友川集團控股有限公司

NEWTREE GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1323)

Interim Report 2015/2016

Contents

Corporate Information

Executive Directors

Mr. Wong Wai Sing *(Chairman)*
Mr. Chum Hon Sing *(Vice-Chairman)*
Mr. Chan Kin Lung
Mr. Lee Chi Shing, Caesar
Ms. Yick Mi Ching, Dawnibilly
Ms. Yu Tak Wai, Winnie
Mr. Wong Jeffrey

Non-Executive Director

Mr. Mok Tsan San

Independent Non-executive Directors

Mr. Kwok Kam Tim
Mr. Tam Chak Chi
Dr. Hui Chik Kwan
Mr. Tso Ping Cheong, Brian

Authorised Representatives

Ms. Yu Tak Wai, Winnie
Ms. Kwok Ka Huen

Company Secretary

Ms. Kwok Ka Huen

Audit Committee

Mr. Kwok Kam Tim *(Chairman)*
Mr. Tam Chak Chi
Dr. Hui Chik Kwan
Mr. Tso Ping Cheong, Brian

Remuneration Committee

Mr. Tam Chak Chi *(Chairman)*
Mr. Kwok Kam Tim
Dr. Hui Chik Kwan
Mr. Tso Ping Cheong, Brian

Nomination Committee

Mr. Tso Ping Cheong, Brian *(Chairman)*
Mr. Kwok Kam Tim
Mr. Tam Chak Chi
Dr. Hui Chik Kwan

Corporate Information

Principal Bankers

Bank of China Huizhou Huihuan Sub-branch
Bank of China, Macau Branch
Bank of East Asia, Limited
Bank of Communications Co. Ltd. Hong Kong Branch

Listing Exchange Information

Place of listing: Main Board of
The Stock Exchange of Hong Kong Limited
Stock Code: 1323

Registered Office

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Headquarters

Flat L, 12th Floor
Macau Finance Centre
Rua de Pequim
Macau

Principal Place of Business in Hong Kong

Suites 3505-08, 35/F.,
Tower 6, The Gateway,
Harbour City, Kowloon
Hong Kong

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

Branch Share Registrar and Transfer Office in Hong Kong

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

Auditor

Moore Stephens CPA Limited
905 Silvercord, Tower 2
30 Canton Road
Tsimshatsui
Kowloon
Hong Kong

Company's Website

www.newtreegroupholdings.com

Management Discussion and Analysis

The board of directors (the "Directors") of Newtree Group Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (together referred to as the "Group") for the six months ended 30 September 2015 (the "Interim Period").

Business Review

During the Interim Period, the Group has been engaged in (i) manufacture and trading of clinical and household hygienic disposables and trading of related raw materials ("Hygienic Disposables Business"); (ii) trading of coal products ("Coal Business"); (iii) wholesale and retail of household consumables ("Household Consumables Business"); (iv) sales and distribution of jewelries and watches ("Jewelries and Watches Business"); (v) design and development of three-dimensional animations, augmented reality technology application and e-learning web application ("Digital Technology Business"); and (vi) provision of educational technology solutions through online education programs and provision of English language proficiency tests ("Education Business"). The Group was also engaged in the business of trading of Methyl Tertiary Butyl Ether ("MTBE Business") which was discontinued during the Interim Period, please refer to section headed Significant events and material disposal.

For the Interim Period, the Group recorded a net loss attributable to the owners of the Company of approximately HK$60.2 million (2014: loss of approximately HK$64.7 million).

Revenue

The Group's revenue from continuing operations decreased by approximately HK$9.7 million or 7% from approximately HK$147.8 million for the six months ended 30 September 2014 to approximately HK$138.1 million for the Interim Period.

The following table sets forth a breakdown of the Group's revenue from continuing operations by geographical locations and segments and as a percentage of the Group's total revenue from continuing operations for the Interim Period, with comparative figures for the corresponding period in 2014.

	Six months ended 30 September			
	2015 HK$'000 (unaudited)	**2015 %**	2014 HK$'000 (unaudited)	2014 %
By Segment:				
– Hygienic Disposables Business	**31,831**	**23**	48,725	33
– Coal Business	**52,901**	**38**	57,000	39
– Household Consumables Business	**33,450**	**24**	41,975	28
– Jewelries and Watches Business	**5,179**	**4**	83	–
– Digital Technology Business	**3,486**	**3**	–	–
– Education Business	**11,329**	**8**	–	–
Total	**138,176**	**100**	147,783	100
By geographical locations:				
United Kingdom	**59,771**	**43**	71,749	49
People's Republic of China (the "PRC")	**58,266**	**42**	57,082	39
Hong Kong	**11,682**	**9**	–	–
Norway	**5,096**	**4**	12,331	8
The United Arab Emirates	**1,489**	**1**	–	–
Macau	**1,459**	**1**	–	–
Singapore	**413**	**–**	4,741	3
United States of America	**–**	**–**	1,697	1
Estonia	**–**	**–**	183	–
Total	**138,176**	**100**	147,783	100

Management Discussion and Analysis

Business Review *(Continued)*

Revenue *(Continued)*

The Group's revenue from the Hygienic Disposables Business decreased by approximately HK$16.9 million or 35% from approximately HK$48.7 million for the six months ended 30 September 2014 to approximately HK$31.8 million for the Interim Period was mainly due to the loss of major customers which led to a significant decrease in sales. Revenue from the Coal Business decreased by approximately HK$4.1 million or 7% from approximately HK$57.0 million for the six months ended 30 September 2014 to approximately HK$52.9 million for the Interim Period was mainly due to the fall of global coal price benchmarks. The revenue from Household Consumables Business decreased by approximately HK$8.5 million or 20% from approximately HK$42.0 million for the six months ended 30 September 2014 to approximately HK$33.5 million for the Interim Period was mainly due to the change in product mix for higher profit margin contribution products. The revenue from Jewelries and Watches Business increased by approximately HK$5.1 million or 6140% from approximately HK$83,000 for the six months ended 30 September 2014 to approximately HK$5.2 million for the Interim Period, as the Jewelries and Watches Business was acquired just 5 days before the six months ended 30 September 2014, while revenue of a full six-month period has been incorporated into the Group's financial results for the Interim Period. Since the Digital Technology Business and Education Business were newly acquired in the second half of 2014/15 financial year, no comparative information is shown.

Cost of sales

Cost of sales from continuing operations decreased by approximately HK$23.4 million or 17% from approximately HK$136.2 million for the six months ended 30 September 2014 to approximately HK$112.8 million for the Interim Period. The decrease was in line with the change in turnover of the various business segments.

Management Discussion and Analysis

Business Review *(Continued)*

Gross profit and gross profit margin

The following table sets forth the Group's gross profit and the gross profit margin from continuing operations by business segment for the Interim Period, with comparative figures for the corresponding period in 2014.

	Six months ended 30 September			
	2015 HK$'000 (unaudited)	**2015 GP%**	2014 HK$'000 (unaudited)	2014 GP%
By segment:				
– Hygienic Disposables Business	**2,934**	**9.2**	3,792	7.8
– Coal Business	**2,321**	**4.4**	2,352	4.1
– Household Consumables Business	**5,978**	**17.8**	5,390	12.8
– Jewelries and Watches Business	**3,557**	**68.7**	45	55.4
– Digital Technology Business	**2,486**	**71.3**	–	–
– Education Business	**8,131**	**71.8**	–	–
Overall	**25,407**	**18.4**	11,579	7.8

Gross profit from continuing operations increased by approximately HK$13.8 million or 119% from approximately HK$11.6 million for the six months ended 30 September 2014 to approximately HK$25.4 million for the Interim Period. The Group's gross profit margin for Hygienic Disposables Business increased from approximately 7.8% for the six months ended 30 September 2014 to approximately 9.2% for the Interim Period primarily due to the fall of global oil prices, resulting in the lowered cost of raw materials. The gross profit margin for Coal Business was relatively stable and slightly increased from approximately 4.1% for the six months ended 30 September 2014 to approximately 4.4% for the Interim Period. The gross profit margin for Household Consumables Business increased from approximately 12.8% for the six months ended 30 September 2014 to approximately 17.8% for the Interim Period was largely due to change in product mix for higher profit margin contribution products. The gross profit margin for Jewelries and Watches Business increased from approximately 55.4% for the six months ended 30 September 2014 to approximately 68.7% for the Interim Period as the online sales channel of this segment was launched in January 2015, which has a higher profit margin than traditional retail sales. Since the Digital Technology Business and Education Business was newly acquired in November 2014, no comparative information is shown.

Other income

Other income mainly consists of dividend income and service income. Other income increased by approximately HK$4.8 million or 935% from approximately HK$0.5 million for the six months ended 30 September 2014 to approximately HK$5.3 million for the Interim Period as dividend income from the Group's unlisted equity investment in Goldbell Holdings Limited ("Goldbell") of approximately HK$4.9 million was recorded during the Interim Period.

Management Discussion and Analysis

Business Review *(Continued)*

Other gains and losses

For the Interim Period, the other gains and losses mainly comprise of impairment loss on other intangible assets of approximately HK$2.1 million mainly as a result of the decrease in expected profitability of the Coal Business due to the continuous fall in coal price, and fair value loss on contingent consideration receivables of approximately HK$19.8 million mainly as a result of the improved financial performance of the Jewelries and Watches Business, Digital Technology Business and Education Business, which led to a decrease in probability of the realisation of contingent consideration receivable, while for the corresponding period in 2014, the other gains and losses mainly comprise of impairment loss on other intangible assets of approximately HK$4.9 million and written back of impairment loss on trade and other receivables of approximately HK$2.5 million.

Selling and distribution expenses

Selling and distribution expenses mainly consist of transportation expenses, custom and inspection fee and commission paid to sales agents. The selling and distribution expenses decreased by approximately HK$0.3 million or 11% from approximately HK$2.6 million for the six months ended 30 September 2014 to approximately HK$2.3 million for the Interim Period which was in line with the drop in turnover of the Hygienic Disposables Business.

Administrative expenses

Administrative expenses mainly consist of staff costs (including directors), legal and professional fee, consultancy fee and rental expenses. The administrative expenses decreased by approximately HK$10.9 million or 17% from approximately HK$63.2 million for the six months ended 30 September 2014 to approximately HK$52.3 million for the Interim Period mainly due to decrease in total staff costs of approximately HK$3.6 million and decrease in professional service and consultancy fee of approximately HK$5.9 million.

Other expenses

Other expenses represent legal and professional fee paid to professional parties relating to the acquisition and disposal transactions of the Group. The other expenses decreased by approximately HK$2.1 million or 77% from approximately HK$2.8 million for the six months ended 30 September 2014 to approximately HK$0.7 million for the Interim Period as less acquisition and disposal transactions took place in the Interim Period.

Finance costs

Finance cost consists of interest expenses on convertible bonds, imputed interest on the promissory note and interest expenses for trust receipt loans. The finance costs increased by approximately HK$5.6 million or 96% from approximately HK$5.9 million for the six months ended 30 September 2014 to approximately HK$11.5 million for the Interim Period. As the convertible bonds were issued in June 2014, only approximately 3-months interest were accounted for in the six months ended 30 September 2014, while a full six-month period of interest expenses arising from convertible bonds were recognised during the Interim Period.

Management Discussion and Analysis

Business Review *(Continued)*

Loss before income tax

The Group recorded a loss before income tax from continuing operations of approximately HK$58.0 million for the Interim Period as compared to approximately HK$64.6 million during the six months ended 30 September 2014. The improvement in loss in 2015 were mainly due to (i) the increase in gross profit of approximately HK$13.8 million primarily arised from the Digital Technology Business and Education Business which were acquired in the second half of the 2014/15 financial year; (ii) increase in other income of approximately HK$4.8 million as a result of dividend income derived from the Group's unlisted equity investment in Goldbell; (iii) decrease in impairment loss on intangible assets from Coal Business of approximately HK$2.8 million; and (iv) decrease in administrative expenses of approximately HK$10.9 million, which was partially offset by the increase in finance cost of approximately HK$5.6 million and fair value loss on contingent consideration receivables of approximately HK$19.8 million.

Income tax expense

The Group recorded income tax expenses of approximately HK$2.2 million during the Interim Period as compared to approximately HK$72,000 during the six months ended 30 September 2014. There was no significant change in applicable tax rates of the Company's subsidiaries during the Interim Period. The subsidiaries operating in Hong Kong is subject to Hong Kong profits tax at a rate of 16.5% (2014: 16.5%). For the subsidiaries operating in the PRC, pursuant to the Law of the PRC on enterprise income tax rate of the PRC entities, the major subsidiary operating in the PRC is subject to a tax rate of 25% (2014: 25%). For the subsidiary operating in Macau, profit was exempted from Macao Complementary Tax for both periods.

The increase in income tax expenses was mainly due to the increase in income tax provision for the newly acquired profitable business segments which contributed a full six-month period results to the Group during the Interim Period.

Total comprehensive income for the period attributable to owners of the Company

Total comprehensive income for the period attributable to owners of the Company recorded a loss of approximately HK$74.6 million for the Interim Period as compare to approximately HK$53.2 million for the six months ended 30 September 2014. The increase was mainly due to the fair value loss on the Group's unlisted equity investment in Goldbell recognised during the period as a results of the reduction in the average gold price.

Management Discussion and Analysis

Financial Review

Liquidity and financial resources

The Group's principal source of working capital was cash generated from the sale of its products, fund raising by issue of Company's new shares and borrowing by issue of convertible bonds. The Group's current ratio as at 30 September 2015 was 1.1 (as at 31 March 2015: 1.1). The gearing ratio as at 30 September 2015 was 21.7% (as at 31 March 2015: 19.4%), calculated as total borrowings over shareholders' equity.

Currency and interest rate exposure

Certain sales transactions of the Group are denominated in foreign currencies, which exposes the Group to foreign currency risks. The Group does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises. Certain monetary financial assets are denominated in foreign currencies as at 30 September 2015. The exposure to exchange rate risks mainly arose from fluctuations of United State Dollar ("USD"), Renminbi ("RMB"), Great Britain Pound ("GBP") and Macau Pataca ("MOP"). The Group's currency risk exposure in relation to the monetary financial assets is expected to be minimal as USD is pegged with Hong Kong dollar ("HK$").

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates arising from the Group's bank deposits and interest expenses from its trust receipt loan with floating interest rate. The Group's exposure to interest rate risks on bank deposits and trust receipt loan, is expected to be minimal.

Trust Receipt loan

The trust receipt loan was denominated in USD, and secured by a pledged bank deposit, corporate guarantee in the amount of USD3,500,000 executed by the Company, and legally notarised livranca (i.e. promissory note) in the amount of USD3,500,000 executed by a subsidiary of the Company. It was repayable within 3 months and interest-bearing at London Interbank Money Market Offered Rate plus 1.9% per annum.

Charge on Assets

A bank deposit of approximately HK$7.8 million and certain leasehold land and buildings with carrying value of approximately HK$11.7 million (as at 31 March 2015: a bank deposit of approximately HK$7.8 million and certain leasehold land and buildings with carrying value of approximately HK$12.6 million) have been pledged as securities for certain banking facilities granted to the Group.

Contingent Liabilities

As at 30 September and 31 March 2015, the Group did not have any material contingent liabilities.

Management Discussion and Analysis

Commitments

(a) Capital Commitments

As at 30 September 2015 and 31 March 2015, the Group did not have any material capital commitments.

(b) Operating lease commitments

The Group as lessee:

The Group made minimum lease payments of approximately HK$3,548,000 (six months ended 30 September 2014: HK$3,873,000) under operating leases in respect of office premises, directors' quarter, car-parking space and warehouse during the period.

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

	At 30 September 2015 HK$'000 (unaudited)	At 31 March 2015 HK$'000 (audited)
Within one year	**6,320**	6,800
In the second to fifth years inclusive	**3,148**	6,159
	9,468	12,959

Management Discussion and Analysis

Significant events and material disposal

Major transaction in relation to the disposal of the entire equity interest and shareholder's loan in Sino-Singapore (Offshore) Chemical Resources Trading Company Limited

On 24 June 2015, the Group had, through its wholly-owned subsidiary, Star Fantasy International Limited entered into a sale and purchase agreement with an independent third party to dispose of its entire equity interest and shareholder's loan in Sino-Singapore (Offshore) Chemical Resources Trading Company Limited ("Sino-Singapore") at a cash consideration of HK$16,000,000. Sino-Singapore together with its subsidiary carried out all of the Group's MTBE Business operation. Accordingly, the Group's MTBE Business was classified as a discontinued operation.

The disposal of MTBE Business could enable the Group to free up its resources and redirect it to other existing businesses which may have higher growth potential to maximise the benefit of the shareholders of the Company.

Subsequent to 30 September 2015 and up to the date of this report, the Group has received a non-refundable deposit of HK$5,000,000 and such deposit will be applied to set against part of the consideration of the disposal. In the event the completion does not take place, such deposit will be forfeited in full.

The Directors expect that a gain on disposal would be recognised at the effective date of the disposal. However, the financial effect cannot be reliably estimated up to the date of this report.

Details of the disposal are set out in the circular of the Company dated 24 July 2015 and announcements of the Company dated 24 June 2015, 11 August 2015, 17 August 2015, 15 September 2015, 30 September 2015 and 30 October 2015 respectively.

Human Resources

The number of employees of the Group as at 30 September 2015 was approximately 146 (2014: 123) whom receive competitive remuneration packages that are constantly monitored in relation to the market, with incentives such as discretionary bonuses based on individual performance. The Group provides a comprehensive benefits package and career development opportunities, including medical benefits and both internal and external training appropriate to each individual's requirements.

Management Discussion and Analysis

Prospects

In the coming years, the Company will continue to probe for new business opportunities to achieve sustainable growth of the Group and maximise benefits of its shareholders as a whole.

Hygienic Disposables Business

The Group will continue to strive for improvement in gross profit margin by continue monitoring and changing product mixes, to produce higher profit margin contribution products and capture higher valued market segments. The Group had confidence in enhancing the business performance and profit contributions in the coming years despite of a slow recovery in several regional economies.

Coal Business

Although there is a slowdown in the economy development of the PRC in 2015, the Coal Business develops in a stable pace. The Group will continue to extend our sales network and work closely with our existing customers to maintain our coal trading capacity in the coming years.

Household Consumables Business

Unfavourable economic conditions in European Union region place some pressures on our Household Consumables Business. However the Group will continue to optimise our product mix for higher profit margin products in order to maintain its position in the competitive household consumables market in the coming years.

Jewelries and Watches Business

Looking ahead, more resources and effort will be placed on our established and rapidly growing online sales channels while continuing to strengthen our brand image to capture market share for the growing demands in the jewelries and watches products.

Digital Technology Business

Consumer hunger for new technologies has driven the growth in digital technology sector for years. Going forward, the Group shall continue to harness new ideas and technologies to improve our efficiency and strengthen the Group's competitive advantage in this rapid changing industry.

Education Business

The on-going demands of the education related products and services in both Hong Kong and the PRC shall provide an increasingly promising tool for the Group to expand its market shares in the ever growing education business segment.

Other Information

Compliance with the Code on Corporate Governance Practice

The Company is committed to the establishment of good governance practices and procedures. The Company has met the code provisions set out in the Code on Corporate Governance Practices ("CG Code") in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") (the "Stock Exchange"). Throughout the Interim Period, the Company has adopted the CG Code as its corporate governance code of practices and in compliance with the mandatory code provisions set out in the CG Code except for the deviations set out as below:

Code provision A.4.1 of the CG Code

The code provision A.4.1 requires the appointment of non-executive directors for a specific term, subject to re-election.

The independent non-executive Directors ("INED") (namely Mr. Kwok Kam Tim ("Mr. Kwok"), Mr. Tso Ping Cheong, Brian ("Mr. Tso"), Dr. Hui Chik Kwan ("Dr. Hui") and Mr. Tam Chak Chi ("Mr. Tam")) are not appointed for a fixed term of office, but they are subjected to retirement by rotation and re-election of Directors through the articles of association of the Company, which require one-third of the Directors in office to retire from office by rotation and re-election at each annual general meeting. Therefore, the Company has adopted adequate measures to ensure the corporate governance of the Company complies with the same level to that required under the CG Code.

Code provision A.6.7 of the CG Code

Code provision A.6.7 stipulates that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the view of shareholders.

Mr. Mok Tsan San ("Mr. Mok"), Mr. Kwok, Dr. Hui, Mr. Tso and Mr. Tam were unable to attend the annual general meeting (the "2015 AGM") of the Company held on 7 August 2015 due to other business engagements.

Mr. Mok, Dr. Hui, Mr. Tso and Mr. Tam were unable to attend the extraordinary general meeting of the Company held on 11 August 2015 due to other business engagements.

As an action plan to address the aforesaid deviation, the Company will require all the INED and other non-executive Director to attend all future general meetings in order to comply with the code provision A.6.7 of the CG Code.

Other Information

Compliance with the Code on Corporate Governance Practice *(Continued)*

Code provision E.1.2 of the CG Code

The code provision E.1.2 currently in force stipulates, among other things, that the chairman of the issuer should attend the annual general meeting.

Mr. Wong Wai Sing ("Mr. Wong") being the chairman of the Company ("Chairman"), was unable to attend the 2015 AGM due to another commitment and Mr. Wong appointed Ms. Yu Tak Wai, Winnie, an executive Director, to act as his representative at the 2015 AGM and to take the chair of the said 2015 AGM and to ensure that proceedings of the meeting would be conducted in order. The Company considers that sufficient measures have been taken to ensure the Company's corporate governance practices are no less exacting than those in the CG Code. This constitutes a deviation of the code provision E.1.2.

Model Code for Securities Transactions

The Company had adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding directors' securities transactions. The Company confirms that having made specific enquiries to all Directors, all Directors have confirmed that they have complied with the required standards of the Model Code during the Interim Period.

Other Information

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 September 2015, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinances (Cap 571 of the laws of Hong Kong) ("SFO")) which have been notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were set out as follows:

Long position in the Shares

Name of Directors	Capacity	Total number of shares held *(Note)*	Approximate percentage of shareholding in the Company
Mr. Wong *(Note)*	Beneficial owner and interest of a controlled corporation	193,054,000	21.39%
Mr. Chum Hon Sing (Mr. Chum) *(Note)*	Interest of a controlled corporation	183,504,000	20.33%

Note: Mr. Wong holds 9,550,000 shares in personal capacity, he also holds 50% equity interest in Twin Star Global Limited (a company owned as to 50% by him and 50% by Mr. Chum), which is interested in 183,504,000 shares of the Company. Accordingly, both Mr. Wong and Mr. Chum are deemed to be interested in such 183,504,000 shares held by Twin Star Global Limited.

Director's and Chief Executive Rights to Acquire Shares or Debenture

Save as otherwise disclosed in this report, at no time during the Interim Period and up to the date of this report no right to acquire benefits by means of acquisition of shares or debentures of the Company were granted to any Director and chief executive or any of their respective spouse or minor children, or were any such rights exercised by them, or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

Other Information

Substantial Shareholders

As at 30 September 2015, the following persons (not being a Director or the chief executive of the Company) have interests or short positions in the shares or underlying shares of the Company which have been disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long Position in the Shares

Name	Nature of interest	Total number of shares held	Approximate percentage of interest in the Company
Twin Star Global Limited *(Note)*	Beneficial owner	183,504,000	20.33%

Note: Twin Star Global Limited is owned as to 50% by Mr. Wong, the Chairman, and as to 50% by Mr. Chum, the vice-chairman. Accordingly, both Mr. Wong and Mr. Chum are deemed to be interested in 183,504,000 shares of the Company held by Twin Star Global Limited.

Save as disclosed herein, the Company has not been notified of any other person (other than the Directors or chief executive of the Company) who had an interest or a short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as at 30 September 2015.

Share Option Scheme

The Company has adopted a new share option scheme on 26 February 2015 (the "Share Option Scheme") to replace the old Share Option Scheme adopted in 2010 (the "Old Scheme") for the purpose of providing incentives and rewards to those at the sole determination of the Board, have contributed or will contribute to the Company or its subsidiaries, such as (a) any full-time or part-time employee of the Company and/or any subsidiary of the Company; (b) any director (including executive, non-executive and independent non-executive director) of the Company and/or any subsidiary of the Company; and (c) any consultant or adviser, distributor, contractor, supplier, service provider, agent, customer and business partner of the Company and/or any subsidiary of the Company.

The Board may offer to grant any options subject to such terms and conditions in relation to the minimum period of the options to be held and/or the performance targets to be achieved before such option can be exercised and/or any other terms as the Board may determine in its absolute discretion. There is no general requirement on the minimum period for which an option must be held.

The life of the Share Option Scheme is 10 years from the date of adoption (26 February 2015), after which no further options will be granted but the provisions of the Share Option Scheme shall remain in force with respect to options granted.

Other Information

Share Option Scheme *(Continued)*

The subscription price shall, subject to any adjustments made pursuant to the terms of the Share Option Scheme, be a price determined by the Board and notified to each grantee and shall be at least the highest of: (a) the closing price per share as stated in the Stock Exchange's daily quotations sheet on the offer date; (b) the average closing price per share as stated in the Stock Exchange's daily quotations sheets for the five (5) business days immediately preceding the offer date; and (c) the nominal value of a share.

The maximum aggregate number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes adopted by the Group which provide for the grant of options to acquire or subscribe for shares must not exceed such number of shares as shall represent 30% of the issued share capital of the Company from time to time. No option shall be granted under the Share Option Scheme if this will result in such limit being exceeded.

Subject to the aforesaid limit, the total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and other share option schemes of the Group must not, in aggregate, exceed 10% of the issued share capital of the Company as at the adoption date of the Share Option Scheme unless shareholders' approval in general meeting is obtained to renew the scheme mandate limit, which shall not exceed 10% of the issued share capital of the Company at the date of such approval. Any further grant of options is subject to shareholders' advanced approval in a general meeting. The outstanding number of options available for issue under the Share Option Scheme is 90,264,902, which represents 10% of the issued share capital as at the date of this report.

The total number of shares issued and to be issued upon exercise of the options granted to each eligible participant (including both exercised and outstanding options under the Share Option Scheme) in any 12-month period must not exceed 1% of the issued share capital of the Company. Where any further grant of options to an eligible participant would result in excess of such limit, such further grant shall be subject to the approval of the shareholders at a general meeting with such eligible participant and his associates abstaining from voting.

Any grant of options to a connected person or any of its associates must be approved by all of the independent non-executive Directors (excluding any independent non-executive Director who is the grantee). Where options are proposed to be granted to a substantial shareholder or an independent non-executive Director or any of their respective associates, and the proposed grant of options will result in the total number of shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the issued share capital of the Company and having an aggregate value, based on the closing price of the shares at the date of each grant, in excess of HK$5 million, such grant of options must be subject to the approval of the shareholders taken on a poll at a general meeting.

No options were granted, exercised, cancelled, lapsed or share option remained outstanding under the Share Option Scheme and the Old Scheme during the Interim Period.

Purchase, Sales or Redemption of Listed Securities

During the Interim Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares listed on the Stock Exchange.

Other Information

Audit Committee and Review of Financial Statement

The audit committee of the Company (the "Audit Committee") was established on 17 December 2010 with written terms of reference in compliance with the Listing Rules. The primary duties of the Audit Committee are, among other things, to review and supervise the Company's financial reporting process and internal control systems.

The Audit Committee comprises four INED, being Mr. Kwok, Mr. Tso, Dr. Hui and Mr. Tam. The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters, including the review of the unaudited condensed consolidated financial statements of the Group for the Interim Period.

Interim Dividend

The Board does not recommend the payment of interim dividends for the Interim Period (six months ended 30 September 2014: Nil).

Changes to Information in Respect of Directors

During the Interim Period and up to the date of this report, pursuant to Rule 13.51B(1) of the Listing Rules, the changes in the information of the Directors and chief executive of the Company are as follows:

– Mr. Mok has been appointed as a non-executive director of Casablanca Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 2223), on 9 April 2015.

– Mr. Mok was an executive director of Hin Sang Group (International) Holding Co. Ltd., a company listed on the Main Board of the Stock Exchange (stock code: 6893), from May 2015 to September 2015.

– Mr. Kwok has resigned as an independent non-executive director of Capital Finance Holdings Limited, a company listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8239) on 4 September 2015.

– The monthly basic salary of Ms. Yu Tak Wai, Winnie was increased to HK$140,000 on 13-month basis with a monthly director's fee of HK$10,000 on 13-month basis with effect from 1 September 2015.

– Ms. Sung entered into a letter of appointment as the chief executive officer of the Company with effect from 7 August 2015 and she is entitled to a monthly salary of HK$190,000 on 13-month basis.

– Discretionary bonus in the total amount of HK$10,500,000 was paid to each of Mr. Wong and Mr. Chum during the Interim Period.

By the order of the Board
Newtree Group Holdings Limited
Mr. Wong Wai Sing
Chairman and Executive Director

Hong Kong, 26 November 2015

Unaudited Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2015

	Notes	2015 HK$'000 (unaudited)	2014 HK$'000 (unaudited) (restated)
		Six months ended 30 September	
Continuing operations			
Revenue	*4*	**138,176**	147,783
Cost of sales		**(112,769)**	(136,204)
Gross profit		**25,407**	11,579
Other income	*5*	**5,267**	509
Other gains and losses	*6*	**(21,548)**	(2,152)
Selling and distribution expenses		**(2,296)**	(2,592)
Administrative expenses		**(52,308)**	(63,239)
Other expenses		**(651)**	(2,789)
Finance costs	*7*	**(11,548)**	(5,885)
Share of (losses)/profits of associates		**(383)**	13
Loss before income tax from continuing operations		**(58,060)**	(64,556)
Income tax expense	*8*	**(2,188)**	(72)
Loss for the period from continuing operations	*9*	**(60,248)**	(64,628)
Discontinued operation			
Profit/(loss) for the period from discontinued operation	*11*	**39**	(265)
Loss for the period		**(60,209)**	(64,893)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
– Exchange differences arising on translation		**(1,363)**	(460)
– Fair value (loss)/gain on available-for-sale financial assets	*18*	**(13,000)**	11,900
Other comprehensive income for the period, net of income tax		**(14,363)**	11,440
Total comprehensive income for the period, net of income tax		**(74,572)**	(53,453)
Loss for the period attributable to:			
Owners of the Company		**(60,184)**	(64,685)
Non-controlling interests		**(25)**	(208)
		(60,209)	(64,893)

Unaudited Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2015

	Notes	**2015** **HK$'000** **(unaudited)**	2014 HK$'000 (unaudited) (restated)
		Six months ended 30 September	
Total comprehensive income for the period attributable to:			
Owners of the Company		**(74,548)**	(53,243)
Non-controlling interests		**(24)**	(210)
		(74,572)	(53,453)
Loss per share attributable to owners of the Company	*12*		
From continuing and discontinued operations			
Basic and diluted (HK cents)		**(6.67)**	(8.58)
From continuing operations			
Basic and diluted (HK cents)		**(6.67)**	(8.54)
From discontinued operation			
Basic and diluted (HK cents)		**–**	(0.04)

Unaudited Condensed Consolidated Statement of Financial Position

At 30 September 2015

	Notes	At 30 September 2015 HK$'000 (unaudited)	At 31 March 2015 HK$'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*13*	**16,736**	18,583
Prepaid lease payments		**5,728**	6,027
Other intangible assets	*14*	**109,178**	119,274
Goodwill	*15*	**198,830**	198,830
Interests in associates	*17*	**33,187**	33,570
Available-for-sale financial assets	*18*	**157,300**	170,300
Contingent consideration receivable	*19*	**–**	24,317
		520,959	570,901
CURRENT ASSETS			
Contingent consideration receivables	*19*	**19,936**	15,409
Inventories	*20*	**26,281**	28,929
Prepaid lease payments		**194**	216
Trade and other receivables and prepayments	*21*	**229,089**	459,661
Refundable deposits	*21*	**–**	48,824
Pledged bank deposit		**7,808**	7,808
Bank balances and cash		**24,388**	29,548
		307,696	590,395
Assets held for sale	*22*	**305,737**	–
		613,433	590,395
CURRENT LIABILITIES			
Trade and other payables and accruals	*23*	**164,823**	407,633
Trust receipt loan		**766**	1,909
Tax payable		**11,151**	8,168
Promissory note	*24*	**–**	9,000
Convertible bonds	*25*	**113,994**	106,479
		290,734	533,189
Liabilities directly associated with assets held for sale	*22*	**291,791**	–
		582,525	533,189
NET CURRENT ASSETS		**30,908**	57,206
TOTAL ASSETS LESS CURRENT LIABILITIES		**551,867**	628,107
NON CURRENT LIABILITIES			
Deferred tax liabilities		**18,147**	19,815
		18,147	19,815
NET ASSETS		**533,720**	608,292
CAPITAL AND RESERVES			
Share capital	*26*	**9,026**	9,026
Reserves		**520,382**	594,930
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**529,408**	603,956
Non-controlling interests		**4,312**	4,336
TOTAL EQUITY		**533,720**	608,292

Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2015

	Attributable to owners of the Company			
	Share capital HK$'000	**Share premium** HK$'000	**Legal reserve** HK$'000 *(Note i)*	**Convertible bonds equity reserve** HK$'000
At 1 April 2014 (audited)	7,282	414,488	49	–
Loss for the period	–	–	–	–
Other comprehensive income, net of income tax:				
– Exchange differences arising on translation	–	–	–	–
– Changes in fair value of available-for-sale financial assets	–	–	–	–
Total comprehensive income for the period	–	–	–	–
Issue of shares pursuant to placing agreement	237	57,828	–	–
Transaction cost attributable to issue of placing shares	–	(1,688)	–	–
Issue of convertible bonds	–	–	–	5,947
Acquisition of subsidiaries	334	85,737	–	–
At 30 September 2014 (unaudited)	7,853	556,365	49	5,947
At 1 April 2015 (audited)	**9,026**	**877,804**	**49**	**5,947**
Loss for the period	**–**	**–**	**–**	**–**
Other comprehensive income, net of income tax:				
– Exchange differences arising on translation	**–**	**–**	**–**	**–**
– Changes in fair value of available-for-sale financial assets	**–**	**–**	**–**	**–**
Total comprehensive income for the period	**–**	**–**	**–**	**–**
At 30 September 2015 (unaudited)	**9,026**	**877,804**	**49**	**5,947**

Notes:

(i) In accordance with the provisions of the Macao Commercial Code, Two-Two-Free Limited-Macao Commercial Offshore ("Two-Two-Free"), a subsidiary of the Company, is required to transfer a minimum of 25% of annual net profit to legal reserve until the legal reserve equals half of the quota capital. This reserve is not distributable to shareholders.

(ii) The special reserve represents the difference between the nominal value of the share capital issued by the Company and the share premium and the nominal value of the share capital of the subsidiaries comprising the Group prior to the group reorganisation in preparing for listing on The Stock Exchange of Hong Kong Limited.

(iii) The other reserves represent (i) the difference between the fair value of interest-free advance to Mr. Chum Tung Hang, a shareholder of a subsidiary comprising the Group prior to the group reorganisation, measured at amortised cost using the effective interest method and its principal amount at inception amounting to HK$6,000,000 and (ii) the difference between the amount by which the non-controlling interest is adjusted and the fair value of shares issued as consideration for the acquisition of the remaining equity interest in a subsidiary from a non-controlling shareholder amounting to approximately HK$2,046,000.

Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2015

Attributable to owners of the Company							
Available-for-sale investment reserve HK$'000	**Special reserve** HK$'000 *(Note ii)*	**Exchange reserve** HK$'000	**Other reserves** HK$'000 *(Note iii)*	**Accumulated losses** HK$'000	**Total** HK$'000	**Non-controlling interests** HK$'000	**Total** HK$'000
–	678	17,840	(8,046)	(46,933)	385,358	4,588	389,946
–	–	–	–	(64,685)	(64,685)	(208)	(64,893)
–	–	(458)	–	–	(458)	(2)	(460)
11,900	–	–	–	–	11,900	–	11,900
11,900	–	(458)	–	(64,685)	(53,243)	(210)	(53,453)
–	–	–	–	–	58,065	–	58,065
–	–	–	–	–	(1,688)	–	(1,688)
–	–	–	–	–	5,947	–	5,947
–	–	–	–	–	86,071	–	86,071
11,900	678	17,382	(8,046)	(111,618)	480,510	4,378	484,888
9,100	**678**	**15,206**	**(8,046)**	**(305,808)**	**603,956**	**4,336**	**608,292**
–	**–**	**–**	**–**	**(60,184)**	**(60,184)**	**(25)**	**(60,209)**
–	**–**	**(1,364)**	**–**	**–**	**(1,364)**	**1**	**(1,363)**
(13,000)	**–**	**–**	**–**	**–**	**(13,000)**	**–**	**(13,000)**
(13,000)	**–**	**(1,364)**	**–**	**(60,184)**	**(74,548)**	**(24)**	**(74,572)**
(3,900)	**678**	**13,842**	**(8,046)**	**(365,992)**	**529,408**	**4,312**	**533,720**

Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2015

	Notes	Six months ended 30 September 2015 HK$'000 (unaudited)	2014 HK$'000 (unaudited)
OPERATING ACTIVITIES			
Cash used in operating activities		**(22,152)**	(13,596)
Income taxes paid		**(423)**	(437)
NET CASH USED IN OPERATING ACTIVITIES		**(22,575)**	(14,033)
INVESTING ACTIVITIES			
Refundable deposit received for potential acquisition of a subsidiary		**27,500**	–
Purchase of property, plant and equipment		**(193)**	(3,711)
Purchase of available-for-sale financial assets		**–**	(134,000)
Increase in pledged bank deposit		**–**	(1)
Proceeds from disposal of property, plant and equipment		**38**	500
Interest received		**12**	11
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES		**27,357**	(137,201)
FINANCING ACTIVITIES			
Proceed from placing of shares		**–**	58,065
Proceed from issue of convertible bonds		**–**	100,000
Share issuing expenses		**–**	(1,688)
Repayment of promissory note	*24(c)*	**(4,129)**	–
Trust receipt loan repaid		**(1,143)**	(3,009)
Advance (to)/from related parties		**(286)**	257
Interest paid		**(4,033)**	(67)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES		**(9,591)**	153,558
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(4,809)**	2,324
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		**29,548**	39,887
Effect of foreign exchange rate changes		**(320)**	148
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD represented by bank balances and cash		**24,419**	42,359
Analysis of cash and cash equivalents			
Continuing operations: Bank balances and cash		**24,388**	42,359
Discontinued operation: Bank balances and cash		**31**	–
		24,419	42,359

1. General Information

The Company was incorporated as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law Chapter 22 (Laws of 1961, as consolidated and revised) of the Cayman Islands on 9 June 2010. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 13 January 2011. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company acts as an investment holding company. The principal activities of the Group are (i) manufacture and trading of clinical and household hygienic disposables and trading of related raw materials ("Hygienic Disposables Business"); (ii) trading of coal products ("Coal Business"); (iii) wholesale and retail of household consumables ("Household Consumables Business"); (iv) sales and distribution of jewelries and watches ("Jewelries and Watches Business"); (v) design and development of three-dimensional animations, augmented reality technology application and e-learning web application ("Digital Technology Business"); and (vi) provision of educational technology solutions through online education programs and provision of English language proficiency tests ("Education Business"). The Group was also engaged in the business of trading of Methyl Tertiary Butyl Ether ("MTBE") products ("MTBE Business") which was discontinued during the Interim Period (Note 11).

2. Basis of Preparation and Principal Accounting Policies

This unaudited condensed consolidated financial statements ("Interim Financial Statements") of the Group for the Interim Period have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities of the Stock Exchange and in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The preparation of the Interim Financial Statements in conformity with HKAS 34 requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The Interim Financial Statements include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 31 March 2015, and therefore, do not include all of the information required for full set of financial statements prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual HKFRSs, HKAS and Interpretation issued by HKICPA. They shall be read in conjunction with the Group's audited financial statements for the year ended 31 March 2015 (the "Annual Report").

The Interim Financial Statements have been prepared on the historical cost basis except for available-for-sale financial assets and contingent consideration receivables, which are measured at fair values.

The accounting policies and methods of computation used in the Interim Financial Statements are consistent with those applied in the preparation of the Group's annual financial statements for the year ended 31 March 2015.

Certain financial statements for the six months ended 30 September 2014 related to discontinued operation have been reclassified and restated to conform with the Interim Period's presentation and accounting treatment.

The weighted average number of shares and resulting loss per share, for the six months ended 30 September 2014 have been restated to reflect the placings of shares during the year ended 31 March 2015 in accordance with the relevant accounting treatment.

3. Adoption of New or Amended HKFRSs

The adoption of the new/revised HKFRSs that are relevant to the Group and effective from the current period had no significant effects on the results and financial position of the Group for the current period and prior years.

At the date of authorisation of the Interim Financial Statements, the Group has not early adopted any new/revised HKFRSs that have been issued but are not yet effective for the current period. The Directors have already commenced an assessment of the impact of these new and revised HKFRSs but are not yet in a position to reasonably estimate whether these new and revised HKFRSs would have a significant impact on the Group's results of operations and financial position.

4. Revenue and Segment Information

Information reported to the Directors, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. This is also the basis upon which the Group is organised.

The Group's operating and reportable segments under HKFRS 8 are as follows:

- Hygienic Disposables Business – Manufacture and trading of clinical and household hygienic disposables and trading of related raw materials
- Coal Business – Trading of coal products
- Household Consumables Business – Wholesale and retail of household consumables
- Jewelries and Watches Business – Sales and distribution of jewelries and watches
- Digital Technology Business – Design and development of three-dimensional animations, augmented reality technology applications and e-learning web application
- Education Business – Provision of educational technology solutions through online education programs and provision of English language proficiency tests

During the Interim Period, MTBE Business was discontinued as described in Note 11. The segment information reported as below does not include any amounts for the discontinued operation.

Segment revenues and results

The following is an analysis of the Group's revenues and results from reportable and operating segments.

	Continuing operations						
	Hygienic Disposables Business HK$'000 (unaudited)	Coal Business HK$'000 (unaudited)	Household Consumables Business HK$'000 (unaudited)	Jewelries and Watches Business HK$'000 (unaudited)	Digital Technology Business HK$'000 (unaudited)	Education Business HK$'000 (unaudited)	Total HK$'000 (unaudited)
For the six months ended 30 September 2015							
Revenue from external customers	31,831	52,901	33,450	5,179	3,486	11,329	138,176
Segment (loss)/profit	(4,224)	2,352	2,560	2,922	1,480	4,686	9,776
Bank interest income							12
Exchange differences							354
Amortisation of other intangible assets							(830)
Fair value loss on contingent consideration receivables							(19,790)
Impairment loss on other intangible assets							(2,108)
Share of losses of associates							(383)
Central administration costs							(45,091)
Loss before income tax from continuing operations							(58,060)

4. Revenue and Segment Information *(Continued)*

Segment revenues and results *(Continued)*

	Continuing operations				
	Hygienic Disposables Business HK$'000 (unaudited)	Coal Business HK$'000 (unaudited)	Household Consumables Business HK$'000 (unaudited)	Jewelries and Watches Business HK$'000 (unaudited)	Total HK$'000 (unaudited) (restated)
For the six months ended 30 September 2014					
Revenue from external customers	48,725	57,000	41,975	83	147,783
Segment (loss)/profit	(4,119)	2,376	4,213	36	2,506
Bank interest income					11
Exchange differences					(14)
Amortisation of other intangible assets					(526)
Impairment loss on other intangible assets					(4,874)
Share of profits of an associate					13
Central administration costs					(61,672)
Loss before income tax from continuing operations					(64,556)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit/(loss) represents the profit earned by/(loss from) each segment without allocation of central administration costs, share of profits/(losses) of associates, amortisation of other intangible assets, impairment loss on other intangible assets, fair value loss on contingent consideration receivables, bank interest income, exchange differences and income tax expense. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

4. Revenue and Segment Information *(Continued)*

Segment assets and liabilities

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

	30 September 2015 HK$'000 (unaudited)	31 March 2015 HK$'000 (audited)
Segment assets		
Hygienic Disposables Business	**96,195**	118,516
MTBE Business	**–**	295,722
Coal Business	**139,573**	86,372
Household Consumables Business	**17,094**	15,824
Jewelries and Watches Business	**8,175**	5,706
Digital Technology Business	**2,200**	687
Education Business	**6,680**	2,171
Total segment assets	**269,917**	524,998
Goodwill	**198,830**	198,830
Other intangible assets	**109,178**	119,274
Available-for-sale financial assets	**157,300**	170,300
Interests in associates	**33,187**	33,570
Contingent consideration receivables	**19,936**	39,726
Amounts due from related companies	**2,689**	3,150
Pledged bank deposit	**7,808**	7,808
Bank balances and cash	**24,388**	29,548
Assets held for sale	**305,737**	–
Unallocated corporate assets	**5,422**	34,092
Consolidated assets	**1,134,392**	1,161,296

	30 September 2015 HK$'000 (unaudited)	31 March 2015 HK$'000 (audited)
Segment liabilities		
Hygienic Disposables Business	**7,754**	11,650
MTBE Business	**–**	289,221
Coal Business	**129,701**	78,853
Household Consumables Business	**4,352**	4,069
Jewelries and Watches Business	**103**	605
Digital Technology Business	**496**	278
Education Business	**3,788**	4,976
Total segment liabilities	**146,194**	389,652
Tax payable	**11,151**	8,168
Promissory note	**–**	9,000
Convertible bonds	**113,994**	106,479
Deferred tax liabilities	**18,147**	19,815
Liabilities directly associated with assets held for sale	**291,791**	–
Unallocated corporate liabilities	**19,395**	19,890
Consolidated liabilities	**600,672**	553,004

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

- All assets are allocated to operating segments other than goodwill, other intangible assets, available-for-sale financial assets, interests in associates, contingent consideration receivables, amounts due from related companies, pledged bank deposit, bank balances and cash, assets held for sale and unallocated corporate assets.
- All liabilities are allocated to operating segments other than tax payable, liabilities directly associated with assets held for sale, promissory note, convertible bonds, deferred tax liabilities and unallocated corporate liabilities.

4. Revenue and Segment Information *(Continued)*

Other segment information

	Continuing operations							
	Hygienic Disposables Business HK$'000 (unaudited)	Coal Business HK$'000 (unaudited)	Household Consumables Business HK$'000 (unaudited)	Jewelries and Watches Business HK$'000 (unaudited)	Digital Technology Business HK$'000 (unaudited)	Education Business HK$'000 (unaudited)	Unallocated HK$'000 (unaudited)	Total HK$'000 (unaudited)
For the six months ended 30 September 2015								
Capital additions	2	–	–	–	–	100	91	193
Depreciation of property, plant and equipment and amortisation of prepaid lease payments	911	–	43	–	–	22	684	1,660
Loss on disposal of property, plant and equipment	2	–	1	–	–	–	3	6
Impairment loss on other intangible assets	–	2,108	–	–	–	–	–	2,108
Written-off of trade receivables	–	–	–	–	–	1	–	1
Written back of impairment loss on trade and other receivables	–	–	(3)	–	–	–	–	(3)

	Continuing operations					
	Hygienic Disposables Business HK$'000 (unaudited)	Coal Business HK$'000 (unaudited)	Household Consumables Business HK$'000 (unaudited)	Jewelries and Watches Business HK$'000 (unaudited)	Unallocated HK$'000 (unaudited)	Total HK$'000 (unaudited)
For the six months ended 30 September 2014						
Capital additions	12	–	–	–	3,699	3,711
Depreciation of property, plant and equipment and amortisation of prepaid lease payments	1,040	–	55	–	331	1,426
Gain on disposal of property, plant and equipment	–	–	–	–	(296)	(296)
Impairment loss on other intangible assets	–	4,874	–	–	–	4,874
Written-off of trade receivables	–	–	11	–	–	11
Written back of impairment loss on trade and other receivables	(140)	–	(2,311)	–	–	(2,451)

4. Revenue and Segment Information *(Continued)*

Revenue from major products and services

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

	Six months ended 30 September	
	2015 HK$'000 (unaudited)	2014 HK$'000 (unaudited) (restated)
Continuing operations		
Sales of goods from		
– Hygienic Disposables Business	**31,831**	48,725
– Household Consumables Business	**33,450**	41,975
– Jewelries and Watches Business	**5,179**	83
Trading income from Coal Business	**52,901**	57,000
Services income from		
– Digital Technology Business	**3,486**	–
– Education Business	**11,329**	–
	138,176	147,783

Information about geographical areas

In determining the Group's information about geographical areas, revenue is allocated to the segments based on the locations of the customers.

The following table provides an analysis of the Group's revenue from continuing operations generated from external customers by geographical market, irrespective of the origin of the goods.

	Six months ended 30 September	
	2015 HK$'000 (unaudited)	2014 HK$'000 (unaudited) (restated)
United Kingdom	**59,771**	71,749
The People's Republic of China ("PRC")	**58,266**	57,082
Hong Kong	**11,682**	–
Norway	**5,096**	12,331
The United Arab Emirates	**1,489**	–
Macau	**1,459**	–
Singapore	**413**	4,741
United States of America	**–**	1,697
Estonia	**–**	183
	138,176	147,783

As at 30 September 2015, approximately HK$18,434,000, HK$16,838,000, HK$328,000,000 and HK$387,000 of the non-current assets are located in the PRC, United Kingdom, Hong Kong and Macau respectively.

As at 31 March 2015, approximately HK$19,931,000, HK$17,206,000, HK$338,726,000 and HK$421,000 of the non-current assets are located in the PRC, United Kingdom, Hong Kong and Macau respectively.

4. Revenue and Segment Information *(Continued)*

Information about major customer

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

	Six months ended 30 September	
	2015	2014
	HK$'000	HK$'000
	(unaudited)	(unaudited)
		(restated)
Customer A[1]	**52,901**	57,000

[1] Revenue is from Coal Business

5. Other Income

	Six months ended 30 September	
	2015	2014
	HK$'000	HK$'000
	(unaudited)	(unaudited)
		(restated)
Continuing operations		
Bank interest income	**12**	11
Dividend income *(Note 24(c))*	**4,871**	–
Service income	**356**	496
Sundry income	**28**	2
	5,267	509

6. Other Gains and Losses

	Notes	Six months ended 30 September 2015 HK$'000 (unaudited)	2014 HK$'000 (unaudited) (restated)
Continuing operations			
Exchange differences		**354**	(14)
Fair value loss on contingent consideration receivables	*19*	**(19,790)**	–
Impairment loss on other intangible assets	*14*	**(2,108)**	(4,874)
(Loss)/gain on disposal of property, plant and equipment		**(6)**	296
Written-off of trade receivables		**(1)**	(11)
Written back of impairment loss on trade and other receivables *(Note)*		**3**	2,451
		(21,548)	(2,152)

Note: Trade and other receivables which were previously impaired were subsequently received from the customers during the six months ended 30 September 2014 which amounted to approximately HK$140,000 and HK$2,311,000 respectively.

7. Finance Costs

	Six months ended 30 September 2015 HK$'000 (unaudited)	2014 HK$'000 (unaudited)
Continuing operations		
Interests on bank and other borrowings wholly repayable within five years:		
– Interest expenses on trust receipt loans	**33**	67
– Imputed interest expenses on promissory note	**–**	105
– Effective interest expenses on convertible bonds	**11,515**	5,713
	11,548	5,885

8. Income Tax Expense

	Six months ended 30 September	
	2015	2014
	HK$'000	HK$'000
	(unaudited)	(unaudited)
		(restated)
Continuing operations		
Income tax expense represents:		
Current tax:		
– Hong Kong Profits Tax	**1,431**	393
– PRC Enterprise Income Tax ("PRC EIT")	**603**	96
– Other jurisdictions	**643**	454
	2,677	943
Deferred taxation	**(489)**	(871)
	2,188	72

(i) Hong Kong

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

For the Interim Period and up to the date of these financial statements, the Hong Kong Inland Revenue Department ("HKIRD") is in the process of reviewing the tax affairs of certain subsidiaries of the Group and has issued additional estimated assessments on the subsidiaries for the year of assessments 2004/05, 2005/06, 2006/07, 2007/08 and 2008/09. The additional estimated assessments amounted to approximately HK$43,520,000 (30 September 2014: approximately HK$28,790,000). The Group lodged the relevant objection with the HKIRD against these assessments. The Group currently has purchased tax reserve certificates with the total of HK$4,287,000 (31 March 2015: HK$4,287,000) to holdover those additional estimated assessments. The purchased tax reserve certificates have been accounted for as taxes recoverable include in trade and other receivables and prepayments of the Group as at 30 September 2015.

In the opinion of the Directors, after considering the latest communications between the Group and the HKIRD, no profits tax should be payable by these subsidiaries for those years of assessment since these subsidiaries did not carry on any business in Hong Kong or did not arrive at any assessable profits for the relevant years of assessment and should not be subject to Hong Kong Profits Tax. Hence no provision for Hong Kong Profits Tax in respect of these assessments is considered necessary.

8. Income Tax Expense *(Continued)*

(ii) PRC

PRC EIT is calculated at 25% (30 September 2014: 25%) of the estimated assessable profits of subsidiaries operating in the PRC.

(iii) Macau

As stated in the Decree Law No. 58/59/M, Chapter 2, Article 12, dated 18 October 1999 of Macau, Two-Two-Free Limited-Macao Commercial Offshore is exempted from Macao Complementary Tax.

(iv) Other jurisdictions

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

9. Loss for the Period

	Six months ended 30 September	
	2015	2014
	HK$'000	HK$'000
	(unaudited)	(unaudited)
		(restated)
Continuing operations		
The Group's loss for the period has been arrived at after charging:		
Directors' remuneration	**26,292**	32,044
Other staff costs	**12,747**	11,353
Retirement benefit scheme contributions	**1,238**	454
Total staff costs	**40,277**	43,851
Cost of inventories sold	**106,873**	135,678
Depreciation of property, plant and equipment	**1,553**	1,318
Amortisation of prepaid lease payments	**107**	108
Amortisation of other intangible assets (included in cost of sales)	**830**	526
Legal and professional fees incurred for the acquisitions and potential acquisitions (included in other expenses)	**651**	2,789

10. Dividends

The Directors do not recommend for payment of a dividend for the Interim Period (six months ended 30 September 2014: HK$Nil).

11. Discontinued Operation

On 24 June 2015, the Group had, through its wholly-owned subsidiary, Star Fantasy International Limited (the "Star Fantasy") entered into a sale and purchase agreement with an independent third party to dispose of its entire equity interest and shareholder's loan in Sino-Singapore (Offshore) Chemical Resources Trading Company Limited ("Sino-Singapore") at a cash consideration of HK$16,000,000. Sino-Singapore together with its subsidiary (collectively referred to as the "Sino-Singapore Group") carried out all of the Group's MTBE Business operation. Accordingly, the Group's MTBE Business was classified as a discontinued operation.

The disposal of MTBE Business could enable the Group to free up the resources and redirect it to other existing businesses which may have higher growth potential to maximise the benefit of the shareholders of the Company. Details of the disposal are set out in the Company circular dated 24 July 2015 and announcements dated 24 June 2015, 11 August 2015, 17 August 2015, 15 September 2015, 30 September 2015 and 30 October 2015.

The assets and liabilities attributable to the Sino-Singapore Group which are expected to be sold within the next twelve months are classified as assets held for sale and liabilities directly associated with assets held for sale and are separately presented in the unaudited condensed consolidated statement of financial position at 30 September 2015.

Subsequent to 30 September 2015 and up to the date of this report, the Group has received a non-refundable deposit of HK$5,000,000 and such deposit will be applied to set against part of the consideration of the disposal. In the event the completion does not take place, such deposit will be forfeited in full.

The Directors expect that a gain on disposal would be recognised at the effective date of the disposal. However, the financial effect cannot be reliably estimated up to the date of this report.

11. Discontinued Operation *(Continued)*

The results of discontinued operation included in the loss for the period are set out below. The comparative loss and cash flows from discontinued operation have been re-presented to include this operation classified as discontinued in the Interim Period.

	Six months ended 30 September	
	2015	2014
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Revenue	**2,866**	104,230
Cost of sales	**(2,808)**	(102,368)
Gross profit	**58**	1,862
Other income	**27**	227
Other gains and losses	**–**	(1,024)
Selling and distribution expenses	**(22)**	(190)
Administrative expenses	**(15)**	(1,191)
Profit/(loss) before income tax from discontinued operation	**48**	(316)
Income tax (expense) credit	**(9)**	51
Profit/(loss) for the period from discontinued operation	**39**	(265)
Profit/(loss) from discontinued operation attributable to:		
– Owners of the Company	**39**	(265)
Cash flows from discontinued operation		
Net cash used in operating activities	**(1,563)**	(1,646)
Net cash from investing activities	**–**	–
Net cash from financing activities	**1,408**	1,606
Net decrease in bank balance and cash	**(155)**	(40)

12. Loss Per Share

The calculations of basic loss per share for the current and prior periods are based on the loss for the periods attributable to the owners of the Company, and the weighted average number of ordinary shares in issue during the current and prior periods. The basic loss per share for the six months ended 30 September 2014 has been adjusted to reflect the placings of shares during the year ended 31 March 2015.

The calculations of diluted loss per share for the current and prior periods are based on the loss for the periods attributable to the owners of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the current and prior periods and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares. The diluted loss per share for the six months ended 30 September 2014 has been adjusted to reflect the placings of shares during the year ended 31 March 2015.

12. Loss Per Share *(Continued)*

As the Company's outstanding convertible bonds had an anti-dilutive effect to the basic loss per share calculation for the six months period ended 30 September 2015 and 2014, the conversion of the above potential dilutive shares is not assumed in the computation of diluted loss per share.

(i) From continuing and discontinued operations

The calculations of basic and diluted loss per share attributable to owners of the Company for the periods are based on the following data:

	Six months ended 30 September	
	2015	2014
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Loss for the period attributable to owners of the Company	**(60,184)**	(64,685)
		(restated)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**902,649,020**	753,772,246

(ii) Continuing operations

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

	Six months ended 30 September	
	2015	2014
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Loss for the period from continuing operations attributable to owners of the Company	**(60,223)**	(64,420)
		(restated)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**902,649,020**	753,772,246

12. Loss Per Share *(Continued)*

(iii) Discontinued operation

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

	Six months ended 30 September	
	2015	2014
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Profit/(loss) for the period from discontinued operation attributable to owners of the Company	**39**	(265)
		(restated)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**902,649,020**	753,772,246

13. Property, Plant and Equipment

During the period ended 30 September 2015, the Group incurred expenditures on property, plant and equipment of approximately HK$193,000 (30 September 2014: approximately HK$3,711,000 of which approximately HK$3,699,000 was incurred for the leasehold improvement and furniture, fixtures and equipment of its office located in Hong Kong).

14. Other Intangible Assets

	Coal Sales Contract HK$'000	MTBE Sales Contract HK$'000	Customer Network HK$'000	Exclusive License HK$'000	License Agreements HK$'000	Total HK$'000
COST						
At 1 April 2014 (audited)	57,346	33,292	10,482	–	–	101,120
Acquisition of subsidiaries	–	–	–	9,800	55,006	64,806
Exchange realignment	–	–	(1,143)	–	–	(1,143)
At 31 March 2015 (audited)	57,346	33,292	9,339	9,800	55,006	164,783
Reclassification to assets held for sale *(Note 22)*	–	(33,292)	–	–	–	(33,292)
Exchange realignment	–	–	197	–	–	197
At 30 September 2015 (unaudited)	**57,346**	**–**	**9,536**	**9,800**	**55,006**	**131,688**
ACCUMULATED AMORTISATION AND IMPAIRMENT						
At 1 April 2014 (audited)	8,491	21,397	2,271	–	–	32,159
Charge for the year	–	–	1,013	352	–	1,365
Impairment	7,719	4,593	–	–	–	12,312
Exchange realignment	–	–	(327)	–	–	(327)
At 31 March 2015 (audited)	16,210	25,990	2,957	352	–	45,509
Charge for the period	–	–	486	344	–	830
Impairment *(Notes 6 & 16)*	2,108	–	–	–	–	2,108
Reclassification to assets held for sale *(Note 22)*	–	(25,990)	–	–	–	(25,990)
Exchange realignment	–	–	53	–	–	53
At 30 September 2015 (unaudited)	**18,318**	–	**3,496**	**696**	**–**	**22,510**
NET CARRYING VALUES						
At 30 September 2015 (unaudited)	**39,028**	**–**	**6,040**	**9,104**	**55,006**	**109,178**
At 31 March 2015 (audited)	41,136	7,302	6,382	9,448	55,006	119,274

14. Other Intangible Assets *(Continued)*

The Coal Sales Contract represents a legally binding sales contract of coal products entered into between the Group and a customer, which was acquired as part of the Group's acquisition of China Indonesia Alliances Coal Investment Company Limited and its 90% owned subsidiary (collectively the "China Coal Group") in prior years and has been allocated to the Coal Business cash generating unit ("CGU").

The MTBE Sales Contract represents a legally binding sales contract of MTBE products entered into between the Group and a customer, which was acquired as part of the Group's acquisition of Sino-Singapore Group in prior years and has been allocated to the MTBE Business CGU. A sales and purchase agreement for the disposal of 100% equity interest in Sino-Singapore Group was entered during the Interim Period and the MTBE Sales Contract are reclassified to assets held for sale as at 30 September 2015. Further details are set out in Note 22.

The Group assessed the useful lives of the Coal Sales Contract and MTBE Sales Contract as indefinite, because the Group considered that the Coal Sales Contract and MTBE Sales Contract were renewable automatically and unconditionally at no additional cost and that the business relationship with the customer becomes probable to continue indefinitely in the foreseeable future.

The Customer Network represents a long and close business relationship with customers of S&J Distribution Limited ("S&J"), which was acquired as part of the Group's acquisition of S&J in prior years and has been allocated to the Household Consumables Business CGU.

The Customer Network and Exclusive License are amortised on a straight-line basis over 10 years and 15 years respectively.

The Exclusive License represents the right to design, distribute and sell "Cosi Moda" branded products in the Asia Pacific region (other than the PRC) granted to the Group from an associate, which was acquired as part of the Group's acquisition of Tiger Global Group Limited and its subsidiary (collectively the "Tiger Global Group") on 25 September 2014 and has been allocated to the Jewelries and Watches Business CGU.

License Agreements represent the authorisation to be an official representative of (i) TOEIC (the Test of English for International Communication) in Hong Kong and Macau; (ii) TOEFL Junior tests (a general assessment of middle school-level English-language proficiency of the Test of English as a Foreign Language) in Hong Kong and Macau; (iii) TOEFL ITP (the Institutional Testing Program of the Test of English as a Foreign Language) in Hong Kong, Macau and Southern China; and (iv) TOEIC (the Test of English for International Communication) (the tests of listening and reading only) in 8 provinces of the PRC. The License Agreements were acquired as part of the Group's acquisition of DigiSmart (Group) Limited and its subsidiaries (collectively the "DigiSmart Group") on 28 November 2014 and has been allocated to the Education Business CGU.

The Group also assessed the useful lives of the License Agreements as indefinite because the Group considered the License Agreements are renewable at no additional cost and that the business relationship with the license owner becomes probable to continue indefinitely in the foreseeable future.

Particulars regarding impairment testing on other intangible assets are set out in Note 16.

15. Goodwill

	Household Consumables Business CGU HK$'000	Jewelries and Watches Business CGU HK$'000	Digital Technology Business CGU HK$'000	Education Business CGU HK$'000	Total HK$'000
COST					
At 1 April 2014 (audited)	9,774	–	–	–	9,774
Acquisition of subsidiaries	–	43,072	113,633	61,319	218,024
At 31 March 2015 (audited) and 30 September 2015 (unaudited)	**9,774**	**43,072**	**113,633**	**61,319**	**227,798**
ACCUMULATED IMPAIRMENT LOSSES					
At 1 April 2014 (audited)	–	–	–	–	–
Impairment losses recognised	–	–	7,762	21,206	28,968
At 1 April 2015 (audited) and 30 September 2015 (unaudited)	**–**	**–**	**7,762**	**21,206**	**28,968**
NET CARRYING VALUES					
At 31 March 2015 (audited) and 30 September 2015 (unaudited)	**9,774**	**43,072**	**105,871**	**40,113**	**198,830**

Goodwill arising in prior years related to the acquisition of S&J and has been allocated to the Household Consumables Business CGU.

Goodwill arising during the year ended 31 March 2015 related to (i) the acquisition of Tiger Global Group and has been allocated to the Jewelries and Watches Business CGU; and (ii) the acquisition of DigiSmart Group and has been allocated to the Digital Technology Business CGU and Education Business CGU on proportion to the estimated fair value of the respective CGUs as at the date of completion of the acquisition.

Particulars regarding impairment testing on goodwill are set out in Note 16.

16. Impairment Testing on Other Intangible Assets and Goodwill

For the purpose of impairment testing, other intangible assets and goodwill set out in Notes 14 and 15 respectively have been allocated to six individual CGUs, comprising a subsidiary in Household Consumables Business, a subsidiary in Coal Business, a subsidiary in MTBE Business, a subsidiary in Jewelries and Watches Business, subsidiaries in Digital Technology Business and subsidiaries in Education Business.

Save as disclosed in this report, the MTBE Business was under disposal and the Directors expect that a gain on disposal of MTBE Business would be recognised at the effective date of disposal, there is no impairment of other intangible asset under the MTBE Business.

During the Interim Period, the Group determines that, besides the Coal Business CGU, there is no impairment of other intangible assets or goodwill in respect of the Household Consumables Business CGU, Jewelries and Watch Business CGU, Digital Technology Business CGU and Education Business CGU, which the recoverable amount of those CGUs are higher than its respective fair-value-less-costs-of-disposal or its value in use.

The basis of the recoverable amounts of the above CGUs and their major underlying assumptions are summarised below:

Household Consumables Business CGU

The recoverable amount of this unit has been determined based on a fair-value-less-costs-of-disposal (31 March 2015: fair-value-less-costs-of-disposal) calculation with reference to a professional valuation performed by Greater China Appraisal Limited ("GCA"), an independent firm of professionally qualified valuers. That calculation covered an indefinite period as estimated by the Group as there is no foreseeable limitation on the period of time over which CGU is expected to generate economic benefits to the Group. The calculation uses cash flow projections based on financial budgets approved by management covering a 4.5-year period (31 March 2015: a 5-year period). Cash flows beyond the projection period are extrapolated using an estimated growth rate of 3% (31 March 2015: 3%). The post-tax rate used to discount the forecast cash flows is 15.83% (31 March 2015: 15.97%).

Coal Business CGU

The recoverable amount of this unit has been determined to be approximately HK$43,100,000 (31 March 2015: approximately HK$41,000,000) based on a fair-value-less-costs-of-disposal (31 March 2015: fair-value-less-costs-of-disposal) calculation with reference to a professional valuation performed by GCA. That calculation covered an indefinite period as estimated by the Group as there is no foreseeable limitation on the period of time over which the CGU is expected to generate economic benefit to the Group. The calculation uses cash flow projections based on financial budgets approved by management covering a 1.5-year period (31 March 2015: a 2-year period). Cash flows beyond the projection period are extrapolated using an estimate growth rate of 2.5% (31 March 2015: 2.5%). The post-tax rate used to discount the forecast cash flows is 12.76% (31 March 2015: 12.63%).

16. Impairment Testing on Other Intangible Assets and Goodwill *(Continued)*

Coal Business CGU *(Continued)*

The Group is of the opinion, based on the impairment assessment of the Coal Business CGU that the Coal Sales Contract included in other intangible assets are partially impaired by the amount of approximately HK$2,108,000 (30 September 2014: approximately HK$4,874,000) and the corresponding decrease in related deferred tax liabilities amounting to approximately HK$348,000 (30 September 2014: approximately HK$804,000) as compared with the respective recoverable amount as at 30 September 2015 and were charged to profit or loss under other gains and losses and credited to income tax expense respectively in the current period. The above impairment loss is mainly attributable to unfavourable changes in risks associated with the business and operations of the CGU.

Jewelries and Watches Business CGU

The recoverable amount of this unit has been determined based on a value-in-use (31 March 2015: value-in-use) calculation with reference to a professional valuation performed by Roma Appraisals Limited ("Roma"), an independent firm of professionally qualified valuers. That calculation covered a period of 14 years (31 March 2015: 14 years). The calculation uses cash flow projections based on financial budgets approved by management covering a 4.5-year period (31 March 2015: a 5-year period). Cash flows beyond the projection period are extrapolated using an estimated growth rate of 3% (31 March 2015: 3%). The pre-tax rate used to discount the forecast cash flows is 18.09% (31 March 2015: 16.41%).

Digital Technology Business CGU

The recoverable amount of this unit has been determined based on a value-in-use (31 March 2015: value-in-use) calculation with reference to a professional valuation performed by Roma. That calculation covered an indefinite period as estimated by the Group as there is no foreseeable limitation on the period of time over which the CGU is expected to generate economic benefits to the Group. The calculation uses cash flow projections based on financial budgets approved by management covering a 4.5-year period (31 March 2015: a 5-year period). Cash flows beyond the projection period are extrapolated using an estimated growth rate of 3% (31 March 2015: 3%). The pre-tax rate used to discount the forecast cash flows is 16.55% (31 March 2015: 16.31%).

Education Business CGU

The recoverable amount of this unit has been determined based on a value-in-use (31 March 2015: value-in-use) calculation with reference to a professional valuation performed by Roma. That calculation covered an indefinite period as estimated by the Group as there is no foreseeable limitation on the period of time over which the CGU is expected to generate economic benefits to the Group. The calculation uses cash flow projections based on financial budgets approved by management covering a 4.5-year period (31 March 2015: a 5-year period). Cash flows beyond the projection period are extrapolated using an estimated growth rate of 3% (31 March 2015: 3%). The pre-tax rate used to discount the forecast cash flows is 23.68% (31 March 2015: 18.12%).

17. Interests in Associates

	At 30 September 2015 HK$'000 (unaudited)	At 31 March 2015 HK$'000 (audited)
Unlisted shares, at cost	**15,600**	15,600
Share of net assets	**7,742**	7,742
Goodwill	**10,355**	17,755
Share of post-acquisition losses	**(510)**	(127)
Impairment loss on interest in an associate *(note)*	**–**	(7,400)
	33,187	33,570

Note: The recoverable amount of 40% equity interests in Kwan Lun (as defined below) has been determined to be approximately HK$18,600,000 at 30 September 2015 (31 March 2015: approximately HK$18,000,000) based on a value-in-use (31 March 2015: value-in-use) calculation with reference to a professional valuation performed by Roma. That calculation covered an indefinite period estimated by the Group as there is no foreseeable limitation on the period of time over which the associate is expected to generate economic benefits to the Group. The calculation uses cash flow projections based on financial budgets approved by management covering a 3.5-year period (31 March 2015: 4-year period). Cash flows beyond the projection period are extrapolated using an estimated growth rate of 3% (31 March 2015: 3%). The pre-tax rate used to discount the forecast cash flows is 16.92% (31 March 2015: 16.95%).

Particulars of the associates as at 30 September 2015 and 31 March 2015 are set out below, all of which are unlisted corporate entities whose quoted market prices are not available:

Name of associates	Place and date of incorporation/ establishment	Issued and fully paid share capital/ paid up capital	Attributable equity interest held by the Group as at		Principal activities
			30 September 2015 %	31 March 2015 %	
Kwan Lun Precision Jewelry Limited ("Kwan Lun") *(Note (i))*	Hong Kong 10 December 2003	HK$1,000,000	**40**	40	Trading of jewelries and watches
LNK Holdings Limited ("LNK") *(Note (ii))*	Cayman Islands 25 February 2015	USD5,000,000	**40**	40	Inactive

Notes:

(i) On 25 September 2014, Kwan Lun was acquired through business combination of Tiger Global Group.

(ii) On 25 February 2015, LNK was established together with two independent third parties.

18. Available-for-sale financial assets

Available-for-sale financial assets represent i) investments in unlisted equity securities issued by China Energy Trading Company Limited ("China Energy"), a company incorporated in Hong Kong with limited liabilities, and the investments represent a 10% of the entire issued share capital of China Energy ("10% of China Energy"); and ii) investments in unlisted equity securities issued by Goldbell Holdings Limited ("Goldbell"), a company incorporated in the British Virgin Islands with limited liabilities, and the investments represent approximately 10% of the entire issued share capital of Goldbell ("10% of Goldbell"). Both investments are measured at fair value at the end of the reporting period.

	10% of China Energy	**10% of Goldbell**	**Total**
	HK$'000	HK$'000	HK$'000
Net carrying value at 1 April 2014 (audited)	2,200	–	2,200
Additions	–	159,000	159,000
Change in fair value	100	9,000	9,100
Net carrying value at 31 March 2015 (audited)	2,300	168,000	170,300
Change in fair value	–	(13,000)	(13,000)
Net carrying value at 30 September 2015 (unaudited)	2,300	155,000	157,300

On 10 July 2014, the Group entered into a conditional acquisition agreement (the "Acquisition Agreement") with two independent vendors (the "Vendors") relating to the acquisition of 1,066 shares of Goldbell (the "Sales Shares"), representing approximately 10% equity interest in Goldbell at the consideration of HK$159,000,000 (the "Consideration"), Goldbell, through its subsidiaries, is principally engaged in the exploration and exploitation of gold mines, and processing, smelting, refining and sales of gold in the PRC. The Consideration was settled by HK$134,000,000 in cash and HK$25,000,000 by the Company's issue of a promissory note (Note 24(b)), which constituted a major non-cash transaction for the year ended 31 March 2015.

Pursuant to the Acquisition Agreement, the Group should be entitled to serve a notice on the Vendors to require the Vendors to purchase the Sales Shares from the Group at the Consideration or adjusted consideration commencing from 42 months after the completion date.

The directors of the Company are in the opinion that the value of the option to require the Vendors to purchase the Sales Shares from the Group is insignificant as at 30 September 2015 and 31 March 2015.

Details of the fair value measurement are set out in Note 28.

19. Contingent Consideration Receivables

The balance represents the contingent consideration receivables in relation to the acquisition of Tiger Global Group and DigiSmart Group. For details of the acquisitions and their respective contingent consideration receivables, please refer to Notes 40(a) and 40(b) respectively of the Annual Report. The amount is classified as financial assets at fair value through profit or loss and measured at fair value.

	At 30 September 2015 HK$'000 (unaudited)	At 31 March 2015 HK$'000 (audited)
At the beginning of the period/year	**39,726**	–
Additions	**–**	31,253
Fair value (loss)/gain recognised in profit or loss *(Note 6)*	**(19,790)**	8,473
Carrying value at the end of the period/year	**19,936**	39,726
Analysed for reporting purpose as:		
Non-current assets	**–**	24,317
Current assets	**19,936**	15,409
	19,936	39,726

The contingent consideration receivables relating to the acquisition of Tiger Global Group and DigiSmart Group as of 30 September 2015 of approximately HK$6,794,000 (31 March 2015: HK$15,409,000) and approximately HK$13,142,000 (31 March 2015: HK$24,317,000) have maturity dates of 31 March 2016 and 30 April 2016 respectively.

As at 30 September 2015, there has been no changes in the possible range of face value of the contingent consideration receivable in related to the acquisition of Tiger Global Group and the possible range of face value of the contingent consideration receivable or possible range of number of new shares of the Company to be issued for the settlement of the earn-out consideration in related to the acquisition of DigiSmart Group.

19. Contingent Consideration Receivables *(Continued)*

During the Interim Period, a fair value loss on contingent consideration receivables of approximately HK$19,790,000 (six months ended 30 September 2014: HK$ nil) was recognised in the profit or loss under other gains and losses mainly due to the improved financial performance of the Tiger Global Group and DigiSmart Group, which led to a decrease in probability of the realisation of contingent consideration receivables.

Details of the fair value measurement are set out in Note 28.

20. Inventories

	At 30 September 2015 HK$'000 (unaudited)	At 31 March 2015 HK$'000 (audited)
At cost:		
Raw materials	**11,371**	15,696
Work-in-progress	**1,052**	1,024
Finished goods	**13,858**	12,209
	26,281	28,929

21. Trade and Other Receivables and Prepayments and Refundable Deposits

	At 30 September 2015 HK$'000 (unaudited)	At 31 March 2015 HK$'000 (audited)
Trade receivables	**241,670**	540,475
Less: Impairment loss recognised	**(73,230)**	(155,972)
	168,440	384,503
Bills receivables	**3,856**	9,227
Prepayments and deposits *(Note i)*	**41,205**	50,906
Other receivables	**4,567**	5,586
Taxes recoverable	**4,746**	4,811
Amount due from a non-controlling owner of a subsidiary *(Note ii)*	**88**	166
Amounts due from related companies *(Note iii)*	**2,689**	3,150
Amounts due from related parties *(Note iv)*	**640**	354
Amount due from an associate *(Note v)*	**2,858**	958
	229,089	459,661

Notes:

i. The balances as at 30 September 2015 mainly consists of (i) a prepayment to independent suppliers which amounted to approximately HK$36,872,000 (31 March 2015: HK$46,232,000) for the acquisition of major raw materials used by the Group for the production of the existing Hygienic Disposables Business; and (ii) other sundry prepayments.

ii. The amount due from a non-controlling owner of a subsidiary is unsecured, interest-free and repayable on demand.

iii. The amounts due from related companies are unsecured, interest-free and repayable on demand.

iv. The amounts due from the directors of the subsidiaries are unsecured, interest-free and repayment on demand.

v. The amount due from an associate is unsecured, interest-free and repayment on demand.

	At 30 September 2015 HK$'000 (unaudited)	At 31 March 2015 HK$'000 (audited)
Trade and bill receivables	**604,710**	549,702
Impairment allowances	**(155,930)**	(155,972)
	448,780	393,730
Reclassified as assets held for sale	**(276,484)**	–
	172,296	393,730

21. Trade and Other Receivables and Prepayments and Refundable Deposits *(Continued)*

The Group generally allows an average credit period of 30 to 90 days to its trade customers. All bills receivables of the Group were aged within 90 days at the end of the reporting period. The aged analysis of the Group's trade receivables (net of allowance for doubtful debts) and bills receivables based on the invoice date at the end of the reporting period is as follows:

	At 30 September 2015 HK$'000 (unaudited)	At 31 March 2015 HK$'000 (audited)
Trade and bills receivables:		
0–30 days	**36,973**	107,344
31–60 days	**8,476**	27,182
61–90 days	**7,471**	75,152
Over 90 days	**395,860**	184,052
	448,780	393,730

As at 31 March 2015, the refundable deposits comprised (i) a refundable supplier deposit which amounted to USD2,750,000 (approximately HK$21,324,000) paid to an independent supplier of the MTBE Business, details of which are set out in the announcements of the Company dated 15 November 2011 and 6 December 2011. This deposit is refundable upon the Group's request or in the event the supplier arrangement is terminated. Such amount is guaranteed by a customer of MTBE Business, which is a state-owned enterprise in the PRC. The entire deposit was reclassified to assets held for sale as at 30 September 2015. Further details are set out in Note 22; and (ii) a refundable deposit which amounted to approximately HK$27,500,000 paid to an independent third party for the purpose of acquisition of 95% of the equity interest in Eco-Mining Innovative Tech Limited. Due to certain conditions precedent in relation to the acquisition have not been satisfied or waived, the transaction was lapsed on 31 March 2015. Details of which are set out in the announcement of the Company dated 31 March 2015. The entire deposit was refunded to the Group during the Interim Period.

22. Assets Held for Sale and Liabilities Directly Associated with Assets Held for Sale

	At 30 September 2015 HK$'000 (unaudited)	At 31 March 2015 HK$'000 (audited)
Assets:		
Other intangible asset *(Note 14)*	**7,302**	–
Trade and other receivables and prepayments	**277,092**	–
Refundable deposit	**21,312**	–
Bank balances and cash	**31**	–
Total assets held for sale	**305,737**	–
Liabilities:		
Trade and other payables and accruals	**290,340**	–
Tax payable	**246**	–
Deferred tax liabilities	**1,205**	–
Total liabilities directly associated with assets held for sale	**291,791**	–
Total net assets classified as assets held for sale	**13,946**	–

On 24 June 2015, the Group had through its wholly-owned subsidiary, Star Fantasy entered into a sale and purchase agreement with an independent third party to dispose of its entire equity interest and shareholder's loan in Sino-Singapore, at a cash consideration of HK$16,000,000.

The Directors expect that a gain on disposal would be recognised at the effective date of the disposal. Therefore, no impairment loss was recognised on reclassification of the assets and liabilities as held for sale nor as at 30 September 2015.

Details of the discontinued operation are set out in Note 11.

23. Trade and Other Payables and Accruals

	At 30 September 2015 HK$'000 (unaudited)	At 31 March 2015 HK$'000 (audited)
Trade payables	**424,391**	375,791
Classified as liabilities directly associated with assets held for sale	**(288,819)**	–
	135,572	375,791
Customer deposits	**2,086**	1,655
Other payables and accruals	**7,270**	9,222
Amount due to a related party *(Note i)*	**4,295**	4,295
Amount due to a related company	**–**	1,070
Amount due to an associate	**15,600**	15,600
	164,823	407,633

Note:

i The related party is a close family member of a director of the Company.

The amounts due to a related party, a related company and an associate are unsecured, interest-free and repayable on demand.

The aged analysis of the Group's trade payables based on the invoice date at the end of the reporting period is as follows:

	At 30 September 2015 HK$'000 (unaudited)	At 31 March 2015 HK$'000 (audited)
0–30 days	**21,401**	99,817
31–60 days	**8,918**	19,959
61–90 days	**2,958**	52,411
Over 90 days	**391,114**	203,604
	424,391	375,791

24. Promissory Note

	At 30 September 2015 HK$'000 (unaudited)	At 31 March 2015 HK$'000 (audited)
At the beginning of the period/year	**9,000**	3,552
Fair value of promissory note issue for available-for-sale financial assets	**–**	25,000
Imputed interest expenses	**–**	123
Redemption during the period/year	**(9,000)**	(20,000)
Loss on early redemption	**–**	325
Carrying value at the end of the period/year	**–**	9,000

(a) Promissory Note 1

On 16 April 2013, the Group completed the acquisition of the entire equity interest in China Indonesia Alliances Coal Investment Company Limited which held 90% equity interest in China Coal Alliances Trading Company Limited ("China Coal Alliances") from Mr. Woo Man Wai David ("Mr. Woo"), a director of certain subsidiaries of the Company, for a nominal consideration of HK$36,000,000. Part of the consideration was satisfied by the Company's issue of a promissory note in principal amount of HK$4,000,000 in favour of Mr. Woo (the "Promissory Note 1").

Imputed interest expenses on the Promissory Note 1 are calculated using the effective interest method by applying the effective interest rate of 5.99% per annum, the imputed interest expenses of HK$123,000 was debited to the profit or loss of the Group for the year ended 31 March 2015.

The Promissory Note 1 was unsecured, interest-free and was repayable in one lump sum on maturity on the date falling three years after the date of issue.

The Promissory Note 1 was early redeemed in full during the year ended 31 March 2015, resulting in a loss on settlement of approximately HK$325,000.

24. Promissory Note *(Continued)*

(b) Promissory Note 2

Pursuant to the Acquisition Agreement in relation to 10% of Goldbell, part of the Consideration was settled on 2 September 2014 by the issuance of the Company's promissory note in principal amount of HK$25,000,000 in favour of Jin Ding Investment Limited, one of the Vendors (the "Promissory Note 2").

The Promissory Note 2 was unsecured, interest-free and was repayable in one lump sum on maturity on the date falling sixty days after the date of issue.

The Promissory Note 2 was fully settled by (i) cash of HK$16,000,000 and (ii) issuance of Promissory Note 3 (as defined below) during the year ended 31 March 2015.

(c) Promissory Note 3

On 4 February 2015, the Company issued a promissory note in principal amount of HK$9,000,000 in favour of Jin Ding Investment Limited (the "Promissory Note 3") to settle part of the Promissory Note 2.

The Promissory Note 3 was unsecured and interest-free. The Promissory Note 3 has an original maturity date of 28 February 2015. On 27 February 2015, the Company and the Promissory Note 3 holder agreed to extend the maturity date to 31 March 2015. On 31 March 2015, the Company and the Promissory Note 3 holder agreed to further extend the maturity date to 30 April 2015.

The Promissory Note 3 was settled by approximately HK$4,129,000 in cash and net off with dividend income by approximately HK$4,871,000 (Note 5) during the Interim Period. No cash was received from dividend income.

25. Convertible Bonds

On 19 June 2014, the Company issued HK$100,000,000 8% guaranteed convertible bonds with an aggregate principal amount of HK$100,000,000 (the "Convertible Bonds").

The Convertible Bonds mature two years from the date of issue at 124% of its principal amount; or can be early redeemed by the Company or the holder at amount equal to all outstanding Convertible Bonds at 100% of the principal amount plus a premium of 12% per annum after the first anniversary of the date of issue; or can be converted into shares of the Company on and after 19 June 2014 to 18 June 2016 at the holder's option at the conversion price of HK$3.20 per share. Interest of 8% per annum are payable semi-annually up until the bonds are converted or redeemed.

The fair value of the liability component and the equity conversion component were determined at date of issuance of the Convertible Bonds with reference to a professional valuation performed by GCA.

25. Convertible Bonds *(Continued)*

The fair value of the liability component, included in current liabilities, as the holders has an early redemption option effective on 19 June 2015, was calculated using a market interest rate for an equivalent non-convertible bond and subsequently measured at amortised cost. The residual amount, representing the value of the equity conversion component, was included in convertible bonds equity reserve.

The carrying amounts of above-mentioned convertible bond recognised at the end of the period/year were calculated as follows:

	At 30 September 2015 HK$'000 (unaudited)	At 31 March 2015 HK$'000 (audited)
Equity component		
Proceeds at the date of issuance	**100,000**	100,000
Liability component, at the date of issuance	**(94,053)**	(94,053)
Equity component, at the date of issuance	**5,947**	5,947
Liability component		
At the beginning of the period/the date of issuance	**106,479**	94,053
Effective interest expenses	**11,515**	16,426
Interest paid	**(4,000)**	(4,000)
At the end of the period/year	**113,994**	106,479

The effective interest rate of the liability component on initial recognition and the subsequent measure of interest expense on the Convertible Bonds is calculated using effective interest rate of 23.24% per annum.

The Convertible Bonds are guaranteed by Mr. Wong Wai Sing, an executive Director of the Company (the "Guarantor"), who unconditionally and irrevocably guarantees that if the Company does not pay any sum payable by it under the subscription agreement or Convertible Bonds by the time and on the date specified for such payment, the Guarantor will pay that sum to or to the order of the Convertible Bonds holder.

26. Share Capital

	Number of shares	**Nominal value** HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 April 2014 (audited), 31 March 2015 (audited) and 30 September 2015 (unaudited)	10,000,000,000	100,000
Issued and fully paid:		
At 1 April 2014 (audited)	728,220,877	7,282
Shares issued in consideration for the acquisition of subsidiaries	112,828,143	1,128
Issue of shares pursuant to placing agreement *(Note i)*	61,600,000	616
At 31 March 2015 (audited) and 30 September 2015 (unaudited)	902,649,020	9,026

Note:

i. Pursuant to the placing agreements entered into on 14 May 2014, 15 October 2014 and 23 January 2015, the Company had issued 23,700,000, 21,900,000 and 16,000,000 new shares at a placing price of HK$2.45, HK$2.40 and HK$2.53 on 6 June 2014, 29 October 2014 and 4 February 2015 respectively.

27. Related Party Disclosures

Saved as disclosed elsewhere in this report, details of transactions between the Group and other related parties are disclosed below:

(I) Related Party Transactions

During the period, the Group entered into following transactions with related parties:

Name of related parties	Nature of transactions	Six months ended 30 September 2015 HK$'000 (unaudited)	2014 HK$'000 (unaudited)
Mr. Woo *(Note (a))*	Management fee	–	1,178
Mr. Ng Kwai Wah, Sunny ("Mr. Ng") *(Note (b))*	Consultancy fee	–	375
廣州帝琴錶帶有限公司*(Note (c))*	Sales of goods	–	83
	Purchase of goods	–	2
Kwan Lun *(Note (d))*	License fee	**143**	2
	Purchase of goods	**3,350**	–

Notes:
(a) The management fee paid to companies in which Mr. Woo, being director and a non-controlling owner of one of the Company's subsidiaries, is also the director and shareholder of these companies.
(b) The consultancy fee is paid to Mr. Ng, the Joint Chief Investment Officer of the Company who had resigned on 30 June 2014.
(c) The goods were sold to and purchased from a company held by a family member of the director and shareholder of the Group's associate.
(d) The license fee is paid to and goods are purchased from the Group's associate.

The directors of the Company are of the opinion that the above related parties transactions well conducted on normal commercial terms and in the ordinary course of business.

(II) Compensation of Key Management Personnel

The remuneration of directors of the Company and other members of key management during the period ended 30 September 2015 was as follows:

	Six months ended 30 September 2015 HK$'000 (unaudited)	2014 HK$'000 (unaudited)
Fees, salaries and other allowances	**27,526**	33,386
Retirement benefit scheme contributions	**57**	60
	27,583	33,446

28. Fair Value Measurement of Financial Instruments

Fair Value Estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

	Notes	Level 1 HK$'000 (unaudited)	Level 2 HK$'000 (unaudited)	Level 3 HK$'000 (unaudited)	Total HK$'000 (unaudited)
At 30 September 2015					
Assets					
Available-for-sale financial assets					
– Unlisted equity securities	*18*	–	–	157,300	157,300
Financial assets at fair value through profit or loss					
– Contingent consideration receivables	*19*	–	–	19,936	19,936
		–	–	177,236	177,236

	Notes	Level 1 HK$'000 (audited)	Level 2 HK$'000 (audited)	Level 3 HK$'000 (audited)	Total HK$'000 (audited)
At 31 March 2015					
Assets					
Available-for-sale financial assets					
– Unlisted equity securities	*18*	–	–	170,300	170,300
Financial assets at fair value through profit or loss					
– Contingent consideration receivables	*19*	–	–	39,726	39,726
		–	–	210,026	210,026

28. Fair Value Measurement of Financial Instruments *(Continued)*

Fair Value Estimation *(Continued)*

Available-for-sale financial assets – 10% equity interest in China Energy

For 31 March 2015, the fair value of the available-for-sale financial assets – 10% equity interest in China Energy, unlisted equity securities, is determined based on income approach using a cash flow projection according to the financial budgets approved by the management for next 2 years, and adjusted for the lack of control and lack of marketability. Cash flows beyond the projection period are extrapolated using an estimated growth rate of 2.5%. The post-tax discount rate applied to discount the forecast cash flow is 12.68%. The discounts for lack of control and lack of marketability are 10% and 15% respectively. Should the perpetuity growth rate increase or decrease by 0.5%, the fair value of 10% equity interest in China Energy would be increased or decreased by nil to approximately HK$100,000. Alternatively, should the discount rate increase or decrease by 1%, the fair value of 10% equity interest in China Energy would be decreased or increased by approximately HK$200,000. Should the discounts for lack of control and lack of marketability increase or decrease by 10% respectively, the fair value of 10% equity interest in China Energy would be decreased or increased by approximately HK$500,000. Similar approach is used for the assessment for the Interim Period.

Available-for-sale financial assets – 10% equity interest in Goldbell

The fair value of the available-for-sale financial assets – 10% equity interest in Goldbell, unlisted equity securities, is determined based on income approach using a cash flow projection according to the financial budgets approved by the management for next 6 years, and adjusted for the lack of control and lack of marketability. The post-tax discount rate applied to discount the forecast cash flow is 13.27% (31 March 2015: 13.99%). The discounts for lack of control and lack of marketability are 37.23% (31 March 2015: 28.26%) and 14.70% (31 March 2015: 14.70%) respectively. Should the discount rate increase or decrease by 1%, the fair value of 10% equity interest in Goldbell would be decreased or increased by approximately HK$3,000,000 (31 March 2015: HK$4,000,000). Should the discounts for lack of control and lack of marketability increase or decrease by 10% (31 March 2015: 10%) respectively, the fair value of 10% equity interest in Goldbell would be decreased or increased by approximately HK$40,000,000 to HK$46,000,000.

Financial assets at fair value through profit or loss contingent consideration receivable – Tiger Global Group

The fair value of the contingent consideration receivable – Tiger Global Group was estimated by applying the income approach. The discount rate applied to discount the forecast cash flow is 16.05% (31 March 2015: 14.66%). Should the estimated profit of Tiger Global Group for the year ending 31 December 2015 increase or decrease by HK$200,000 (31 March 2015: HK$200,000), the fair value of contingent consideration receivable – Tiger Global Group would be decreased or increased by approximately HK$1,504,000 (31 March 2015: HK$1,570,000).

28. Fair Value Measurement of Financial Instruments *(Continued)*

Fair Value Estimation *(Continued)*

Financial assets at fair value through profit or loss contingent consideration receivable – DigiSmart Group

The fair value of the contingent consideration receivable – DigiSmart Group was estimated by applying the income approach. The discount rate applied to discount the forecast cash flow is 16.97% (31 March 2015: 15.10%). Should the estimated profit of DigiSmart Group for the year ending 31 December 2015 increase or decrease by HK$200,000, the fair value of contingent consideration receivable – DigiSmart Group would be decreased or increased by approximately HK$3,651,000 (31 March 2015: HK$3,435,000).

The movements during the period in the balance of Level 3 fair value measurement is as follows:

	Available-for-sale financial assets HK$'000	Contingent consideration receivables HK$'000	Total HK$'000
At 1 April 2014 (audited)	2,200	–	2,200
Additions during the year	159,000	–	159,000
Arising from acquisition of subsidiaries	–	31,253	31,253
Total gains for the year			
– included in other comprehensive income	9,100	–	9,100
– included in profit or loss (included in other gains and losses)	–	8,473	8,473
At 31 March 2015 (audited)	170,300	39,726	210,026
Total losses for the period			
– included in other comprehensive income	(13,000)	–	(13,000)
– included in profit or loss (included in other gains and losses)	–	(19,790)	(19,790)
At 30 September 2015 (unaudited)	157,300	19,936	177,236

During the Interim Period, there was no transfer between Level 1 and Level 2, or transfer into or out of Level 3 (31 March 2015: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.