Z-Obee Holdings Limited
融達控股有限公司*
(Provisional Liquidators Appointed)
(incorporated in Bermuda with limited liability)

(Hong Kong Stock Code: 948)

(Singapore Stock Code: D5N)

INTERIM REPORT 2015

* *For identification purposes only*

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INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
Z-OBEE HOLDINGS LIMITED (PROVISIONAL LIQUIDATORS APPOINTED)
(Incorporated in Bermuda with limited liability)

We were engaged to audit the consolidated financial statements of Z-Obee Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 5 to 68, which comprise the consolidated and company statements of financial position as at 30 September 2015, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income and the consolidated statement of changes in equity for the period then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Except for the inability to obtain sufficient appropriate audit evidence as explained below, we conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement. Because of the matters described in the basis for disclaimer of opinion paragraphs, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

INDEPENDENT AUDITOR'S REPORT

BASIS OF DISCLAIMER OF OPINION

Incomplete books and record

Up to the date of this report, given the loss of some books and records and serious doubts over the reliability of the Group's accounting and other records, the directors of the Company believes that, it is almost impossible, and not practical, to ascertain the profit or loss (and the resultant assets and liabilities) for the current year for inclusion in the consolidated financial statements of the group. Also, due to loss of some books and records, the directors of the Company believes that it is almost impossible, and not practical, to verify the financial information as reported in the consolidated financial statements of the Group for past years. We were therefore unable to carry out satisfactory audit procedures to obtain reasonable assurance regarding the completeness, accuracy, existence, valuation, classification and disclosures of the transactions of the Group.

Given these circumstances, which are more fully disclosed in note 2.2 to the financial statements, there were no practicable audit procedures that we could perform to satisfy ourselves that the information and documents presented to us for the purpose of our audit are complete and accurate in all material respects, nor to quantify the extent of adjustments that might be necessary in respect of the Group's financial information.

As a result, in performing our audit on the consolidated financial statements of the Group for the period ended 30 September 2015, there were no practicable audit procedures that we could perform to satisfy ourselves that whether the balances of assets, liabilities and reserves as at 1 April 2013, 31 March 2014 and 31 March 2015 and 30 September 2015 were fairly stated.

Any adjustments found to be necessary in respect thereof had we obtained sufficient appropriate audit evidence would have had a consequential effect on the net assets of the Group as at 1 April 2013, 31 March 2014 and 31 March 2015 and 30 September 2015 and of its loss for the current and prior years, and the related disclosures thereof in the consolidated financial statements.

Included in the Company's statement of financial position are investment in a subsidiary of US$2,622,935 and US$2,622,935 and due from subsidiaries of US$69,471,270 and US$69,471,270 as at 30 September 2015 and 31 March 2015 respectively. Due to the scope limitations as mentioned above, we are unable to satisfy ourselves as to the fairness of the amounts carried as investment in a subsidiary and due from subsidiaries in the Company's financial statements or to determine whether any provision for impairment loss is necessary in respect of the above. Any adjustments would have a consequential effect on the net assets of the Company as at 30 September 2015 and 31 March 2015 and of its net loss for the years then ended and the related disclosures in the consolidated financial statements.

Our audit opinion on the Group's financial statements for the year ended 31 March 2015 was also disclaimed accordingly.

INDEPENDENT AUDITOR'S REPORT

Insufficient audit evidence in respect of loss on deconsolidation

As set out in note 13 to the consolidated financial statements, the Group recorded amount of loss on deconsolidation of US$22,019,728. The Group could not access the books and records of the subsidiaries, and the directors considered that the control over these subsidiaries has been lost. Because of the loss of certain accounting books and records of the Deconsolidated Subsidiaries, we were not able to obtain sufficient appropriate audit evidence to determine whether the loss on deconsolidation for the period ended 30 September 2015 were free from material misstatement.

Non-compliance with IFRSs and omission of disclosures

As explained in note 2.2 to the financial statements, as the consolidated financial statements of the Group have been prepared by the directors based on incomplete books and records and the directors believe they are almost impossible and not practical to ascertain the correct amounts. Consequently, the directors of the Company were unable to represent that the financial statements comply with IFRSs, or that the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited have been complied with. Given these circumstances, which are more fully described in note 2.2, there were no practicable audit procedures that we could perform to quantify the extent of adjustments that might be necessary in respect of the Group's financial statements.

Our audit opinion on the Group's financial statements for the year ended 31 March 2015 was also disclaimed accordingly.

Material uncertainty related to going concern basis

In forming our opinion, we have considered the adequacy of the disclosures made in note 2.2 to the financial statements which explains that a proposal for the resumption of trading in the Company's shares and the restructuring of the Group (the "Resumption Proposal") was submitted to The Stock Exchange of Hong Kong Limited on 19 July 2015.

The consolidated financial statements have been prepared on a going concern basis on the assumption that the proposed restructuring of the Company will be successfully completed, and that, following the restructuring, the Group will continue to meet in full its financial obligations as they fall due in the foreseeable future. The consolidated financial statements do not include any adjustments that would result from a failure to complete the restructuring. We consider that the disclosures are adequate. However, in view of the extent of the uncertainty relating to the completion of the restructuring, we disclaim our opinion in respect of the material uncertainty relating to the going concern basis.

INDEPENDENT AUDITOR'S REPORT

Disclaimer of Opinion

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the state of affairs of the Company and of the Group as at 30 September 2015 and of the Group's loss for the period then ended in accordance with International Financial Reporting Standards and as to whether the financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Other Matter

We draw your attention that the comparative amounts of the consolidated statement of profit or loss for the six months period ended 30 September 2014 and the consolidated statement of changes in equity in respect of the six months period ended 30 September 2014 and the related notes disclosed in the financial statements have not been audited. Our opinion is not qualified in respect of this matter.

Crowe Horwath (HK) CPA Limited
Certified Public Accountants
Hong Kong, 13 November 2015

Alvin Yeung Sik Hung
Practising Certificate Number P05206

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the period ended 30 September 2015

	Note	Six months ended 30 September	
		2015	2014
		US$	US$
		(Audited)	(Unaudited)
REVENUE	6	**592,519**	–
Cost of goods sold		**(489,956)**	–
Gross profit		**102,563**	–
Selling and distribution expenses		**(4,042)**	–
Administrative expenses		**(711,028)**	(816,212)
Other suspense account		**–**	(771,435)
Loss on deconsolidation	13	**–**	(22,019,728)
Impairment loss of prepayment, deposits and other receivables		**–**	(13,959,650)
Write off of inventories		**–**	(12,593,616)
LOSS BEFORE TAX	7	**(612,507)**	(50,160,641)
Income tax expense	9	**–**	–
LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY		**(612,507)**	(50,160,641)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	12		
Basic		**(0.08 cents)**	(6.58 cents)
Diluted		**(0.08 cents)**	(6.58 cents)

The notes on pages 12 to 68 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 30 September 2015

	Six months ended 30 September	
	2015	2014
	US$	US$
	(Audited)	(Unaudited)
Loss for the period	**(612,507)**	(50,160,641)
Other comprehensive loss for the period		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	**–**	–
Other comprehensive loss for the period,net of tax	**–**	–
Total comprehensive loss for the period attributable to owners of the Company	**(612,507)**	(50,160,641)

The notes on pages 12 to 68 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2015

	Note	30 September 2015 US$	31 March 2015 US$
Non-current assets			
Property, plant and equipment	14	–	–
Goodwill	15	–	–
Intangible assets	16	–	–
Interest in an associate	18	10,554,016	10,554,016
Financial assets at fair value through profit or loss	19	2,310,941	2,310,941
Total non-current assets		12,864,957	12,864,957
Current assets			
Trade and factoring receivables	20	67,561,829	67,561,829
Prepayments, deposits and other receivables	21	308,222	–
Tax recoverable		128,843	128,843
Restricted bank balances	22	2,132,107	2,132,107
Cash and bank balances	22	1,421,405	778,732
Total current assets		71,552,406	70,601,511
Current liabilities			
Trade and bill payables	23	1,251,045	1,251,045
Accruals and other payables	24	3,119,278	2,841,224
Interest-bearing bank borrowings	25	39,310,190	39,310,190
Trust receipt loan	26	39,877,541	39,877,541
Other borrowings	27	642,674	–
Amount due to investor – Escrow account	28	642,674	–
Tax payables		1,547	1,547
Total current liabilities		84,844,949	83,281,547
NET CURRENT LIABILITIES		(13,292,543)	(12,680,036)
NET (LIABILITIES)/ASSETS		(427,586)	184,921

The notes on pages 12 to 68 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2015

	Note	30 September 2015 US$	31 March 2015 US$
EQUITY			
Equity attributable to owners of the Company			
Share capital	29	**6,101,500**	6,101,500
Reserves	31	**(6,529,086)**	(5,916,579)
TOTAL EQUITY		**(427,586)**	184,921

Approved and authorised for issue by the board of directors on 13 November 2015.

On behalf of the board

Director

Director

The notes on pages 12 to 68 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September 2015

	Attributable to owners of the Company						
	Share capital US$	Share premium US$	Share-based payments reserve US$	Foreign currency translation reserve US$	Reserve funds US$	Accumulated loss US$	Total equity US$
As at 1 April 2014	6,101,500	70,605,619	52,241	6,223,798	1,933,855	(34,256,630)	50,660,383
Changes in equity for 2014							
Loss for the period	–	–	–	–	–	(50,160,641)	(50,160,641)
Total comprehensive loss for the period	–	–	–	–	–	(50,160,641)	(50,160,641)
At 30 September 2014 (Unaudited)	6,101,500	70,605,619	52,241	6,223,798	1,933,855	(84,417,271)	499,742
As at 1 April 2015	**6,101,500**	**70,605,619**	**52,241**	**6,223,798**	**1,933,855**	**(84,732,092)**	**184,921**
Changes in equity for 2015							
Loss for the period	**–**	**–**	**–**	**–**	**–**	**(612,507)**	**(612,507)**
Total comprehensive loss for the period	**–**	**–**	**–**	**–**	**–**	**(612,507)**	**(612,507)**
At 30 September 2015 (Audited)	**6,101,500**	**70,605,619**	**52,241**	**6,223,798**	**1,933,855**	**(85,344,599)**	**(427,586)**

The notes on pages 12 to 68 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 30 September 2015

	Note	**30 September 2015 US$**	31 March 2015 US$
Non-current assets			
Investment in a subsidiary	17	**2,622,935**	2,622,935
Current assets			
Due from subsidiaries	17	**69,471,270**	69,471,270
Prepayments, deposits and other receivables	21	**60,519**	60,519
Cash and bank balances	22	**3,449**	3,449
		69,535,238	69,535,238
Current liabilities			
Accruals and other payables	24	**1,126,239**	1,122,401
Amount due to investor – Escrow account	28	**642,674**	–
		1,768,913	1,122,401
Net current assets		**67,766,325**	68,412,837
NET ASSETS		**70,389,260**	71,035,772
Equity attributable to owners of the Company			
Share capital	29	**6,101,500**	6,101,500
Reserves	31	**64,287,760**	64,934,272
TOTAL EQUITY		**70,389,260**	71,035,772

Approved and authorised for issue by the board of directors on 13 November 2015.

On behalf of the board

Director

Director

The notes on pages 12 to 68 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

As at 30 September 2015

	30 September 2015 US$
Operating activities	
Loss before tax	(612,507)
Adjustment for:	
Depreciation of property, plant and equipment	–
Net foreign exchange gain	–
Operating cash flows before movement in working capital	(612,507)
Increase in trade and other receivables	(308,222)
Increase in trade and other payables	278,054
Cash used in operations	(642,675)
Income tax paid	–
NET CASH USED IN ACTIVITIES	(642,675)
FINANCING ACTIVITIES	
Proceeds from investor's loan	642,674
Increase in amount due to an investor	642,674
NET CASH GENERATED FROM FINANCING ACTIVITIES	1,285,348
NET INCREASE IN CASH AND CASH EQUIVALENTS	642,673
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	778,732
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	1,421,405

The notes on page 12 to 68 are an integral part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

1. CORPORATE INFORMATION

The Company (Registration No. 39519) was incorporated in Bermuda on 30 January 2007 under the Companies Act 1981 of Bermuda as an exempted company with limited liability. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. Its principal place of business is located at Unit E, 26/F., Legend Tower, 7 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong.

The Company is an investment holding company. The principal activities of its subsidiaries are a) provision of design and production solution services for mobile handset and computer tablets, b) assembly of mobile handset and computer tablets and surface mounting technology of printed circuit board, and c) distribution and marketing of mobile handset and its components and electronic components.

The Company's shares have been listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 21 November 2007 and 1 March 2010, respectively. Since 3 December 2010, 80,000,000 units of Taiwan Depositary Receipts ("TDRs"), comprising 40,000,000 new shares of the Company and 40,000,000 existing shares held by certain owners of the Company, have been listed on the Taiwan Stock Exchange Corporation (the "TWSE"). With effect from 14 June 2013, the Company converted its listing status on the SGX-ST to secondary listing whilst the primary listing status on the Main Board of the Stock Exchange remains unchanged.

2.1 STATEMENT OF COMPLIANCE

Except for the matters referred to in note 2.2, including the omission of disclosures as required under International Financial Reporting Standards (the "IFRSs"), Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), these financial statements have been prepared in accordance with IFRSs, which collective term includes all applicable individual IFRSs, International Accounting Standards (the "IASs") and Interpretations issued by the International Accounting Standards Board ("IASB"), and the disclosure requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period, as permitted by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), continue to be those of the predecessor Hong Kong Companies Ordinance (Cap.32). These financial statements also comply with the applicable disclosure provisions of the Listing Rules. A summary of the significant accounting policies adopted by the Group is set out below.

The IASB has issued certain new and revised IFRSs which are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 2.3 provides information on any changes in accounting policies resulting from the initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

2.2 BASIS OF PREPARATION

Going concern

The Group incurred a loss attributable to the owners of the Company of US$612,507 for the period ended 30 September 2015 and net liabilities of US$427,586 as at 30 September 2015. In preparing these consolidated financial statements, the Directors of the Company have given careful consideration to the impact of the current and anticipated future liquidity of the Group and the Company and the ability of the Group and the Company to attain profit and positive cash flows from operations in the immediate and longer term.

Based on the cash flow projections of the Group and having taken into account the assumption that the proposed restructuring of the Company, as mention below, will be successfully completed, the Directors have concluded that the Group and the Company is able to continue as a going concern and to meet their financial liabilities as and when they fall due in the foreseeable future.

Should the Group be unable to continue as a going concern, adjustments would have to be made to restate the values of assets to their recoverable amounts, to provide for any further liabilities which might arise and to classify non-current assets and liabilities as current assets and liabilities respectively. The effects of these potential adjustments have not been reflected in these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

2.2 BASIS OF PREPARATION (continued)

Winding up petition and suspension of trading of the shares of the Company

On 4 April 2014, Australia and New Zealand Banking Group Limited ("ANZ") presented winding-up petitions to the High Court of the Hong Kong Special Administrative Region (the "High Court") for the winding-up of the Company and Max Sunny Limited ("Max Sunny"), a wholly-owned subsidiary of the Company.

On the same day, summonses were filed with the High Court seeking the appointment of provisional liquidators to the Company and Max Sunny. The petitions and summonses were also supported by the Hongkong and Shanghai Banking Corporation Limited ("HSBC"). Following the presentation of the petitions, the Company and Max Sunny engaged in negotiations with ANZ, with the view to reaching a settlement in respect of the petitions and summonses.

On 2 May 2014, the Company and Max Sunny agreed on principle terms of settlement. On 7 May 2014, a Deed of Settlement (the "Deed") was entered into among ANZ, HSBC, the Company and Max Sunny in full and final settlement of the loans due to ANZ and HSBC. The Deed provided for an agreed amount to be paid to each of ANZ and HSBC in five instalments. Upon full compliance of the Deed by the Company and Max Sunny, ANZ would apply to the High Court for the withdrawal or dismissal of the winding-up petitions.

The winding-up petitions were further adjourned to 2 July 2014 and the applications for the appointment of provisional liquidators were adjourned on terms that allowed ANZ to restore the applications on an urgent basis and without objection from the Company and Max Sunny in the event that the Company and Max Sunny failed to meet their obligations under the Deed.

On 6 June 2014, the Company and Max Sunny failed to pay the third instalment due in accordance with the Deed. On 16 June 2014, the applications for appointment of provisional liquidators were restored on an urgent basis and the High Court provided notices to the Company and Max Sunny that the applications would be heard on 27 June 2014.

At the hearing of 27 June 2014 the High Court handed down orders appointing Yat Kit Jong and Donald Edward Osborn as the Joint and Several Provisional Liquidators of the Company and Max Sunny (the "Provisional Liquidators"). Accordingly, trading in the shares of the Company (the "Shares") on the Main Board of The Stock Exchange was suspended at 2:37pm on 27 June 2014 at the request of the Company.

As mentioned above, trading in the Company's shares on the Main Board of the Stock Exchange has been suspended since 27 June 2014.

Since their appointment, the Provisional Liquidators have been investigating into the affairs of the Group and have taken all necessary actions to preserve the assets. The Provisional Liquidators have also gathered information relating to the status of the Group through meetings with various parties, including but not limited to Ms Yang Jian Hui (the executive director and the Chief Financial Officer of the Group) and various former employees.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

2.2 BASIS OF PREPARATION (continued)

Proposed restructuring of the Group

Given the situation of the Group, the Provisional Liquidators with the assistance of Asian Capital (Corporate Finance) Limited which acted as the financial adviser to the Company, sought to identify potential investors with a view to restructuring the Company and submitting a viable resumption proposal to the Stock Exchange.

As announced by the Company on 24 July 2014, the Company received a letter from the Stock Exchange, which stated that in view of the Court Order and the appointment of the Provisional Liquidators, the Stock Exchange considered that the Company might have serious financial difficulties. As the Company had not published the annual results for the year ended 31 March 2014, the Stock Exchange was unable to assess the performance and financial position of the Company. Further it was unclear as to the operating status of the Company and whether the Company still had sufficient level of assets and operations to fulfil the requirement under Rule 13.24 of the Listing Rules. The Stock Exchange therefore decided to place the Company in the first delisting stage under Practice Note 17 of the Listing Rules due to the Company's failure to comply with Rule 13.24 of the Listing Rules. The Company was required to submit a viable resumption proposal, which could, among others, demonstrate its compliance with Rule 13.24 of the Listing Rules, at least 10 business days before the expiry of the first delisting stage, i.e. 15 January 2015.

As no resumption proposal was submitted before the expiry date of the first delisting stage, the Company received a letter from the Stock Exchange dated 20 January 2015. In the letter, the Stock Exchange informed the Company that it had been placed in the second stage of delisting procedures commencing on 20 January 2015 pursuant to Practice Note 17 to the Listing Rules. The Company was required to submit a viable resumption proposal 10 business days before the second delisting stage expires i.e. on or before 3 July 2015, which should meet the following conditions:

1. demonstrate sufficient operations or assets to comply with Rule 13.24;

2. address auditors' qualifications and demonstrate adequate internal control system; and

3. withdraw and/or dismiss the winding-up petition against the Company and discharge the Provisional Liquidators.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

2.2 BASIS OF PREPARATION (continued)

Proposed restructuring of the Group (continued)

On 5 June 2015, the Company, the Provisional Liquidators and an investor entered into a framework agreement, which was subsequently amended and restated by an amendment and restatement framework agreement dated 5 October 2015, pursuant to which the parties agreed on the principal terms of a proposed restructuring of the Group with a view to resume trading in the Shares on the Stock Exchange. A proposal setting out details of the proposed restructuring together with the basis for the resumption of trading in the Shares (the "Resumption Proposal") was prepared and submitted to the Stock Exchange on 19 July 2015. However, without raising any question or query on the Resumption Proposal, the Listing Division of the Stock Exchange notified the Company on 31 July 2015 that it considered that the Resumption Proposal had not satisfactorily demonstrated sufficiency of operations or assets as required under Rule 13.24 of the Listing Rules and it would recommend the Listing Committee of the Stock Exchange (the "Listing Committee") to place the Company in the third delisting stage.

Pursuant to a letter dated 14 August 2015 from the Stock Exchange, the Listing Committee considered that the Resumption Proposal was not viable and decided to place the Company in the third delisting stage under Practice Note 17 to the Listing Rules (the "Ruling"). In arriving at the above decision, the Listing Committee had considered that, among others, the business of the Company in the Resumption Proposal was insufficient to justify the Company's continued listing.

The Company disagrees with the Ruling and on 18 August 2015 formally requested the Listing Committee to provide detailed written reasons for the Ruling. On 24 August 2015, the Company also submitted a formal request to the Stock Exchange for a review of the Ruling by the Listing (Review) Committee of the Stock Exchange. A review hearing of the Ruling is scheduled to be held on 17 December 2015. Further announcement(s) will be made by the Company when there are material developments as appropriate.

As of the date of this report, the management has used its best effort, to the extent commercially practicable, to reconstruct the accounting records of the Group for the years ended 31 March 2014, 31 March 2015 and 30 September 2015, applying their best estimates and judgement based on the information of the Group that are available to the management. However, given the loss of some books and records and serious doubts over the reliability of the Group's accounting and other records, the Board believes that, as at the date of the report, it is almost impossible, and not practical, to ascertain the correct revenue and profit or loss (and the resultant assets and liabilities) for the current year for inclusion in the consolidated financial statements of the Group. Also, due to loss of some books and records, the Board believes that it is almost impossible, and not practical, to verify the financial information as reported in the consolidated financial statements of the Group for past years.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

2.2 BASIS OF PREPARATION (continued)

Proposed restructuring of the Group (continued)

Any adjustments arising from the matters described above would have a consequential significant effect on the net loss of the Group for the years ended 31 March 2014 and 31 March 2015 and period ended 30 September 2015, net assets of the Group as at 31 March 2014 and 31 March 2015 and 30 September 2015.

Due to the limited information available and most of the former key accounting personnel of the Group have left without notice, the Directors were unable to obtain sufficient documentary information to satisfy themselves regarding the completeness of books and records and the treatment of various balances as included in the consolidated financial statements for the years ended 31 March 2014 and 31 March 2015 and period ended 30 September 2015 and have formed the opinion as follows:

As the consolidated financial statements have been prepared based on the incomplete books and records available to the Company, the Directors of the Company are unable to represent that all transactions entered into by the Group for the period ended 30 September 2015 have been properly reflected in the consolidated financial statements. In this connection, the Directors of the Company are also unable to represent as to the completeness, existence and accuracy of identification of the financial statements and the disclosures of the financial statements in accordance with IFRSs and the disclosure requirements of the Hong Kong Companies Ordinance and the Listing Rules.

Basis of consolidation

The consolidated financial statements for the year ended 31 March 2015 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates.

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). These financial statements are presented in United States dollars ("USD"), rounded to the nearest dollar. United States dollar is the Company's functional and the Group's presentation currency.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

– financial assets at fair value through profit or loss

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

2.2 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

2.3 APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted the following new and revised Standards, Amendments and Interpretations ("new and revised IFRSs") that are first effective for the current accounting period.

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations ("new and revised IFRSs") issued by the IASB.

Amendments to IAS 19	Defined Benefit Plans: Employee Contribution
Amendments to IFRSs	Annual Improvements to IFRSs 2010-2012 Cycle
Amendments to IFRSs	Annual Improvements to IFRSs 2011-2013 Cycle

The Group has adopted these new and revised IFRSs and the adoption of these new and revised IFRSs did not have a significant impact on the Group's result and financial position.

The Group has not applied any new standard or interpretations that is not yet effective for the current accounting period.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (that is, existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The results of subsidiaries are included in the Company's statement of profit or loss to the extent of dividends received and receivable. The Company's investments in subsidiaries that are not classified as held for sale in accordance with IFRS 5 are stated at cost less any impairment losses.

Investments in associates

An associate is an entity, in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associates, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in associates, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates (continued)

The results of associates are included in the Company's statement of profit or loss to the extent of dividends received and receivable. The Company's investments in associates are classified as non-current assets and are stated at cost less any impairment losses.

When an investment in an associate is classified as held for sale, it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 is measured at fair value with changes in fair value either recognised in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 March. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

When goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures financial assets at fair value through profit or loss at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person,

i) has control or joint control over the Group;

ii) has significant influence over the Group; or

iii) is a member of the key management personnel of the Group or of a parent of the Group; or

(b) the party is an entity where any of the following conditions applies:

i) the entity and the Group are members of the same group;

ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary or the other entity);

iii) the entity and the Group are joint ventures of the same third party;

iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

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

vi) the entity is controlled or jointly controlled by a person identified in (a); and

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

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Land and buildings	5%
Leasehold improvements	20%
Plant and machinery	10%
Furniture, fixtures and equipment	20%
Motor vehicles	20%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at least at the end of each financial period.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents a building under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding ten years, commencing from the date when the products are put into commercial production.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under financial leases, are included in property, plant and equipment, and depreciated over the shorter of lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the statement of profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the statement of profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases are charged to the statement of profit or loss on the straight-line basis over the lease terms.

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

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial investments, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in profit or loss.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in IAS 39 are satisfied.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the statement of profit or loss.

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Subsequent measurement (continued)

Available-for-sale financial investments (continued)

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the statement of profit or loss in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to the statement of profit or loss in other gains or losses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in the statement of profit or loss as other income in accordance with the policies set out for "Revenue recognition" below.

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (that is, removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred the control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In this case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter into bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (that is, the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in the statement of profit or loss.

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the statement of profit or loss, is removed from other comprehensive income and recognised in the statement of profit or loss.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss – is removed from other comprehensive income and recognised in the statement of profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through the statement of profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, accruals and other payables, interest-bearing bank borrowing, trust receipt loans, other borrowings, and amount due from escrow account.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (continued)

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories represent trading merchandise and direct costs incurred for IT contract work in progress and are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

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

(a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;

(b) from the rendering of services, on the percentage of completion basis, as further explained in the accounting policy for "Contract for services" below;

(c) IT training services income, when the services are provided;

(d) rental income, on a time proportion basis over the lease terms;

(e) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset; and

(f) dividend income, when the shareholders' right to receive payment has been established.

Contracts for services

Contract revenue on the rendering of services comprises the agreed contract amount. Costs of rendering services comprise labour and other costs of personnel directly engaged in providing the services and attributable overheads.

Revenue from the rendering of services is recognised based on the percentage of completion of the transaction, provided that the revenue, the costs incurred and the estimated costs to completion can be measured reliably. The percentage of completion is established by reference to the costs incurred to date as compared to the total costs to be incurred under the transaction. Where the outcome of a contract cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Provision is made for foreseeable losses as soon as they are anticipated by management.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is treated as an amount due from contract customers. Where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is treated as an amount due to contract customers.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees for grants after 7 November 2002 is measured by reference to the fair value at the date on which they are granted. The fair value is determined by an external valuer using a binomial model. Further details of the share option scheme are given in note 30 to the financial statements.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefit expense. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum, an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits

Pension scheme

The employees of the Group's operation in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The Group is required to contribute certain percentage of its payroll costs to the central pension scheme. The contributions are charged to the statements of profit or loss as they become payable in accordance with the rules of the central pension scheme.

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, that is, assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the equity section of the statement of financial position, until they have been approved by the shareholders in a general meeting. When these dividends have been declared and approved by the shareholders, they are recognised as a liability.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

These financial statements are presented in United States dollar ("US$"), which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statements of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising from translation of a non-monetary item measured of fair value is treated in line with the recognition of the gain or loss on changes in fair value of the item (that is, translation differences on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries and associates are currencies other than United States dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into United States dollar at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. On the disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty

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

Impairment of interests in subsidiaries and associates

The Company assesses whether there are any indicators of impairment for interests in subsidiaries and associates at the end of each reporting period. Interests in subsidiaries and associates are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset and choose a suitable discount rate in order to calculate the present value of those cash flows.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 30 September 2015 was US$Nil (31 March 2015: US$Nil). Further details are given in note 15.

Impairment on trade and other receivables

The policy for impairment allowances on trade and other receivables of the Group is based on the evaluation of collectability and aging analysis of accounts and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

Allowance for obsolete and slow moving of inventories

The management of the Group reviews an aging analysis of inventories at the end of each reporting period, and makes provision for obsolete and slow-moving inventory items identified that are no longer suitable for sales. The management estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review on a product-by-product basis at the end of each reporting period and makes allowance for obsolete and slow moving items.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Useful lives of intangible assets

The Group assesses whether the intangible assets are of finite useful lives at the end of each reporting period. In determining useful lives of intangible assets, the Group has considered various factors, such as expected usage of the asset, expected period of future economic benefit and legal or similar limits on the use of the asset. The estimation of the useful lives of the intangible assets is based on the experience of the Group with similar intangible assets that generate similar future economic benefits. Additional amortisation is made if the estimated useful lives of intangible assets are different from previous estimation. Useful lives are reviewed at each financial year end date based on changes in circumstances.

4. COMPARATIVE FINANCIAL INFORMATION

The Company's auditor issued a disclaimer of opinion on the consolidated financial statements of the Group for the year ended 31 March 2015. The details of the disclaimer of opinion are set out in the Company's annual report 2014/15.

5. SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geography. In a manner consistent with the way in which information is reported internally to the Group's executive directors, the chief operating decision maker, for the purposes of resource allocation and performance assessment, the Group has presented the following one reportable segment. No operating segments have been aggregated to form the following reportable segment.

1. Trading of mobile – Hong Kong

The trading of mobile segment derives its revenue primarily from the sale and distribution of mobile:

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's executive directors monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of interests in associates, available-for-sale investments, trading securities, deferred tax assets and other corporate assets. Segment liabilities include provisions and trade and other payables attributable to the activities of the individual segments and borrowings managed directly by the segments.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

5. SEGMENT REPORTING (continued)

(a) *Segment results, assets and liabilities* (continued)

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is "adjusted EBITDA", that is, "adjusted earnings before interest, taxes, depreciation and amortisation", where "interest" is regarded as including investment income and "depreciation and amortisation" is regarded as including impairment losses on non-current assets. To arrive at adjusted EBITDA the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as share of profits less losses of associates, directors' and auditors' remuneration and other head office or corporate administration costs.

In addition to receiving segment information concerning adjusted EBITDA, the executive directors are provided with segment information concerning revenue (including inter-segment sales), interest income and expense from cash balances and borrowings managed directly by the segments, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar order.

Information regarding the Group's reportable segments as provided to the Group's executive directors for the purposes of resources allocation and assessment of segment performance for the period ended 30 September 2015 and 2014 is set out below.

	Trading of Mobile – Hong Kong	
	Six months ended 30 September	
	2015	2014
	US$	US$
Revenue from external customers	**592,519**	–
Reportable segment revenue	**592,519**	–
Reportable segment profit (adjusted EBITDA)	**102,563**	–

	At 30 September	At 31 March
	2015	2015
	US$	US$
Reportable segment assets	**950,895**	–
Reportable segment liabilities	**916,890**	–

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

5. SEGMENT REPORTING (continued)

(b) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

	Six months ended 30 September	
	2015	2014
	US$	US$
	(Audited)	(Unaudited)
Revenue		
Reportable segment revenue	**592,519**	–
Elimination of inter-segment revenue	**–**	–
Consolidated revenue	**592,519**	–
Profit		
Reportable segment profit	**102,563**	–
Elimination of inter-segment profits	**–**	–
Reportable segment profit derived from the Group's external customers	**102,563**	–
Write off of inventories	**–**	(12,593,616)
Loss on deconsolidation	**–**	(22,019,728)
Impairment losses on prepayment, deposits and other receivables	**–**	(13,959,650)
Unallocated head office and corporate expenses	**(715,070)**	(1,587,647)
Consolidated loss before tax	**(612,507)**	(50,160,641)

	At 30 September	At 31 March
	2015	2015
	US$	US$
	(Audited)	(Audited)
Assets		
Reportable segment assets	**950,895**	–
Elimination of inter-segment receivables	**–**	–
	950,895	–
Interests in associates	**10,554,016**	10,554,016
Unallocated head office and corporate assets	**72,912,452**	72,912,452
Consolidated total assets	**84,417,363**	83,466,468

	At 30 September	At 31 March
	2015	2015
	US$	US$
	(Audited)	(Audited)
Liabilities		
Reportable segment liabilities	**916,890**	–
Elimination of inter-segment payables	**–**	–
	916,890	–
Unallocated head office and corporate liabilities	**83,928,059**	83,281,547
Consolidated total liabilities	**84,844,949**	83,281,547

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

5. SEGMENT REPORTING (continued)

(c) Revenue from major product and services

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

	Six months ended 30 September	
	2015	2014
	US$	US$
	(Audited)	(Unaudited)
Trading of mobile	**592,519**	–

(d) Geographic Information

The following is an analysis of geographical location of the Group's revenue from continuing operations from external customers. The geographical location of customers refers to the location at which the services were provided or the goods delivered. In the case of interests in associates, it is the location of operations of such associates.

	Revenues from external customers Six months ended 30 September		Non-current assets	
			At 30 September	At 31 March
	2015	2014	**2015**	2015
	US$	US$	**US$**	US$
	(Audited)	(Unaudited)	**(Audited)**	(Audited)
Hong Kong (place of domicile)	**–**	–	**12,864,957**	12,864,957
Bangalore	**366,941**	–	**–**	–
India	**119,306**	–	**–**	–
USA	**106,272**	–	**–**	–
	592,519	–	**12,864,957**	12,864,957

(e) Information about major customers

Revenue of approximately US$366,941 (30 September 2014: US$Nil) is derived from a single external customer. These revenue are attributable to the trading of mobile in Bangalore (2014: US$Nil).

As disclosed in note 2.2, on the basis that the relevant books and records are either lost or are incomplete, no representation is made by the Board as to the completeness, occurrence and accuracy of the disclosure of segment reporting as of the date of approval of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

6. REVENUE

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts; and the values of services rendered during the period.

An analysis of revenue is as follows:

	Six months ended 30 September	
	2015	2014
	US$	US$
	(Audited)	(Unaudited)
Revenue		
Distribution and marketing of mobile handset and its components and electronic components	**592,519**	–
	592,519	–

Moreover, on the basis that the relevant books and records are either lost or are incomplete, no representation is made by the Board as to the completeness, occurrence and accuracy of the revenue as of the date of approval of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

		Six months ended 30 September	
		2015	2014
		US$	US$
		(Audited)	(Unaudited)
(a)	Staff cost		
	Employee benefit expenses (including directors' and chief executive's emoluments)		
	Wages, salaries, bonus and allowances	**138,817**	127,365
	Pension scheme contributions	**–**	–
		138,817	127,365
(b)	Other item		
	Auditor's remuneration	**17,995**	17,995
(c)	Other operating expenses		
	Impairment loss on prepayments, deposits and other receivables	**–**	13,959,650
	Loss on deconsolidation	**–**	22,019,728
	Write off of inventories	**–**	12,593,616

* As disclosed in note 2.2, on the basis that the relevant books and records are either lost or are incomplete, no representation is made by the Board as to the completeness, occurrence and accuracy of the disclosure of loss before tax as of the date of approval of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

8. DIRECTORS' EMOLUMENTS AND CHIEF EXECUTIVES' REMUNERATION

Directors' emoluments disclosed with reference to section 161 of the predecessor Hong Kong Companies Ordinance (Cap. 32) and the chief executive's remuneration are as follows:

	Directors' US$	Salaries, allowances and benefits in kind US$	Retirement scheme contributions (Note a) US$	Six months ended 30 September 2015 Total US$
Executive directors				
Lai Hui (Chief Executive Officer)				
(appointed on 4 April 2014)	**46,273**	**–**	**–**	**46,273**
Yang Jian Hui	**30,848**	**–**	**–**	**30,848**
Chen Ling	**30,848**	**–**	**–**	**30,848**
Independent non-executive directors				
Liu Jintao				
(appointed on 4 April 2014)	**15,424**	**–**	**–**	**15,424**
Tsang Hin Fan Anthony				
(appointed on 5 August 2014)	**15,424**	**–**	**–**	**15,424**
	138,817	**–**	**-**	**138,817**

	Directors' US$	Salaries, allowances and benefits in kind US$	Retirement scheme contributions (Note a) US$	Six months ended 30 September 2014 Total US$ (Unaudited)
Executive directors				
Lai Hui (Chief Executive Officer)				
(appointed on 4 April 2014)	45,639	–	–	45,639
Yang Jian Hui	30,848	–	–	30,848
Chen Ling	30,848	–	–	30,848
Independent non-executive directors				
Liu Jintao				
(appointed on 4 April 2014)	15,213	–	–	15,213
Tsang Hin Fan Anthony				
(appointed on 5 August 2014)	4,817	–	–	4,817
	127,365	–	-	127,365

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

8. DIRECTORS' EMOLUMENTS AND CHIEF EXECUTIVES' REMUNERATION (continued)

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in above.

As disclosed in note 2.2, on the basis that the relevant books and records are either lost or are incomplete, no representation is made by the Board as to the completeness, occurrence and accuracy of the Directors' emoluments and chief executive remuneration as of the date of approval of these consolidated financial statements.

Note:

(a) The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000 (HK$25,000 prior to June 2014). Contributions to the plan vest immediately.

The employees of the Group's subsidiaries established in the PRC are members of a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of the employees' basic salaries and wages to the central pension scheme to fund the retirement benefits. The local municipal governments undertake to assume the retirement benefits obligations of all existing and future retired employees of these subsidiaries. The only obligation of these subsidiaries with respect to the central pension scheme is to meet the required contributions under the scheme.

9. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 September 2014: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries (or jurisdictions) in which the Group operates.

PRC Enterprise Income Tax is calculated at 25% based on the new PRC Enterprise Income Tax law passed by the Tenth National People's Congress on 16 March 2007.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

9. INCOME TAX (continued)

According to the current applicable laws of the Macau, Macau Complementary Tax is calculated at a progressive rate from 9% to 12% on the estimated assessable profits for the period with first two hundred thousand patacas ("MOP") assessable profits being free from tax. However, VIM Technology Macao Commercial Offshore Limited, a subsidiary of the Company, was in compliance with the Decree-Law No. 58/99/M of the Macau and thus, the profits generated by the subsidiary was exempted from the Macau Complementary Tax. Further, in the opinion of the Directors, that portion of the Group's profit is not at present subject to taxation in any other jurisdictions in which the Group operates.

	Six months ended 30 September	
	2015	2014
	US$	US$
	(Audited)	(Unaudited)
Current tax – Hong Kong Profits Tax		
Charge for the period	**–**	–
Current tax – PRC		
Charge for the period	**–**	–
Total tax charge for the period	**–**	–

As disclosed in note 2.2, on the basis that the relevant books and records are either lost or are incomplete, no representation is made by the Board as to the accuracy and completeness of the income tax as of the date of approval of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

10. LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

The loss attributable to owners of the Company for the six months ended 30 September 2015 includes a loss of US$646,512 (six months ended 30 September 2014: US$50,033,276) which has been dealt with in the financial statements of the Company.

As disclosed in note 2.2, on the basis that the relevant books and records are either lost or are incomplete, no representation is made by the Board as to the completeness, occurrence and accuracy of the loss attributable to owners of the Company as of the date of approval of these consolidated financial statements.

11. DIVIDEND

The board of Directors do not recommend the payment of a interim dividend for six months ended 30 September 2015 (six months ended 30 September 2014: US$Nil).

12. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

Basic

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the six months attributable to owners of the Company of US$612,507 (six months ended 30 September 2014: loss of 50,160,641) and the weighted average number of 762,687,662 (six months ended 30 September 2014: 762,687,662) ordinary shares in issue during the period.

Diluted

Diluted loss per share equals to the basic loss per share for the six months ended 30 September 2015 and 2014, because the outstanding share options had an anti-dilutive effect on the basic loss per share.

As disclosed in note 2.2, as the loss attributable to owners of the Company may not be accurate, no representation is made by the Board as to the accuracy of the loss per share of the Company as of the date of approval of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

13. LOSS ON DECONSOLIDATION

As at 31 March 2015, as the Board could not access the books and records of Zeus Telecommunication Technology Holdings Limited and Tongqing Communication Equipment (Shenzhen) Co., Ltd, both wholly-owned subsidiaries of the Company, the Directors considered that the control over these subsidiaries has been lost since 1 April 2014. The results, assets, liabilities and cash flows of these subsidiaries were deconsolidated from the consolidated financial statements of the Group with effect from that day.

	Group	
	Six months ended 30 September	
	2015	2014
	US$	US$
		(Unaudited)
Net assets deconsolidated:		
Property, plant and equipment	**–**	88,073
Inventories	**–**	635,677
Trade receivables	**–**	453,723
Prepayment, deposits and other receivables	**–**	27,301,867
Cash and bank balances	**–**	325,153
Restricted bank balances	**–**	5,563,959
Trade and bills payable	**–**	(2,383,704)
Other payable and accruals	**–**	(227,606)
Interest-bearing bank loan	**–**	(9,737,414)
Loss on deconsolidation	**–**	22,019,728

As disclosed in note 2.2, on the basis that the relevant books and records are either lost or are incomplete, no representation is made by the Board as to the completeness, occurrence and accuracy of the loss on deconsolidation as of the date of approval of these consolidated financial statements.

14. PROPERTY, PLANT AND EQUIPMENT

	Group	
	At 30 September	At 31 March
	2015	2015
	US$	US$
Net Book Value	**–**	–

As disclosed in note 2.2, on the basis that the relevant books and records are either lost or are incomplete, no representation is made by the Board as to the completeness, existence and accuracy of the property, plant and equipment of the Group as of the date of approval of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

15. GOODWILL

	US$
Cost	
At 1 April 2014	1,596,996
Deconsolidation	(1,596,996)
At 31 March 2015, 1 April 2015 and 30 September 2015	–
Accumulated amortization and impairment losses	
At 1 April 2014	1,596,996
Deconsolidation	(1,596,996)
At 31 March 2015, 1 April 2015 and 30 September 2015	–
Carrying amount	
At 30 September 2015	–
At 31 March 2015	–

Goodwill acquired in a business combination is fully allocated at acquisition to the Solution CGU, Zeus Telecommunication Technology Holdings Ltd., that is expected to benefit from that business combination. As disclosed in note 13, Zeus Telecommunication Technology Holdings Ltd. was deconsolidated from the consolidation financial statements of the Group.

As disclosed in note 2.2, on the basis that the relevant books and records are either lost or are incomplete, no representation is made by the Board as to the completeness, existence and accuracy of the goodwill of the Group as of the date of approval of these consolidated financial statements.

16. INTANGIBLE ASSETS

Group

	Licence US$	CDMA software solutions US$	3D glassless solutions US$	Total US$
Cost				
At 1 April 2014	363,101	2,500,000	5,000,000	7,863,101
Additions	–	–	–	–
At 31 March 2015 and 1 April 2015	363,101	2,500,000	5,000,000	7,863,101
Additions	–	–	–	–
At 30 September 2015	363,101	2,500,000	5,000,000	7,863,101

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

16. INTANGIBLE ASSETS (continued)

Group (continued)

	Licence US$	CDMA software solutions US$	3D glassless solutions US$	Total US$
Accumulated amortisation and impairment losses				
At 1 April 2014	363,101	2,500,000	5,000,000	7,863,101
Charge for the year	–	–	–	–
Impairment loss for the year	–	–	–	–
At 31 March 2015 and 1 April 2015	363,101	2,500,000	5,000,000	7,863,101
Charge for the period	–	–	–	–
At 30 September 2015	363,101	2,500,000	5,000,000	7,863,101
Carrying amount				
At 30 September 2015	–	–	–	–
At 31 March 2015	–	–	–	–

As disclosed in note 2.2, on the basis that the relevant books and records are either lost or are incomplete, no representation is made by the Board as to the completeness, existence and accuracy of the intangible assets of the Group as of the date of approval of these consolidated financial statements.

17. INTERESTS IN SUBSIDIARIES

	The Company	
	At 30 September 2015 US$	At 31 March 2015 US$
Unlisted equity investments/shares, at cost	**2,622,935**	2,622,935
Due from subsidiaries	**69,471,270**	69,471,270

The amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

17. INTERESTS IN SUBSIDIARIES (continued)

Particulars of the principal subsidiaries as at 30 September 2015 were as follows:

Name of subsidiary	Place of establishment/ incorporation and business	Class of share held	Paid up/ issued capital	Percentage of paid up/issued capital held by the Company Directly	Percentage of paid up/issued capital held by the Company Indirectly	Principal activities
Elastic Glory Investment Limited*	British Virgin Islands	Ordinary	US$2,570,694	100%		Investment holding
CCDH Technology Limited*	British Virgin Islands	Ordinary	US$50,000		100%	Investment holding
Finet Enterprises Limited*	British Virgin Islands	Ordinary	US$1		100%	Trademark and patents registration
Elite Link Technology Limited	Hong Kong	Ordinary	HK$2,000,001		100%	Provision of management services to the Group
Max Sunny Limited	Hong Kong	Ordinary	HK$100,000		100%	Distribution and marketing of mobile handset and its components and electronic components
Loyal Power International Investment Limited	Hong Kong	Ordinary	HK$1		100%	Distribution and marketing of mobile handset and its component
Excel Ascent Limited	Hong Kong	Ordinary	HK$1		100%	Investment holding

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

17. INTERESTS IN SUBSIDIARIES (continued)

Particulars of the principal subsidiaries as at 30 September 2015 were as follows: (continued)

Name of subsidiary	Place of establishment/ incorporation and business	Paid up/ issued capital	Percentage of paid up/issued capital held by the Company		Principal activities
			Directly	Indirectly	
VIM Technology Macao Commercial Offshore Limited*	Macau	MOP100,000		100%	Provision of design and Production solution Services for mobile handset
Perfect Major Investment Limited	British Virgin Islands	USD100		100%	Distribution and marketing of mobile handset and its components and electronic components
H K Rich Technology International Company Limited	Hong Kong	HK$1		100%	Distribution and marketing of mobile handset and its components and electronic components

* Crowe Horwath (HK) CPA Limited is not the statutory auditor of these companies.

As disclosed in note 2.2, on the basis that the relevant books and records are either lost or are incomplete, no representation is made by the Board as to the completeness, existence and accuracy of the investment in subsidiaries of the Company and amount due from subsidiaries as of the date of approval of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

18. INVESTMENTS IN ASSOCIATES

	Group	
	At 30 September 2015 US$	At 31 March 2015 US$
Share of net assets	**4,547,201**	4,547,201
Goodwill on acquisition	**6,006,815**	6,006,815
	10,554,016	10,554,016

Particulars of the principal associates as at 30 September 2015 were as follows:

Name of associate	Place of establishment and operation	Paid up/ issued capital	Percentage of ownership interest/voting power/profit sharing held by the Company 30 September 2015	31 March 2015	Principal activity
Directly held:					
Noosa International Limited	British Virgin Islands	100 ordinary share with no par value	40%	40%	Investment holding
Indirectly held:					
Forever Full Investment	Hong Kong	1 ordinary share	40%	40%	Investment holding
沛恒信息諮詢（深圳）有限公司*/# (Pei Heng Information Consultancy Limited)	PRC	HK$22,000,000	40%	40%	Investment holding
深圳市菁英電子科技有限公司**/# (Shenzhen Jingying Electronic Technology Limited) ("Shenzhen Jingying")	PRC	RMB30,000,000	40%	40%	Provision of aviation advertising services

* The associate is registered as wholly-foreign-owned enterprises established in PRC.

** The associate is registered as a domestic enterprise established in PRC.

The English of company name is for identification translation purposes only.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

18. INVESTMENTS IN ASSOCIATES (continued)

According to the laws and regulations in the PRC, a foreign investor is not allowed to acquire 100% equity interest in an advertising enterprise in the PRC, such as Shenzhen Jingying, unless such foreign investor is a qualified foreign funded advertising enterprise. All group companies now comprising Noosa Group are not qualified as a foreign funded advertising enterprise.

To comply with laws and regulations of the PRC that restrict foreign ownership of companies that operate advertising and media businesses as detailed above, Noosa Group engages in such restricted business in the PRC through entering into a set of agreements (the "Structured Agreements") with Shenzhen Jingying. Details of the Structured Agreements are disclosed in the Company's announcement dated 10 August 2012.

Based on the Structured Agreements, the Directors have exercised judgements and determined that, notwithstanding the lack of equity ownership, Noosa Group has in substance obtained the control over the 100% equity interest of Shenzhen Jingying and Shenzhen Jingying should be classified as a subsidiary of Noosa Group.

As disclosed in note 2.2, on the basis that the relevant books and records are either lost or are incomplete, no representation is made by the Board as to the completeness, existence and accuracy of the investment in associates of the Group as of the date of approval of these consolidated financial statements.

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 30 September 2015 US$	At 31 March 2015 US$
As at period/year ended	**2,310,941**	2,310,941

As disclosed in note 2.2, on the basis that the relevant books and records are either lost or are incomplete, no representation is made by the Board as to the completeness, existence and accuracy of the financial assets at fair value through profit or loss of the Group as of the date of approval of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

20. TRADE AND FACTORING RECEIVABLES

	Group	
	At 30 September 2015 US$	At 31 March 2015 US$
Trade and factoring receivables	**99,676,610**	99,676,610
Less: Impairment loss recognised	**(32,114,781)**	(32,114,781)
Net carrying amount	**67,561,829**	67,561,829

(a) The movements in the provision for impairment of trade and factoring receivables are as follows:

	Group	
	At 30 September 2015 US$	At 31 March 2015 US$
At 1 April	**32,114,781**	32,114,781
Impairment losses recognised	**–**	–
At period/year ended	**32,114,781**	32,114,781

(b) Given the loss of some books and records, unreliability of records found and the absence of key personnel, the Board believes that it may be almost impossible, and not practical, to ascertain the completeness, existence and accuracy of the trade and factoring receivables of the Group, or to perform a detailed analysis of the Group's trade and factoring receivable aging, credit policy and impairment assessment.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Group		Company	
	At 30 September 2015 US$	At 31 March 2015 US$	**At 30 September 2015 US$**	At 31 March 2015 US$
Net carrying amount	**308,222**	–	**60,519**	60,519

As disclosed in note 2.2, on the basis that the relevant books and records are either lost or are incomplete, no representation is made by the Board as to the completeness, existence and accuracy of the prepayments, deposits and other receivables of the Group as of the date of approval of these consolidated financial statements.

22. RESTRICTED BANK BALANCES AND CASH AND BANK BALANCES

The Group's restricted bank balances are pledged to secure the bank loans and general banking facilities granted to the Group.

Restricted bank balances and cash and bank balances are in the following:

	Group		Company	
	At 30 September 2015 US$	At 31 March 2015 US$	**At 30 September 2015 US$**	At 31 March 2015 US$
Restricted bank balances	**2,132,107**	2,132,107	**–**	–
Cash and bank balances*	**1,421,405**	778,732	**3,449**	3,449
As at period/year ended	**3,553,512**	2,910,839	**3,449**	3,449

* Bank balances amounting US$605,405 (31 March 2015: US$598,025) were frozen after appointment of the Provisional Liquidators.

As disclosed in note 2.2, on the basis that the relevant books and records are either lost or are incomplete, no representation is made by the Board as to the completeness, existence and accuracy of the restricted bank balances and cash and bank balances as of the date of approval of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

23. TRADE AND BILLS PAYABLES

	Group	
	At 30 September 2015 US$	At 31 March 2015 US$
Trade payables	**1,251,045**	1,251,045
Bills payables	**–**	–
	1,251,045	1,251,045

An aged analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	Group	
	At 30 September 2015 US$	At 31 March 2015 US$
0 – 30 days	**–**	–
31 – 60 days	**–**	–
61 – 90 days	**–**	–
Over 90 days	**1,251,045**	1,251,045
	1,251,045	1,251,045

Trade payables generally have credit terms ranging from 30 to 90 days. (31 March 2015: 30 to 90 days).

As disclosed in note 2, on the basis that the relevant books and records are either lost or are incomplete, no representation is made by the Board as to the completeness, existence and accuracy of the trade and bills payables of the Group as of the date of approval of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

24. ACCRUED EXPENSES AND OTHER PAYABLES

	Group		Company	
	At 30 September 2015 US$	At 31 March 2015 US$	**At 30 September 2015 US$**	At 31 March 2015 US$
As at period/year ended	**3,119,278**	2,841,224	**1,126,239**	1,122,401

As disclosed in note 2.2, on the basis that the relevant books and records are either lost or are incomplete, no representation is made by the Board as to the completeness, existence and accuracy of the accrued expenses and other payables of the Group as of the date of approval of these consolidated financial statements.

25. INTEREST-BEARING BANK BORROWINGS

	Group	
	At 30 September 2015 US$	At 31 March 2015 US$
As at period/year ended	**39,310,190**	39,310,190

As disclosed in note 2.2, on the basis that the relevant books and records are either lost or are incomplete, no representation is made by the Board as to the completeness, existence and accuracy of the interest-bearing bank borrowings of the Group as of the date of approval of these consolidated financial statements.

26. TRUST RECEIPT LOANS

	Group	
	At 30 September 2015 US$	At 31 March 2015 US$
Carrying amount	**39,877,541**	39,877,541

As disclosed in note 2.2, on the basis that the relevant books and records are either lost or are incomplete, no representation is made by the Board as to the completeness, existence and accuracy of the trust receipt loans of the Group as of the date of approval of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

27. OTHER BORROWINGS

On 28 April 2015, Alpha Professional Development Limited (the "Investor"), a third party independent of the Company and its connected persons (as defined under the Listing Rules) formally submitted an indicative restructuring proposal to the Provisional Liquidators. After arm's negotiations among the parties, on 5 June 2015, the Company, the Provisional Liquidators and the Investor entered into a framework agreement dated 5 June 2015 and amended and restated framework agreement dated 5 October 2015 (the "Framework Agreement"), pursuant to which the parties have agreed on the principal terms of the proposed restructuring and the Investor has been granted a exclusivity period of 24 months from and inclusive of 3 July 2015 for the restructuring of the Group.

By the order of the High Court dated 26 June 2015 and sealed by the High Court on 2 July 2015, the High Court approved, amongst others, the Company and the Provisional Liquidators to enter into the Framework Agreement.

With the sanction from the High Court, Perfect Major Investment Limited ("Perfect Major") and H K Rich Technology International Company Limited ("H K Rich Technology"), both of which are wholly owned subsidiaries of the Company, were set up after the appointment of the Provisional Liquidators for the purpose of restructuring and continuation of the business of the Group. The Investor and Perfect Major, on 5 June 2015 entered into a working capital facility agreement pursuant to which the Investor agreed to provide a working capital facility of up to HK$20,000,000 ("Working Capital Facility") to the Group for the continuation of its business operations. As at 30 September 2015, the Group had drawndown an amount of US$642,674 (approximately HK$5,000,000) under the agreement. Perfect Major had drawndown a further US$642,674 (approximately HK$5,000,000) under the agreement on October 2015. The amount is secured by the Security Documents, interest at 2% per annum, and shall be for a term of 2 years.

28. AMOUNT DUE TO INVESTOR – ESCROW ACCOUNT

According to the Framework Agreement as disclosed in note 27, the Investor shall pay the earnest Money into the Escrow Account. The earnest Money once released and remitted from the Escrow Account to the Provisional Liquidators shall not be refundable. The earnest Money shall be held by the Escrow Agent on joint instructions of the Provisional Liquidators and the Investor to release the Earnest Money for the purposes of settling all fees, remuneration, costs and expenses incurred by the Provisional Liquidators, its advisors and agents for work done in connection with the restructuring. If the Framework Agreement is terminated for any reason, the Escrow Agent shall release any remaining balance of the Earnest money held in the Escrow Account to the Investor within 3 business days of the termination. As at 30 September 2015, an amount of US$642,674 (approximately HK$5,000,000) was received by the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

29. SHARE CAPITAL

	Group and Company	
	Number of shares	Amount US$
Authorised:		
Ordinary shares of US$0.008 each		
At 1 April 2014, 31 March 2015, 1 April 2015 and 30 September 2015	1,250,000,000	10,000,000
Issued and fully paid:		
Ordinary shares of US$0.008 each		
At 1 April 2014, 31 March 2015, 1 April 2015 and 30 September 2015	762,687,662	6,101,500

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the owners through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total debts plus unaccrued proposed dividends less cash and cash equivalents. Adjusted capital comprises all components of equity (that is, share capital, share premium, accumulated losses, other reserves and any non-controlling interests) less unaccrued proposed dividends and includes some forms of subordinated debts.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

29. SHARE CAPITAL (continued)

The Group's strategy was to maintain the debt-to-adjusted capital ratio at the lowest as possible, in order to secure access to finance at a reasonable cost. The debt-to-adjusted capital ratio at the end of the reporting period is as follows:

	Group	
	At 30 September 2015 US$	At 31 March 2015 US$
Total debt	**79,187,731**	79,187,731
Less: cash and cash equivalents	**(1,421,405)**	(778,732)
Net debt	**77,766,326**	78,408,999
Total equity and adjusted capital	**(427,586)**	184,921
Debt-to-adjusted capital ratio	**N/A**	42,401%

According to the Hong Kong Listing Rules on the Stock Exchange, at least 25% of the Company's shares should be held in the hands of the public.

As disclosed in note 2.2, on the basis that the relevant books and records are either lost or are incomplete, no representation is made by the Board as to the completeness, existence and accuracy of the share capital of the Group as of the date of approval of these consolidated financial statements.

30. SHARE OPTION SCHEME

The Company operates a share option scheme 2010 (the "2010 Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Group's directors, including independent non-executive directors, confirmed employees of the Group, the controlling shareholders and their associates. The Scheme became effective on 11 February 2010 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the 2010 Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the 2010 Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

30. SHARE OPTION SCHEME (continued)

Share options granted to a director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company, or to any of their respective associates (including discretionary trust in which any Connected Persons are beneficiary), are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder (as defined in the Listing Rules) or an independent non-executive director of the Company, or to any their respective associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The grant of 2010 Scheme shall be made to a participant by letter in such form as the Remuneration Committee ("RC"), a committee of directors who are duly authorized and appointed by the Board to administer the 2010 Scheme for the time being pursuant to the Code of Corporate Governance under SGX Listing Manual, may from time to time determine.

Subject to the provisions of the 2010 Scheme, the Bermuda Companies Act, the Listing Manual of the SGX-ST and the Hong Kong Listing Rules, the RC may, when making the offer, impose any conditions, restrictions or limitations in relation thereto as it may at its absolute discretion think fit.

The exercise price of share options is determinable by the RC, but may not be less than the higher of (i) the closing price of the Company's shares on a business day as stated in the daily quotations sheets issued by the Stock Exchange or the closing price of the Company's shares as stated in the daily quotations sheet issued by the SGX-ST; (ii) the average closing prices of the Company's shares as stated in the daily quotations sheet issued by the Stock Exchange or the average closing prices of the shares as stated in the daily quotations sheet issued by SGX-ST for the five consecutive business days immediately preceding the offer date; or (iii) the nominal value of a share on the offer date.

Under the 2010 Scheme, if the share options remain unexercised after a period of 10 years from 11 February 2010, the share options expire. Share options are forfeited if the employee leaves the Group before the share options vest. In the event that the grantee ceases to be a participant for any reason (other than on his death) including the termination of his employment or engagement on one or more of the grounds specified in the 2010 Scheme, the options granted to such grantee will lapse on the date of such cessation (to the extent not already exercised) and will not be exercisable unless the RC otherwise determines to grant an extension (which shall not be more than 1 month from the date of cessation) at the absolute discretion of the RC in which event the grantee may exercise the options within such period of extension

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

30. SHARE OPTION SCHEME (continued)

The following share options were outstanding and exercisable under the 2010 Scheme during the year:

	Period ended 30 September 2015 Weighted average Exercise price HK$	**Number of options**	Year ended 31 March 2015 Weighted average Exercises price HK$	Number of options	**Date of grant**	**Vesting period**	**Exercisable period**
Share Option 1							
To an executive director, non executive directors and key managements							
Beginning of the period/year	**0.72**	**9,000,000**	0.72	9,000,000	6 Jan 2012	vested on 6 Jan 2013	6 Jan 2013 to 10 Feb 2020
Forfeited during the year	**–**	**–**	–	–			
Lapsed during the year	**–**	**–**	–	–			
End of the period/year	**0.72**	**9,000,000**	0.72	9,000,000			
Share Option 2							
To non-executive directors							
Beginning of the period/year	**1.11**	**600,000**	1.11	600,000	19 Mar 2012	vested on 19 Mar 2013	19 Mar 2013 to 10 Feb 2020
Forfeited during the year	**–**	**–**	–	–			
Lapsed during the year	**–**	**–**	–	–			
End of the period/year	**1.11**	**600,000**	1.11	600,000			
Exercisable at the end of the period/year		**9,600,000**		9,600,000			

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

30. SHARE OPTION SCHEME (continued)

The options outstanding at the end of the period have a weighted average remaining contractual life of 4.4 years (31 March 2015: 4.9 years). The weighted average exercise price at the beginning and at the end of the period are HK$0.74 and HK$0.74 respectively.

At the date of approval of these financial statements, the Company had 9,600,000 share options (31 March 2015: 9,600,000 share options) outstanding under the 2010 Scheme, which represented approximately 1.3% (31 March 2015: 1.3%) of the Company's shares in issue as at that date.

31. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 9.

(i) Share premium account

The Company's share premium account arose from the issuance of shares at prices in excess of their par value, and may be distributed in the form of fully paid bonus shares. The application of the share premium is governed by section 40 of the Bermuda Companies Act 1981 of Bermuda.

(ii) Share-based payments reserve

The share-based payments reserve represents the fair value of the actual or estimated number of unexercised share options granted to Directors and employees of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 2.4 to the financial statements.

(iii) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations as well as the effective portion of any foreign exchange differences arising from hedges of the net investment in these foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 2.4 to the financial statements.

(iv) Reserve funds

Pursuant to the relevant PRC laws and regulations, Sino-foreign joint ventures registered in the PRC are required to transfer a certain percentage, as approved by the board of directors, of their profit after income tax to the reserve funds. These funds are restricted as to use.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

31. RESERVES (continued)

(b) Company

	Share premium US$	Share-based payments reserve US$	Accumulated losses US$	Total US$
At 1 April 2014	70,605,619	52,241	(5,116,154)	65,541,706
Total comprehensive loss for the year	–	–	(607,434)	(607,434)
At 31 March 2015	70,605,619	52,241	(5,723,588)	64,934,272
At 1 April 2015	70,605,619	52,241	(5,723,588)	64,934,272
Total comprehensive loss for the period	–	–	(646,512)	(646,512)
At 30 September 2015	70,605,619	52,241	(6,370,100)	64,287,760

32. SEASONALITY OF OPERATIONS

The Group's business had no specific seasonality factor.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2015

33. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTING FOR THE PERIOD ENDED 30 SEPTEMBER 2015

New and revised IFRSs in issue but not yet effective

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

Amendments to IFRSs	Annual Improvements to HKFRSs 2012 – 2014 Cycle[1]
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception[1]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations[1]
IFRS 9	Financial Instruments[2]
IFRS 14	Regulatory Deferral Accounts[3]
IFRS 15	Revenue from Contracts with Customers[2]
Amendments to IAS 1	Disclosure Initiative[1]
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants[1]
Amendments to IAS 27	Equity Method in Separate Financial Statements[1]

[1] Effective for annual periods beginning on or after 1 January 2016
[2] Effective for annual periods beginning on or after 1 January 2018
[3] Effective for first annual IFRS financial statements beginning on or after 1 January 2016

34. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 13 November 2015.

RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

The board (the "Board") of directors (the "Directors") of Z-Obee Holdings Limited (Provisional Liquidators Appointed) (the "Company") herein presents its report together with the unaudited financial statements of the Company and its subsidiaries (the "Group") for the period ended 30 September 2015 (the "Reporting Period").

BUSINESS AND FINANCIAL REVIEW

Winding up petition and suspension of trading of the shares of the Company and restructuring of the Group

On 4 April 2014, ANZ presented winding-up petitions to the High Court for the winding-up of the Company and Max Sunny. On the same day, summonses were filed with the High Court seeking the appointment of provisional liquidators to the Company and Max Sunny. The petitions and summonses were also supported by HSBC. Following the presentation of the petitions, the Company and Max Sunny engaged in negotiations with ANZ, with the view to reaching a settlement in respect of the petitions and summonses.

On 2 May 2014, the Company, Max Sunny and ANZ agreed on principle terms of settlement. On 7 May 2014, the Deed was entered into among ANZ, HSBC, the Company and Max Sunny in full and final settlement of the loans due to ANZ and HSBC. The Deed provided for an agreed amount to be paid to each of ANZ and HSBC in five instalments. Upon full compliance of the Deed by the Company and Max Sunny, ANZ would apply to the High Court for the withdrawal or dismissal of the winding-up petitions.

Accordingly, the winding-up petitions were further adjourned to 2 July 2014 and the applications for the appointment of provisional liquidators were adjourned on terms that allowed ANZ to restore the applications on an urgent basis and without objection from the Company and Max Sunny in the event that the Company and Max Sunny failed to meet their obligations under the Deed.

On 6 June 2014, the Company and Max Sunny failed to pay the third instalment due in accordance with the Deed. On 16 June 2014, the applications for appointment of provisional liquidators were restored on an urgent basis and the High Court provided notices to the Company and Max Sunny that the applications would be heard on 27 June 2014. At the hearing of 27 June 2014 the High Court handed down orders appointing Yat Kit Jong and Donald Edward Osborn as the Joint and Several Provisional Liquidators of the Company and Max Sunny. Accordingly, trading in the Shares on the Stock Exchange was suspended at 2:37 p.m. on 27 June 2014 at the request of the Company.

Since their appointment, the Provisional Liquidators have been investigating into the affairs of the Group and have taken all necessary actions to preserve the assets. The Provisional Liquidators have also gathered information relating to the status of the Group through meetings with various parties, including but not limited to Ms. Yang Jian Hui (the executive director and the Chief Financial Officer of the Group) and various former employees.

Furthermore, the Company and the Provisional Liquidators have entered into agreement with a view to restructuring of continuing the business of the Group, details of which are set out below.

RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

Revenue and gross profit

For the Reporting Period, the Group recorded turnover and gross profit of US$592,519 (2014: US$nil) and US$102,563 (2014: US$nil) respectively. Loss for the Reporting Period attributable to owners of the Company was US$612,507 (2014: loss attributable to owners of the Company was US$50,160,641).

Total assets and liabilities

As of 30 September 2015, the total assets and total liabilities of the Group was US$84,417,363 (31 March 2015: US$83,466,468) and US$84,844,949 (31 March 2015: US$83,281,547) respectively.

Subscription of new shares under a general mandate

On 12 September 2013, the Company entered into ten separate subscription agreements with ten subscribers in relation to the subscription of an aggregate of 127,114,000 subscription shares at the subscription price of HK$0.80 per subscription share. The subscription shares represent approximately 20.00% of the existing issued share capital of the Company and approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the subscription shares. The subscription shares were allotted and issued under the general mandate granted to the Directors by the shareholders (the "Shareholders") of the Company at the annual general meeting of the Company held on 31 July 2012.

The gross proceeds of the subscription were approximately HK$101.69 million. The net proceeds of the subscription, after the deduction of the related expenses, were approximately HK$101.59 million. The Company intended to apply and had applied the net proceeds of the subscription as general working capital of the Group. For further details, please refer to the announcement of the Company dated 12 September 2013. The subscription was completed on 26 September 2013.

RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

Restructuring of the Group

Given the situation of the Group, the Provisional Liquidators, with the assistance of Asian Capital (Corporate Finance) Limited which acted as the financial adviser to the Company, sought to identify potential investors with a view to restructuring the Company and submitting a viable resumption proposal to the Stock Exchange.

As announced by the Company on 24 July 2014, the Company received a letter from the Stock Exchange, which stated that in view of the Court Order and the appointment of the Provisional Liquidators, the Stock Exchange considered that the Company might have serious financial difficulties. As the Company had not published the annual results for the year ended 31 March 2014, the Stock Exchange was unable to assess the performance and financial position of the Company. Further, it was unclear as to the operating status of the Company and whether the Company still had sufficient level of assets and operations to fulfil the requirement under Rule 13.24 of the Listing Rules. The Stock Exchange therefore decided to place the Company in the first delisting stage under Practice Note 17 of the Listing Rules due to the Company's failure to comply with Rule 13.24 of the Listing Rules. The Company was required to submit a viable resumption proposal, which could, among others, demonstrate its compliance with Rule 13.24 of the Listing Rules, at least 10 business days before the expiry of the first delisting stage, i.e. 15 January 2015.

As no resumption proposal was submitted before the expiry date of the first delisting stage, the Company received a letter dated 20 January 2015 from the Stock Exchange and was informed that the Company had been placed in the second stage of delisting procedures commencing on 20 January 2015 pursuant to Practice Note 17 to the Listing Rules. The Company was required to submit a viable resumption proposal 10 business days before the second delisting stage expires i.e. on or before 3 July 2015, which should meet the following conditions:

1. demonstrate sufficient operations or assets to comply with Rule 13.24;

2. address auditors' qualifications and demonstrate adequate internal control system; and

3. withdraw and/or dismiss the winding-up petition against the Company and discharge the Provisional Liquidators.

On 5 June 2015, the Company, the Provisional Liquidators and an investor entered into a framework agreement, which was subsequently amended and restated by an amendment and restatement framework agreement dated 5 October 2015, pursuant to which the parties agreed on the principal terms of a proposed restructuring of the Group with a view to resume trading in the Shares on the Stock Exchange. The framework agreement was approved by the Honorable Mr. Justice Harris of the High Court on 26 June 2015 and the amended and restated framework agreement was approved by the Honorable Mr. Justice Harris of the Hong Kong High Court on 6 November 2015. The Resumption Proposal was prepared and submitted to the Stock Exchange on 19 July 2015. However, without raising any question or query on the Resumption Proposal, the Listing Division of the Stock Exchange notified the Company on 31 July 2015 that it considered that the Resumption Proposal had not satisfactorily demonstrated sufficiency of operations or assets as required under Rule 13.24 of the Listing Rules and it would recommend the Listing Committee to place the Company in the third delisting stage.

RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

Pursuant to a letter dated 14 August 2015 from the Stock Exchange, the Listing Committee considered that the Resumption Proposal was not viable and decided to place the Company in the third delisting stage under Practice Note 17 to the Listing Rules (the "Ruling"). In arriving at the above decision, the Listing Committee had considered that, among others, the business of the Company in the Resumption Proposal was insufficient to justify the Company's continued listing.

The Company disagrees with the Ruling and on 18 August 2015 formally requested the Listing Committee to provide detailed written reasons for the Ruling. On 24 August 2015, the Company also submitted a formal request to the Stock Exchange for a review of the Ruling by the Listing (Review) Committee of the Stock Exchange. A review hearing of the Ruling is scheduled to be held on 17 December 2015. Further announcement(s) will be made by the Company when there are material developments as appropriate.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2015, the Group had current assets of US$71,552,406 (31 March 2015: US$70,601,511) and current liabilities of US$84,844,949 (31 March 2015: US$83,281,547) and total bank and cash balances other than restricted bank balances of US$1,421,405 (31 March 2015: US$778,732).

Liabilities and payables presented in the audited financial statements and this report are prepared according to the books and records and available information to the Provisional Liquidators and the Directors.

RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

RISK OF FOREIGN EXCHANGE FLUCTUATION

Based on the available books and records to the Provisional Liquidators and the Directors, the Group's bank borrowings, bank and cash balances, and accruals and other payables were denominated in Hong Kong dollars, US dollars and Renminbi. As such, it will be subject to reasonable exchange rate exposures. However, the Group will closely monitor this risk exposure and would take prudent measures as appropriate. The Group's borrowings bore interest at floating rates.

CAPITAL COMMITMENT

Based on books and records of the Group available to the Provisional Liquidators, no information of the capital commitments of the Group is made available.

CHARGE ON ASSETS

Given the loss of some books and records and serious doubts over the reliability of the Group's accounting and other records, the Provisional Liquidators and the Board believes that as at the date of this report, it is almost impossible, and not practical, to ascertain the details of any charge of the Group's assets.

CONTINGENT LIABILITIES

Based on books and records of the Group available to the Provisional Liquidators and the Board, as at 30 September 2015, the Group did not have any material contingent liabilities. However, any contingent liabilities/claims against the Company will be subject to the High Court's approval and the relevant claims will be subject to a formal adjudication process.

EMPLOYEES AND REMUNERATION POLICIES

Based on the available books and records, other than the Directors, the Group employed 1 employee in Hong Kong as at 30 September 2015. Remuneration package is reviewed annually and determined by reference to market pay and individual performance. In addition to salary payments, the Group also provides other employment benefits such as a provident fund.

RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

OUTLOOK/PROSPECT

The Provisional Liquidators have been working closely with an investor since entering into the framework agreement. With the support of and the working capital facility provided by an investor, the Group is steadily reviving its business operations. The proposed restructuring contained in the Resumption Proposal, if successfully implemented, will result in, among others:

(i) a restructuring of the share capital of the Company through a capital reduction, a capital cancellation, a share consolidation;

(ii) an issue of new shares of the Company by way of an open offer and a share subscription by the Investor;

(iii) all claims against, and liabilities of, the Company will be discharged and compromised in full by way of schemes of arrangement in Hong Kong and Bermuda; and

(iv) the resumption of trading in the shares of the Company.

Further announcement(s) will be made by the Company regarding the resumption of trading in the shares of the Company as and when appropriate.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Details of the principal activities of the principal subsidiaries are set out in note 17 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the Reporting Period.

DIVIDENDS

The Directors did not recommend any dividend for the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

To the best knowledge of the Provisional Liquidators and the Board, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than as disclosed under the headings "Share Option Scheme" above and "Directors' and the Chief Executive's Interests or Short Positions in Securities, Underlying Shares and Debentures" above, to the best knowledge of the Board, at no time during the Reporting Period there were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or 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.

SHARE OPTIONS SCHEME

Set out below principal terms of 2010 Scheme which are extracted from the Company's audited financial report for the year ended 31 March 2015:

At the Special General Meeting of the Company held on 11 February 2010, the Shareholders approved the adoption of the 2010 Scheme.

1. Purpose

The purpose of the 2010 Scheme is to enable the Company to grant options to participants as incentives or rewards for their contribution to the Group, and to encourage participants to perform their best in achieving goals of the Group.

2. Participants

The participants are any employee, Director, adviser or business consultant of the Company or any of its subsidiaries as determined by the Remuneration Committee at its absolute discretion.

3. Total number of shares available for issue

The original number of shares which may be issued upon the exercise of all share options granted or to be granted under the 2010 Scheme was 59,557,366 shares, representing approximately 10% of the issued share capital of the Company immediately following completion of the dual primary listing in the Main Board of the Stock Exchange and the maximum number of Shares that might be issued upon the exercise of all share options under the 2010 Scheme or other schemes.

On 18 August 2011 and 31 July 2012, ordinary resolutions were proposed at the AGM of the Company to approve the refreshment of the scheme mandate limit to grant options under the 2010 Scheme and any other share option scheme of the Company respectively. The resolutions were approved and the total number of shares which may be allotted and issued upon exercise of all share options to be granted under the "refreshed" 2010 Scheme and any other share option scheme of the Company must not exceed the aggregate of 63,557,366 shares, representing 10% of the issued share capital of the Company as at the date of passing of the resolution unless the Company obtains a fresh approval from the owners of the Company in general meeting.

RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

4. *Maximum entitlement of each participant*

The total number of shares issued and to be issued upon exercise of the options granted to any participant (including both exercised and outstanding options) under the 2010 Scheme and any other schemes of the Company in any 12-month period must not exceed 1% of the issued shares of the Company, unless approved by Shareholders.

5. *Period within which the shares must be taken up under an option*

An option may be exercised in accordance with the terms of the 2010 Scheme at any time during a period to be determined and notified by the Remuneration Committee to each grantee at the time of making an offer, and in any event such period of time shall not expire later than 10 years from 11 February 2010.

6. *Minimum period for which an option must be held before it can be exercised*

Unless otherwise determined by the Remuneration Committee at its sole discretion, there is a minimum period of 1 year for which an option must be held after its date of grant before such an option can be exercised.

7. *Amount payable on acceptance of the option and the payment period*

The grant of a share option shall be deemed to have been accepted when the duplicate of the offer letter comprising acceptance of the offer duly signed by the grantee with the number of shares in respect of which the offer is accepted clearly stated therein together with a payment or remittance in favour of the Company of HK$1.00 by way of consideration for the grant thereof is received by the Company within 21 days from the offer date.

8. *Basis of determining the exercise price*

The exercise price of an option shall be a price determined by the Remuneration Committee in its absolute discretion, but shall not be less than the higher of:

(a) the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange or the closing price of the shares on the SGX-ST, whichever is higher, on the date of grant which must be a business day;

(b) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange or the average closing prices of the shares on the SGX-ST for the five business days immediately preceding the date of the grant, whichever is higher; and

(c) the nominal value of the shares.

RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

9. *Period of the 2010 Scheme*

The 2010 Scheme shall remain in force for 10 years commencing on 11 February 2010 up to and including 10 February 2020.

Details of the share options outstanding as at 30 September 2015 which have been granted under the 2010 scheme can be found in note 30.

Note: the information above is based on the latest available books and records of the Company

OTHER SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OF THE COMPANY

According to the best available information made to the Board and the register of substantial shareholders required to be kept under section 336 of Part XV of the SFO, the company were being notified of the following substantial shareholders' interests and short positions, being 5% or more of the company's issued share capital. These interests are in addition to those disclosed above in respect of the directors and chief executives.

(a) ordinary shares in the company

		Number of shares					% of the Issued share capital of the company
		Personal interests	Family interests	Corporate interests	Other interests	Total	
Wise Premium Limited	Long positions	–	–	153,310,250	–	153,310,250 (Note a)	20.10%
Kang Ling Hoi	Long positions	–	153,510.250	–	–	153,510.250 (Note b)	20.12%

(a) Since the appointment of the Provisional Liquidators, Mr. Wang has not been contactable as at the date of this report. Based on the Disclosure of Interest shown in the website of the Stock Exchange and the information available to the Board, Mr. Wang held 200,000 Shares through HKSCC Nominees Ltd. Based on the information available to the Board, Wise Premium Limited, which held 153,310,250 Shares, is an investment holding company incorporated in British Virgin Islands and wholly-owned by Mr. Wang. Accordingly, Mr. Wang is deemed to be interested in total of 153,510,250 Shares, representing approximately 20.12% issued share capital of the Company.

(b) Ms. Kang Ling Hoi, the spouse of Mr. Wang Shih Zen, is deemed to be interested in the shares held by Mr. Wang Shih Zen.

Based on the information available to the Board and save as disclosed above, as at 30 September 2015, no person, other than the Director, whose interests are set out in the section "Directors' interests and short positions in shares and underlying shares and debentures" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Company has complied with the principles (the "Principles") and code provisions (the "Code Provisions") as set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") in Appendix 14 of the Listing Rules, except for the following:

Pursuant to code provision A.2.7 of the CG Code, the chairman of the Board should at least annually hold meetings with the non-executive Directors (including independent non-executive Directors) without the presence of the executive Directors. Based on the information made available, there was no meeting held for the Reporting Period.

On 27 June 2014, the Provisional Liquidators were appointed by the High Court to, among others, take control and possession of the assets of the Group. Certain Company's books and records have not been located by the Provisional Liquidators. The Provisional Liquidators have engaged an independent accounting firm to review the internal control system of the Group with a view to fulfilling the requirements of the Listing Rules. Further announcement(s) will be made by the Company as and when appropriate.

THE BOARD

The Board, in addition to its statutory responsibilities, is responsible for the proper conduct of the Company's business and its primary role is to provide leadership, to set strategic aims and to ensure that the necessary and adequate resources are in place for the Group to meet its objectives as well as to protect and maximise Shareholders' wealth in the long term.

During the Reporting Period, the Company has arranged the liability insurance for the Directors and officers with appropriate coverage for certain legal liabilities which may arise in the course of performing their duties.

Board meeting and Directors' Attendance

Based on the information made available to the Provisional Liquidators and the Board, there was 1 board meeting held for the Reporting Period. Except Mr Wang Shih Zen, all the other directors attended the board meeting.

According to the Board meeting minutes located from the Company's record, the Company has conducted meetings for the discussion of the loan agreements, nomination of the Directors and appointment of key management personnel.

CORPORATE GOVERNANCE REPORT

Board Committees

The Board is supported by three sub-committees (collectively the "Board Committees"), namely the Audit Committee, Nominating Committee and Remuneration Committee to assist the Board in discharging its responsibilities and to enhance the Group's corporate governance framework. Each Committee has its own defined terms of reference and the effectiveness of each Committee is also constantly monitored. The Board accepts that while these Board Committees have the delegated power to make decisions, execute actions or make recommendations in specific areas, the ultimate responsibility for the decisions and actions reside with the Board.

Audit Committee

The Audit Committee (the "AC") was set up in September 2007. As at 30 September 2015, the AC comprises two members, namely, Mr. Tsang Hin Fun Anthony (Chairman) and Mr. Liu Jintao. Its duties and responsibilities are guided by the written terms of reference in accordance with the Listing Rules. All the members of the AC, including its Chairman, are independent non-executive Directors. The Board is of the view that the members of the AC are appropriately qualified, having the necessary accounting or related financial management expertise as the Board interprets such qualification to discharge their responsibilities.

Based on the available information to the Board and the Provisional Liquidators, there was no AC meeting has been held for the Reporting Period.

CORPORATE GOVERNANCE REPORT

The principal functions of the AC are:

1. to review the audit plans and results of the internal and external auditors' findings, management's response thereto and evaluate the internal controls on the Group's critical business processes and any matters which the internal auditor and/or external auditor wish to discuss (in the absence of management, where necessary);

2. to review the financial statements of the Company and the consolidated financial statements of the Group before submission to the Board and the external auditor's report on those financial statements;

3. to review the assistance given by management to the Group's external auditor;

4. to evaluate the cost effectiveness, independence and objectivity of the external auditor and the nature and extent of the non-audit services provided by them;

5. to make recommendation to the Board on the appointment, re-appointment and remuneration of the internal and external auditor of the Company;

6. to evaluate the adequacy of the internal financial controls, operational and compliance controls and risk management policies and systems;

7. to review connected transactions to ensure that they are on normal commercial terms and not prejudicial to the interests of the Company or its Shareholders;

8. to review potential conflicts of interest, if any;

9. to undertake such other reviews and projects as may be requested by the Board and will report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and

10. to generally undertake such other functions and duties as may be required by statute or the Hong Kong Listing Rules, or by such amendments as may be made thereto from time to time.

CORPORATE GOVERNANCE REPORT

The Provisional Liquidators and the Board are not able to confirm the work conducted by AC for the Reporting Period based on the available information.

Nominating Committee

The Nominating Committee ("NC") was set up in September 2007. As at 30 September 2015, the NC comprises three members, namely, Mr. Tsang Hin Fun Anthony, Mr. Liu Jintao and Mr. Wang Shih Zen. Mr. Wang Shih Zen has ceased to act as the Executive Director of the Company on 28 October 2015 pursuant to a bankruptcy order made by the High Court. Accordingly, he has ceased to be a member of the NC with effect from that day. Its duties and responsibilities are guided by written terms of reference in accordance with the Hong Kong Listing Rules. The members of the NC comprise a majority of independent non-executive Directors.

Based on the available information to the Board and the Provisional Liquidators, there was no NC meeting has been held for the Reporting Period.

The principal functions of the NC are:

1. to review and recommend to the Board the structure, size and composition of the Board and the Board Committees;

2. to review and recommend to the Board the appointment of new executive, non-executive and independent non-executive Directors;

3. to evaluate the effectiveness of the Board as a whole, and the contributions of each Director;

4. to review and recommend Directors retiring by rotation or appointed during the year for re-election in the AGM of the Company, having regard to their contribution and performance;

5. to review and evaluate whether or not a Director is able to and has been adequately carrying out his/her duties as a Director of the Company, particularly when he/she has multiple Board representations; and

6. to review the independence of each Director on an annual basis.

The Provisional Liquidators and the Board are not able to confirm the work conducted by NC for the Reporting Period based on the available information.

CORPORATE GOVERNANCE REPORT

Remuneration Committee

The Remuneration Committee (the "RC"), regulated by a set of written terms of reference, comprises two members as at 30 September 2015, namely, Mr. Liu Jintao (Chairman) and Mr. Tsang Hin Fun Anthony. All the members of the RC are independent non-executive Directors including its Chairman.

Based on the available information to the Board and the Provisional Liquidators, there was no RC meeting has been held for the Reporting Period.

The principal functions of the RC are:

1. to review and recommend to the Board, a framework of remuneration for the Directors and senior management, in the areas of remuneration, including but not limited to fees, salaries, allowances, bonuses, options and all other benefits in-kind;

2. to review and determine the specific remuneration packages for each executive Director and senior management. In the case of service contracts, to consider what compensation commitments in the Directors' contracts of service, if any, would entail in the event of early termination with a view to be fair and avoid rewarding poor performance;

3. to review and recommend to the Board the terms of renewal of executive Director's service agreements;

4. to ensure adequacy in the disclosure of Directors' remuneration; and

5. to carry out such other duties as may be agreed by the RC and the Board.

Based on the information available, the service agreement of an executive Director is for a period of two years and the contract can be terminated by giving the other party not less than two months' notice or two months' salary in lieu of notice.

The Provisional Liquidators and the Board are not able to confirm the work conducted by RC for the Reporting Period based on the available information.

Details of emoluments of Directors during the Reporting Period are set out in note 8 to the financial statements.

CORPORATE INFORMATION

Directors	:	Executive: Wang Shih Zen (Chairman, directorship was ceased on 28 October 2015 pursuant to a bankruptcy order made by the High Court) Chen Ling Lai Hui Yang Jian Hui Independent Non-Executive: Liu Jintao Tsang Hin Fan Anthony
Joint and Several Provisional Liquidators	:	Donald Edward Osborn Yat Kit Jong So Man Chun
Audit committee	:	Tsang Hin Fun Anthony (Chairman) Liu Jintao
Nominating committee	:	Wang Shih Zen (Ceased to act as a member with effect from 28 October 2015) Liu Jintao Tsang Hin Fun Anthony
Remuneration Committee	:	Liu Jintao (Chairman) Tsang Hin Fun Anthony
Authorised representatives	:	Wang Shih Zen (Ceased to act with effect from 28 October 2015) Yang Jian Hui
Registered office	:	Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda
Place of business in Hong Kong	:	Unit E, 26/F., Legend Tower, 7 Shing Yip Street, Kwun Tong Kowloon Hong Kong

CORPORATE INFORMATION

Singapore share registrar and share transfer agent	:	Tricor Barbinder Share Registration Services 80 Robinson Road #02-00 Singapore 068898
Hong Kong branch share registrar and share transfer agent	:	Tricor Investor Services Limited Level 22, Hopewell Centre 183 Queen's Road East Hong Kong
Auditor	:	Crowe Horwath (HK) CPA Limited Certified Public Accountants 9/F Leighton Centre 77 Leighton Road Causeway Bay Hong Kong
Stock code	:	Singapore: D5N Hong Kong: 948 (Trading was suspended at 2:37p.m. on 27 June 2014)