiary that has material non-controlling interests

The table below shows details of a non-wholly owned subsidiary of the Group that has material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
		31.3.2014	31.3.2013	31.3.2014 HK\$'000	31.3.2013 HK\$'000	31.3.2014 HK\$'000	31.3.2013 HK\$'000
Beijing HollyBridge System Integration Company Limited	PRC	49%	49%	11,742	873	25,175	36,820

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

#### **Beijing HollyBridge System Integration Company Limited**

	2014 HK\$'000	2013 HK\$'000
Current assets	65,739	73,355
Non-current assets	683	115
Current liabilities	(52,874)	(36,369)
Non-current liabilities	-	-
Equity attributable to shareholders of the Company	6,909	18,922
Non-controlling interests	6,639	18,179

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 31. SUBSIDIARIES *(continued)*

### 31.2 Details of a non-wholly owned subsidiary that has material non-controlling interests *(continued)*

#### *Beijing HollyBridge System Integration Company Limited (continued)*

	<b>2014</b>	2013
	<b>HK\$'000</b>	HK\$'000
Revenue	<b>139,697</b>	143,847
Expenses	<b>(163,660)</b>	(145,629)
Loss for the year	<b>(23,963)</b>	(1,782)
Loss attributable to shareholders of the Company	<b>(12,221)</b>	(909)
Loss attributable to the non-controlling interests	<b>(11,742)</b>	(873)
Loss for the year	<b>(23,963)</b>	(1,782)
Other comprehensive income (expenses) attributable to shareholders of the Company	<b>313</b>	(526)
Other comprehensive income attributable to the non-controlling interests	<b>97</b>	88
Other comprehensive income (expenses) for the year	<b>410</b>	(438)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

## 31. SUBSIDIARIES *(continued)*

### 31.2 Details of a non-wholly owned subsidiary that has material non-controlling interests *(continued)*

#### *Beijing HollyBridge System Integration Company Limited (continued)*

	<b>2014</b>	2013
	<b>HK\$'000</b>	HK\$'000
Total comprehensive expenses attributable to shareholders of the Company	<b>(11,908)</b>	(1,435)
Total comprehensive expenses attributable to the non-controlling interests	<b>(11,645)</b>	(785)
Total comprehensive expenses for the year	<b>(23,553)</b>	(2,220)
Dividends paid to non-controlling interests	-	-
Net cash inflow (outflow) from operating activities	<b>2,749</b>	(55,305)
Net cash outflow from investing activities	<b>(679)</b>	(5)
Net cash inflow from financing activities	-	37,880
Net cash inflow (outflow)	<b>2,070</b>	(17,430)



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

### 32. INTEREST IN SUBSIDIARIES

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Unlisted shares, at cost	1	1
Amounts due from subsidiaries	131,424	125,567
	<b>131,425</b>	125,568
Impairment loss recognised	<b>(110,981)</b>	(106,790)
	<b>20,444</b>	18,778

Details of the Company's subsidiaries at 31 March 2014 and 2013 are set out in note 31.

In the opinion of the directors, the amounts due from subsidiaries are unsecured, non-interest bearing and are likely to be repayable within one year from the end of reporting period and are therefore shown in the statement of financial position as current. The carrying amount approximates their fair value.

### 33. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

## FIVE YEARS FINANCIAL SUMMARY

### RESULTS

	Year ended 31 March				
	2014 HK\$'000	2013 HK\$'000	2012 HK\$'000	2011 HK\$'000	2010 HK\$'000
Turnover	<b>139,438</b>	143,329	140,590	88,876	83,206
Loss before taxation	<b>(50,756)</b>	(11,378)	(27,121)	(15,121)	(24,272)
Taxation	<b>(133)</b>	(437)	(129)	-	-
Loss for the year	<b>(50,889)</b>	(11,815)	(27,250)	(15,121)	(24,272)
Non-controlling interests	<b>11,742</b>	873	275	-	-
Loss for the year attributable to shareholders of the Company	<b>(39,147)</b>	(10,942)	(26,975)	(15,121)	(24,272)

### ASSETS AND LIABILITIES

	As at 31 March				
	2014 HK\$'000	2013 HK\$'000	2012 HK\$'000	2011 HK\$'000	2010 HK\$'000
Total assets	<b>93,556</b>	105,916	94,521	102,749	115,169
Total liabilities	<b>(55,230)</b>	(67,039)	(81,618)	(62,108)	(49,534)
Non-controlling interests	<b>38,326</b> <b>(25,175)</b>	38,877 (36,820)	12,903 275	40,641 -	65,635 -
Equity attributable to shareholders of the Company	<b>13,151</b>	2,057	13,178	40,641	65,635