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

(Stock Code 股份代號：143)

2014
ANNUAL REPORT 年報

* For identification purpose only 僅供識別

Contents

CORPORATE PROFILE

Corporate Profile

Global Tech (Holdings) Limited (the "Company"), together with its subsidiaries (collectively the "Group"), continues to operate in the mobile telecommunications sphere as a facilitator of products and services proliferation. As such, the Group partners with vendors in managing the user experience through its participation in the process of brand adaptation, marketing, distribution and the provision of after-sale services. In appropriate circumstances, the Group will also consider investing in financial assets and engaging in other business initiatives to enhance shareholder value.

The world's growing reliance on the Internet and digital devices has shaped an environment conducive to fostering innovation, both in terms of technology and business models. The Group seeks to work with industry operators to make proactive, knowledge-driven moves to cope with this constantly changing market place and user expectations.

On the hardware front, the Group makes timely adjustments to its portfolio of handsets and accessories to cater to varying requirements on product specifications and prices. To ensure that its solutions span the entire user experience, the Group also maintains a business unit providing reliable repair and upgrading services for smartphones.

As new degrees of connectedness among individuals, businesses and even nations are witnessed in the digital age, the Group remains firmly committed to its role in facilitating the diffusion of mobile technology.

CHAIRMAN'S STATEMENT

Chairman's Statement

Despite a mild global recovery, downside risks have increased as 2014 unfolds. For the most part of the year ended 30 September 2014, economies worldwide were clouded by worsening geopolitical tensions, stagnation in advanced countries, and a decline in potential growth in emerging markets.

The International Monetary Fund (IMF) continues to describe global growth as uneven and still weak overall, while remaining susceptible to many potential threats. Over the medium term, protracted weak demand in advanced economies could result in lower growth everywhere, in part through negative supply-side effects.

Growth has strengthened in North America after a slowdown in the first quarter of 2014. However, many downside risks, from both domestic and external sources, remain relevant. Advanced Europe has experienced a multi-speed recovery with growth still weak in the eurozone, and lingering risks of low growth and low inflation. Elsewhere in Europe, vulnerabilities have developed from emerging housing market risks.

Growth in Asia Pacific cooled somewhat in early 2014 but has broadly rebounded, driven by a bounce-back in domestic demand, and for some economies, by stronger external demand. Downside risks have stemmed from a sharp tightening in global financial conditions, as well as from protracted weak growth in advanced economies.

The economy of China, a major growth engine for the world, is on course for a lower-than-target growth rate in 2014 while the country is trying to steer toward growth based on domestic consumption instead of heavy reliance on trade and investment. The market expects further downward pressure on the Chinese economy, which would likely cause damage to the United States as well as commodity-producing countries.

The mobile sphere, on the other hand, has continued to grow. According to a new mobile phone forecast by International Data Corporation (IDC), worldwide smartphone shipments will reach a total of nearly 1.3 billion units in 2014. Looking ahead, IDC expects 1.4 billion smartphones to be shipped worldwide in 2015 for a 12% year-over-year growth rate. Slower annual growth is expected to follow with unit shipments approaching 1.9 billion units in 2018, resulting in a less than 10% compound annual growth rate (CAGR) for the 2014-2018 forecast period.

Smartphone revenues reflect a starker picture, as they will be hard hit by the increasingly intense pricing competition. IDC forecast that the impact of Chinese technology start-ups would be reflected in a price war to the bottom. While premium phones do not fare well, increasingly better specifications in more affordable smartphones would be rolled out. The biggest question would be how much lower can prices go.

From a worldwide perspective, smartphones are expected to see their average selling price (ASP) dropping from US$297 in 2014 to US$241 by 2018. Emerging markets like India will see much lower smartphone prices. The modest shipment growth therefore will not be able to drive up overall revenues as each generation of flagship phones shows less differentiation from its predecessors.

Perhaps the sector should look at an expanded environment that serves the requirements of the mobile user. As mobile devices continue to proliferate, Gartner, Inc. (Gartner) predicted an increased emphasis on serving the needs of the mobile user in diverse contexts and environments, as opposed to focusing on devices alone. For example, wearable devices are now part of the expanded computing environment.

Chairman's Statement

Indeed, the wearable electronics business is expected to power from global sales of over US$14 billion in 2014 to over US$70 billion in 2024. Glasses, smartwatches, health monitors, headgear, wristwear, activity trackers and e-textiles are all part of the emerging landscape of wearable technology, which is set to change our everyday life.

However, some early attempts to target the wearable technology market have not been entirely successful. Google Glass, for example, has not been warmly received by gadget lovers, leading to Google's decision to close its dedicated Glass stores. The popularity of fitness-monitoring wristbands is also expected to wane, as consumers opt more for smart clothing. As a Gartner researcher analysed, smart garments can hold more sensors closer to the skin, and can collect more information to produce better data.

The growing functionality of smartphones and the emergence of wearables have catalysed significant growth in components such as sensors, which measure and convert natural phenomena into digital data for electronic devices. Demand for sensors is projected to grow at a CAGR of more than 10% over the next five years.

According to Gartner's predictions of top technology trends in 2015, analytics will take centre stage as the volume of data generated by embedded systems increases and vast pools of data are analysed. As the research firm puts it, every app now needs to be an analytic app. Organizations need to filter huge amounts of data coming from the Internet of Things (IoT), social media and wearable devices, analyse and then deliver the right information to the right person, at the right time.

Big data remains an important enabler for this trend but the focus, and the value, is in the answers, not the data. While the drop in the price of data storage has made it possible for businesses to store large quantities of raw data about consumption behaviour and market patterns, it takes the right data mining tools and expertise to extract meaningful trends and predictive information from such data.

In a study to quantify the amount of data produced annually, EMC Corporation forecast the digital universe would double in size every two years and multiply 10-fold between 2013 and 2020 – from 4.4 trillion Gigabytes to 44 trillion Gigabytes.

In 2013, only 22% of such information was considered useful data, with less than 5% of the useful data actually analysed. By 2020, more than 35% of all data could be considered useful data, owing to the growth of data from the IoT. This phenomenon will present new ways of doing business and trillion-dollar opportunity for enterprises.

Conversely, it presents challenges as businesses manage, store and protect this volume and diversity of data. IDC estimated that 40% of the data in the digital universe requires some level of protection, but in reality, only half of that data is actually protected.

With huge opportunity comes daunting challenges for the telecommunications sector as the IoT continues to connect things and people to create a connected world. Managing every Byte of data is an opportunity for those telecommunications companies that can reinvent the solutions they provide and take on a different role. It is critical that telecommunications players adopt new business models to turn all this information into smart data that generates revenue for involved parties.

Chairman's Statement

The Group believes that the advent of the connected economy is transforming how products and services are provided. With growing impacts of digital disruption in many sectors, the Group is prepared to look beyond conventional business processes and models. This will need continued efforts in harnessing innovation and accelerating the speed of execution.

The Group is also mindful of the fundamental need to provide unique user experiences and to engage customers with its services. It is prepared to innovate and respond to changing consumer preferences with new business models, as the IoT continues to usher in new service demands. To survive in the digital age, it is also crucial for the Group to be able to cope with drastically reduced cost and time windows for developing or replicating new services.

With a mediocre outlook for ongoing global economic growth, the Group will continue to keep tight control over its business operations. The Board's responsibility remains to deliver sustainable value to shareholders, as it guides the Group to roll out various business plans amidst market challenges and to take necessary steps to co-ordinate the implementation of strategies.

The Board would like to extend its gratitude to the staff team, whose contribution has benefited the Group and its shareholders.

SY Ethan, Timothy
Chairman

Hong Kong, 17 December 2014

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

The Group's turnover in the year ended 30 September 2014 decreased 18.7% year on year to approximately HK$89.8 million (2013: HK$110.5 million). A loss from operations of approximately HK$16.0 million (2013: HK$40.1 million) was incurred.

The Group recorded a net loss of approximately HK$16.0 million for the year as compared to a net profit of approximately HK$12.9 million for the corresponding year ended 30 September 2013. While the profit recorded for the previous year was mainly attributable to the one-off write-back of provision for taxation previously made by the Group, this one-off gain was not applicable to the reporting year. Other than the absence of this one-off gain, the Group has been operating in its normal course of business and there have been no unusual items affecting the Group's business and performance.

During the year, revenue generated from the provision of repair services decreased by 10.3% year on year to approximately HK$81.9 million (2013: HK$91.3 million), as a result of lower demand for smartphone upgrading services. Despite the drop in its revenue contribution, the services provision segment has been delivering a solid stream of recurrent income to the Group, while complementing the trading business.

After expanding by 2.9% in 2013, Hong Kong's economy recorded real growth of 2.4% in the first three quarters of 2014, compared with the same period a year ago. The increase in domestic demand, however, saw some slowdown, with growth in private consumption expenditure weakened to 2% year on year during the first three quarters of 2014. The Hong Kong SAR Government forecasts that for the rest of the year and 2015, the economic outlook is clouded by considerable uncertainties arising from both local political events and vulnerable global economic conditions. In view of this, the Group will retain firm controls over business operations and financial management, while staying alert for market fluctuations ahead.

THE HONG KONG MARKET

Hong Kong's sophisticated infrastructure and market continue to support one of the world's highest population penetrations of mobile services and household access to broadband connectivity.

After the merger of HKT and CSL New World, there are now four mobile network operators in Hong Kong. According to the Hong Kong Communications Authority in February 2014, the number of mobile service subscribers was boosted to 17.22 million, representing one of the highest penetration rates in the world at about 239%. Among these 17.22 million subscribers, 12.37 million were third-generation (3G) or fourth-generation (4G) service customers.

Local mobile data usage recorded a significant surge to 11,076 Terabytes (i.e. 11,075,885 Gigabytes), or an average of 884.3 Mbytes per 2.5G/3G/4G mobile user. This represents a growth of 1.57 times in mobile data usage year on year.

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

The strong uptake in 4G has seen an encouraging lift in average revenue per user (ARPU) due to operators changing their approach to pricing plans, which has mitigated accelerated declines in SMS traffic volumes.

Retail sales in Hong Kong have been falling for the most part of 2014. A Hong Kong SAR Government statement claimed that the weak performance was mainly weighed down by a fall in tourist spending and a concurrent slowdown in domestic demand. Both the local and external environments are beset with increasing downside risks, according to a Government economist. Domestic demand is likely to maintain a slow pace of expansion in the second half of the year.

Retail sales picked up in September, primarily owing to the launch of some new smartphone models, including Apple's iPhone 6 and 6 Plus, and Samsung's GALAXY Note 4 and Note Edge. This led to a surge in the sales of consumer durable goods in that month.

Management Discussion and Analysis

Hong Kong's business conditions, as indicated in the purchasing managers' index released by HSBC, showed that private sector activity in October 2014 dropped at its fastest pace in three years. The October reading of 47.7 and that of 49.8 in September are below 50, indicating contraction.

For 2014 as a whole, the local economy is now forecast to grow by 2.2%, compared with the Government's February forecast of 3-4%.

LIQUIDITY, FINANCIAL AND WORKING CAPITAL RESOURCES

The Group's total non-current assets decreased slightly to approximately HK$8.6 million (2013: HK$9.9 million) at 30 September 2014.

The Group maintained its conservative low-inventory policy during the year. As a result, inventories remained at a relatively low level of approximately HK$4.3 million (2013: HK$6.4 million) at 30 September 2014.

At 30 September 2014, the Group had net trade receivables of approximately HK$4.2 million (2013: HK$4.7 million).

The Group had no bank borrowings at 30 September 2014 (2013: HK$ Nil). Its gearing ratio, expressed as a percentage of total borrowings over total assets, was nil (2013: Nil). No fixed deposit was pledged for obtaining any banking facility during the year (2013: HK$ Nil). The current ratio was approximately 4.64 (2013: 4.60) while the liquid ratio stood at approximately 4.16 (2013: 4.09).

The objective of the Group's cash management policy is to optimise liquidity to gain a better return for shareholders in a risk-averse manner. At 30 September 2014, there was no investment in financial assets at fair value through profit or loss (2013: HK$ Nil).

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

CURRENCIES

The Group conducts its core business transactions mainly in Hong Kong dollars, New Taiwan dollars and United States dollars. The majority of the Group's cash and bank balances are also denominated in these three currencies. During the year ended 30 September 2014, the Group did not experience significant exposure to exchange rate and interest rate fluctuations. As a result, the Group did not enter into any material foreign exchange contracts, currency swaps or other financial derivatives.

CONTINGENT LIABILITY

The Group did not have any significant contingent liability at 30 September 2014.

MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES

There was no material acquisition or disposal of subsidiaries during the year ended 30 September 2014.

PROSPECTS AND STRATEGIC OUTLOOK

Despite setbacks, global recovery continues, albeit unevenly. In the wake of weaker-than-expected global activity in the first half of 2014, the International Monetary Fund (IMF)'s growth forecast for the world economy has been revised downward to 3.3% for this year, 0.4 percentage points below the figure in the April 2014 World Economic Outlook. Projected global growth for 2015 was lowered to 3.8%.

The IMF cites increased short-term downside risks such as rising geopolitical tensions and a reversal of recent risk spread and volatility compression in financial markets. Low potential output growth and 'secular stagnation' are still important medium-term risks, given that robust demand growth has not yet emerged.

In its half-yearly outlook, the IMF stated that weak recovery from the worst recession of the post-war era indicated a risk of prolonged economic weakness or stagnation, particularly in Japan and the eurozone. In this scenario, some affected countries could be unable to generate the demand needed to restore full employment through regular self-correcting forces. The outlook for the US and the UK, which are showing moderate growth, is more optimistic.

Despite a weaker-than-expected first half, the outlook for the Asia-Pacific region remains firm. The ongoing global recovery, while slow, should nevertheless support Asian exports. Meanwhile domestic demand will continue to be underpinned by favourable financial and labour market conditions, as well as broadly accommodative policies.

The main downside risks for the region are seen as financial dislocations associated with higher global interest rates, and extended weak growth in advanced and emerging market economies. Regional growth prospects would also be adversely affected by a sharper-than-anticipated downturn in China's real estate sector, as well as by less-effective-than-envisaged results from 'Abenomics' in Japan.

Growth in investment made by the telecommunications industry is forecast to slow down in the year ahead. According to a report by Dell'Oro Group, telecommunications operators around the world invested heavily in their fibre and LTE networks in the first half of 2014 as the transformation from voice-centric to data-centric drivers continued. The firm maintains its view that worldwide capital expenditure will grow around 3% in 2014.

However, higher device penetration, decelerating mobile data growth rates, lack of new revenue streams, and increased competition have caused global revenue growth to decelerate in the last couple of years. Slower growth in service revenues coupled with the rapid network progress during 2014 in China, North America, Japan and Europe will also put some pressure on worldwide capital spending upside in 2015.

Worldwide information technology (IT) spending is on pace to total US$3.7 trillion in 2014, a 2.1% increase from last year, down from earlier projections, according to the latest forecast by Gartner, Inc. The slower outlook for 2014 is attributed to a reduction in growth expectations for devices, data centre systems and to some extent IT services.

Price pressure based on increased competition, lack of product differentiation and the increased availability of viable alternative solutions has had a dampening effect on the short-term IT spending outlook. The firm expects 2015 through 2018 to see a return to 'normal' spending growth levels as pricing and purchasing styles reach a new equilibrium.

IT is entering its third phase of development, moving from a focus on technology and processes in the past to a focus in the future on new business models enabled by digitalisation.

As the telecommunications, media and technology (TMT) sector changes people's lives profoundly, people begin to question whether this trend will make life better. Apart from increasing heavy attachment to mobile devices, these gadgets' consumerisation has also raised substantial security and privacy concerns.

The privacy and security of mobile applications (apps) are particularly in doubt. In a September 2014 study of 1,211 mobile apps, the Global Privacy Enforcement Network faulted many aspects of mobile app privacy considerations, citing unclear policies on the use of personal information and excessive requested permissions. In the other study, Gartner predicted more than 75% of mobile apps will fail basic security tests through next year.

As mobile technology continues to disrupt the telecommunications sector, the Group will stay alert to the game-changing trends and adjust its product and service offerings accordingly. Another reality in today's market is that after-sales services budgets will face increasing restrictions, posing constant demands on service providers to reinvent themselves to counter the inevitable margin squeeze pressure.

Operating on constantly shifting technological ground and in a highly volatile marketplace, the Group adopts a business process that anticipates, analyses and manages change. By stimulating team members' innovation and buy-in, the Group is able to generate positive momentum from its evolving product portfolio and to renew business processes in order to enhance its service efficiency and quality. Stringent risk management is always in place to guard against economic fluctuations. The Group is well prepared to embrace the changes to be brought by the mobile age. It remains the Group's priority to deliver long-term value for shareholders.

EMPLOYEE INFORMATION

At 30 September 2014, the Group employed a work force of 98 (2013: 107). Staff costs, including salaries, bonuses and allowances, were approximately HK$25.4 million (2013: HK$28.0 million).

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

CORPORATE GOVERNANCE PRACTICES

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

Throughout the year ended 30 September 2014, the Company has complied with the code provisions ("Code Provisions") set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except for certain deviations specified with considered reasons as explained below.

THE BOARD OF DIRECTORS

Composition and Responsibilities

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

The Board members are:

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

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

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

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

During the year ended 30 September 2014, there was no change in the composition of the Board.

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

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

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

Board Meetings

The Board members meet regularly, normally four times each year at approximately quarterly intervals, to discuss the overall strategy as well as the operational and financial performance of the Company. Other Board meetings will be held when necessary. Such Board meetings involve the active participation, either in person or through other electronic means of communication, of a majority of Directors. During the year ended 30 September 2014, four regular Board meetings were held and the attendance records of individual Directors are set out below:

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

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

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

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

Appointments, Re-election and Removal

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

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

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

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

Nomination Committee

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

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

During the year, the Nomination Committee reviewed the structure, size and composition of the Board. It also assessed and confirmed the independence of the three Independent Non-executive Directors, and recommended to the Board the nomination of Mr. Andrew David ROSS and Mr. Charles Robert LAWSON for re-appointment as Directors by the shareholders at the 2014 annual general meeting of the Company.

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

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

Confirmation of Independence

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

Corporate Governance Functions

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

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

During the year, the Board reviewed and approved the Corporate Governance Report contained in the Company's 2013 Annual Report.

Model Code for Securities Transactions by Directors

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

Directors' Training and Professional Development

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

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

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

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Emolument Policy

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

Remuneration Committee

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

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

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

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

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

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board acknowledges its responsibility for the preparation of the financial statements which give a true and fair view of the state of affairs of the Group. The financial statements set out on pages 33 to 69 were prepared on a going concern basis. Financial results of the Group are announced in a timely manner in accordance with statutory and/or regulatory requirements.

During the year, the Company engaged HLB Hodgson Impey Cheng Limited ("HLB") as the external auditors. Apart from providing audit services, HLB also reviewed the interim results of the Group. The fees in respect of audit and non-audit services provided by HLB for the year ended 30 September 2014 amounted to approximately HK$1,000,000 and HK$250,000 respectively.

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

Internal Controls

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

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

Audit Committee

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

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

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

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

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

DELEGATION BY THE BOARD

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

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

COMPANY SECRETARY

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

SHAREHOLDER AND INVESTOR RELATIONS

Communication Strategies

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

The Chairman of the Board, members of the Board and external auditors attended the 2014 annual general meeting of the Company ("AGM") held on 7 March 2014. The attendance record of the Directors at the AGM is set out below:

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

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

Shareholders' Rights

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

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

HUMAN CAPITAL

Talent cultivation in information and communications technology (ICT) remains a vital key to success, but also a challenge to the growth of the local sector. As the industry steps up its efforts in repositioning ICT as the 'pillar of pillar industries' in Hong Kong, it is crucial to affirm the importance and future prospects of a career in ICT in order to attract both young and high-calibre talents to join the industry.

Hong Kong's continual demand for high-level skills remains a challenge for employers and the demand and supply ratio is in favour of candidates. While the city is not immune to economic challenges, it continues to see robust recruitment activity. In 2014, the majority of employers in Hong Kong increased staff salaries in order to retain talents.

The Group adopts a human capital policy and procedures that set a standard to guide staff members in how to perform their jobs, interact with colleagues and outside parties, and manage business operations. In addition, all staff members are engaged in the Group's common goal of fulfilling its responsibility to society and the environment.

At the same time, the Group rewards expertise and commitment, and offers competitive compensation packages, performance-based incentives and advancement opportunities for staff. To ensure that it can attract and retain talent, the Group also communicates proactively with its team members to understand their career aspirations. They are empowered to exploit their potential to the full, motivating them to perform and be recognised in the workplace.

A team of knowledgeable, competent and devoted talents is a critical resource to help the Group achieve results in the hyper-competitive and increasingly complex ICT sector. Staff development is therefore always a priority at the Group. To help staff accommodate the constant flow of change in the industry, the Group provides regular training and expertise exchange to keep members updated on technological and service delivery trends.

While encouraging team members to strive for performance at work, the Group ensures that the work environment puts staff members' well-being first. Employees are helped to manage their family and work commitments so as to maintain an appropriate work-life balance.

The Group is thankful for the professional input and contribution of its staff. Investing in people to attract, develop and retain a strong team provides the Group with a competitive advantage which creates value for its business and shareholders.

EXECUTIVE DIRECTORS

Mr. SY Ethan, Timothy, aged 41, is the Chairman and Chief Executive Officer of the Company. He joined the Group in 1997 and is responsible for the Group's corporate strategies.

Mr. SUNG Yee Keung, Ricky, aged 49, is an Executive Director of the Company. He joined the Group in 1993 and is responsible for the Group's strategic planning. Mr. Sung has over 22 years of experience in the customer telecommunications industry and over 25 years of trading experience in the People's Republic of China.

NON-EXECUTIVE DIRECTOR

Mr. KO Wai Lun, Warren, aged 47, is a Non-executive Director of the Company since 2003. Educated in England and Canada, Mr. Ko obtained his Bachelor of Science Degree from Simon Fraser University in Canada and Bachelor of Laws Degree in England. He was a partner of Richards Butler, an international law firm, between 2001 and 2005. He is currently a partner at the law firm, Robertsons and specialises in corporate finance work including initial public offerings, mergers and acquisitions and restructuring. He is qualified to practise law in both England and Wales and Hong Kong.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Andrew David ROSS, aged 60, is an Independent Non-executive Director of the Company since 2004. He is a partner of Baker Tilly Hong Kong Limited, Certified Public Accountants and the finance director of Windy City International Limited. Mr. Ross holds a Bachelor of Arts Degree in Accountancy and Law and is a member of both the Institute of Chartered Accountants of Scotland and the Hong Kong Institute of Certified Public Accountants. Mr. Ross has over 30 years of experience in auditing, business accounting, taxation and business valuations and has been involved in due diligence investigations, preparation of pre-listing documents and giving expert opinions on a number of auditing and accounting issues.

Mr. Geoffrey William FAWCETT, aged 57, is an Independent Non-executive Director of the Company since 2004. Graduated from John Moores University of Liverpool, England, Mr. Fawcett has over 30 years of experience in the maritime transportation industry, particularly in successfully formulating plans and strategies for Fortune 200 level maritime transportation companies, the fastest growing US State Port Authority and a variety of other large international organisations.

Mr. Charles Robert LAWSON, aged 65, is an Independent Non-executive Director of the Company since 2005. Mr. Lawson is the Director of Finance at Mega-Link International Holdings Limited. He is a fellow member of the Institute of Chartered Accountants in England and Wales. Mr. Lawson has extensive experience in general and financial management. He has been exposed to a number of bank negotiations and restructuring documentation. He also has extensive knowledge of most of the areas in the Far East region.

MARKET OVERVIEW

Worldwide combined shipments of devices are projected to reach 2.4 billion units in 2014, a year-on-year increase of about 4%, according to Gartner, Inc. Out of this total, personal computers (PCs) contracted some 3% in 2014, representing a relatively stronger showing after a more than 9% decline in 2013. Tablet sales growth is also slowing. Gartner estimated that tablet sales worldwide would reach 229 million units in 2014, an 11% increase from 2013, representing less than one-tenth of total yearly sales of all devices.

Sales of mobile phones are expected to reach 1.9 billion units in 2014, a year-on-year increase of more than 3%. Smartphones will continue to outperform the other categories, and Gartner estimated that smartphone sales would represent 88% of global mobile phone sales by 2018, up from 66% in 2014.

Worldwide sales of mobile phones to end users were flat in the third quarter of 2014, totalling 456 million units. However, the quarter's smartphone shipments to end users grew more than 20%, as compared with the third quarter of 2013, to reach 301 million units, and Gartner predicted that sales of smartphones would reach 1.2 billion units in 2014. Sales of feature phones declined 25% in the same quarter, as the price difference between feature phones and low-cost Android smartphones narrowed further.

From a regional perspective, the third quarter saw the emerging markets exhibiting some of the highest growth figures ever recorded, with sales of smartphones growing almost 50% year over year. Among the mature markets, the United States achieved the highest growth, with close to a 19% increase, fostered by the launch of Apple's iPhone 6 and 6 Plus. By contrast, Western Europe saw a decline of more than 5%.

While the firm expects to see record sales of the iPhone 6 and 6 Plus over the year-end holidays, it highlights the growing share of Chinese vendors and some local players as they continue to expand in overseas emerging markets. In Europe, prepaid markets and attractive low-cost Long Term Evolution (LTE) phones will also offer key opportunities for these brands.

Indeed, three of the top five smartphone vendors in the third quarter were Chinese players. Huawei, Xiaomi and Lenovo grew their collective market share by more than 4 percentage points. The research firm attributed this to the Chinese brands' ability to undercut cost and offer top specifications. They are also well positioned to expand in the premium phone market, as they address the needs of upgrade users who aspire to premium phones. Apple and Samsung's combined smartphone share totalled 37% in the third quarter, down 7 percentage points year on year. The smartphone market is more than ever in flux as more players step up their game in this space.

Samsung remained the leading smartphone vendor, but was the only company among the top five to post a negative year-over-year change. With continued competitive pressure coupled with cooling demand, Samsung's shipments have declined from their previous record highs at the start of the year. Still, Samsung's Galaxy series of devices has been a popular option for smartphone buyers.

Apple introduced its highly anticipated iPhone 6 and 6 Plus, and in the process posted its largest third-quarter sales volume. It recorded strong results of 10 million units sold during its initial launch weekend, but the bulk of shipments in the quarter were contributed by sustained demand for its older iPhone 5S and 5C models.

Xiaomi jumped into the list for the first time at third position owing to its focus on China and adjacent markets, resulting in triple-digit year-over-year growth. Key to its success was the launch of its Mi4 smartphone in August 2014, positioned as a high-end alternative to the status quo. The brand's ongoing success will depend on whether it can move beyond its home territories to drive volumes higher.

In terms of operating systems (OS), Google Android continued to dominate the market in 2014, controlling more than 83% of the global smartphone market, ahead of Apple iOS which took up less than 14% of the market, as projected by International Data Corporation (IDC). Despite Microsoft Windows Phone's minimal share of less than 3% for 2014, IDC expected it to regain some ground to control more than 5% of the market by 2018.

Market Overview

As smartphone shipment volumes slow, IDC expects greater attention to shift towards value trends. While Apple's premium pricing will ensure growing overall revenues, Android's multi-faceted approach – with forked versions and low-cost Android One strategy – will likely produce mixed results.

Apple and Google also compete when it comes to applications (apps). In an analysis of the global app market in the third quarter of 2014 by App Annie, Google Play's quarterly downloads led iOS App Store by 60%. Emerging markets continued to show remarkable growth on Google Play and have helped drive the store's impressive download growth. Comparatively in the third quarter of 2013, Google Play downloads were only 25% higher than those of iOS App Store.

However, iOS retained its stronghold on app store revenue, which was higher than that of Google Play by 60%. Japan, iOS's second largest market behind the United States, led revenue growth in the quarter.

Among all, communication and social networking apps showed impressive growth both in terms of downloads and revenue, with Facebook Messenger and Hike being the star performers in downloads. LINE, on the other hand, was the key revenue growth driver on both Google Play and iOS App Store.

Games have traditionally accounted for the lion's share of Google Play's worldwide revenue. This trend continued in the third quarter of 2014, driven by huge earnings increases in the United States and South Korea, where games were responsible for nearly all of Google Play's quarterly revenue growth.

Wearable technology, which comes mainly in the form of devices and apparel, is dubbed the 'new mobile phone' referring to their huge market potential following mobile phones, though not as a direct replacement. With a market size of US$14 billion in 2014, the wearable electronics business has already attracted such big names as Apple, Adidas, Fujitsu, Nike, Philips, Reebok and Samsung to its promising developments. Even software companies are saying "hardware is the new software", because apps can now be modules or hardwired disposables and the intellectual property of the new hardware may be more disruptive and easily protected. Ongoing trends indicate that rapid growth is in prospect.

The world's online population has edged above 3 billion people, according to the United Nations' International Telecommunications Union (ITU). Among the more than 4.3 billion people not yet online, 90% are in developing countries.

In the mobile phone segment, ITU's November 2014 report estimated that by the end of the year there would be 7 billion mobile subscriptions, roughly corresponding to the total global population. However, with many users possessing multiple services, these global growth figures translate into little real improvement in the level of connectivity of those in the world's least-connected regions.

This has led to ITU's renewed focus on helping bring a further 1.5 billion people online by 2020, as part of its "Connect 2020 Agenda for Global Telecommunication/ICT Development".

Corporate Information

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

Corporate Information

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

The Directors submit their report together with the audited financial statements of the Company and the Group for the year ended 30 September 2014.

PRINCIPAL ACTIVITIES AND SEGMENT INFORMATION

The principal activity of the Company is investment holding. The principal activities of the principal subsidiaries of the Company are set out in note 16 to the consolidated financial statements.

An analysis of the Group's performance for the year ended 30 September 2014 by business and geographical segments is set out in note 6 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 30 September 2014 are set out in the consolidated statement of profit or loss and other comprehensive income on page 33.

The Directors resolved not to make any payment of an interim dividend (2013: HK$ Nil) and do not recommend the payment of a final dividend (2013: HK$ Nil) for the year ended 30 September 2014.

RESERVES

Movements in the reserves of the Group and the Company during the year ended 30 September 2014 are set out in the consolidated statement of changes in equity on page 36 and note 26 to the consolidated financial statements respectively.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year ended 30 September 2014 are set out in note 15 to the consolidated financial statements.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 30 September 2014.

BANK BORROWINGS

The Group has no bank borrowings at 30 September 2014.

DIRECTORS

The Directors who held office during the year ended 30 September 2014 and up to the date of this report are as follows:

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

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

In accordance with Article 116 of the articles of association of the Company, Messrs. SUNG Yee Keung, Ricky and KO Wai Lun, Warren shall retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

BIOGRAPHICAL DETAILS OF DIRECTORS

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

DISTRIBUTABLE RESERVES

Details of distributable reserves of the Company at 30 September 2014 are set out in note 26 to the consolidated financial statements.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 70.

DIRECTORS' SERVICE CONTRACTS

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

CONNECTED TRANSACTIONS

No transactions were entered into by the Group during the year ended 30 September 2014, which constitute connected transactions under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 28 to the consolidated financial statements, no Director had material beneficial interests, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries was a party at any time during the year ended 30 September 2014.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

At 30 September 2014, the following Director had the following interests in long positions in the shares of the Company as recorded in the register required to be kept under section 352 of the Securities and Futures Ordinance (Chapter 571 of the Laws of the Hong Kong) (the "SFO"):

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

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

Save as disclosed above, at 30 September 2014, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be entered in the register kept by the Company pursuant to section 352 of the SFO, or were required to be notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

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

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS DISCLOSEABLE UNDER THE SFO

At 30 September 2014, the register of substantial shareholders maintained under section 336 of the SFO shows that the following companies (not being Directors or chief executive of the Company) had long positions of 5% or more in the shares of the Company which fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

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

Save as disclosed above, no other person was recorded in the register required to be kept under section 336 of the SFO as having an interest or short position in the shares or underlying shares of the Company at 30 September 2014.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 30 September 2014.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of purchases and sales for the year ended 30 September 2014 attributable to the Group's major suppliers and customers are as follows:

	Percentage of the total purchases/sales accounted for
Purchases	
– the largest supplier	96%
– five largest suppliers combined	98%
Sales	
– the largest customer	62%
– five largest customers combined	63%

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

PRE-EMPTIVE RIGHTS

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

PENSION SCHEME

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

The Group and its employees are each required to make a mandatory contribution of 5% of the employees' basic salaries to the MPF Scheme, subject to a maximum contribution prescribed by the MPF Ordinance which has been adjusted from HK$1,250 to HK$1,500 per month with effect from 1 June 2014. Members are entitled to 100% of the employer's mandatory contributions as soon as they are paid to the MPF Scheme but all benefits derived from the mandatory contributions must be preserved until an employee reaches the retirement age of 65 or in accordance with the rules of the MPF Scheme.

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

PUBLIC FLOAT

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

AUDITORS

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

There have been no other changes of the Company's auditors in the past three years except for the reorganisation of HLB Hodgson Impey Cheng to HLB Hodgson Impey Cheng Limited in 2012.

On behalf of the Board
SY Ethan, Timothy
Chairman

Hong Kong, 17 December 2014

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

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

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

We have audited the consolidated financial statements of Global Tech (Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 33 to 69, which comprise the consolidated and company statements of financial position as at 30 September 2014, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

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

Independent Auditors' Report

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 30 September 2014, and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Yu Chi Fat
Practising Certificate Number: P05467

Hong Kong, 17 December 2014

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 September 2014

	Notes	2014 HK$'000	2013 HK$'000
Turnover	7	**89,785**	110,548
Cost of sales		**(65,108)**	(77,537)
Gross profit		**24,677**	33,011
Other revenue	8	**108**	166
Other income	9	**1,098**	270
Selling and distribution expenses		**(558)**	(1,292)
Administrative expenses		**(38,976)**	(50,106)
Other operating expenses		**(2,321)**	(22,154)
Loss before taxation	10	**(15,972)**	(40,105)
Taxation	11	**(20)**	52,993
(Loss)/profit for the year	12	**(15,992)**	12,888
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**1,761**	196
Other comprehensive income for the year, net of tax		**1,761**	196
Total comprehensive (loss)/income for the year		**(14,231)**	13,084
(Loss)/profit for the year attributable to owners of the Company		**(15,992)**	12,888
Total comprehensive (loss)/income for the year attributable to owners of the Company		**(14,231)**	13,084
(Loss)/earnings per share attributable to owners of the Company			
Basic and diluted	14	**HK$(0.003)**	HK$0.002

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

Consolidated Statement of Financial Position

At 30 September 2014

	Notes	**2014** **HK$'000**	2013 HK$'000
Non-current assets			
Property, plant and equipment	15	**2,675**	3,904
Available-for-sale financial assets	18	**5,950**	5,950
		8,625	9,854
Current assets			
Inventories	19	**4,255**	6,353
Trade receivables	20	**4,153**	4,722
Prepayments, deposits and other receivables	21	**7,747**	8,510
Cash and bank balances	22	**24,646**	37,929
		40,801	57,514
Current liabilities			
Trade payables	23	**4,362**	1,697
Accrued charges and other payables	24	**4,413**	10,809
Tax payables		**20**	–
		8,795	12,506
Net current assets		**32,006**	45,008
Total assets less current liabilities		**40,631**	54,862
Net assets		**40,631**	54,862
Equity			
Capital and reserves attributable to owners of the Company			
Share capital	25	**51,659**	51,659
Reserves		**(11,028)**	3,203
Total equity		**40,631**	54,862

The consolidated financial statements were approved and authorised for issue by the board of directors on 17 December 2014 and signed on its behalf by:

SY Ethan, Timothy
Executive Director

SUNG Yee Keung, Ricky
Executive Director

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

Statement of Financial Position

At 30 September 2014

	Notes	2014 HK$'000	2013 HK$'000
Non-current assets			
Interests in subsidiaries	16	**24,764**	24,764
Available-for-sale financial assets	18	**5,300**	5,300
		30,064	30,064
Current assets			
Amounts due from subsidiaries	17	**11,189**	9,484
Prepayments, deposits and other receivables	21	**335**	881
Cash and bank balances	22	**607**	1,951
		12,131	12,316
Current liabilities			
Accrued charges and other payables	24	**2,867**	4,305
Amounts due to subsidiaries		**4,972**	7,606
		7,839	11,911
Net current assets		**4,292**	405
Total assets less current liabilities		**34,356**	30,469
Net assets		**34,356**	30,469
Equity			
Capital and reserves attributable to owners of the Company			
Share capital	25	**51,659**	51,659
Reserves	26	**(17,303)**	(21,190)
Total equity		**34,356**	30,469

The financial statements were approved and authorised for issue by the board of directors on 17 December 2014 and signed on its behalf by:

SY Ethan, Timothy
Executive Director

SUNG Yee Keung, Ricky
Executive Director

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

Consolidated Statement of Changes in Equity

For the year ended 30 September 2014

	Share capital HK$'000	Share premium HK$'000	Capital reserve HK$'000	Capital redemption reserve HK$'000 (Note 1)	Exchange difference reserve HK$'000 (Note 2)	Accumulated losses HK$'000	Total HK$'000
At 1 October 2012	51,659	457,804	2,450	160	(1,925)	(468,370)	41,778
Profit for the year	–	–	–	–	–	12,888	12,888
Other comprehensive income							
Item that may be reclassified subsequently to profit or loss:							
Exchange differences on translating foreign operations	–	–	–	–	196	–	196
Total comprehensive income for the year	–	–	–	–	196	12,888	13,084
At 30 September 2013 and 1 October 2013	51,659	457,804	2,450	160	(1,729)	(455,482)	54,862
Loss for the year	–	–	–	–	–	(15,992)	(15,992)
Other comprehensive income							
Item that may be reclassified subsequently to profit or loss:							
Exchange differences on translating foreign operations	–	–	–	–	1,761	–	1,761
Total comprehensive income/(loss) for the year	–	–	–	–	1,761	(15,992)	(14,231)
At 30 September 2014	**51,659**	**457,804**	**2,450**	**160**	**32**	**(471,474)**	**40,631**

Notes:

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

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

Consolidated Statement of Cash Flows

For the year ended 30 September 2014

	2014 HK$'000	2013 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	**(15,972)**	(40,105)
Adjustments for:		
Depreciation	**1,219**	1,764
Bad debts written off	**211**	95
Reversal of impairment loss recognised in respect of trade receivables	**(414)**	–
Impairment loss recognised in respect of trade receivables	**–**	19,892
Loss on disposal of property, plant and equipment	**171**	–
Loss on written off of property, plant and equipment	**–**	1,614
Allowance for inventories	**224**	899
Reversal of allowance for inventories	**(416)**	(63)
Written off of inventories	**7**	64
Interest income	**(6)**	(7)
Unrealised foreign currency losses, net	**1,907**	216
Operating cash flows before movements in working capital	**(13,069)**	(15,631)
Decrease in inventories	**2,208**	1,865
Decrease in trade receivables	**771**	3,323
Decrease in prepayments, deposits and other receivables	**693**	2,071
Increase/(decrease) in trade payables	**2,666**	(307)
(Decrease)/increase in accrued charges and other payables	**(6,381)**	949
Net cash used in operating activities	**(13,112)**	(7,730)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(181)**	(2,774)
Proceeds from disposals of property, plant and equipment	**16**	–
Interest income	**6**	7
Net cash used in investing activities	**(159)**	(2,767)
Net decrease in cash and cash equivalents	**(13,271)**	(10,497)
Cash and cash equivalents at the beginning of the year	**37,929**	48,429
Effect of foreign exchange rate changes	**(12)**	(3)
Cash and cash equivalents at the end of the year	**24,646**	37,929
Analysis of the balances of cash and cash equivalents		
Cash and bank balances	**24,646**	37,929

1. CORPORATE INFORMATION

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

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

The principal activity of the Company is investment holding and the principal activities of its principal subsidiaries are set out in note 16 to the consolidated financial statements.

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

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

In the current year, the Group has applied, for the first time, the following new standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which are effective for the Group's financial year beginning 1 October 2013.

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
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2009-2011 Cycle
HKFRS 1 (Amendments)	Government Loans
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine

HKFRS 13 Fair Value Measurement

HKFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The standard does not change the circumstances in which the Group is required to use fair value, but rather provides guidance on how fair value should be applied where its use is already required or permitted under other HKFRSs. HKFRS 13 is applied prospectively and the adoption has had no material impact on the Group's fair value measurements. As a result of the guidance in HKFRS 13, the policies for measuring fair value have been amended.

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

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

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

HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation[4]
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants[4]
HKAS 19 (Amendments)	Defined Benefits Plans: Employee Contributions[2]
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements[4]
HKAS 32 (Amendments)	Presentation – Offsetting Financial Assets and Financial Liabilities[1]
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets[1]
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting[1]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010-2012 Cycle[3]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011-2013 Cycle[2]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012-2014 Cycle[4]
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[8]
HKFRS 9 (As revised in 2014)	Financial Instruments[7]
HKFRS 9, HKFRS 7 and HKAS 39 (Amendments)	Hedge Accounting and Amendments to HKFRS 9, HKFRS 7 and HKAS 39[7]
HKFRS 10, HKFRS 12 and HKAS 27 (As revised in 2011) (Amendments)	Investment Entities[1]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
HKFRS 11 (Amendments)	Accounting for Acquisition of Interests in Joint Operations[4]
HKFRS 14	Regulatory Deferral Accounts[5]
HKFRS 15	Revenue from Contracts with Customers[6]
HK(IFRIC) – Int 21	Levies[1]

1 Effective for annual periods beginning on or after 1 January 2014.
2 Effective for annual periods beginning on or after 1 July 2014.
3 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions.
4 Effective for annual periods beginning on or after 1 January 2016.
5 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016.
6 Effective for annual periods beginning on or after 1 January 2017.
7 Effective for annual periods beginning on or after 1 January 2018.
8 No mandatory effective date yet determined but is available for adoption.

HKFRS 9 (As revised in 2014) Financial Instruments

HKFRS 9 (As revised in 2014) adds to the existing HKFRS 9. HKFRS 9 (As revised in 2014) introduces new impairment requirement for all financial assets that are not measured at fair value through profit or loss and amendments to the previously finalised classification and measurement requirements.

A new "expected loss" impairment model in HKFRS 9 (As revised in 2014) replaces the "incurred loss" model in HKAS 39 Financial Instruments: Recognition and Measurement. For financial assets at amortised cost or fair value through other comprehensive income, an entity will now always recognise (at a minimum) 12 months of expected losses in profit or loss. For trade receivables, there is a practical expedient to calculate expected credit losses using a provision matrix based on historical loss patterns or customer bases.

HKFRS 9 (As revised in 2014) also introduces additional application guidance to clarify the requirements for contractual cash flows of a financial asset to give rise to payments that are Solely Payments of Principal and Interest ("SPPI"), one of the two criteria that need to be met for an asset to be measured at amortised cost, which may result in additional financial assets being measured at amortised cost.

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

HKFRS 9 (As revised in 2014) Financial Instruments (continued)

A third measurement category has also been added for debt instruments – fair value through other comprehensive income which applies to debt instruments that meet the SPPI contractual cash flow characteristic test.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Group have been prepared in accordance with all applicable HKFRSs, which is a collective term that includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations ("Ints") issued by the HKICPA and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the new Hong Kong Companies Ordinance (Cap. 622), which are set out in section 76 to 87 of Schedule 11 to that Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The measurement basis used in the preparation of the consolidated financial statements is the historical cost convention.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(a) Basis of consolidation

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

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

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

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

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

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

All intragroup transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

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

(b) Interests in subsidiaries

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Segment reporting

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

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

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

(d) Revenue recognition

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

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

ii. Service income is recognised when services are rendered;

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

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

(e) Property, plant and equipment

Property, plant and equipment are stated at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the property, plant and equipment, the expenditure is capitalised as an additional cost of that asset.

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Property, plant and equipment (continued)

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.

(f) Leasing

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

The Company as lessee

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

(g) Foreign currencies

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

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

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

(h) Employee benefits

Employee leave entitlements

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Employee benefits (continued)

Retirement benefit obligations

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

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

(i) Taxation

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

Current tax

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

Deferred tax

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Taxation (continued)

Deferred tax (continued)

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

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

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(j) Inventories

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

(k) Trade and other receivables

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

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.

(l) Financial instruments

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

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

Financial assets

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Financial instruments (continued)

Financial assets (continued)

Effective interest method

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

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

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

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

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

Loans and receivables

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

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

Impairment of financial assets

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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

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

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

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

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Financial instruments (continued)

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

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

Other financial liabilities

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

Effective interest method

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

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

Derecognition

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Impairment of tangible assets

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

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

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

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

(n) Cash and cash equivalents

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

(o) Provisions

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

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

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

(p) Contingent liabilities and contingent assets

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Contingent liabilities and contingent assets (continued)

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

(q) Related parties

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

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

(ii) has significant influence over the Group; or

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

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

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

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

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

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

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

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

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

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

4. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Group's major financial instruments include available-for-sale financial assets, trade receivables, deposits and other receivables, cash and bank balances, trade payables, accrued charges and other payables. Details of these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Categories of financial instruments

	2014	2013
	HK$'000	HK$'000
Financial assets		
Loans and receivables (including cash and bank balances)	**35,769**	50,196
Available-for-sale financial assets	**5,950**	5,950
Financial liabilities		
Amortised costs	**8,775**	12,506

Financial risk factors

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

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

(a) Market risk

Foreign exchange risk

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

Cash flow and fair value interest rate risk

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

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

(b) Credit risk

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

4. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk factors (continued)

(b) Credit risk (continued)

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

The Group's concentration of credit risk by geographical location is mainly in Hong Kong. The Group also has concentration of credit risk by customers of approximately 74% (2013: 79%) and 79% (2013: 83%) of total trade receivables was due from the Group's largest customer and the two largest customers respectively.

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

(c) Liquidity risk

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

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

At 30 September 2014

	Weighted average effective interest rate	Within 1 year HK$'000	Between 1 and 5 years HK$'000	Over 5 years HK$'000	Total contractual undiscounted cash flow HK$'000	Total carrying amount HK$'000
Non-derivative financial liabilities						
Trade payables	–	4,362	–	–	4,362	4,362
Accrued charges and other payables	–	4,413	–	–	4,413	4,413
		8,775	–	–	8,775	8,775

4. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk factors (continued)

(c) Liquidity risk (continued)

At 30 September 2013

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

Fair value measurement

The Directors consider that the carrying amounts of financial assets and liabilities recognised in the consolidated financial statements approximate their fair values.

Capital risk management

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

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

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

(a) Impairment of trade and other receivables

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

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Useful lives of property, plant and equipment

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

(c) Allowance for slow-moving inventories

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

6. SEGMENT INFORMATION

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

(i) Trading of telecommunications products

(ii) Provision of repair services

(iii) Investments in financial assets

Information regarding the Group's reportable segments for the years ended 30 September 2014 and 2013 is presented as follows:

(a) Segment revenue and results

	2014			
	Trading of telecommunications products HK$'000	Provision of repair services HK$'000	Investments in financial assets HK$'000	Consolidated HK$'000
Turnover	7,885	81,900	–	89,785
Segment results	(1,727)	1,193	3	(531)
Interest income				3
Unallocated income				374
Unallocated expenses				(15,818)
Loss before taxation				(15,972)
Taxation				(20)
Loss for the year				(15,992)

6. SEGMENT INFORMATION (CONTINUED)

(a) Segment revenue and results (continued)

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

Turnover reported above represents turnover generated from external customers. There are no intersegment sales for the year ended 30 September 2014 (2013: HK$ Nil).

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

(b) Segment assets and liabilities

	2014			
	Trading of telecommunications products HK$'000	**Provision of repair services HK$'000**	**Investments in financial assets HK$'000**	**Consolidated HK$'000**
Segment assets	**10,895**	**17,424**	**8,633**	**36,952**
Available-for-sale financial assets				**5,950**
Unallocated corporate assets				**6,524**
Consolidated total assets				**49,426**
Segment liabilities	**(254)**	**(5,306)**	**–**	**(5,560)**
Unallocated corporate liabilities				**(3,235)**
Consolidated total liabilities				**(8,795)**

6. SEGMENT INFORMATION (CONTINUED)

(b) Segment assets and liabilities (continued)

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

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

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

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

(c) Other segment information

	2014				
	Trading of telecommunications products HK$'000	**Provision of repair services HK$'000**	**Investments in financial assets HK$'000**	**Unallocated HK$'000**	**Consolidated HK$'000**
Capital expenditure	**5**	**111**	**–**	**65**	**181**
Depreciation	**37**	**312**	**–**	**870**	**1,219**
Reversal of impairment loss recognised in respect of trade receivables	**(414)**	**–**	**–**	**–**	**(414)**
Loss on disposal of property, plant and equipment	**14**	**13**	**–**	**144**	**171**

6. SEGMENT INFORMATION (CONTINUED)

(c) Other segment information (continued)

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

(d) Geographical segments

During the year ended 30 September 2014, more than 94% (2013: more than 92%) of the Group's turnover and total assets were derived from and located in Hong Kong. Therefore, no geographical segment for the respective years is presented.

(e) Information about major customers

During the year, the turnover from the Group's largest customer arising from provision of repair services amounted to 62% (2013: 60%) of the Group's total turnover. No other single customers contributed 10% or more to the Group's turnover for both of the years ended 30 September 2014 and 2013.

7. TURNOVER

	2014 HK$'000	2013 HK$'000
Sales of goods	**7,885**	19,213
Provision of repair services	**81,900**	91,335
	89,785	110,548

8. OTHER REVENUE

	2014 HK$'000	2013 HK$'000
Interest income	**6**	7
Sundry income	**102**	159
	108	166

9. OTHER INCOME

	2014 HK$'000	2013 HK$'000
Reversal of impairment loss recognised in respect of trade receivables	**414**	–
Others	**684**	270
	1,098	270

10. LOSS BEFORE TAXATION

Loss before taxation has been arrived at after charging/(crediting):

	2014 HK$'000	2013 HK$'000
Auditors' remuneration:		
Auditors of the Company	**1,250**	1,250
Other auditors	**72**	42
Cost of trading inventories sold	**6,408**	12,314
Employee benefit expenses (note 27)	**24,360**	27,041
Retirement benefit costs (note 27)	**1,076**	959
Depreciation	**1,219**	1,764
Bad debts written off*	**211**	95
Impairment loss recognised in respect of trade receivables*	**–**	19,892
Loss on disposal of property, plant and equipment*	**171**	–
Loss on written off of property, plant and equipment*	**–**	1,614
Allowance for inventories	**224**	899
Reversal of allowance for inventories	**(416)**	(63)
Written off of inventories	**7**	64
Operating lease rental in respect of rental premises	**3,189**	5,780
Exchange losses, net*	**1,861**	244

* Items included in other operating expenses.

11. TAXATION

	2014 HK$'000	2013 HK$'000
Current tax:		
Hong Kong Profits Tax:		
Current year	**20**	–
Overseas taxation:		
Over-provision in prior year	**–**	(52,993)
	20	(52,993)

Notes:

(a) Hong Kong Profits Tax is calculated at 16.5% (2013: 16.5%) on the estimated assessable profits for the year. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

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

The tax charge/(credit) for the years are reconciled to the loss before taxation per the consolidated statement of profit or loss as follows:

	2014 HK$'000	2014 %	2013 HK$'000	2013 %
Loss before taxation	**(15,972)**		(40,105)	
Tax at statutory tax rate	**(2,635)**	**(16.5)**	(6,617)	(16.5)
Tax effect of expenses that are not deductible in determining taxable profit	**3,090**	**19.4**	7,265	18.1
Tax effect of income that is not taxable in determining taxable profit	**(2,183)**	**(13.7)**	(2,372)	(5.9)
Utilisation of tax losses previously not recognised	**(649)**	**(4.1)**	(1,343)	(3.3)
Unrecognised tax losses	**2,288**	**14.3**	3,349	8.3
Unrecognised deductible temporary differences	**109**	**0.7**	(282)	(0.7)
Over-provision in prior year	**–**	**–**	(52,993)	132.1
Tax charge/(credit) and effective tax rate for the year	**20**	**0.1**	(52,993)	132.1

The Group

At 30 September 2014, the Group has cumulative tax losses of approximately HK$223,407,000 (2013: HK$216,378,000) available for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of the estimated tax losses of HK$223,407,000 (2013: HK$216,378,000) due to uncertainty of future profit streams.

The Company

At 30 September 2014, the Company has estimated unused tax losses of approximately HK$172,596,000 (2013: HK$165,134,000) available for offsetting against future taxable profits. Tax losses may be carried forward indefinitely. No deferred tax assets have been recognised due to uncertainty of future profits streams.

12. (LOSS)/PROFIT FOR THE YEAR

The Group's consolidated loss attributable to owners of the Company for the year is approximately HK$15,992,000 (2013: profit attributable to owners of the Company is HK$12,888,000) of which profit of approximately HK$3,887,000 (2013: loss of HK$1,088,000) is dealt with in the financial statements of the Company.

13. DIVIDENDS

The Directors do not recommend the payment of any dividend for the year ended 30 September 2014 (2013: HK$ Nil).

14. (LOSS)/EARNINGS PER SHARE

The calculation of the basic (loss)/earnings per share is based on the loss attributable to owners of the Company of approximately HK$15,992,000 (2013: profit attributable to owners of the Company of HK$12,888,000) and on 5,165,973,933 (2013: 5,165,973,933) ordinary shares in issue during the year.

The diluted (loss)/earnings per share for the years ended 30 September 2014 and 2013 was the same as basic (loss)/earnings per share as there were no potential outstanding shares for the years.

15. PROPERTY, PLANT AND EQUIPMENT

The Group

	Leasehold improvements HK$'000	Furniture and fixtures HK$'000	Computers and equipment HK$'000	Total HK$'000
Cost:				
At 1 October 2012	4,536	914	4,980	10,430
Exchange difference	(2)	–	(2)	(4)
Additions	1,818	192	764	2,774
Written off	(3,158)	(107)	(280)	(3,545)
At 30 September 2013 and 1 October 2013	3,194	999	5,462	9,655
Exchange difference	(7)	–	(8)	(15)
Additions	17	40	124	181
Disposal	(516)	(24)	(569)	(1,109)
At 30 September 2014	**2,688**	**1,015**	**5,009**	**8,712**
Accumulated depreciation and impairment losses:				
At 1 October 2012	2,039	326	3,555	5,920
Exchange difference	(1)	–	(1)	(2)
Charge for the year	925	178	661	1,764
Eliminated on written off	(1,663)	(56)	(212)	(1,931)
At 30 September 2013 and 1 October 2013	1,300	448	4,003	5,751
Exchange difference	(4)	–	(7)	(11)
Charge for the year	418	186	615	1,219
Eliminated on disposal	(403)	(11)	(508)	(922)
At 30 September 2014	**1,311**	**623**	**4,103**	**6,037**
Carrying amounts:				
At 30 September 2014	**1,377**	**392**	**906**	**2,675**
At 30 September 2013	1,894	551	1,459	3,904

16. INTERESTS IN SUBSIDIARIES

	2014 HK$'000	2013 HK$'000
Unlisted shares, at cost	191,093	191,093
Impairment loss recognised	(166,329)	(166,329)
	24,764	24,764

Details of the Company's principal subsidiaries at 30 September 2014 and 2013 are as follows:

Name of subsidiaries	Place of incorporation/operation	Particulars of fully paid up capital	Percentage of equity attributable to the Company 2014 % Indirectly held	2013 %	Principal activities
Ample Vision Holdings Limited	British Virgin Islands/Hong Kong	US$1 Ordinary	100	100	General trading
Camdenville Group Limited	British Virgin Islands/Hong Kong	US$1 Ordinary	100	100	Trading of telecommunications products
Linktech Hong Kong Limited	Hong Kong	HK$2 Ordinary	100	100	Provision of repair services
Techglory Hong Kong Limited	Hong Kong	HK$1 Ordinary	100	100	General trading

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

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

17. AMOUNTS DUE FROM SUBSIDIARIES

	2014 HK$'000	2013 HK$'000
Amounts due from subsidiaries	11,189	9,484

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

18. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	The Group		The Company	
	2014	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000
At the beginning and the end of the year	**5,950**	5,950	**5,300**	5,300
Available-for-sale financial assets at 30 September, comprise of				
Unlisted debt securities:				
Club debentures (Note)	**5,950**	5,950	**5,300**	5,300

Note:

The club debentures are stated at cost less impairment loss at the end of each reporting period because the range of reasonable fair value estimates is so significant that the Directors consider that their fair values cannot be measured reliably. During the years ended 30 September 2014 and 2013, the Group identified no impairment loss related to the club debentures.

19. INVENTORIES

The Group

	2014	2013
	HK$'000	HK$'000
Finished goods	**4,527**	7,446
Less: Allowance for slow-moving inventories	**(272)**	(1,093)
	4,255	6,353

20. TRADE RECEIVABLES

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

The Group

	2014	2013
	HK$'000	HK$'000
Current	**3,190**	4,045
One to three months overdue	**340**	272
More than three months, but less than twelve months overdue	**993**	1,254
Over twelve months overdue	**138,917**	138,873
	143,440	144,444
Less: Impairment loss recognised	**(139,287)**	(139,722)
	4,153	4,722

20. TRADE RECEIVABLES (CONTINUED)

Notes:

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

(b) Included in the trade receivable balances are debtors with an aggregate carrying amount of approximately HK$963,000 (2013: HK$677,000) which are overdue at the reporting date for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and the amounts are still considered recoverable, as there is an agreed repayment plan. The Group does not hold any collateral over these balances.

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

	2014 HK$'000	2013 HK$'000
One to three months overdue	**340**	272
More than three months, but less than twelve months overdue	**623**	405
	963	677

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

	2014 HK$'000	2013 HK$'000
At the beginning of the year	**139,722**	119,863
Impairment loss recognised	**–**	19,892
Reversal of impairment loss recognised	**(414)**	–
Written off	**–**	(34)
Exchange difference	**(21)**	1
At the end of the year	**139,287**	139,722

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

	2014 HK$'000	2013 HK$'000
More than three months, but less than twelve months overdue	**370**	849
Over twelve months overdue	**138,917**	138,873
	139,287	139,722

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	The Group		**The Company**	
	2014 HK$'000	2013 HK$'000	**2014 HK$'000**	2013 HK$'000
Prepayments	**777**	965	**335**	437
Deposits	**4,538**	4,613	**–**	–
Other receivables	**2,432**	2,932	**–**	444
	7,747	8,510	**335**	881

22. CASH AND BANK BALANCES

	The Group		The Company	
	2014	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000
Cash at bank and in hand	**24,646**	37,929	**607**	1,951

Notes:

(a) Cash at bank earns interest at floating rates based on daily bank deposit rates.

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

	The Group		The Company	
	2014	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong Dollars	**23,687**	36,615	**607**	1,951
United States Dollars	**572**	628	**–**	–
New Taiwan Dollars	**305**	601	**–**	–
Others	**82**	85	**–**	–
	24,646	37,929	**607**	1,951

23. TRADE PAYABLES

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

The Group

	2014	2013
	HK$'000	HK$'000
Current and within one month	**4,279**	1,503
One to three months overdue	**11**	29
Over three months overdue	**72**	165
	4,362	1,697

24. ACCRUED CHARGES AND OTHER PAYABLES

	The Group		The Company	
	2014	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000
Accrued charges	**600**	2,253	**348**	1,031
Other payables	**3,813**	8,556	**2,519**	3,274
	4,413	10,809	**2,867**	4,305

Included in other payables of the Group and the Company was an amount of HK$ Nil (2013: approximately HK$487,000) due to a Director. The amount was unsecured, interest-free and has no fixed terms of repayment.

25. SHARE CAPITAL

	Number of shares	HK$'000
Ordinary shares of HK$0.01each		
Authorised		
At 1 October 2012, 30 September 2013 and 30 September 2014	20,000,000,000	200,000
Issued and fully paid		
At 1 October 2012, 30 September 2013 and 30 September 2014	5,165,973,933	51,659

26. RESERVES

The Company

	Share premium HK$'000	Capital redemption reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 October 2012	648,897	160	(669,159)	(20,102)
Loss for the year	–	–	(1,088)	(1,088)
At 30 September 2013 and 1 October 2013	648,897	160	(670,247)	(21,190)
Profit for the year	–	–	3,887	3,887
At 30 September 2014	**648,897**	**160**	**(666,360)**	**(17,303)**

At 30 September 2014, the Company has no distributable reserve (2013: HK$ Nil), represented by share premium less accumulated losses of the Company. Under the Companies Law (2012 Revision) of the Cayman Islands, share premium of the Company is distributable to the members, subject to a solvency test.

27. EMPLOYEE BENEFIT EXPENSES

(a) Staff cost

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

	2014 HK$'000	2013 HK$'000
Salaries and allowances	**23,915**	26,444
Discretionary bonuses	**107**	71
Staff welfare	**338**	526
Contributions to retirement fund	**1,076**	959
	25,436	28,000

27. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(b) Directors and senior management emoluments

The emoluments of the Directors are as follows:

	Year ended 30 September 2014			
Name of Directors	**Fees HK$'000**	**Salaries and allowances HK$'000**	**Contributions to retirement fund HK$'000**	**Total HK$'000**
Executive Directors				
Mr. SY Ethan, Timothy	–	–	–	–
Mr. SUNG Yee Keung, Ricky	–	360	18	378
Non-executive Director				
Mr. KO Wai Lun, Warren	300	–	–	300
Independent non-executive Directors				
Mr. Andrew David ROSS	420	–	–	420
Mr. Geoffrey William FAWCETT	300	–	–	300
Mr. Charles Robert LAWSON	300	–	–	300
	1,320	360	18	1,698

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

27. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(b) Directors and senior management emoluments (continued)

Certain Directors have waived emoluments for both of the years ended 30 September 2014 and 2013 and up to the dates of reports:

	Year ended 30 September 2014			From 1 October 2014 to the date of the report		
Name of Directors	Fees HK$'000	Salaries and allowances HK$'000	Contributions to retirement fund HK$'000	Fees HK$'000	Salaries and allowances HK$'000	Contributions to retirement fund HK$'000
Executive Director						
Mr. SY Ethan, Timothy	–	18,000	900	–	3,823	191
Non-executive Director						
Mr. KO Wai Lun, Warren	120	–	–	25	–	–
Independent non-executive Directors						
Mr. Andrew David ROSS	180	–	–	38	–	–
Mr. Geoffrey William FAWCETT	120	–	–	25	–	–
Mr. Charles Robert LAWSON	120	–	–	25	–	–

	Year ended 30 September 2013			From 1 October 2013 to 16 December 2013		
Name of Directors	Fees HK$'000	Salaries and allowances HK$'000	Contributions to retirement fund HK$'000	Fees HK$'000	Salaries and allowances HK$'000	Contributions to retirement fund HK$'000
Executive Director						
Mr. SY Ethan, Timothy	–	18,000	900	–	3,774	189
Non-executive Director						
Mr. KO Wai Lun, Warren	120	–	–	25	–	–
Independent non-executive Directors						
Mr. Andrew David ROSS	180	–	–	38	–	–
Mr. Geoffrey William FAWCETT	120	–	–	25	–	–
Mr. Charles Robert LAWSON	120	–	–	25	–	–

No amounts have been paid by the Group to the Directors as inducement to join the Group, as compensation for loss of office or as commitment fees to existing Directors for entering into new service contracts with the Group for the year ended 30 September 2014 (2013: HK$ Nil).

Apart from the aforesaid, no other emoluments have been paid to the Directors for the year ended 30 September 2014 (2013: HK$ Nil).

27. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(c) Five highest paid individuals

The five individuals with the highest emoluments in the Group for the year included no (2013: no) Directors whose emoluments are set out in note 27(b). The aggregate of the emoluments payable in respect of the five (2013: five) highest paid individuals of which do not include any senior management during the year are as follows:

	2014 **HK$'000**	2013 HK$'000
Salaries and allowances	**2,350**	2,429
Contributions to retirement fund	**113**	121
	2,463	2,550

	Number of individual	
	2014	2013
Emolument bands:		
HK$ Nil to HK$1,000,000	**5**	5

28. MATERIAL RELATED PARTY TRANSACTIONS

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

Key management personnel compensation

Compensation for key management personnel, including amount paid to the Directors, as disclosed in note 27(b), is as follows:

	2014 **HK$'000**	2013 HK$'000
Salaries and allowances	**1,680**	1,680
Contributions to retirement fund	**18**	18
	1,698	1,698

29. OPERATING LEASE COMMITMENTS

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

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

	2014	2013
	HK$'000	HK$'000
Within one year	**1,672**	2,392
In the second to fifth years, inclusive	**829**	878
	2,501	3,270

30. CONTINGENT LIABILITIES

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

31. AUTHORISATION FOR ISSUE OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Directors on 17 December 2014.

Five-Year Financial Summary

For the year ended 30 September 2014

	For the year ended 30 September				
	2014	2013	2012	2011	2010
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Results					
Turnover	**89,785**	110,548	100,583	38,898	32,424
Loss before taxation	**(15,972)**	(40,105)	(20,626)	(15,279)	(10,830)
Taxation	**(20)**	52,993	–	27	549
(Loss)/profit attributable to owners of the Company	**(15,992)**	12,888	(20,626)	(15,252)	(10,281)
Dividends	**–**	–	–	–	–

	At 30 September				
	2014	2013	2012	2011	2010
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Assets and liabilities					
Property, plant and equipment	**2,675**	3,904	4,510	5,036	2,299
Available-for-sale financial assets	**5,950**	5,950	5,950	6,896	8,051
Net current assets	**32,006**	45,008	31,318	51,761	71,701
	40,631	54,862	41,778	63,693	82,051
Equity attributable to owners of the Company	**40,631**	54,862	41,778	63,693	82,051

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