GLOBAL TECH (HOLDINGS) LIMITED
耀科國際（控股）有限公司*

(Stock Code 股份代號：143)

2015
Annual Report 年報

* *For identification purpose only 僅供識別*

Contents

CORPORATE PROFILE

Global Tech (Holdings) Limited (the "Company"), together with its subsidiaries (collectively the "Group"), adds value to the brand adaptation, marketing, distribution and after-sales process within the digital ecosystem.

With a main focus on mobile phones and accessories/digital devices, the Group constantly rationalises its product and service portfolio and evolves its business model to make further inroads into the mobile arena. The Group also implements a relevant combination of services/solutions to better target and serve its customers and to promote an exceptional user experience.

Technology and innovation are reshaping the relationships telecommunications players have with customers, vendors and other value chain partners. Subsequently, the focus of a facilitator of product and service proliferation shifts increasingly from customer acquisition to management.

The Group hence takes a rigorous approach to the improvement of end-user experience which is a key metric of marketing success. In addition to enhancing productivity, customer experience management is also a lever for differentiation, in particular in a competitive environment highlighting product complexity amid a difficult economy.

Together with other operators along the mobile value chain, the Group continuously innovates and enhances efficiency to operate competitively in the digital economy.

CHAIRMAN'S STATEMENT

The year ended 30 September 2015 started on relatively stable ground, but this positive picture changed dramatically as the year progressed amid a slowdown in China and a heightened threat of rising interest rates. Weak economic data and fragile growth patterns across both the advanced and developing worlds have underpinned a generally more pessimistic outlook.

As World Bank points out, the developing countries have been an engine of global growth since the financial crisis, but now they face a more difficult environment. The tough challenges of 2015 include the looming prospect of higher borrowing costs in a new era of low commodity prices. This could result in a fourth consecutive year of disappointing economic growth, as predicted by the World Bank in its 2015 prospects report released midway through the year.

On the other hand, growth in the United States and the eurozone has not been sufficient to offset the falling output in emerging markets. International Monetary Fund (IMF) has lowered its forecast for global growth in 2015 to 3.1% in its latest outlook report, warning of increased risks of another financial crash.

Expected slow growth is dampening to demand, which further limits investment, creating a vicious cycle. Aging populations further restrain investment in certain countries, while in some others institutional shortcomings or political instability, or even conflicts, are deterrents.

For the information technology (IT) sector, 2015 continues to be a solid year with budgets and confidence growing, reflecting the business sector's inclination to invest in the future and in digital transformation. A survey by TEKsystem reveals that among such investments, security, mobility, cloud computing and big data are grabbing the lion's share of attention.

As labelled by Gartner, Inc. as the 'Nexus of Forces', the convergence of mobile, social, cloud and information is indeed driving new business scenarios. The fast-growing enterprise mobility trend can be demonstrated in a key statistic from a global survey by Citrix: the number of devices managed in enterprises increased 72% from 2014 to 2015 as an average employee now uses more than three devices for work activities.

Increased use of mobile devices for business applications has inevitably resulted in higher risk from threats of enterprise data breaches and mobile attacks translating into actual damage. It therefore comes as no surprise that businesses are spending a higher percentage of their IT budgets on security.

Investments in data analytics and velocity are also crucial to businesses aiming to access and use the right big data, as they are faced with soaring volumes of data that they can mine for valuable insights.

On the gadgets front, mobile phone shipments are not immune to China's slowdown and the sluggish growth pattern of the advanced economies. According to a forecast by the International Data Corporation (IDC), worldwide smartphone shipments are expected to grow just over 10% in 2015 to 1.44 billion units, lower than the organisation's previous forecast of more than 11% year-on-year growth. Steadily falling average selling prices (ASPs) of smartphones will likely drive steady growth through 2019, at which point global shipments are forecast to reach 1.9 billion units.

Following the launch of the Apple Watch in April, IDC's estimates show that the wearables market is set to grow 173% this year with device shipments reaching 72.1 million units worldwide. The firm also estimates that the smart wearables category will close the gap with basic wearables this year, and expects wearables capable of running third-party applications (apps) to take the lead in 2016.

Apple's participation in the wearables market has not only drawn consumers' attention, but also induces change within the ecosystem, including driving other vendors to re-evaluate their products and experiences.

With the increase in connected devices, mobile data download volume is forecast to more than double annually for the next few years. As a next step, the wireless industry is expanding mobile broadband access not only using third-generation (3G) and fourth-generation/Long Term Evolution (LTE) networks, but also through the development of fifth-generation (5G) technology. In addition to the promise of even faster speeds, 5G will hopefully address network congestion, energy efficiency, cost, reliability and connectivity issues.

While there is no doubt the mobile industry will eventually move to 5G, the timeline of the launch has been the subject of much debate. On the one hand, Verizon Wireless has announced plans to start field trials in 2016, making 5G widely available by 2017, while on the other hand AT&T responded that it is premature to make 5G promises. In fact, the industry has yet to form and endorse an international standard on 5G and the technology is still in its nascent stage. During the interim period, some operators are investing in network improvements to LTE Advanced that promise faster speeds.

Technology constantly redraws industry boundaries. While the telecommunications sector continues to be characterised by rapid changes in technology and product offerings, new competition from unexpected market participants is an everyday reality for players.

As a participant in the mobile industry, the Group is alert to its complex risk environment and addresses multiple risks from many fronts. However, the Group takes a pragmatic approach to risk management to enable it to continue exploring new opportunities that align with its strategic and business goals. To ensure that the risk management priorities are in line with its mandate, the Group adopts a stringent governance framework which includes a continuous risk resiliency evaluation process and a risk mitigation strategy.

To enable the Group to operate competitively in today's smart, connected marketplace, it gains advantage by building new capabilities and furthering efficiency. It seeks to work with other value chain partners to fulfil changing customer needs and expectations.

Faced with a fragile economic landscape characterised by weakened yet more divergent growth patterns, deficient overall demand and deflationary risks, the Group will strictly guard its financial position while proceeding cautiously to realise its business goals. The Board is charged with the responsibility to deliver long-term shareholder value. The Group will continue to co-ordinate the internal's resources, with different talents to implement business plans effectively or to identify a suitable partners to work collaborately to achieve the goal.

The Group is confident that its staff team is well placed to help it capitalise on the opportunities that will arise in 2016, while guarding it against macro and industry challenges. The Board wishes to thank its team and business partners who have contributed to the Group and its shareholders.

SY Ethan, Timothy
Chairman

Hong Kong, 25 November 2015

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

During the year ended 30 September 2015, the Group's turnover decreased 3.5% year on year to approximately HK$86.7 million (2014: HK$89.8 million). The loss from operations was approximately HK$23.4 million (2014: HK$16.0 million).

A net loss of approximately HK$23.3 million was incurred during the year, compared to a net loss of approximately HK$16.0 million in the year ended 30 September 2014. The loss incurred is widened as there is a significant increase in administrative expenses and other operating expenses.

Revenue generated from the provision of repair services dropped 1.2% year on year to approximately HK$80.9 million (2014: HK$81.9 million), reflecting lower demand for smartphone upgrading services. This services provision segment continued to add a steady stream of recurrent income to the Group and to complement the trading business.

In a half-yearly economic report on 2015, the Hong Kong SAR Government forecast that the city's real gross domestic product (GDP) would grow by 2-3% for the full year of 2015. Hong Kong is inevitably affected by the region-wide growth slowdown and setback in exports. Domestically, the territory is also under the negative impact of the weakness in spending by inbound tourists. As in many other Asian economies, Hong Kong's total exports of goods slackened in the second quarter, while private domestic consumption grew 6% in real terms in the same quarter.

THE HONG KONG MARKET

Hong Kong's role as a leading business centre in Asia owes much to its advanced telecommunications infrastructure.

Competition in public mobile services remains vibrant. As reported by the Hong Kong Communications Authority, there were four mobile network operators as at June 2015. In March 2015, the number of mobile service subscribers was boosted to 16.95 million, representing one of the highest penetration rates in the world at about 233%. Among these 16.95 million subscribers, 12.25 million were third-generation (3G) or fourth-generation (4G) service customers.

Mobile data services are also extensively employed in Hong Kong. As at March 2015, monthly mobile data usage recorded a remarkable surge to 17,472 Terabytes (i.e. 17,472,476 Gigabytes), or an average of 1,417.9 Mbytes per 2.5G/3G/4G mobile user. This represents a growth of 1.35 times in mobile data usage year on year.

In addition to 3G services, all four mobile network operators have deployed 4G services utilising Long Term Evolution (LTE) technology. With a wide range of high-speed mobile data services available in the market, subscribers are able to download and upload large files via the Internet and enjoy faster and better quality video-streaming and web browsing on mobile devices.

In the Global Information Technology Report 2015 by the World Economic Forum, Hong Kong ranks fourth in Asia and 14th globally in the Network Readiness Index, indicating the city's advanced position in telecommunications infrastructure, regulatory environment, and business readiness for using information technology (IT).

The growth of the e-economy continues to drive the demand for information and communication technology (ICT) goods and services in Hong Kong. According to a 2015 report on Hong Kong as an Information Society prepared by the Census and Statistics Department, there were some 17,100 business establishments engaged in the ICT sector in 2013, representing 3.5% of total employment. The value added by the sector amounted to close to HK$140 billion in that year, accounting for 6.6% of GDP.

ICT has virtually penetrated all walks of society and all forms of economic activities in Hong Kong. According to findings from the Household IT Survey in 2014, some 5.5 million persons aged 10 and above had used Internet services in the 12 months prior to enumeration, accounting for almost 80% of the population category. Smartphone penetration among persons aged 10 and over also rose significantly, from 54% in 2012 to over 77% in 2014.

The broader picture has not been as favourable as the ICT sector. The department's survey of retail sales indicates that for the first eight months of 2015, the estimated value of total retail sales decreased by 2.2% year on year. Sales value fell for the sixth straight month in August, sliding by 5.4% from a year earlier. This was in part due to the slowdown in inbound tourism, while the stock market slump has also dented consumer sentiment.

The strong Hong Kong dollar has also made local exports less competitive, while the broad slowdown in China has dragged the city's business activity to the lowest level in seven years, UBS further expects imports and exports to contract for the first time in full-year 2015. Overall the outlook among Hong Kong families is not rosy. A recent survey by ANZ-Roy Morgan showed that local consumer confidence in September dropped to its lowest point since April.

LIQUIDITY, FINANCIAL AND WORKING CAPITAL RESOURCES

The Group's total non-current assets increased to approximately HK$8.9 million (2014: HK$8.6 million) at 30 September 2015.

The Group maintained its conservative low-inventory policy during the year. As a result, inventories remained at a relatively low level of approximately HK$2.3 million (2014: HK$4.3 million) at 30 September 2015.

At 30 September 2015, the Group had net trade receivables of approximately HK$1.3 million (2014: HK$4.2 million).

As at 30 September 2015, the Group's bank borrowings amounted to HK$4.5 million (2014: HK$ Nil). Its gearing ratio, expressed as a percentage of total borrowings over total assets, was 11.3% (2014: Nil). A fixed deposit of approximately HK$5.0 million (2014: HK$ Nil) was pledged to secure banking facilities. The current ratio was approximately 1.84 (2014: 4.64) while the liquid ratio stood at approximately 1.71 (2014: 4.16).

The objective of the Group's cash management policy is to optimise liquidity to gain a better return for shareholders in a risk-averse manner. At 30 September 2015, the value of the Group's investment in financial assets at fair value through profit or loss amounted to approximately HK$0.2 million (2014: HK$ Nil).

Amid the prevailing financial volatility, the Group is committed to maintaining a conservative cash management policy.

CURRENCIES

The Group conducts its core business transactions mainly in Hong Kong dollars, New Taiwan dollars and United States dollars. The majority of the Group's cash and bank balances are also denominated in these three currencies. During the year ended 30 September 2015, the Group did not experience significant exposure to exchange rate and interest rate fluctuations. As a result, the Group did not enter into any material foreign exchange contracts, currency swaps or other financial derivatives.

CONTINGENT LIABILITY

The Group did not have any significant contingent liability at 30 September 2015.

MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES

There was no material acquisition or disposal of subsidiaries during the year ended 30 September 2015.

PROSPECTS AND STRATEGIC OUTLOOK

The International Monetary Fund (IMF) has revised downward its forecast for the world economy in 2015. While global markets are emerging from a broad recession, a return to robust and synchronized expansion remains elusive. The downgraded forecasts in the IMF's latest outlook underscore the challenges all countries face. The new forecasts marked down near-term growth rates only marginally, but nearly across the board.

Downside risks to the world economy appear more pronounced in recent months. Advanced economies are witnessing accelerating output and falling unemployment, but deflationary pressures remain. For emerging markets and developing economies as a whole, the IMF's forecast is that 2015 will mark the fifth consecutive year of declining growth.

Other risks include renewed concerns about China's growth potential, Greece's future in the eurozone, the impact of sharply lower oil prices, and contagion effects that could spark new market volatility. While emerging markets need to be ready for monetary policy normalisation by the United States, advanced economies must continue to deal with crisis legacies where they persist.

As traditional economic activities have yet to regain sustainable growth momentum, new digital ecosystems are taking form, and companies are re-orientating their business strategies to capitalise on these new opportunities.

The mass adoption of connected digital technologies continues to drive the telecommunications sector's business development strategies. Under this trend, telecommunications companies are striving to monetise their infrastructure investments and exploding data traffic, yet results have been mixed. Global operators' revenues are stagnating, but operating and capital expenditures are on the increase.

After a decade of technological adoption led by the consumer, Deloitte predicted that in future the impetus for IT application will swing back to the enterprise market. The 're-enterprising of IT', as termed by the firm, is likely to generate more value for the industry in future.

However, the agenda is still challenging for telecommunications players as they take on the industry's fundamental realities to profit in the digital economy. The firms will likely face a gap between the cost to deploy, maintain, and upgrade the networks needed for traffic growth, and the revenues to be generated, particularly in emerging markets, where the average revenue per user (ARPU) is low.

According to Gartner, Inc., worldwide IT spending is on pace to total US$3.5 trillion in 2015, a 5.5% decline from 2014. Communications services, whilst continuing to be the largest IT spending segment, are experiencing the strongest decline among all sectors. Price erosion and competitive threats are cited as preventing revenue growth. IT services spending is also projected to decline by 4.3% in 2015.

BDO's 2015 survey of 60 fixed-line and mobile telecommunications companies revealed widespread and disruptive change in the global telecommunications industry in recent years. During this period of significant transition, no section of the market is immune from game-changing forces such as technology change, competition and consolidation, and changing customer behaviour.

Industry consolidation and value chain disruption through new technology are two factors cited as the key drivers of increased competition in the telecommunications market. Merged entities can benefit from a stronger brand presence, financial position and product offerings, posing price and customer-retention pressure on established market participants. Technological change, on the other hand, is opening up the market to more innovative competitors. An example is that every traditional wired service in the United States now faces competition from at least one wireless provider. As technology, media & telecommunications (TMT) increasingly intersect, telecommunications companies will need to collaborate more effectively with different value chain partners and explore ways of delivering higher value to meet customer demands.

Data privacy is also a major risk cited in this research. As the quantity of data grows, the issue of cyber-attacks and data hacking becomes a growing concern for the industry. AT&T noted in its report that the knock-on impact of data breaches is widespread, and may include significant expense and potential legal liability, apart from loss of customers.

Along with other players in the industry, the Group is inevitably operating in a complex risk environment. Taking a forward-looking, yet pragmatic approach to risk management, the Group anticipates and responds to changing customer needs. The Group also works hard to align its risk management priorities with the need to identify and capture strategic market opportunities.

In addition to an enterprise-level risk governance framework, the Group also commits efforts in daily operations to enhance newly needed capabilities and product and service offerings, while constantly evolving its business model, to cope with the huge amount of change in the industry. This will safeguard the Group's long-term goal of delivering shareholder value.

EMPLOYEE INFORMATION

At 30 September 2015, the Group employed a work force of 120 (2014: 98). Staff costs, including salaries, bonuses and allowances, were approximately HK$28.0 million (2014: HK$25.4 million).

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

CORPORATE GOVERNANCE PRACTICES

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

Throughout the year ended 30 September 2015, the Company has complied with the code provisions ("Code Provisions") set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except for certain deviations specified with considered reasons as explained below.

THE BOARD OF DIRECTORS

Composition and Responsibilities

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

The Board members are:

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

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

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

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

During the year ended 30 September 2015, there was no change in the composition of the Board.

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

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

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

Board Meetings

The Board members meet regularly, normally four times each year at approximately quarterly intervals, to discuss the overall strategy as well as the operational and financial performance of the Company. Other Board meetings will be held when necessary. Such Board meetings involve the active participation, either in person or through other electronic means of communication, of a majority of Directors. During the year ended 30 September 2015, four regular Board meetings were held and the attendance records of individual Directors are set out below:

	Number of Meetings Attended/Held
Executive Directors:	
Mr. SY Ethan, Timothy	3/4
Mr. SUNG Yee Keung, Ricky	4/4
Non-executive Director:	
Mr. KO Wai Lun, Warren	2/4
Independent Non-executive Directors:	
Mr. Andrew David ROSS	4/4
Mr. Geoffrey William FAWCETT	3/4
Mr. Charles Robert LAWSON	4/4

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

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

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

Appointments, Re-election and Removal

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

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

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

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

Nomination Committee

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

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

During the year, the Nomination Committee reviewed the structure, size and composition of the Board. It also assessed and confirmed the independence of the three Independent Non-executive Directors, and recommended to the Board the nomination of Mr. SUNG Yee Keung, Ricky and Mr. KO Wai Lun, Warren for re-appointment as Directors by the shareholders at the 2015 annual general meeting of the Company.

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

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

Confirmation of Independence

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

Corporate Governance Functions

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

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

During the year, the Board reviewed and approved the Corporate Governance Report contained in the Company's 2014 Annual Report.

Model Code for Securities Transactions by Directors

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

Directors' Training and Professional Development

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

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

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

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Emolument Policy

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

Remuneration Committee

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

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

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

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

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

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board acknowledges its responsibility for the preparation of the financial statements which give a true and fair view of the state of affairs of the Group. The financial statements set out on pages 33 to 75 were prepared on a going concern basis. Financial results of the Group are announced in a timely manner in accordance with statutory and/or regulatory requirements.

During the year, the Company engaged HLB Hodgson Impey Cheng Limited ("HLB") as the external auditors. Apart from providing audit services, HLB also reviewed the interim results of the Group. The fees in respect of audit and non-audit services provided by HLB for the year ended 30 September 2015 amounted to approximately HK$1,200,000 and HK$850,000 respectively.

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

Internal Controls

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

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

Audit Committee

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

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

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

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

	Number of Meetings Attended/Held
Mr. Andrew David ROSS *(Chairman)*	2/2
Mr. Geoffrey William FAWCETT	1/2
Mr. Charles Robert LAWSON	2/2
Mr. KO Wai Lun, Warren	1/2

DELEGATION BY THE BOARD

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

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

COMPANY SECRETARY

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

SHAREHOLDER AND INVESTOR RELATIONS

Communication Strategies

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

The Chairman of the Board, members of the Board and external auditors attended the 2015 annual general meeting of the Company ("AGM") held on 6 March 2015. The attendance record of the Directors at the AGM is set out below:

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

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

Shareholders' Rights

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

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

HUMAN CAPITAL

The labour market in Hong Kong remains in a state of full employment. Labour demand is buoyant with low job vacancies in the private sector and total employment staying near its record high in 2015. Consequently, incomes have sustained further growth.

According to the Hong Kong SAR Government's statistical data, some 129,800 persons were engaged in the information and communication technology (ICT) sector in 2013, accounting for 3.5% of total employment. Despite slower overall economic growth, the high-tech sector has remained resilient, and demand is rising for talents with niche skills sets.

To engage and retain the critical talent in this rapidly evolving business arena, the Group provides competitive compensation packages and performance-based incentives, and more importantly a fulfilling working environment that promotes personal growth and advancement. The staff teams are motivated to perform and have the opportunity to share in the benefits of the results they help create.

In addition to recruiting eligible candidates, the Group also engages in continuous staff development activities to address talent gaps in key skill areas. A learning culture is well rooted to drive staff members to adapt to change.

While the Group approaches talent management in a way that complements its business goals, it also promotes an employee-friendly environment that gives priority to work-life balance. It is only with the commitment and professional input of the staff team that the Group can realise its mission of creating long-term value for its shareholders. The Group is thankful to its members and will continue to invest in this valuable asset.

EXECUTIVE DIRECTORS

Mr. SY Ethan, Timothy, aged 42, is the Chairman and Chief Executive Officer of the Company. He joined the Group in 1997 and is responsible for the Group's corporate strategies.

Mr. SUNG Yee Keung, Ricky, aged 50, is an Executive Director of the Company. He joined the Group in 1993 and is responsible for the Group's strategic planning. Mr. Sung has over 23 years of experience in the customer telecommunications industry and over 26 years of trading experience in the People's Republic of China.

NON-EXECUTIVE DIRECTOR

Mr. KO Wai Lun, Warren, aged 48, is a Non-executive Director of the Company since 2003. Educated in England and Canada, Mr. Ko obtained his Bachelor of Science Degree from Simon Fraser University in Canada and Bachelor of Laws Degree in England. He was a partner of Richards Butler, an international law firm, between 2001 and 2005. He is currently a partner at the law firm, Robertsons and specialises in corporate finance work including initial public offerings, mergers and acquisitions and restructuring. He is qualified to practise law in both England and Wales and Hong Kong.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Andrew David ROSS, aged 61, is an Independent Non-executive Director of the Company since 2004. He is a partner of Baker Tilly Hong Kong Limited, Certified Public Accountants and the finance director of Windy City International Limited. Mr. Ross holds a Bachelor of Arts Degree in Accountancy and Law and is a member of both the Institute of Chartered Accountants of Scotland and the Hong Kong Institute of Certified Public Accountants. Mr. Ross has over 40 years of experience in auditing, business accounting, taxation and business valuations and has been involved in due diligence investigations, preparation of pre-listing documents and giving expert opinions on a number of auditing and accounting issues.

Mr. Geoffrey William FAWCETT, aged 58, is an Independent Non-executive Director of the Company since 2004. Graduated from John Moores University of Liverpool, England, Mr. Fawcett has over 30 years of experience in the maritime transportation industry, particularly in successfully formulating plans and strategies for Fortune 200 level maritime transportation companies, the fastest growing US State Port Authority and a variety of other large international organisations.

Mr. Charles Robert LAWSON, aged 66, is an Independent Non-executive Director of the Company since 2005. Mr. Lawson is the Director of Finance at Mega-Link International Holdings Limited. He is a fellow member of the Institute of Chartered Accountants in England and Wales. Mr. Lawson has extensive experience in general and financial management. He has been exposed to a number of bank negotiations and restructuring documentation. He also has extensive knowledge of most of the areas in the Far East region.

MARKET OVERVIEW

Worldwide combined shipments of devices, including personal computers, tablets, ultramobiles and mobile phones, are estimated by Gartner, Inc. to be reaching 2.4 billion units for the whole year of 2015, 1% down from 2014. The firm observed decreased replacement activity across all types of devices. It estimated that mobile phone shipments will reach the 2 billion mark by 2017, and smartphones will represent 89% of this market.

Gartner's latest device forecast also showed that shipments in all categories would contract in 2015, except for mobile phone shipments, which are expected to increase by slightly above 1% in 2015. Smartphone shipments, which have been a growth driver for the past few years, recorded the slowest year-on-year growth rate of less than 14% during the second quarter of 2015. Shipments are estimated to increase 14% for the whole year. Sales remained mixed region by region. Emerging Asia Pacific is on pace to show the strongest growth, while Greater China will only grow 3%.

International Data Corporation (IDC) also expected to see a noticeable slowdown in China's smartphone sales in 2015 as the country's economic growth declines. Sales fell for the first time in the second quarter. China's poor performance in smartphone sales was also attributable to the saturation of the market, which is now driven by replacement. However, steadily falling average selling prices are expected to fuel steady growth through the end of IDC's forecast period, with global shipments reaching 1.9 billion units in 2019.

The ultramobile segment, including tablets and clamshells, is also on track to contract in 2015. Ultramobile shipments are estimated to total 199 million units in 2015, a decline of 12% year over year. Tablet shipments will be down 13% from 2014 as the market is coming under increasing pressure. In addition, Gartner's user survey conducted in June 2015 across six countries found that 44% of current tablet users are opting to replace their tablets by an alternative device.

According to IDC's shipments data, Samsung retained its leadership in the worldwide smartphone market in the second quarter of 2015, but amid a growth decline of more than 11% quarter on quarter. The firm attributed this to the underwhelming performance of the vendor's newest flagship releases, the Galaxy S6 and the Galaxy S6 Edge. It was able to retain the number one position due to increased shipments of lower-end models, particularly to regions like Southeast Asia, the Middle East and Africa.

Apple continued to find success with its larger-screened iPhone 6 Plus. The second quarter saw it ship a total of 47.5 million units, which was more than a 22% decline from the first quarter. iPhones showed much stronger growth in emerging markets during the second quarter. With the launch of the iPhone 6S, IDC expects strong sales to continue for the rest of 2015.

Chinese vendors performed well during the second quarter. Huawei raised itself to the number three spot from its fourth position in the first quarter. As it continues to push on premium devices, shipments of mid-range and high-end phones accounted for more than 35% of its smartphone shipments. Huawei's low-cost series also sold briskly both inside and outside China.

Xiaomi ousted LG to gain a spot in the top five. This growth is remarkable considering that it markets mainly to the Asia Pacific, primarily China. With Xiaomi's entry into Brazil and Africa, its future growth may become more broad-based.

In terms of mobile platforms, Android had about 83% of market share as at the second quarter, according to IDC. Apple iOS followed with close to 14% share, while Windows Phone's share was below 3%. The remaining 1% was split between all the other smartphone operating systems (OSs). It is evident that the OS market continues to be dominated by Android and iOS.

These two OSs also take the lead in the volume of applications (apps) available for download. Statista's figures showed that Android had 1.6 million apps available on its platform as at July 2015, while Apple's App Store was the second largest with 1.5 million available apps.

As for downloads, research platform App Annie saw Google Play extending its lead over iOS in the second quarter. In terms of worldwide downloads, Google Play's increased 70% from the first quarter and were about 85% higher than iOS App Store. This change was attributable to increased smartphone ownership in emerging markets, and the availability of affordable Android devices. However, worldwide revenue from apps still heavily favours iOS.

Market Overview

The ongoing mobile app trends are forecast to be driven by the availability of low-cost mobile devices, Internet connectivity, and the proliferation of low-cost cloud-based services.

With respect to app functionalities, apps that aggregate and publish content, that act like a platform for other apps, and those that serve as a collection tool for personalised data, will lead the trend. This is pushing developers to build not just an app, but a 'service'.

Indeed, information and communication technology (ICT) is driving global development in an unprecedented way. The United Nations' (UN) International Telecommunications Union (ITU) says technological progress, infrastructure deployment, and falling prices have brought unexpected growth in connectivity around the world.

By the end of 2015 there will be more than 7 billion mobile cellular subscriptions worldwide, up from less than 1 billion in 2000. Globally 3.2 billion people are using the Internet, 2 billion of them from developing countries. Mobile broadband is the most dynamic market segment, with global mobile broadband penetration reaching 47% in 2015.

Between 2000 and 2015, global Internet penetration grew sevenfold from less than 7% to 43%. However, 4 billion people from developing countries are still offline. Internet penetration in developing countries stands at 35%, while the least developed countries lag behind with only 10%.

This indicates that further work is needed in order to fill these remaining gaps. ITU predicts ICT to play an even more significant role in the post-2015 development agenda and in achieving future sustainable development goals as the world moves faster towards a digital society.

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

Corporate Information

Principal share registrar and transfer office	Royal Bank of Canada Trust Company (Cayman) Limited 4th Floor, Royal Bank House 24 Shedden Road George Town Grand Cayman KY1-1110 Cayman Islands
Hong Kong branch share registrar and transfer office	Tricor Abacus Limited Level 22, Hopewell Centre 183 Queen's Road East Hong Kong
Singapore share transfer agent	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
Listing information	The Stock Exchange of Hong Kong Limited: 143 Singapore Exchange Securities Trading Limited: G11
Investor relations adviser	t6.communications limited 8A CATIC Plaza 8 Causeway Road Causeway Bay Hong Kong Tel. : 2511-8388 Fax. : 2511-8238 E-mail : enquiry@t6pr.com

The Directors submit their report together with the audited financial statements of the Company and the Group for the year ended 30 September 2015.

PRINCIPAL ACTIVITIES AND SEGMENT INFORMATION

The principal activity of the Company is investment holding. The principal activities of the principal subsidiaries of the Company are set out in note 17 to the consolidated financial statements.

An analysis of the Group's performance for the year ended 30 September 2015 by business and geographical segments is set out in note 6 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 30 September 2015 are set out in the consolidated statement of profit or loss and other comprehensive income on page 33.

The Directors resolved not to make any payment of an interim dividend (2014: HK$ Nil) and do not recommend the payment of a final dividend (2014: HK$ Nil) for the year ended 30 September 2015.

RESERVES

Movements in the reserves of the Group and the Company during the year ended 30 September 2015 are set out in the consolidated statement of changes in equity on page 36 and note 30 to the consolidated financial statements respectively.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year ended 30 September 2015 are set out in note 16 to the consolidated financial statements.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 30 September 2015.

BANK BORROWINGS

Details of the bank borrowings of the Group at 30 September 2015 are set out in note 28 to the consolidated financial statements.

DIRECTORS

The Directors who held office during the year ended 30 September 2015 and up to the date of this report are as follows:

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

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

In accordance with Article 116 of the Articles of Association of the Company, Messrs. Geoffrey William FAWCETT and Charles Robert LAWSON shall retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

BIOGRAPHICAL DETAILS OF DIRECTORS

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

DISTRIBUTABLE RESERVES

Details of distributable reserves of the Company at 30 September 2015 are set out in note 30 to the consolidated financial statements.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 76.

DIRECTORS' SERVICE CONTRACTS

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

CONNECTED TRANSACTIONS

No transactions were entered into by the Group during the year ended 30 September 2015, which constitute connected transactions under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 33 to the consolidated financial statements, no Director had material beneficial interests, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries was a party at any time during the year ended 30 September 2015.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

At 30 September 2015, the following Director had the following interests in long positions in the shares of the Company as recorded in the register required to be kept under section 352 of the Securities and Futures Ordinance (Chapter 571 of the Laws of the Hong Kong) (the "SFO"):

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

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

Save as disclosed above, at 30 September 2015, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be entered in the register kept by the Company pursuant to section 352 of the SFO, or were required to be notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

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

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS DISCLOSEABLE UNDER THE SFO

At 30 September 2015, the register of substantial shareholders maintained under section 336 of the SFO shows that the following companies (not being Directors or chief executive of the Company) had long positions of 5% or more in the shares of the Company which fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

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

Save as disclosed above, no other person was recorded in the register required to be kept under section 336 of the SFO as having an interest or short position in the shares or underlying shares of the Company at 30 September 2015.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 30 September 2015.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of purchases and sales for the year ended 30 September 2015 attributable to the Group's major suppliers and customers are as follows:

	Percentage of the total purchases/sales accounted for
Purchases	
– the largest supplier	99%
– five largest suppliers combined	99%
Sales	
– the largest customer	63%
– five largest customers combined	64%

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

PRE-EMPTIVE RIGHTS

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

PENSION SCHEME

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

The Group and its employees are each required to make a mandatory contribution of 5% of the employees' basic salaries to the MPF Scheme, subject to a maximum contribution of HK$1,500 per month during the year ended 30 September 2015 as prescribed by the MPF Ordinance. Members are entitled to 100% of the employer's mandatory contributions as soon as they are paid to the MPF Scheme but all benefits derived from the mandatory contributions must be preserved until an employee reaches the retirement age of 65 or in accordance with the rules of the MPF Scheme.

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

PUBLIC FLOAT

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

AUDITORS

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

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

On behalf of the Board
SY Ethan, Timothy
Chairman

Hong Kong, 25 November 2015

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

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

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

We have audited the consolidated financial statements of Global Tech (Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 33 to 75, which comprise the consolidated and company statements of financial position as at 30 September 2015, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and the Group as at 30 September 2015, and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Yu Chi Fat
Practising Certificate Number: P05467

Hong Kong, 25 November 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 September 2015

	Notes	2015 HK$'000	2014 HK$'000
Turnover	7	**86,695**	89,785
Cost of sales		**(60,685)**	(65,108)
Gross profit		**26,010**	24,677
Other revenue	8	**81**	108
Other income	9	**–**	1,098
Selling and distribution expenses		**(688)**	(558)
Administrative expenses		**(42,668)**	(38,976)
Other operating expenses		**(6,058)**	(2,321)
Finance costs	10	**(42)**	–
Loss before taxation	11	**(23,365)**	(15,972)
Taxation	12	**20**	(20)
Loss for the year	13	**(23,345)**	(15,992)
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**5,809**	1,761
Other comprehensive income for the year, net of tax		**5,809**	1,761
Total comprehensive loss for the year		**(17,536)**	(14,231)
Loss for the year attributable to owners of the Company		**(23,345)**	(15,992)
Total comprehensive loss for the year attributable to owners of the Company		**(17,536)**	(14,231)
Loss per share attributable to owners of the Company			
Basic and diluted	15	**HK$(0.005)**	HK$(0.003)

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

Consolidated Statement of Financial Position

At 30 September 2015

	Notes	2015 HK$'000	2014 HK$'000
Non-current assets			
Property, plant and equipment	16	**2,918**	2,675
Available-for-sale financial assets	19	**5,950**	5,950
		8,868	8,625
Current assets			
Inventories	20	**2,272**	4,255
Trade receivables	21	**1,309**	4,153
Prepayments, deposits and other receivables	22	**7,971**	7,747
Financial assets at fair value through profit or loss	23	**177**	–
Tax recoverable		**20**	–
Pledged time deposits	24	**5,030**	–
Cash and bank balances	25	**14,298**	24,646
		31,077	40,801
Current liabilities			
Trade payables	26	**4,339**	4,362
Accrued charges and other payables	27	**8,011**	4,413
Secured bank borrowings	28	**4,500**	–
Tax payables		**–**	20
		16,850	8,795
Net current assets		**14,227**	32,006
Total assets less current liabilities		**23,095**	40,631
Net assets		**23,095**	40,631
Equity			
Capital and reserves attributable to owners of the Company			
Share capital	29	**51,659**	51,659
Reserves		**(28,564)**	(11,028)
Total equity		**23,095**	40,631

The consolidated financial statements were approved and authorised for issue by the board of directors on 25 November 2015 and signed on its behalf by:

SY Ethan, Timothy
Executive Director

SUNG Yee Keung, Ricky
Executive Director

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

Statement of Financial Position

At 30 September 2015

	Notes	2015 HK$'000	2014 HK$'000
Non-current assets			
Interests in subsidiaries	17	**22,500**	24,764
Available-for-sale financial assets	19	**5,300**	5,300
		27,800	30,064
Current assets			
Amounts due from subsidiaries	18	**5,171**	11,189
Prepayments, deposits and other receivables	22	**266**	335
Cash and bank balances	25	**244**	607
		5,681	12,131
Current liabilities			
Accrued charges and other payables	27	**5,155**	2,867
Amounts due to subsidiaries		**5,231**	4,972
		10,386	7,839
Net current (liabilities)/assets		**(4,705)**	4,292
Total assets less current liabilities		**23,095**	34,356
Net assets		**23,095**	34,356
Equity			
Capital and reserves attributable to owners of the Company			
Share capital	29	**51,659**	51,659
Reserves	30	**(28,564)**	(17,303)
Total equity		**23,095**	34,356

The financial statements were approved and authorised for issue by the board of directors on 25 November 2015 and signed on its behalf by:

SY Ethan, Timothy
Executive Director

SUNG Yee Keung, Ricky
Executive Director

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

Consolidated Statement of Changes in Equity

For the year ended 30 September 2015

	Share capital HK$'000	Share premium HK$'000	Capital reserve HK$'000	Capital redemption reserve HK$'000 (Note 1)	Exchange difference reserve HK$'000 (Note 2)	Accumulated losses HK$'000	Total HK$'000
At 1 October 2013	51,659	457,804	2,450	160	(1,729)	(455,482)	54,862
Loss for the year	–	–	–	–	–	(15,992)	(15,992)
Other comprehensive income							
Item that may be reclassified subsequently to profit or loss:							
Exchange differences on translating foreign operations	–	–	–	–	1,761	–	1,761
Total comprehensive income/(loss) for the year	–	–	–	–	1,761	(15,992)	(14,231)
At 30 September 2014 and 1 October 2014	51,659	457,804	2,450	160	32	(471,474)	40,631
Loss for the year	–	–	–	–	–	(23,345)	(23,345)
Other comprehensive income							
Item that may be reclassified subsequently to profit or loss:							
Exchange differences on translating foreign operations	–	–	–	–	5,809	–	5,809
Total comprehensive income/(loss) for the year	–	–	–	–	5,809	(23,345)	(17,536)
At 30 September 2015	**51,659**	**457,804**	**2,450**	**160**	**5,841**	**(494,819)**	**23,095**

Notes:

1) Capital redemption reserve

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

2) Exchange difference reserve

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

Consolidated Statement of Cash Flows

For the year ended 30 September 2015

	2015 **HK$'000**	2014 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	**(23,365)**	(15,972)
Adjustments for:		
Depreciation	**1,163**	1,219
Bad debts written off	**25**	211
Reversal of impairment loss recognised in respect of trade receivables	**–**	(414)
Fair value loss on financial assets at fair value through profit or loss	**52**	–
Loss on disposal of property, plant and equipment	**–**	171
Loss on written off of property, plant and equipment	**10**	–
Allowance for inventories	**294**	224
Reversal of allowance for inventories	**(160)**	(416)
Written off of inventories	**67**	7
Dividend income	**(3)**	–
Interest income	**(31)**	(6)
Interest expense	**42**	–
Unrealised foreign currency losses, net	**6,026**	1,907
Operating cash flows before movements in working capital	**(15,880)**	(13,069)
Decrease in inventories	**1,782**	2,208
Decrease in trade receivables	**2,817**	771
Increase in financial assets at fair value through profit or loss	**(229)**	–
(Increase)/decrease in prepayments, deposits and other receivables	**(426)**	693
(Decrease)/increase in trade payables	**(23)**	2,666
Increase/(decrease) in accrued charges and other payables	**3,595**	(6,381)
Cash used in operating activities	**(8,364)**	(13,112)
Profits tax paid	**(20)**	–
Net cash used in operating activities	**(8,384)**	(13,112)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(1,416)**	(181)
Proceeds from disposals of property, plant and equipment	**–**	16
Dividend received	**3**	–
Interest received	**31**	6
Increase in pledged time deposits	**(5,030)**	–
Net cash used in investing activities	**(6,412)**	(159)

Consolidated Statement of Cash Flows

For the year ended 30 September 2015

	2015 HK$'000	2014 HK$'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	**(32)**	–
Increase in secured bank borrowings	**4,500**	–
Net cash generated from financing activities	**4,468**	–
Net decrease in cash and cash equivalents	**(10,328)**	(13,271)
Cash and cash equivalents at the beginning of the year	**24,646**	37,929
Effect of foreign exchange rate changes	**(20)**	(12)
Cash and cash equivalents at the end of the year	**14,298**	24,646
Analysis of the balances of cash and cash equivalents		
Cash and bank balances	**14,298**	24,646

1. CORPORATE INFORMATION

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

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

The principal activity of the Company is investment holding and the principal activities of its principal subsidiaries are set out in note 17 to the consolidated financial statements.

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

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

In the current year, the Group has applied, for the first time, the following new standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which are effective for the Group's financial year beginning 1 October 2014.

HKAS 19 (As revised in 2011) (Amendments)	Defined Benefit Plans: Employee Contributions
HKAS 32 (Amendments)	Presentation – Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting
HKFRSs (Amendments)	Annual improvements to HKFRSs 2010-2012 Cycle
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011-2013 Cycle
HKFRS 10, HKFRS 12 and HKAS 27 (As revised in 2011) (Amendments)	Investment Entities
HK(IFRIC) – Int 21	Levies

HKAS 36 (Amendments) Recoverable Amount Disclosures for Non-Financial Assets

The Group has applied the amendments to HKAS 36 for the first time in the current year. The amendments to HKAS 36 remove the requirements to disclose the recoverable amount of a cash-generating unit ("CGU") to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal if impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by HKFRS 13 Fair Value Measurements.

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

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

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

HKAS 1 (Amendments)	Disclosure Initiative[1]
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants[1]
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements[1]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012-2014 Cycle[1]
HKFRS 9 (As revised in 2014)	Financial Instruments[3]
HKFRS 9, HKFRS 7 and HKAS 39 (Amendments)	Hedge Accounting and Amendments to HKFRS 9, HKFRS 7 and HKAS 39[3]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception[1]
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations[1]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]

1 Effective for annual periods beginning on or after 1 January 2016.
2 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016.
3 Effective for annual periods beginning on or after 1 January 2018.

HKFRS 9 (As revised in 2014) Financial Instruments

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Group have been prepared in accordance with all applicable HKFRSs, which is a collective term that includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations ("Ints") issued by the HKICPA and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(a) Basis of consolidation

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

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

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

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

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

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

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

Changes in the Group's ownership interests in existing subsidiaries

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

(b) Interests in subsidiaries

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Segment reporting

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

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

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

(d) Revenue recognition

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

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

ii. Service income is recognised when services are rendered;

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

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

v. Dividend income from financial assets at fair value through profit or loss is recognised when the Group's right to receive payment is established.

(e) Property, plant and equipment

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Leasing

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

The Company as lessee

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

(g) Foreign currencies

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

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

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

(h) Borrowings

Borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Employee benefits

Employee leave entitlements

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

Retirement benefit obligations

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

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

(j) Taxation

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

Current tax

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

Deferred tax

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Taxation (continued)

Deferred tax (continued)

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

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

Current and deferred tax for the year

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

(k) Inventories

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

(l) Trade and other receivables

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

(m) Financial instruments

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

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

Financial assets

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Financial instruments (continued)

Financial assets (continued)

Effective interest method

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

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

Financial assets at FVTPL

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

A financial asset is classified as held for trading if:

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

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial assets.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Financial instruments (continued)

Financial assets (continued)

AFS financial assets

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at FVTPL.

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

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

Loans and receivables

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

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

Impairment of financial assets

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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

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

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Financial instruments (continued)

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

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

Other financial liabilities

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

Effective interest method

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

Interest expense is recognised on an effective interest basis other than financial liabilities classified as at FVTPL.

Derecognition

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Impairment of tangible assets

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

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

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

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

(o) Cash and cash equivalents

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

(p) Provisions

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

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

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

(q) Contingent liabilities and contingent assets

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Related parties

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

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

(ii) has significant influence over the Group; or

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

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

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

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

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

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

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

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

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

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

4. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

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

Categories of financial instruments

	2015 **HK$'000**	2014 HK$'000
Financial assets		
Loans and receivables (including cash and bank balances)	**27,910**	35,769
AFS financial assets	**5,950**	5,950
Financial assets at FVTPL	**177**	–
Financial liabilities		
Amortised costs	**16,850**	8,775

Financial risk factors

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

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

(a) Market risk

Foreign exchange risk

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

Cash flow and fair value interest rate risk

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

The Group is mainly exposed to cash flow interest rate risk in relation to variable rate bank balances and a variable rate bank borrowing carrying prevailing interest rates at Hong Kong Interbank Offered Rate (HIBOR).

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

In the opinion of the Directors, the reasonably possible change in interest rates for bank balances and the variable rate bank borrowing is insignificant. No sensitivity analysis is presented.

4. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk factors (continued)

(a) Market risk (continued)

Price risk

The Group's equity investments classified as financial assets at FVTPL which is measured at fair value at the end of each reporting period and expose the Group to price risk.

The Group's equity price risk is mainly concentrated on listed equity securities which are quoted on the Stock Exchange. The management will monitor the price movements and take appropriate actions when it is required.

No sensitivity analysis is presented as the Group's financial results are not significantly affected by equity investment price risk.

(b) Credit risk

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

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

The Group's concentration of credit risk by geographical location is mainly in Hong Kong. The Group also has concentration of credit risk by customers of approximately 35% (2014: 74%) and 49% (2014: 79%) of total trade receivables was due from the Group's largest customer and the two largest customers respectively.

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

4. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk factors (continued)

(c) Liquidity risk

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

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

At 30 September 2015

	Weighted average effective interest rate	Within 1 year HK$'000	Between 1 and 5 years HK$'000	Over 5 years HK$'000	Total contractual undiscounted cash flow HK$'000	Total carrying amount HK$'000
Non-derivative financial liabilities						
Trade payables	–	4,339	–	–	4,339	4,339
Accrued charges and other payables	–	8,011	–	–	8,011	8,011
Secured bank borrowings	2.77%	4,505	–	–	4,505	4,500
		16,855	–	–	16,855	16,850

At 30 September 2014

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

4. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value measurement

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

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

	Fair value at 30 September 2015 HK$'000	Fair value at 30 September 2014 HK$'000	**Fair value hierarchy**	**Valuation techniques and key inputs**
Financial assets				
Financial assets at FVTPL				
– Listed equity securities	**177**	–	Level 1	Quoted bid prices in active markets

There were no transfers between Level 1, 2 and 3 in the current and prior year.

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

Capital risk management

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

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

The Group monitors its capital on the basis of the gearing ratio of bank borrowings over total assets. The Group aims to maintain the gearing ratio at a reasonable level.

The gearing ratios at the balance sheet dates are as follows:

	2015 HK$'000	2014 HK$'000
Bank borrowings (note 28)	**4,500**	–
Total assets	**39,945**	49,426
Gearing ratios	**11.3%**	N/A

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

(a) Impairment of trade and other receivables

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

(b) Useful lives of property, plant and equipment

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

(c) Allowance for slow-moving inventories

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

6. SEGMENT INFORMATION

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

(i) Trading of telecommunications products

(ii) Provision of repair services

(iii) Investments in financial assets

6. SEGMENT INFORMATION (CONTINUED)

Information regarding the Group's reportable segments for the years ended 30 September 2015 and 2014 is presented as follows:

(a) Segment revenue and results

2015

	Trading of telecommunications products HK$'000	Provision of repair services HK$'000	Investments in financial assets HK$'000	Consolidated HK$'000
Turnover	5,788	80,927	(20)	86,695
Segment results	(2,714)	(3,128)	(17)	(5,859)
Interest income				31
Finance costs				(42)
Unallocated expenses				(17,495)
Loss before taxation				(23,365)
Taxation				20
Loss for the year				(23,345)

2014

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

Turnover reported above represents turnover generated from external customers. There are no intersegment sales for the year ended 30 September 2015 (2014: HK$ Nil).

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

6. SEGMENT INFORMATION (CONTINUED)

(b) Segment assets and liabilities

2015

	Trading of telecommunications products HK$'000	Provision of repair services HK$'000	Investments in financial assets HK$'000	Consolidated HK$'000
Segment assets	**7,395**	**13,756**	**8,811**	**29,962**
AFS financial assets				**5,950**
Unallocated corporate assets				**4,033**
Consolidated total assets				**39,945**
Segment liabilities	**(259)**	**(10,965)**	**–**	**(11,224)**
Unallocated corporate liabilities				**(5,626)**
Consolidated total liabilities				**(16,850)**

2014

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

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

i) All assets are allocated to reportable segments other than AFS financial assets, tax recoverable and unallocated corporate assets; and

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

6. SEGMENT INFORMATION (CONTINUED)

(c) Other segment information

	2015				
	Trading of telecommunications products HK$'000	Provision of repair services HK$'000	Investments in financial assets HK$'000	Unallocated HK$'000	Consolidated HK$'000
Capital expenditure	–	1,369	–	47	1,416
Depreciation	18	390	–	755	1,163
Loss on written off of property, plant and equipment	–	–	–	10	10

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

(d) Geographical segments

During the year ended 30 September 2015, more than 94% (2014: more than 94%) of the Group's turnover and total assets were derived from and located in Hong Kong. Therefore, no geographical segment for the respective years is presented.

(e) Information about major customers

During the year, the turnover from the Group's largest customer arising from provision of repair services amounted to 63% (2014: 62%) of the Group's total turnover. No other single customers contributed 10% or more to the Group's turnover for both of the years ended 30 September 2015 and 2014.

7. TURNOVER

	2015 HK$'000	2014 HK$'000
Sales of goods	5,788	7,885
Provision of repair services	80,927	81,900
Loss from financial assets at FVTPL, net	(20)	–
	86,695	89,785

8. OTHER REVENUE

	2015 HK$'000	2014 HK$'000
Dividend income	3	–
Interest income	31	6
Sundry income	47	102
	81	108

9. OTHER INCOME

	2015 HK$'000	2014 HK$'000
Reversal of impairment loss recognised in respect of trade receivables	–	414
Others	–	684
	–	1,098

10. FINANCE COSTS

	2015 HK$'000	2014 HK$'000
Interest expenses on secured bank borrowings wholly repayable within five years	42	–

11. LOSS BEFORE TAXATION

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

	2015 HK$'000	2014 HK$'000
Auditors' remuneration:		
Auditors of the Company	1,400	1,250
Other auditors	105	72
Cost of trading inventories sold	2,675	6,408
Employee benefit expenses (note 31)	26,885	24,360
Retirement benefit costs (note 31)	1,095	1,076
Depreciation	1,163	1,219
Bad debts written off*	25	211
Loss on disposal of property, plant and equipment*	–	171
Loss on written off of property, plant and equipment*	10	–
Allowance for inventories	294	224
Reversal of allowance for inventories	(160)	(416)
Written off of inventories	67	7
Operating lease rental in respect of rental premises	3,630	3,189
Exchange losses, net*	6,023	1,861

* Items included in other operating expenses.

12. TAXATION

	2015 HK$'000	2014 HK$'000
Current tax:		
Hong Kong Profits Tax:		
Current year	**(20)**	20

Note:

Hong Kong Profits Tax is calculated at 16.5% (2014: 16.5%) on the estimated assessable profits for the year. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

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

	2015 HK$'000	%	2014 HK$'000	%
Loss before taxation	**(23,365)**		(15,972)	
Tax at statutory tax rate	**(3,855)**	**(16.5)**	(2,635)	(16.5)
Tax effect of expenses that are not deductible in determining taxable profit	**1,580**	**6.7**	3,090	19.4
Tax effect of income that is not taxable in determining taxable profit	**(380)**	**(1.6)**	(2,183)	(13.7)
Utilisation of tax losses previously not recognised	**–**	**–**	(649)	(4.1)
Unrecognised tax losses	**2,619**	**11.2**	2,288	14.3
Unrecognised deductible temporary differences	**16**	**0.1**	109	0.7
Tax (credit)/charge and effective tax rate for the year	**(20)**	**(0.1)**	20	0.1

The Group

At 30 September 2015, the Group has cumulative tax losses of approximately HK$237,949,000 (2014: HK$223,407,000) available for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of the estimated tax losses of HK$237,949,000 (2014: HK$223,407,000) due to uncertainty of future profit streams.

The Company

At 30 September 2015, the Company has estimated unused tax losses of approximately HK$181,223,000 (2014: HK$172,596,000) available for offsetting against future taxable profits. Tax losses may be carried forward indefinitely. No deferred tax assets have been recognised due to uncertainty of future profits streams.

13. LOSS FOR THE YEAR

The Group's consolidated loss attributable to owners of the Company for the year is approximately HK$23,345,000 (2014: loss of HK$15,992,000) of which loss of approximately HK$11,261,000 (2014: profit of HK$3,887,000) is dealt with in the financial statements of the Company.

14. DIVIDENDS

The Directors do not recommend the payment of any dividend for the year ended 30 September 2015 (2014: HK$ Nil).

15. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss attributable to owners of the Company of approximately HK$23,345,000 (2014: loss of HK$15,992,000) and on 5,165,973,933 (2014: 5,165,973,933) ordinary shares in issue during the year.

The diluted loss per share for the years ended 30 September 2015 and 2014 was the same as basic loss per share as there were no potential outstanding shares for the years.

16. PROPERTY, PLANT AND EQUIPMENT

The Group

	Leasehold improvements HK$'000	Furniture and fixtures HK$'000	Computers and equipment HK$'000	Total HK$'000
Cost:				
At 1 October 2013	3,194	999	5,462	9,655
Exchange difference	(7)	–	(8)	(15)
Additions	17	40	124	181
Disposal	(516)	(24)	(569)	(1,109)
At 30 September 2014 and 1 October 2014	2,688	1,015	5,009	8,712
Additions	888	101	427	1,416
Written off	(704)	–	–	(704)
At 30 September 2015	**2,872**	**1,116**	**5,436**	**9,424**
Accumulated depreciation and impairment losses:				
At 1 October 2013	1,300	448	4,003	5,751
Exchange difference	(4)	–	(7)	(11)
Charge for the year	418	186	615	1,219
Eliminated on disposal	(403)	(11)	(508)	(922)
At 30 September 2014 and 1 October 2014	1,311	623	4,103	6,037
Charge for the year	423	181	559	1,163
Eliminated on written off	(694)	–	–	(694)
At 30 September 2015	**1,040**	**804**	**4,662**	**6,506**
Carrying amounts:				
At 30 September 2015	**1,832**	**312**	**774**	**2,918**
At 30 September 2014	1,377	392	906	2,675

17. INTERESTS IN SUBSIDIARIES

	2015 HK$'000	2014 HK$'000
Unlisted shares, at cost	**191,093**	191,093
Impairment loss recognised	**(168,593)**	(166,329)
	22,500	24,764

Details of the Company's principal subsidiaries at 30 September 2015 and 2014 are as follows:

Name of subsidiaries	Place of incorporation/ operation	Particulars of fully paid up capital	Percentage of equity attributable to the Company 2015 % Indirectly held	2014 %	Principal activities
Ample Vision Holdings Limited	British Virgin Islands/ Hong Kong	US$1 Ordinary	**100**	100	General trading
Camdenville Group Limited	British Virgin Islands/ Hong Kong	US$1 Ordinary	**100**	100	Trading of telecommunications products
Linktech Hong Kong Limited	Hong Kong	HK$2 Ordinary	**100**	100	Provision of repair services
Techglory Hong Kong Limited	Hong Kong	HK$1 Ordinary	**100**	100	General trading

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

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

18. AMOUNTS DUE FROM SUBSIDIARIES

	2015 HK$'000	2014 HK$'000
Amounts due from subsidiaries	**5,171**	11,189

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

19. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	The Group		The Company	
	2015 **HK$'000**	2014 HK$'000	**2015** **HK$'000**	2014 HK$'000
At the beginning and the end of the year	**5,950**	5,950	**5,300**	5,300
AFS financial assets at 30 September, comprise of				
Unlisted debt securities:				
Club debentures (note)	**5,950**	5,950	**5,300**	5,300

Note:

The club debentures are stated at cost less impairment loss at the end of each reporting period because the range of reasonable fair value estimates is so significant that the Directors consider that their fair values cannot be measured reliably. During the years ended 30 September 2015 and 2014, the Group identified no impairment loss related to the club debentures.

20. INVENTORIES

The Group

	2015 HK$'000	2014 HK$'000
Finished goods	**2,504**	4,527
Less: Allowance for slow-moving inventories	**(232)**	(272)
	2,272	4,255

21. TRADE RECEIVABLES

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

The Group

	2015 HK$'000	2014 HK$'000
Current	531	3,190
One to three months overdue	383	340
More than three months, but less than twelve months overdue	50	993
Over twelve months overdue	139,586	138,917
	140,550	143,440
Less: Impairment loss recognised	(139,241)	(139,287)
	1,309	4,153

Notes:

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

(b) Included in the trade receivable balances are debtors with an aggregate carrying amount of approximately HK$778,000 (2014: HK$963,000) which are overdue at the reporting date for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and the amounts are still considered recoverable, as there is an agreed repayment plan. The Group does not hold any collateral over these balances.

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

	2015 HK$'000	2014 HK$'000
One to three months overdue	383	340
More than three months, but less than twelve months overdue	50	623
Over twelve months overdue	345	–
	778	963

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

	2015 HK$'000	2014 HK$'000
At the beginning of the year	139,287	139,722
Reversal of impairment loss recognised	–	(414)
Exchange difference	(46)	(21)
At the end of the year	139,241	139,287

21. TRADE RECEIVABLES (CONTINUED)

Notes: (continued)

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

	2015 HK$'000	2014 HK$'000
More than three months, but less than twelve months overdue	–	370
Over twelve months overdue	139,241	138,917
	139,241	139,287

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	The Group		The Company	
	2015 HK$'000	2014 HK$'000	2015 HK$'000	2014 HK$'000
Prepayments	698	777	266	335
Deposits	4,921	4,538	–	–
Other receivables	2,352	2,432	–	–
	7,971	7,747	266	335

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	2015 HK$'000	2014 HK$'000
Held-for-trading:		
– Listed equity securities in Hong Kong	177	–

All financial assets at FVTPL are stated at fair values. Fair values of the listed investments are determined with reference to the quoted market bid prices available on the Stock Exchange.

24. PLEDGED TIME DEPOSITS

The balances, which were carried at the prevailing market interest rate, represent deposits pledged to a bank to secure short-term bank borrowings (note 28) granted to the Group, and therefore classified as current assets. The pledged deposits will be released upon expiry or termination or upon the settlement of relevant bank borrowings. At 30 September 2015, all the pledged time deposits were denominated in Hong Kong Dollars.

25. CASH AND BANK BALANCES

	The Group		The Company	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Cash at bank and in hand	**14,298**	24,646	**244**	607

Notes:

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

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

	The Group		The Company	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong Dollars	**13,357**	23,687	**244**	607
United States Dollars	**684**	572	**–**	–
New Taiwan Dollars	**182**	305	**–**	–
Others	**75**	82	**–**	–
	14,298	24,646	**244**	607

26. TRADE PAYABLES

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

The Group

	2015	2014
	HK$'000	HK$'000
Current and within one month	**4,321**	4,279
One to three months overdue	**8**	11
Over three months overdue	**10**	72
	4,339	4,362

27. ACCRUED CHARGES AND OTHER PAYABLES

	The Group		The Company	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Accrued charges	**719**	600	**360**	348
Other payables	**7,292**	3,813	**4,795**	2,519
	8,011	4,413	**5,155**	2,867

28. SECURED BANK BORROWINGS

The Group

	2015	2014
	HK$'000	HK$'000
Carrying amounts of secured bank borrowings repayable:		
– Within one year	**4,500**	–

Note:

Secured bank borrowings are secured by the pledged time deposits, carried interested rates at HIBOR plus 2.5% per annum and denominated in Hong Kong Dollars.

29. SHARE CAPITAL

	Number of shares	**HK$'000**
Ordinary shares of HK$0.01each		
Authorised		
At 1 October 2013, 30 September 2014 and 30 September 2015	20,000,000,000	200,000
Issued and fully paid		
At 1 October 2013, 30 September 2014 and 30 September 2015	5,165,973,933	51,659

30. RESERVES

The Company

	Share premium HK$'000	Capital redemption reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 October 2013	648,897	160	(670,247)	(21,190)
Profit for the year	–	–	3,887	3,887
At 30 September 2014 and 1 October 2014	648,897	160	(666,360)	(17,303)
Loss for the year	–	–	(11,261)	(11,261)
At 30 September 2015	**648,897**	**160**	**(677,621)**	**(28,564)**

At 30 September 2015, the Company has no distributable reserve (2014: HK$ Nil), represented by share premium less accumulated losses of the Company. Under the Companies Law (2013 Revision) of the Cayman Islands, share premium of the Company is distributable to the members, subject to a solvency test.

31. EMPLOYEE BENEFIT EXPENSES

(a) Staff cost

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

	2015 HK$'000	2014 HK$'000
Salaries and allowances	**26,603**	23,915
Discretionary bonuses	**54**	107
Staff welfare	**228**	338
Contributions to retirement fund	**1,095**	1,076
	27,980	25,436

31. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(b) Directors and senior management emoluments

The emoluments of the Directors are as follows:

	Year ended 30 September 2015			
Name of Directors	**Fees HK$'000**	**Salaries and allowances HK$'000**	**Contributions to retirement fund HK$'000**	**Total HK$'000**
Executive Directors				
Mr. SY Ethan, Timothy	–	–	–	–
Mr. SUNG Yee Keung, Ricky	–	**360**	**18**	**378**
Non-executive Director				
Mr. KO Wai Lun, Warren	**300**	–	–	**300**
Independent non-executive Directors				
Mr. Andrew David ROSS	**420**	–	–	**420**
Mr. Geoffrey William FAWCETT	**300**	–	–	**300**
Mr. Charles Robert LAWSON	**300**	–	–	**300**
	1,320	**360**	**18**	**1,698**

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

31. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(b) Directors and senior management emoluments (continued)

Certain Directors have waived emoluments for both of the years ended 30 September 2015 and 2014 and up to the dates of reports:

	Year ended 30 September 2015			From 1 October 2015 to the date of the report		
Name of Directors	**Fees HK$'000**	**Salaries and allowances HK$'000**	**Contributions to retirement fund HK$'000**	**Fees HK$'000**	**Salaries and allowances HK$'000**	**Contributions to retirement fund HK$'000**
Executive Director						
Mr. SY Ethan, Timothy	–	18,000	900	–	2,750	138
Non-executive Director						
Mr. KO Wai Lun, Warren	120	–	–	18	–	–
Independent non-executive Directors						
Mr. Andrew David ROSS	180	–	–	28	–	–
Mr. Geoffrey William FAWCETT	120	–	–	18	–	–
Mr. Charles Robert LAWSON	120	–	–	18	–	–

	Year ended 30 September 2014			From 1 October 2014 to 17 December 2014		
Name of Directors	Fees HK$'000	Salaries and allowances HK$'000	Contributions to retirement fund HK$'000	Fees HK$'000	Salaries and allowances HK$'000	Contributions to retirement fund HK$'000
Executive Director						
Mr. SY Ethan, Timothy	–	18,000	900	–	3,823	191
Non-executive Director						
Mr. KO Wai Lun, Warren	120	–	–	25	–	–
Independent non-executive Directors						
Mr. Andrew David ROSS	180	–	–	38	–	–
Mr. Geoffrey William FAWCETT	120	–	–	25	–	–
Mr. Charles Robert LAWSON	120	–	–	25	–	–

No amounts have been paid by the Group to the Directors as inducement to join the Group, as compensation for loss of office or as commitment fees to existing Directors for entering into new service contracts with the Group for the year ended 30 September 2015 (2014: HK$ Nil).

Apart from the aforesaid, no other emoluments have been paid to the Directors for the year ended 30 September 2015 (2014: HK$ Nil).

31. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(c) Five highest paid individuals

The five individuals with the highest emoluments in the Group for the year included no (2014: no) Directors whose emoluments are set out in note 31(b). The aggregate of the emoluments payable in respect of the five (2014: five) highest paid individuals of which do not include any senior management during the year are as follows:

	2015	2014
	HK$'000	HK$'000
Salaries and allowances	**2,077**	2,350
Contributions to retirement fund	**102**	113
	2,179	2,463

	Number of individual	
	2015	2014
Emolument bands:		
HK$ Nil to HK$1,000,000	**5**	5

32. SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Scheme") on 6 March 2015 pursuant to which employees and directors of the Group and other eligible persons who have made contribution to the Group were given opportunity to obtain equity holdings in the Company.

A summary of the Scheme is set out as follows:

(a) Purpose of the Scheme

The purpose of the Scheme is to enable the Company to grant share options to selected participants as incentives or rewards for their contribution to the Group.

(b) Participants of the Scheme

Eligible participants include full time employees and directors of the Company or its subsidiaries; advisers, consultants, suppliers and agents to the Company or its subsidiaries and such other persons who, at the sole determination of the board of directors, have contributed to the Group.

(c) Total number of shares available for issue under the Scheme and percentage of issued share capital at the date of this annual report

No share option had been granted under the Scheme and no share is available for issue under the Scheme at the date of this annual report.

32. SHARE OPTION SCHEME (CONTINUED)

(d) Maximum entitlement of each participant under the Scheme

The total number of shares issued and to be issued upon exercise of the options granted to each participant (including exercised, cancelled and outstanding options) in any 12-month period must not exceed 1% of the shares in issue unless the same is approved by shareholders in general meeting.

(e) The period within which the shares must be taken up under an option

At any time during a period to be notified by the board of directors, which period not to exceed 10 years commencing on the date on which the option is accepted and expiring on a day not later than the last day of the 10-year period.

(f) The minimum period for which an option must be held before it can be exercised

None, unless otherwise determined by the board of directors and specified in the offer letter of an option.

(g) The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid

HK$1.00 is to be paid as consideration for the grant of option within 30 days from the date of offer.

(h) The basis of determining the exercise price

The exercise price shall be determined by the board of directors but shall not be less than the highest of:

(i) the closing price of the shares as stated in the daily quotations sheet of the Stock Exchange on the date of offer;

(ii) the average closing price of the shares as stated in the daily quotations sheet of the Stock Exchange for the 5 business days immediately preceding the date of offer; and

(iii) the nominal value of a share.

(i) The remaining life of the Scheme

The Scheme shall be valid and effective for a period of 10 years commencing on the adoption date on 6 March 2015.

No share option has been granted under the Scheme since its adoption.

33. MATERIAL RELATED PARTY TRANSACTIONS

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

Key management personnel compensation

Compensation for key management personnel, including amount paid to the Directors, as disclosed in note 31(b), is as follows:

	2015 HK$'000	2014 HK$'000
Salaries and allowances	1,680	1,680
Contributions to retirement fund	18	18
	1,698	1,698

34. OPERATING LEASE COMMITMENTS

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

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

	2015 HK$'000	2014 HK$'000
Within one year	2,564	1,672
In the second to fifth years, inclusive	2,355	829
	4,919	2,501

35. CONTINGENT LIABILITIES

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

36. AUTHORISATION FOR ISSUE OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Directors on 25 November 2015.

Five-Year Financial Summary

For the year ended 30 September 2015

	For the year ended 30 September				
	2015	2014	2013	2012	2011
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Results					
Turnover	**86,695**	89,785	110,548	100,583	38,898
Loss before taxation	**(23,365)**	(15,972)	(40,105)	(20,626)	(15,279)
Taxation	**20**	(20)	52,993	–	27
(Loss)/profit attributable to owners of the Company	**(23,345)**	(15,992)	12,888	(20,626)	(15,252)
Dividends	**–**	–	–	–	–

	At 30 September				
	2015	2014	2013	2012	2011
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Assets and liabilities					
Property, plant and equipment	**2,918**	2,675	3,904	4,510	5,036
Available-for-sale financial assets	**5,950**	5,950	5,950	5,950	6,896
Net current assets	**14,227**	32,006	45,008	31,318	51,761
	23,095	40,631	54,862	41,778	63,693
Equity attributable to owners of the Company	**23,095**	40,631	54,862	41,778	63,693

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