

HIGHLIGHT CHINA IOT INTERNATIONAL LIMITED

高銳中國物聯網國際有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock Code 股份代號 :1682

2015/16 Interim Report
中 期 報 告

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Gao Zhiyin (*Chairman*)
Mr. Gao Zhiping (*Chief Executive Officer*)
Mr. Shi Jiguo

Independent Non-Executive Directors[#]

Mr. Lau Chi Kit
Mr. Lam Kai Yeung
Mr. Ma Ming (*appointed on 8 July 2015*)

BOARD COMMITTEES

Audit Committee

Mr. Lam Kai Yeung (*chairman*)
Mr. Lau Chi Kit
Mr. Ma Ming

Remuneration Committee

Mr. Lam Kai Yeung (*chairman*)
Mr. Gao Zhiyin
Mr. Lau Chi Kit

Nomination Committee

Mr. Gao Zhiyin (*chairman*)
Mr. Lau Chi Kit
Mr. Lam Kai Yeung

COMPANY SECRETARY

Ms. Sze Suet Ling *ACIS ACS*

AUTHORISED REPRESENTATIVES

Mr. Gao Zhiyin
Ms. Sze Suet Ling *ACIS ACS*

LEGAL ADVISER AS TO HONG KONG LAW

Paul Hastings

AUDITOR*

Deloitte Touche Tohmatsu

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
OCBC Wing Hang Bank Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM 08
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Rooms 4114-4119, 41st Floor
Sun Hung Kai Centre
No. 30 Harbour Road
Wanchai, Hong Kong

STOCK CODE

1682

COMPANY WEBSITE

www.highlightiot.com

[#] Dr. Chen Yifan resigned as an independent non-executive director on 9 April 2015.

^{*} Messrs. Grant Thornton Hong Kong Limited was appointed as auditor on 28 August 2014 in place of Messrs. Deloitte Touche Tohmatsu and resigned on 18 May 2015. Messrs. Deloitte Touche Tohmatsu was appointed as auditor on 5 June 2015.

Management Discussion and Analysis

The board (the “Board”) of directors (the “Directors”) of Highlight China IoT International Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 September 2015 (the “Period”).

BUSINESS REVIEW

During the Period, the garment industry had operated in an environment full of challenges. The Group’s customised out-sourcing capabilities enabled the Group to navigate through the global macro-economic pressure and associated unfavourable consumer spending environment. The export market demonstrated a mixed picture. The unsolved debt crisis in the Eurozone has weighed on consumer confidence and has led to persistently low demand. On the other hand, the United States of America (“US”), the Group’s major export destination, has shown soft signs of recovery.

According to the Major Shippers Report released by the US Department of Commerce, imports of apparel increased by approximately 4.7% to approximately US\$64.9 billion during January to September of 2015, as compared to the corresponding period last year. Although the US recorded soft rebound, retailers have become increasingly cautious in placing orders.

Garment Sourcing Business

It was full of challenges during the Period. For the six months ended 30 September 2015, the Group’s revenue decreased by approximately 51.0% on a year-on-year basis to approximately HK\$99.6 million (2014: approximately HK\$203.1 million). The decrease was mainly attributable to the modest economy recovery of the US that still has weighed on buyers’ confidence and made retailers particularly cautious in placing orders.

Gross profit decreased by approximately 40.9% to approximately HK\$8.9 million (2014: approximately HK\$15.1 million) with gross profit margin improved from approximately 7.4% to approximately 8.9%.

Loss attributable to owners of the Company recorded approximately HK\$8.0 million (2014: profit of approximately HK\$1.0 million). This was attributed to (i) as mentioned above, the decline in revenue due to the modest economy recovery of the US that still weighed on buyers’ confidence and made retailers particularly cautious in placing orders and (ii) the increase in selling and administrative expenses, including sampling expenses and rental of a new office in Hong Kong.

Total comprehensive expense for the Period amounted to approximately HK\$8.0 million (2014: approximately HK\$6.3 million), representing an increase of approximately 26.7%. The increase, as mentioned above, was primarily due to the decrease in sales revenue and the increase in selling and administrative expenses, including sampling expenses and rental of a new office in Hong Kong.

Management Discussion and Analysis (Continued)

REVERSE TAKEOVER TRANSACTION

As disclosed in the Company's announcement dated 25 March 2015, an agreement (the "Agreement") was entered into by the Company as purchaser in relation to the proposed acquisition of the entire issued share capital of Highlight Holding Limited and the assignment of loan at the total consideration of HK\$36,450,903,600 pursuant to the terms of the Agreement (the "Acquisition"). The Acquisition, if materialised, will constitute (i) a very substantial acquisition for the Company; (ii) a connected transaction of the Company; and (iii) a reverse takeover for the Company. As at 30 September 2015 and up to the date of this report, the Acquisition has not yet been completed.

PROSPECTS

The Group, with its healthy financial position, will continue to serve as a garment sourcing management supplier by providing value-added services such as material sourcing, product design and development, sampling and logistic arrangement.

The Group will also conduct a detailed review of its operations and formulate feasible business strategies with a view to developing a sustainable corporate strategy to broaden the Group's income stream, which may include rebalancing the resources of the Group should appropriate opportunities arise.

The Board will look for new business opportunities from time to time and thus enhance financial performance. We will do our best to deliver better return to the shareholders of the Company (the "Shareholders").

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group maintained a healthy financial position for the Period with cash and cash equivalents amounted to approximately HK\$7.8 million as at 30 September 2015 (31 March 2015: approximately HK\$8.9 million). The Group did not have any bank borrowing as at 30 September 2015 (31 March 2015: Nil).

As at 30 September 2015, the Group's gearing ratio, being net debt (represented by bank borrowings net of cash and cash equivalents) divided by shareholders' equity, was zero (31 March 2015: zero), as the Group did not have any bank borrowings as at 30 September 2015. The Group's current ratio, being total current assets divided by total current liabilities, was approximately 1.5 (31 March 2015: 1.4).

For the six months ended 30 September 2014 and as at 30 September 2014, the Group's bank borrowings were in Hong Kong dollars ("HK\$") and US dollars ("US\$"). The majority of interest-bearing bank borrowings of the Group were on Hong Kong Interbank Offer Rate and London Interbank Offer Rate basis. The Group had no bank borrowing as at 30 September 2015 and throughout the Period.

Management Discussion and Analysis (Continued)

Foreign Exchange and Risk Management

The Group's working capital is mainly financed through internal generated cash flows. The management of the Group regularly monitors the funding requirements of the Group to support its normal operations and its development plans. Most of the Group's cash balances were deposits in US\$ and HK\$ with major global financial institutions and most of the Group's monetary assets, revenues, monetary liabilities and payments were held in US\$ and HK\$.

Foreign exchange risks arising from sales and purchases transacted in different currencies are normally managed by the Group through the use of foreign exchange forward contracts. Pursuant to the Group's policy in place, foreign exchange forward contracts or any other financial derivatives contracts may be entered into by the Group for hedging purpose. The Group has not entered into any financial derivatives contracts for speculation. The Group had not entered into any financial derivative contract in the Period and had no outstanding financial derivatives contracts as at 30 September 2015.

Capital Expenditure and Commitments

During the Period, the Group did not have any material investment in property, plant and equipment.

As at 30 September 2015, the Group had no commitment (as at 31 March 2015: Nil) in respect of acquisition of new machineries and no significant capital commitments.

Charges on Assets

As at 30 September 2015, the Group had no pledged assets.

Employee Information

As at 30 September 2015, the Group employed approximately 20 employees (excluding Directors).

The Group offers its employees competitive remuneration schemes which are generally structured with reference to market terms and individual qualifications. Salaries and wages are normally reviewed annually based on performance appraisals and other relevant factors. In addition, bonuses are normally paid to those eligible based on the Group's and individual's performance.

The Company maintains a share option scheme, pursuant to which share options can be granted to selected eligible participants including employees of the Group, with a view to providing those eligible participants with appropriate incentive to contribute to the success of the Group. Throughout the Period and as of 30 September 2015, there was no outstanding share option.

Other Disclosures

INTERIM DIVIDEND AND DISTRIBUTIONS

The Board has resolved not to declare any interim dividend for the Period (interim dividend for the six months ended 30 September 2014: Nil).

Nevertheless, during the six months ended 30 September 2014, a special cash dividend of HK\$0.72 per ordinary share was declared by the Board and approved by the Shareholders at the special general meeting (the "SGM") held on 10 July 2014. The aggregate amount of the special cash dividend declared and paid out of special reserve amounted to HK\$374,239,000 (special cash dividend for the six months ended 30 September 2015: Nil), which was paid on 22 July 2014.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2015, the interests and short positions of the Directors and the chief executive of the Company in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) (i) which had been notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

Name of Director	Name of Group member	Capacity	Number of shares held and class of securities <i>(note 1)</i>	Approximate percentage of shareholding
Mr. Gao Zhiyin	Highlight China IoT International Limited (the "Company")	Interest of controlled corporation	322,326,500 ordinary shares of HK\$0.01 each of the Company ("Shares") (L) <i>(note 2)</i>	62.01%*
Mr. Gao Zhiping	The Company	Interest of controlled corporation	322,326,500 Shares (L) <i>(note 2)</i>	62.01%*

* The percentage has been calculated based on 519,777,000 Shares in issue as at 30 September 2015.

Other Disclosures (Continued)

notes:

1. The letter "L" denotes the Directors' long position in the Shares.
2. These Shares were held by Unitech Enterprises Group Limited which was owned as to 60% by Mr. Gao Zhiyin and was owned as to 40% by Mr. Gao Zhiping.

Save as disclosed above in this report, as at 30 September 2015, none of the Directors nor the chief executive of the Company had any interests or short positions in the Shares and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions in which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Other Disclosures (Continued)

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2015, according to the register kept by the Company pursuant to section 336 of the SFO and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, the following persons (other than Directors and chief executive of the Company) had interests or short positions in the Shares and/or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholder	Capacity	Number of shares held and class of securities <i>(note 1)</i>	Approximate percentage of shareholding
Unitech Enterprises Group Limited	Beneficial owner	322,326,500 Shares (L) <i>(note 2)</i>	62.01%*
Mr. Ng Tsze Lun	Beneficial owner	50,173,000 Shares (L)	9.65%*
Ms. Yau Yuk Chun Carole <i>(note 3)</i>	Interest of spouse	50,173,000 Shares (L)	9.65%*

* The percentage has been calculated based on 519,777,000 Shares in issue as at 30 September 2015.

notes:

1. The letter "L" denotes the individual's or the corporation's long position in the Shares.
2. Unitech Enterprises Group Limited was owned as to 60% by Mr. Gao Zhiyin and was owned as to 40% by Mr. Gao Zhiping, both of them are Directors.
3. Ms. Yau Yuk Chun Carole is the wife of Mr. Ng Tsze Lun.

Save as disclosed above, as at 30 September 2015, there was no other person who was recorded in the register of the Company as having interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all the circumstances at general meetings of members of the Group other than the Company, or which were required, pursuant to section 336 of the SFO, to be entered in the register referred to therein.

Other Disclosures (Continued)

SHARE OPTION SCHEME

The Company conditionally adopted the share option scheme on 2 June 2010 which became effective upon the listing of the Company's shares on the Stock Exchange on 5 October 2010. The purpose of the share option scheme is to provide incentives and rewards to eligible participants including eligible directors, eligible employees and any other eligible persons for their contributions to the Group.

The share option scheme of the Company will remain in force for a period of ten years from the date of its adoption date (i.e. 2 June 2010).

All share options with the exercise prices of HK\$0.6 and HK\$0.844 granted under the share option scheme had been exercised in full during the six months ended 30 September 2014 and there were no outstanding share option throughout the Period and as of 30 September 2015.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities during the Period.

CORPORATE GOVERNANCE CODE

The Company had complied with all the code provisions ("Code Provisions") under the Corporate Governance Code contained in Appendix 14 to the Listing Rules throughout the six months ended 30 September 2015, except for the following deviation:

Code Provision E.1.2 requires that the chairman of the board of the company should attend the annual general meeting. The chairman of the Board, Mr. Gao Zhiyin, was unable to attend the Company's annual general meeting held on 22 September 2015 ("AGM") due to his other business engagements. Mr. Shi Jiguo, an executive Director, acted as the chairman of the AGM in accordance with the bye-laws of the Company.

Other Disclosures (Continued)

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The audit committee of the Company (the "Audit Committee") currently comprises three independent non-executive Directors namely Mr. Lam Kai Yeung (chairman), Mr. Lau Chi Kit and Mr. Ma Ming. It was established by the Board on 8 September 2010 and its duties are clearly defined in its revised written terms of reference which have been prepared and adopted according to the Code Provisions.

The Audit Committee has reviewed, with the Company's independent auditor, the unaudited interim financial statements of the Group for the six months ended 30 September 2015.

In addition, the independent auditor of the Company has reviewed the unaudited interim results for the six months ended 30 September 2015 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

COMPLIANCE WITH LISTING RULES

The Board discovered that Dr. Chen Yifan, a former independent non-executive Director, did not fulfill the independence criteria under Rule 3.13 of the Listing Rules. Subsequently, Dr. Chen Yifan resigned as an independent non-executive Director with effect from 9 April 2015. Upon his resignation, Dr. Chen Yifan also ceased to be the chairman of the remuneration committee of the Company and a member of the Audit Committee and the nomination committee of the Company. Details are set out below:

In its preparation for the Acquisition and after receiving legal advice, the Board discovered that Dr. Chen Yifan, who was appointed as an independent non-executive Director on 26 July 2014 (the "Appointment Date"), did not satisfy the independence criteria set out in Rule 3.13 of the Listing Rules for the following reasons:

- (1) From the Appointment Date to 15 December 2014, China TriComm Ltd. ("China TriComm") and Irix Holding Limited ("Irix") together held approximately 30.7% of the issued share capital of in Enablence Technologies Inc. ("Enablence"), which is a Canadian company listed on the TSX Venture Exchange (TSX.V:ENA). China TriComm is 100% owned by Unitech Enterprises Group Limited, the Company's controlling shareholder held as to 60% and 40% by executive Directors, Mr. Gao Zhiyin and Mr. Gao Zhiping, respectively, whilst Irix was in turn 60% held by China TriComm and 40% by Win Brand Limited ("Win Brand") (an independent third party at the relevant time). Enablence was therefore a core connected person of the Company pursuant to the Listing Rules at the relevant time. Dr. Chen Yifan had been and remains the chief executive officer of Enablence. Accordingly, Dr. Chen Yifan did not fulfill the independence requirement under Rule 3.13(7) of the Listing Rules by virtue of him being an executive of a core connected person of the Company. From 15 December 2014 onwards, due to the further issue of shares by Enablence to an independent third party, the interests of China TriComm and Irix in Enablence fell to below 30%, and Enablence ceased to be a core connected person of the Company thereafter.

Other Disclosures (Continued)

(2) From 6 March 2015 and up to 9 April 2015 (the resignation date of Dr. Chen Yifan), as a result of the issue of shares by Win Brand to Dr. Chen Yifan, Dr. Chen Yifan became a shareholder of Win Brand holding approximately 66.67% of its issued share capital. Win Brand held a 40% interest in Irix. As a result, Dr. Chen Yifan did not fulfill the independence requirement under Rule 3.13(4) of the Listing Rules by virtue of his material interest in the business activity of or involvement in any material business dealings with Irix, which was 60% held by Mr. Gao Zhiyin, an executive Director and a controlling shareholder.

The Board and Dr. Chen Yifan have confirmed that the above non-compliance with Rule 3.13 of the Listing Rules was due to inadvertent oversight and misunderstanding of Rule 3.13 of the Listing Rules. For future appointments of independent non-executive Directors, the Board confirmed that it would undertake thorough investigation of the background of the candidate, including its directorships, management roles and shareholdings in other companies, family relationships and the existence of business dealings with the Group and its connected persons, in order to ascertain whether the candidate fulfills the independence criteria under Rule 3.13 of the Listing Rules. Further, the Board would seek legal advice on the requirements of Rule 3.13 of the Listing Rules prior to the appointment as appropriate.

Following the resignation of Dr. Chen Yifan as an independent non-executive Director on 9 April 2015, the number of independent non-executive Directors fell below the minimum number as required under Rule 3.10(1) of the Listing Rules and the number of members of the Audit Committee fell short of the requirement under Rule 3.21 of the Listing Rules.

Following the appointment of Mr. Ma Ming as an independent non-executive Director and a member of the Audit Committee on 8 July 2015, the Company has recomplied with the requirements of Rule 3.10(1) and Rule 3.21 of the Listing Rules, details of which were disclosed in the Company's announcement dated 8 July 2015.

Save for disclosed above, during the six months ended 30 September 2015, the Board had complied with the requirements of Rules 3.10(1) and 3.10(2) of the Listing Rules in relation to the appointment of a minimum of three independent non-executive Directors and at least one independent non-executive Director having appropriate professional accounting or financial management experience.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has established a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code contained in Appendix 10 to the Listing Rules. Having made specific enquiries to the Directors, all Directors confirmed that they had complied with the required standard set out in the Model Code during the six months ended 30 September 2015.

Other Disclosures (Continued)

CHANGE IN INFORMATION OF DIRECTORS

Upon specific enquiry by the Company and following confirmations from the Directors, save as otherwise set out in this report, there is no change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the last published annual report of the Company for the year ended 31 March 2015.

Name of Director	Details of changes
Mr. Lam Kai Yeung ("Mr. Lam"), an independent non-executive Director	<p>Kong Shum Union Property Management (Holding) Limited ("Kong Shum") 港深聯合物業管理(控股)有限公司 (Stock code: 8181)</p> <p>– On 19 October 2015, Mr. Lam was appointed as an independent non-executive director, the chairman of the audit committee and a member of each of the remuneration committee and the nomination committee of Kong Shum.</p>

On behalf of the Board
Highlight China IoT International Limited

Gao Zhiyin

Chairman

Hong Kong

26 November 2015

Report on Review of Condensed Consolidated Financial Statements

TO THE MEMBERS OF HIGHLIGHT CHINA IOT INTERNATIONAL LIMITED

高銳中國物聯網國際有限公司

(incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Highlight China IoT International Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 15 to 38, which comprise the condensed consolidated statement of financial position as of 30 September 2015 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Report on Review of Condensed Consolidated Financial Statements (Continued)

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

OTHER MATTER

Without qualifying our review conclusion, we draw attention to the fact that the comparative condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months ended 30 September 2014 and the relevant explanatory notes included in these condensed consolidated financial statements have not been reviewed in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

26 November 2015

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2015

	NOTES	For the six months ended 30 September	
		2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited) (restated)
Continuing operation			
Revenue	3	99,623	203,140
Cost of sales		(90,716)	(188,078)
Gross profit		8,907	15,062
Other income		54	1
Other gains and losses	4	(817)	(23)
Selling and distribution costs		(7,151)	(2,972)
Administrative expenses		(8,956)	(4,193)
(Loss) profit before taxation		(7,963)	7,875
Income tax expense	5	–	(1,407)
(Loss) profit for the period from continuing operation	6	(7,963)	6,468
Discontinued operations			
Loss for the period from discontinued operations	7	–	(5,074)
(Loss) profit for the period		(7,963)	1,394
Other comprehensive expense			
<i>Item that will not be reclassified to profit or loss:</i>			
Remeasurement of defined benefit obligations		–	175
<i>Reclassification adjustment:</i>			
Reclassification of exchange difference on disposal of subsidiaries		–	(7,852)
Other comprehensive expense for the period, including reclassification adjustment		–	(7,677)
Total comprehensive expense for the period		(7,963)	(6,283)

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

For the six months ended 30 September 2015

	NOTE	For the six months ended 30 September	
		2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited) (restated)
(Loss) profit for the period attributable to owners of the Company:			
– from continuing operation		(7,963)	6,468
– from discontinued operations		–	(5,477)
		(7,963)	991
Profit for the period attributable to non-controlling interests:			
– from continuing operation		–	–
– from discontinued operations		–	403
		–	403
		(7,963)	1,394
Total comprehensive (expense) income for the period attributable to:			
Owners of the Company		(7,963)	(6,686)
Non-controlling interests		–	403
		(7,963)	(6,283)
(Loss) earnings per share	9		
From continuing and discontinued operations			
Basic (HK cents)		(1.53)	0.20
Diluted (HK cents)		(1.53)	0.19
From continuing operation			
Basic (HK cents)		(1.53)	1.30
Diluted (HK cents)		(1.53)	1.26

Condensed Consolidated Statement of Financial Position

At 30 September 2015

	NOTES	30 September 2015 HK\$'000 (unaudited)	31 March 2015 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	10	–	1,253
Current assets			
Inventories		4,158	3,809
Trade receivables	11	44,507	83,311
Deposits, prepayments and other receivables		47,282	36,723
Bank balances and cash		7,798	8,913
		103,745	132,756
Current liabilities			
Trade payables	12	49,079	47,201
Other payables and accruals		9,153	9,183
Amount due to the immediate holding company		10,000	6,000
Amount due to a former subsidiary		–	28,046
Tax payable		1,396	1,499
		69,628	91,929
Net current assets		34,117	40,827
Total assets less current liabilities		34,117	42,080
Capital and reserves			
Share capital	13	5,198	5,198
Reserves		28,919	36,882
Total equity		34,117	42,080

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2015

Attributable to owners of the Company

	Share capital	Share premium	Special reserve	Share option reserve	Foreign currency translation reserve	Accumulated profits	Total	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			(note i)						
At 1 April 2014 (audited) (as previously reported)	4,502	77,060	(22,325)	27,732	7,849	285,160	379,978	(1,718)	378,260
Profit for the period	-	-	-	-	-	16,356	16,356	403	16,759
Adjustment on losses arising from disposal of subsidiaries (Note 15)	-	-	-	-	-	(15,365)	(15,365)	-	(15,365)
Profit for the period (restated)	-	-	-	-	-	991	991	403	1,394
Remeasurement of defined benefit obligations	-	-	-	-	-	175	175	-	175
Reclassification of exchange difference on disposal of subsidiaries (Note 7)	-	-	-	-	(7,852)	-	(7,852)	-	(7,852)
Total comprehensive expense for the period (restated)	-	-	-	-	(7,852)	1,166	(6,686)	403	(6,283)
Exercise of share options	696	77,887	-	(27,732)	-	-	50,851	-	50,851
Transfer (note ii)	-	-	260,404	-	-	(260,404)	-	-	-
Disposal of subsidiaries (Note 7)	-	-	-	-	-	-	-	1,315	1,315
Share premium cancellation (note iii)	-	(154,947)	154,947	-	-	-	-	-	-
Dividend paid (Note 8)	-	-	(374,239)	-	-	-	(374,239)	-	(374,239)
At 30 September 2014 (unaudited) (restated)	5,198	-	18,787	-	(3)	25,922	49,904	-	49,904
At 1 April 2015 (audited)	5,198	-	18,787	-	(3)	18,098	42,080	-	42,080
Loss and total comprehensive expense for the period	-	-	-	-	-	(7,963)	(7,963)	-	(7,963)
At 30 September 2015 (unaudited)	5,198	-	18,787	-	(3)	10,135	34,117	-	34,117

Condensed Consolidated Statement of Changes in Equity (Continued)

For the six months ended 30 September 2015

notes:

- (i) *The special reserve represents (a) the reserve arising from a previous group reorganisation; and (b) cancellation of share premium, less special cash dividend of HK\$374,239,000.*
- (ii) *The transferred amount represented the net proceeds from the Disposal (as defined in Note 7), after deducting expenses directly attributable thereto for the distribution as special cash dividend out of special reserve.*
- (iii) *Share premium cancellation was approved by the shareholders of the Company (the "Shareholders") at the special general meeting (the "SGM") held on 10 July 2014, pursuant to which the entire amount standing to the credit of the share premium account of the Company was cancelled and the credit arising from the share premium cancellation was transferred to the special reserve of the Company.*

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2015

	For the six months ended 30 September	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited) (restated)
Net cash used in operating activities	(5,057)	(54,823)
Net cash (used in) from investing activities:		
Purchase of property, plant and equipment	(58)	(9,171)
Legal and professional fees paid related to the Disposal (as defined in Note 7)	–	(7,450)
Interest received	–	293
Proceeds from disposal of property, plant and equipment	–	824
Disposal of subsidiaries (Note 7)	–	210,828
	(58)	195,324
Net cash from (used in) financing activities:		
Advance from the immediate holding company	4,000	–
Bank borrowings raised	–	143,041
Proceed from exercise of share options	–	50,851
Repayment of bank borrowings	–	(454)
Dividend paid to shareholders	–	(374,239)
	4,000	(180,801)
Net decrease in cash and cash equivalents	(1,115)	(40,300)
Cash and cash equivalents at beginning of the period	8,913	46,298
Cash and cash equivalents at end of the period, represented by bank balances and cash	7,798	5,998

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2015

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies and methods of computation used in these condensed consolidated financial statements for the six months ended 30 September 2015 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2015, except for the amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) newly adopted by the Group in the current interim period which are disclosed below.

Amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA that are relevant for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010 – 2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 – 2013 Cycle

The application of the amendments to HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

3. SEGMENT INFORMATION

The Group’s reportable and operating segments under HKFRS 8 “Operating Segments”, based on the information reported to the chief operating decision makers (“CODM”), represented by the executive Directors, for the purposes of resource allocation and performance assessment were “Garment sourcing” and “Garment manufacturing and trading” as defined in the Group’s condensed consolidated financial statements for the six months ended 30 September 2014.

Following the completion of the Disposal on 22 July 2014, as detailed in Note 7, the Group derives all its revenue from the Garment sourcing business. For the revenue from continuing operation represents revenue from garment sourcing business received and receivable while revenue from discontinued operations represented revenue from garment manufacturing and trading business received and receivable during the six months ended 30 September 2014.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2015

3. SEGMENT INFORMATION (continued)

Due to the Disposal, the Group has amended the format of management information provided to the CODM for the purpose of assessing the performance of the operating segments. The CODM considered that there is only one operating segment in accordance with HKFRS 8 and reviewed the condensed consolidated statement of profit or loss and other comprehensive income and the assets and liabilities of the Group as a whole for the purpose of resource allocation and performance assessment. Accordingly, segment information is no longer presented.

4. OTHER GAINS AND LOSSES

	For the six months ended 30 September	
	2015	2014
	HK\$'000	HK\$'000 (restated)
Continuing operation		
Impairment loss on property, plant and equipment	(1,081)	–
Net foreign exchange gain (loss)	264	(23)
	(817)	(23)

5. INCOME TAX EXPENSE

	For the six months ended 30 September	
	2015	2014
	HK\$'000	HK\$'000 (restated)
Continuing operation		
Hong Kong Profits Tax		
– current period	–	1,407

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

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2015

6. (LOSS) PROFIT FOR THE PERIOD

	For the six months ended 30 September	
	2015 HK\$'000	2014 HK\$'000
Continuing operation		
(Loss) profit for the period has been arrived at after charging (crediting):		
Directors' remuneration (Note 14 (II))	1,813	1,416
Other staff costs	3,512	1,975
Total staff costs	5,325	3,391
Cost of inventories sold	90,716	188,078
Depreciation of property, plant and equipment	230	38
Bank interest income (included in other income)	–	(1)

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2015

7. DISCONTINUED OPERATIONS / DISPOSAL OF SUBSIDIARIES

On 14 March 2014, the Company and Sure Strategy Limited (“Sure Strategy”) entered into a conditional disposal agreement for the disposal of its garment manufacturing and trading business (the “Disposal”) (the “Disposal Agreement”).

Sure Strategy was the Company’s former immediate holding company. Sure Strategy was then owned as to 49% by Merlotte Enterprise Limited (a company incorporated in the British Virgin Islands (the “BVI”) and is wholly-owned by Mr. Choi Lin Hung, who was a former director of the Company and one of the Company’s ultimate beneficial shareholders before the Disposal) and as to 51% by Victory City Investments Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of Victory City International Holdings Limited (“VC”), a company incorporated in Bermuda and its shares are listed on the Stock Exchange.

According to the Disposal Agreement, Sure Strategy agreed to purchase, and the Company agreed to sell the entire issued share capital of Ford Glory Holdings Limited (“FG Holdings”) (a wholly-owned subsidiary of the Company and an investment holding company prior to the Disposal), which, together with its subsidiaries held the garment manufacturing and trading business at a cash consideration of HK\$270,000,000 and a tax indemnity from Sure Strategy in which Sure Strategy would fully indemnify the Group in respect of tax liability resulting from the Disposal of any amount that exceeds HK\$1,200,000. The Disposal was approved by the Shareholders at the SGM held on 10 July 2014 and the Disposal was completed on 22 July 2014, on which date the control of FG Holdings was passed to Sure Strategy.

The Group ceased the garment manufacturing and trading business (the “Discontinued Operations”) upon the completion of the Disposal. Accordingly, the results of garment manufacturing and trading business for the relevant period have been separately presented as Discontinued Operations in the condensed consolidated statement of profit or loss and other comprehensive income.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2015

7. DISCONTINUED OPERATIONS / DISPOSAL OF SUBSIDIARIES (continued)

The loss from the Discontinued Operations for the relevant period is analysed as follows:

	1 April 2014 to 22 July 2014 (date of completion of the Disposal)
	HK\$'000 (restated)
Profit for the period	18,941
Losses arising from the Disposal	(24,015)
	(5,074)

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2015

7. DISCONTINUED OPERATIONS / DISPOSAL OF SUBSIDIARIES (continued)

The results of the Discontinued Operations for the relevant period, which have been included in the condensed consolidated statement of profit or loss and other comprehensive income, were as follows:

	1 April 2014 to 22 July 2014 (date of completion of the Disposal)
	HK\$'000
Revenue	302,622
Cost of sales	(238,497)
Gross profit	64,125
Other income	451
Other gains and losses	204
Selling and distribution costs	(11,430)
Administrative expenses	(31,597)
Interest on bank borrowings	(855)
Profit before taxation	20,898
Income tax expense	(1,957)
Profit for the period from discontinued operations	18,941
Attributable to:	
Owners of the Company	18,538
Non-controlling interests	403
	18,941

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2015

7. DISCONTINUED OPERATIONS / DISPOSAL OF SUBSIDIARIES (continued)

The net cash flows generated by the Discontinued Operations were presented below:

	1 April 2014 to 22 July 2014 (date of completion of the Disposal)
	HK\$'000
Net cash flows used in operating activities	(171,753)
Net cash flows used in investing activities	(10,192)
Net cash flows from financing activities	195,220
Net cash flows	13,275

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2015

7. DISCONTINUED OPERATIONS / DISPOSAL OF SUBSIDIARIES (continued)

The net assets of the subsidiaries disposed of at the date of completion of the Disposal were as follows:

	As at 22 July 2014
	HK\$'000
<i>Analysis of assets and liabilities over which control was lost</i>	
Property, plant and equipment	151,907
Prepaid lease payments	3,566
Goodwill	5,970
Deferred tax assets	2,404
Inventories	185,832
Trade and bills receivables	181,531
Deposits, prepayments and other receivables	83,704
Amount due from fellow subsidiaries	1,265
Derivative financial instruments	2,634
Tax recoverable	380
Bank balances and cash	59,172
Trade and bills payables	(52,842)
Other payables and accruals	(37,740)
Amounts due to fellow subsidiaries and a former subsidiary	(22,507)
Tax payable	(16,700)
Bank borrowings	(253,793)
Defined benefit obligations	(1,454)
Deferred tax liabilities	(2,373)
Net assets disposed of	290,956

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2015

7. DISCONTINUED OPERATIONS / DISPOSAL OF SUBSIDIARIES (continued)

As at 22 July 2014

HK\$'000

Losses arising from the Disposal	
Cash consideration	270,000
Tax indemnity receivable (note)	3,425
	<hr/>
	273,425
Net assets of HK\$290,956,000, net of impairment for disposal group of HK\$18,846,000	(272,110)
Non-controlling interests	(1,315)
Cumulative exchange differences in respect of the net assets of the subsidiaries reclassified from equity to profit or loss on disposal of subsidiaries	7,852
	<hr/>
	7,852
Legal and professional fees related to the Disposal	(8,396)
Tax arising on disposal	(4,625)
	<hr/>
	(5,169)
Impairment loss recognised on the disposal group	(18,846)
	<hr/>
	(24,015)
Net cash inflow arising on the Disposal	
Cash consideration received	270,000
Less: bank balances and cash disposed of	(59,172)
	<hr/>
	210,828

note: This relates to the excess of tax liabilities resulting from the Disposal indemnified by Sure Strategy pursuant to the Disposal Agreement. The Group recognised the receivable at the same time that it recognised the excess tax liability and measured both items on the same basis. The receivable is subjected to impairment assessment for uncollectable amounts.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2015

8. DISTRIBUTIONS

No dividends were paid, declared or proposed during the current interim period. The directors of the Company have determined that no dividend will be paid in respect of the current interim period.

During the six months ended 30 September 2014, a special cash dividend of HK\$0.72 per ordinary share was declared by the Board and was approved by the Shareholders at the SGM held on 10 July 2014. The aggregate amount of the special cash dividend declared and paid out of special reserve amounted to HK\$374,239,000 (six months ended 30 September 2015: Nil) which was paid on 22 July 2014.

9. (LOSS) EARNINGS PER SHARE

From continuing and discontinued operations

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

	For the six months ended 30 September	
	2015	2014
	HK\$'000	HK\$'000
		(restated)
(Loss) earnings		
(Loss) profit for the period attributable to owners of the Company for the purposes of basic and diluted (loss) earnings per share	(7,963)	991
Number of shares		
Weighted average number of ordinary shares for the purposes of basic (loss) earnings per share	519,777,000	497,540,169
Effect of dilutive potential ordinary shares in respect of share options	N/A	16,798,922
Weighted average number of ordinary shares for the purposes of diluted (loss) earnings per share	519,777,000	514,339,091

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2015

9. (LOSS) EARNINGS PER SHARE (continued)

From continuing operation

The calculation of the basic and diluted (loss) earnings per share from continuing operation attributable to the owners of the Company is based on the following data:

	For the six months ended 30 September	
	2015	2014
	HK\$'000	HK\$'000 (restated)
(Loss) earnings figures are calculated as follows:		
(Loss) profit for the period attributable to owners of the Company	(7,963)	991
Less: Loss for the period from discontinued operations attributable to owners of the Company	–	5,477
(Loss) earnings for the purposes of basic and diluted (loss) earnings per share from continuing operation	(7,963)	6,468

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group recognised an impairment loss of approximately HK\$1,081,000 in relation to property, plant and equipment due to the continuous losses incurred by the Group. Management determined that there is no resale value for the assets (mainly comprise furniture, fixtures and equipment and leasehold improvements). Accordingly, the entire outstanding amounts of the property, plant and equipment have been impaired.

During the six months ended 30 September 2014, the Group disposed of property, plant and equipment through the Disposal as detailed in Note 7, with an aggregate carrying amount of approximately HK\$151,907,000 (six months ended 30 September 2015: Nil).

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2015

11. TRADE RECEIVABLES

The Group allows its trade customers a credit period of 30 to 150 days.

The following is an aged analysis of trade receivables (net of allowance for doubtful debts), presented based on the invoice date at the end of each reporting period:

	30 September 2015 HK\$'000	31 March 2015 HK\$'000
0 – 30 days	16,649	10,715
31 – 60 days	13,959	33,982
61 – 90 days	4,949	25,492
91 – 120 days	3,768	5,415
Over 120 days	5,182	7,707
	44,507	83,311

12. TRADE PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date at the end of each reporting period:

	30 September 2015 HK\$'000	31 March 2015 HK\$'000
0 – 60 days	26,302	16,063
61 – 90 days	2,753	16,349
Over 90 days	20,024	14,789
	49,079	47,201

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2015

13. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2014, 31 March 2015 and 30 September 2015	900,000,000	9,000
Issued and fully paid:		
At 1 April 2014	450,262,000	4,502
Exercise of share options	69,515,000	696
At 31 March 2015 and 30 September 2015	519,777,000	5,198

14. RELATED PARTY DISCLOSURES

(I) Transactions

The Group had the following transactions with related parties:

	For the six months ended 30 September	
	2015 HK\$'000	2014 HK\$'000
VC Group (note i)		
Purchase of fabrics	–	14,086
Purchase of yarn	–	2,434
Utility expenses paid	–	1,219
Rental income received	–	124
Other related party (note ii)		
Purchase of apparel	–	32,103

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2015

14. RELATED PARTY DISCLOSURES (continued)

(I) Transactions (continued)

notes:

- (i) VC and its subsidiaries (“VC Group”) ceased to be the controlling shareholder of the Group on 22 July 2014.
- (ii) During the period from 1 April 2014 to 22 July 2014, the Group purchased apparel products from 加美(清遠)製衣有限公司 (Kimberley (Qing Yuan) Garment Limited) (“Kimberley”). Kimberley was controlled by a former director who ceased to be a director of the Company on 16 August 2014. Kimberley was deemed to be a connected party to the Group. There was no deposit placed by the Group to Kimberley as at 30 September 2014.

(II) Compensation of key management personnel

The remuneration of the directors and other members of key management during both periods was as follows:

	For the six months ended 30 September	
	2015 HK\$'000	2014 HK\$'000
Directors fees	1,813	1,043
Salaries and other benefits	–	363
Contribution to retirement benefits scheme	–	10
	1,813	1,416

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2015

15. PRIOR PERIOD ADJUSTMENTS

In preparing the condensed consolidated financial statements for the six months ended 30 September 2015, the directors of the Company have identified misstatement in its recognition, presentation and disclosures of the Disposal (as defined in Note 7) in the condensed consolidated statement of profit or loss and other comprehensive income and condensed consolidated statement of cash flows for the six months ended 30 September 2014 which are required to be adjusted and explained below.

a) Condensed consolidated statement of profit or loss and other comprehensive income

For the six months ended 30 September 2014

	As previously reported HK\$'000	notes	Adjustments HK\$'000	As restated HK\$'000
Continuing operation				
Revenue	203,140		–	203,140
Cost of sales	(188,078)		–	(188,078)
Gross profit	15,062		–	15,062
Other income	1		–	1
Other gains and losses	(7,473)	(i)	7,450	(23)
Selling and distribution costs	(2,972)		–	(2,972)
Administrative expenses	(4,193)		–	(4,193)
Profit before taxation	425		7,450	7,875
Income tax expense	(2,607)	(i)	1,200	(1,407)
(Loss) profit for the period from continuing operation	(2,182)		8,650	6,468
Discontinued operations				
Profit (loss) for the period from discontinued operations	18,941	(ii)	(24,015)	(5,074)
Profit for the period	16,759		(15,365)	1,394
Other comprehensive income (expense)				
<i>Item that will not be reclassified to profit or loss:</i>				
Remeasurement of defined benefit obligations	175		–	175
<i>Reclassification adjustment:</i>				
Reclassification of exchange difference on disposal of subsidiaries	(7,852)		–	(7,852)
Other comprehensive expense for the period, including reclassification adjustment	(7,677)		–	(7,677)
Total comprehensive income (expense) for the period	9,082		(15,365)	(6,283)

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2015

15. PRIOR PERIOD ADJUSTMENTS (continued)

a) Condensed consolidated statement of profit or loss and other comprehensive income (continued)

For the six months ended 30 September 2014 (continued)

	As previously reported HK\$'000	Adjustments HK\$'000	As restated HK\$'000
Profit (loss) for the period attributable to owners of the Company:			
– from continuing operation	(2,182)	8,650	6,468
– from discontinued operations	18,538	(24,015)	(5,477)
	16,356	(15,365)	991
Profit for the period attributable to non-controlling interests:			
– from continuing operation	–	–	–
– from discontinued operations	403	–	403
	403	–	403
	16,759	(15,365)	1,394
Total comprehensive income (expense) for the period attributable to:			
Owners of the Company	8,679	(15,365)	(6,686)
Non-controlling interests	403	–	403
	9,082	(15,365)	(6,283)
Earnings (loss) per share			
From continuing and discontinued operations			
Basic (HK cents)	3.29	(3.09)	0.20
Diluted (HK cents)	3.18	(2.99)	0.19
From continuing operation			
Basic (HK cents)	(0.44)	1.74	1.30
Diluted (HK cents)	(0.42)	1.68	1.26

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2015

15. PRIOR PERIOD ADJUSTMENTS (continued)

a) Condensed consolidated statement of profit or loss and other comprehensive income (continued)

For the six months ended 30 September 2014 (continued)

notes:

- (i) Regarding the Disposal (details of which were disclosed in Note 7), legal and professional fees related to the Disposal and tax arising on disposal, amounted to approximately HK\$7,450,000 and HK\$1,200,000 respectively, were incorrectly classified as other losses and income tax expense for continuing operation as stated in the condensed consolidated financial statements for the six months ended 30 September 2014. These expenses should however be included in the profit (loss) for the period from discontinued operations.
- (ii) The Group recorded a loss of approximately HK\$14,419,000 from the Disposal, as deemed distribution to the Shareholders in the condensed consolidated statement of changes in equity for the six months ended 30 September 2014. This amount should however be included in the profit (loss) for the period from discontinued operations.

A reconciliation for the adjustment of profit (loss) for the period from discontinued operations is detailed below:

	HK\$'000
Deemed distribution to the Shareholders as previously reported	14,419
Reclassification of expenses attributable to the Disposal (as explained in note (i) above)	8,650
Underprovision of legal and professional fees related to the Disposal	946
Restated losses arising from the Disposal (Note 7)	24,015

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 September 2015

15. PRIOR PERIOD ADJUSTMENTS (continued)

b) Condensed consolidated statement of cash flows

Legal and professional fees related to the Disposal, amounted to approximately HK\$7,450,000 were incorrectly classified as cash used in operating activities in the condensed consolidated statement of cash flows for the six months ended 30 September 2014. These expenses were then reclassified as cash used in investing activities.

16. REVERSE TAKEOVER TRANSACTION

As disclosed in the Company's announcement dated 25 March 2015 and Note 37 to the audited consolidated financial statements of the Company for the year ended 31 March 2015, an agreement (the "Agreement") was entered into by the Company as purchaser in relation to the proposed acquisition of the entire issued share capital of Highlight Holding Limited (a company incorporated in Cayman Islands with limited liability) and the assignment of loan at the total consideration of HK\$36,450,903,600 pursuant to the terms of the Agreement (the "Acquisition"). As at 30 September 2015 and up to the date of approving these condensed consolidated financial statements, the Acquisition has not yet been completed.



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