CNC HOLDINGS LIMITED

中 國 新 華 電 視 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8356)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2015

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this announcement misleading.

FINANCIAL HIGHLIGHTS

Consolidated Results

For the year ended 31 March

	Changes	**2015**	2014
		HK$'000	*HK$'000*
Revenue	14.0%	**369,635**	324,331
Gross profit	-53.9%	**23,082**	50,100
Loss before income tax	-90.6%	**(45,352)**	(483,513)
Loss attributable to owners of the Company	-90.3%	**(41,723)**	(431,292)
Basic loss per Share	-94.7%	**(1.34)**	(25.14)
Dividend per Share *(HK cents)*	N/A	**N/A**	N/A

Consolidated Financial Position

As at 31 March

	Changes	**2015**	2014
		HK$'000	*HK$'000*
Total assets	10.1%	**366,612**	332,957
Cash and cash equivalents	201.6%	**62,166**	20,609
Total liabilities	-46.6%	**395,578**	740,896
Equity attributable to owners of the Company	92.9%	**(28,966)**	(407,939)

Ratios

As at 31 March

	2015	2014
Return on equity *(Note a)*	**N/A**	N/A
Return on assets *(Note b)*	**–11.4%**	–129.5%
Current ratio *(Note c)*	**1.66 times**	0.18 time
Gearing ratio *(Note d)*	**70.1%**	178.8%

Notes:

(a) Return on equity is calculated as net loss divided by Shareholders' equity.

(b) Return on assets is calculated as net loss divided by total assets.

(c) Current ratio is calculated as total current assets divided by total current liabilities.

(d) Gearing ratio is calculated as total amount of bank overdraft, promissory note, convertible notes, finance lease payables and advance received from customers divided by total assets.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

"Board"	the board of Directors
"BVI"	the British Virgin Islands
"China Xinhua NNC"	China Xinhua News Network Co., Limited (中國新華新聞電視網有限公司), a company incorporated in Hong Kong and a wholly-owned subsidiary of Xinhua News Agency (新華社) and a Shareholder of the Company
"CNC China"	中國新華新聞電視網有限公司, a company incorporated in the PRC, which owns 100% of the equity interests in China Xinhua NNC, a wholly-owned subsidiary of Xinhua News Agency and a substantial Shareholder of the Company
"Company"	CNC Holdings Limited (中國新華電視控股有限公司), a company incorporated in the Cayman Islands with limited liability on 15 March 2010
"Director(s)"	director(s) of the Company
"Financial Statements"	the audited financial statements of the Group for the year ended 31 March 2015
"GEM"	the Growth Enterprise Market of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"Government"	the Government of Hong Kong
"Group"	the Company and its subsidiaries
"HK$" and "HK cent(s)"	Hong Kong dollar(s) and cent(s), respectively, the lawful currency of Hong Kong

"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Macau"	the Macau Special Administrative Region of the PRC
"PRC"	the People's Republic of China, excluding Hong Kong, Macau and Taiwan
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended or otherwise modified from time to time
"Share(s)"	ordinary share(s) of the Company
"Share Option Scheme"	the share option scheme of the Company adopted on 11 August 2010
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"WSD"	Water Supplies Department of the Government (水務署)
"Xinhua TV Asia-Pacific"	Xinhua TV Asia-Pacific Operating Co., Limited (新華電視亞太台運營有限公司), a company incorporated in Hong Kong with limited liability on 22 December 2009 and an indirect wholly-owned subsidiary of the Company
"%"	per cent

The Board is pleased to present the audited consolidated results of the Group for the year ended 31 March 2015 together with the comparative figures for 2014 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2015 HK$'000	2014 HK$'000
Revenue	4	**369,635**	324,331
Cost of services		**(346,553)**	(274,231)
Gross profit		**23,082**	50,100
Other income	5	**4,136**	30,961
Other gains and losses	6	**10,585**	(3,307)
Amortisation expenses		**(24,088)**	(59,463)
Selling and distribution expenses		**(226)**	(85)
Administrative expenses		**(33,121)**	(29,706)
Loss from operations	8	**(19,632)**	(11,500)
Finance costs	9	**(25,720)**	(42,041)
Impairment loss recognised in respect of trade receivables		**–**	(9,469)
Impairment loss recognised in respect of goodwill		**–**	(151,194)
Impairment loss recognised in respect of intangible assets		**–**	(269,309)
Loss before income tax		**(45,352)**	(483,513)
Income tax	10	**3,629**	52,221
Loss for the year		**(41,723)**	(431,292)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		**108**	45
Other comprehensive income for the year, net of income tax		**108**	45
Total comprehensive loss for the year		**(41,615)**	(431,247)
Loss for the year attributable to owners of the Company		**(41,723)**	(431,292)
Total comprehensive loss for the year attributable to owners of the Company		**(41,615)**	(431,247)
Loss per share attributable to owners of the Company – Basic and diluted (HK cents)	12	**(1.34)**	(25.14)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2015

		As at 31 March	
		2015	2014
	Notes	***HK$'000***	*HK$'000*
Non-current assets			
Property, plant and equipment		**40,791**	45,184
Goodwill		**–**	–
Intangible assets		**141,081**	163,040
Available-for-sale financial assets		**–**	400
		181,872	208,624
Current assets			
Film rights		**–**	–
Inventories		**23,335**	14,955
Trade and other receivables	*13*	**87,122**	77,804
Financial assets at fair value through profit or loss		**12,117**	10,485
Tax recoverable		**–**	480
Cash and cash equivalents		**62,166**	20,609
		184,740	124,333
Total assets		**366,612**	332,957
Current liabilities			
Trade and other payables	*15*	**90,122**	107,063
Finance lease payables		**4,936**	3,345
Employee benefits		**2,569**	2,095
Bank overdraft		**5,978**	–
Promissory note		**–**	44,609
Convertible notes		**–**	543,234
Current tax liabilities		**7,932**	7,087
		111,537	707,433

		As at 31 March	
		2015	2014
	Notes	***HK$'000***	*HK$'000*
Net current assets/(liabilities)		**73,203**	(583,100)
Total assets less current liabilities		**255,075**	(374,476)
Non-current liabilities			
Finance lease payables		**4,673**	4,037
Promissory note		**38,080**	–
Convertible notes		**203,326**	–
Deferred tax liabilities		**37,962**	29,426
		284,041	33,463
Total liabilities		**395,578**	740,896
Net liabilities		**(28,966)**	(407,939)
Capital and reserves			
Share capital	*16*	**3,693**	1,980
Reserves	*17*	**(32,659)**	(409,919)
Total equity		**(28,966)**	(407,939)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2015

	Share Capital *HK$'000* *(Note 16)*	Share premium *HK$'000* *(Note 17)*	Convertible notes equity reserves *HK$'000* *(Note 17)*	Foreign currency translation reserves *HK$'000* *(Note 17)*	Other reserves *HK$'000* *(Note 17)*	Accumulated losses *HK$'000* *(Note 17)*	Total equity *HK$'000*
At 1 April 2013	1,674	735,089	17,381	–	9,868	(800,115)	(36,103)
Loss for the year	–	–	–	–	–	(431,292)	(431,292)
Other comprehensive income for the year, net of tax:							
Items that may be classified subsequently to profit or loss:							
Exchange differences on translating foreign operations	–	–	–	45	–	–	45
Total comprehensive income/(loss) for the year	–	–	–	45	–	(431,292)	(431,247)
Issue of Shares pursuant to conversion of convertible notes	306	60,823	(1,718)	–	–	–	59,411
At 31 March 2014 and 1 April 2014	1,980	795,912	15,663	45	9,868	(1,231,407)	(407,939)
Loss for the year	–	–	–	–	–	(41,723)	(41,723)
Other comprehensive income for the year, net of tax:							
Items that may be classified subsequently to profit or loss:							
Exchange differences on translating foreign operations	–	–	–	108	–	–	108
Total comprehensive income/(loss) for the year	–	–	–	108	–	(41,723)	(41,615)
Issue of Shares pursuant to placing	335	83,390	–	–	–	–	83,725
Transaction costs attributable to issue of ordinary shares pursuant to placing	–	(2,118)	–	–	–	–	(2,118)
Issue of Shares pursuant to conversion of convertible notes	1,378	277,829	(7,731)	–	–	–	271,476
Transfer to accumulated losses upon mature of convertible notes	–	–	(7,932)	–	–	7,932	–
Recognition of convertible notes equity reserves on extension of convertible notes	–	–	80,844	–	–	–	80,844
Deferred tax liability arising on extension of convertible notes	–	–	(13,339)	–	–	–	(13,339)
At 31 March 2015	**3,693**	**1,155,013**	**67,505**	**153**	**9,868**	**(1,265,198)**	**(28,966)**

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL

The Company was incorporated in the Cayman Islands on 15 March 2010 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The registered office and principal place of business of the Company are located at the offices of Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and Rooms 2601-2605, 26/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong respectively.

The Shares of the Company were listed on GEM of the Stock Exchange on 30 August 2010.

The principal activities of the Company are investment holding, provision of management services and television broadcasting business. The principal activities of its subsidiaries are provision of waterworks engineering services, road works and drainage services and side formation works for the public sector in Hong Kong, television broadcasting business in the Asia-Pacific region (excluding the PRC) in return for advertising and related revenue and large outdoor display screen advertisement business in the PRC.

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

In the current year, the Group has adopted all the new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for annual periods on or after 1 April 2014.

HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting
HK (IFRIC) – Int 21	Levies

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 Investment Entities

The Group has applied the amendments to HKFRS 10, HKIFRS 12 and HKAS 27 Investment Entities for the first time in the current year. The amendments to HKFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with investment management services;

- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to HKFRS 12 and HKAS 27 to introduce new disclosure requirements for investment entities.

As the Company is not an investment entity (assessed based on the criteria set out in HKFRS 10 as at 1 April 2014), the application of the amendments has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities

The Group has applied the amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities for the first time in the current year. The amendments to HKAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The amendments have been applied retrospectively. The Group has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments has had no impact on the amounts recognised in the Group's consolidated financial statements.

Amendments to HKAS 39 Novation of Derivatives and Continuation of Hedge Accounting

The Group has applied the amendments to HKAS 39 Novation of Derivatives and Continuation of Hedge Accounting for the first time in the current year. The amendments to HKAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.

The amendments have been applied retrospectively. As the Group does not have any derivatives that are subject to novation, the application of these amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

HK(IFRIC) – Int 21 Levies

The Group has applied HK(IFRIC) – Int 21 Levies for the first time in the current year. HK(IFRIC) – Int 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

HK(IFRIC) – Int 21 has been applied retrospectively. The application of this Interpretation has had no material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

New and revised HKFRSs in issue not yet effective

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

HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transaction Disclosure[1]
HKFRS 9	Financial Instruments[1]
HKFRS 10 (Amendments), HKFRS 12 (Amendments) and HKAS 28 (Amendment)	Investment Entities: Applying the Consolidation Exception[5]
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interest in Joint Operations[5]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]
HKAS 1 (Amendments)	Presentation of Financial Statements – Disclosure Initiative[5]
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation[5]
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants[5]
HKAS 19 (2011) (Amendments)	Defined Benefit Plans: Employee Contributions[6]
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements[5]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010-2012 Cycle[6]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011-2013 Cycle[4]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012-2014 Cycle[5]

1 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

2 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with early application permitted.

3 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

4 Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.

5 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

6 Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent reporting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrecoverable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Directors anticipate that HKFRS 9 that will be adopted in the Group's consolidate financial statements for the annual period beginning 1 January 2018 and that the application of new standard may have a significant impact on amounts reported in respect of Group's financial assets. However, it is not practical to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 14 Regulatory Deferral Accounts

HKFRS 14 Regulatory Deferral Accounts, describes regulatory deferral account balances as amounts of expense or income that would not be recognised as assets or liabilities in accordance with other standards, but that qualify to be deferred in accordance with HKFRS 14 because the amount is included, or is expected to be included, by the rate regulator in establishing the price(s) that an entity can charge to customers for rate regulated goods or services.

The amendments to HKFRS 14 apply prospectively for annual periods beginning on or after 1 January 2016. The Directors do not anticipate that the application of these amendments to HKFRS 14 will have a material impact on the Group's consolidated financial statements.

Amendments to HKFRS 11 Accounting for Acquisitions of Interests in Joint Operations

The amendments to HKFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in HKFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in HKFRS 3 and other standards (e.g. HKAS 36 Impairment of Assets regarding impairment testing of a cash generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by HKFRS 3 and other standards for business combinations.

The amendments to HKFRS 11 apply prospectively for annual periods beginning on or after 1 January 2016. The Directors do not anticipate that the application of these amendments to HKFRS 11 will have a material impact on the Group's consolidated financial statements.

HKFRS 15 Revenue from Contracts with Customers

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The Directors anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

Amendments to HKAS 16 and HKAS 38 Clarification of Acceptable Method of Depreciation and Amortisation

The amendments to HKAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) when the intangible asset is expressed as a measure of revenue; or

b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Currently, the Group uses the straight-line method for depreciation and amortisation for its property, plant and equipment, and intangible assets respectively. The Directors believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the Directors do not anticipate that the application of these amendments to HKAS 16 and HKAS 38 will have a material impact on the Group's consolidated financial statements.

Amendments to HKAS 16 and HKAS 41 Agriculture: Bearer Plants

The amendments to HKAS 16 and HKAS 41 define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with HKAS 16, instead of HKAS 41. The produce growing on bearer plants continues to be accounted for in accordance with HKAS 41.

The Directors do not anticipate that the application of these amendments to HKAS 16 and HKAS 41 will have a material impact on the Group's consolidated financial statements as the Group is not engaged in agricultural activities.

Amendments to HKAS 19 (2011) Defined Benefit Plans: Employee Contributions

The amendments to HKAS 19 (2011) clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee.

For contributions that are independent of the number of years of service, the entity may either recognise the contributions as a reduction in the service cost in the period in which the related service is rendered, or to attribute them to the employees' periods of service using the projected unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

The Directors do not anticipate that the application of these amendments to HKAS 19 (2011) will have a significant impact on the Group's consolidated financial statements as the Group does not have any defined benefit plans.

Amendments to HKAS 27 Equity Method in Separate Financial Statements

The amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements:

- At cost;
- In accordance with HKFRS 9 Financial Instruments (or HKAS 39 Financial Instruments: Recognition and Measurement for entities that have not yet adopted HKFRS 9); or
- Using the equity method as described in HKAS 28 Investments in Associates and Joint Ventures.

The accounting option must be applied by category of investments.

The amendments also clarify that when a parent ceases to be an investment entity, or becomes an investment entity, it shall account for the change from the date when the change in status occurred.

In addition to the amendments to HKAS 27, there are consequential amendments to HKAS 28 to avoid a potential conflict with HKFRS 10 Consolidated Financial Statements and to HKFRS 1 First time Adoption of Hong Kong Financial Reporting Standards.

The Directors do not anticipate that the application of these amendments to HKAS 27 will have a material impact on the Group's consolidated financial statements.

Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to HKAS 28:

- The requirements on gains and losses resulting from transactions between an entity and its associate or joint venture have been amended to relate only to assets that do not constitute a business.
- A new requirement has been introduced that gains or losses from downstream transactions involving assets that constitute a business between an entity and its associate or joint venture must be recognised in full in the investor's financial statements.

- A requirement has been added that an entity needs to consider whether assets that are sold or contributed in separate transactions constitute a business and should be accounted for as a single transaction.

Amendments to HKFRS 10:

- An exception from the general requirement of full gain or loss recognition has been introduced into HKFRS 10 for the loss control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method.

- New guidance has been introduced requiring that gains or losses resulting from those transactions are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement at fair value of investments retained in any former subsidiary that has become an associate or a joint venture that is accounted for using the equity method are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The Directors do not anticipate that the application of these amendments to HKFRS 10 and HKAS 28 will have a material impact on the Group's consolidated financial statements.

Annual Improvement to HKFRSs 2010 – 2012 Cycle

The Annual Improvements to HKFRSs 2010 – 2012 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to HKFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to HKFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of HKFRS 9 or HKAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to HKFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to HKFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 did not remove the ability to measure short term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. As the amendments do not contain any effective date, they are considered to be immediately effective.

The amendments to HKAS 16 and HKAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to HKAS 24 clarify that a management entity providing key management personnel service to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The Directors do not anticipate that the application of these amendments will have a material effect on the Group's consolidated financial statements.

Annual Improvement to HKFRs 2011-2013 Cycle

The Annual Improvements to HKFRSs 2011 – 2013 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The amendments to HKAS 40 clarify that HKAS 40 and HKFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

a) the property meets the definition of investment property in terms of HKAS 40; and

b) the transaction meets the definition of business combination under HKFRS 3.

The Directors do not anticipate that the application of these amendments will have a material effect on the Group's consolidated financial statements.

Annual Improvement to HKFRSs 2012 – 2014 Cycle

The Annual Improvements to HKFRSs 2012 – 2014 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 introduce specific guidance in HKFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held-for-distribution accounting is discontinued. The amendments apply prospectively.

The amendments to HKFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets and clarify that the offsetting disclosures (introduced in the amendments to HKFRS 7 Disclosure – Offsetting Financial Assets and Financial Liabilities issued in December 2011 and effective for periods beginning on or after 1 January 2013) are not explicitly required for all interim periods. However, the disclosures may need to be included in condensed interim financial statements to comply with HKAS 34 Interim Financial Reporting.

The amendments to HKAS 19 clarify that the high quality corporate bonds used to estimate the discount rate for postemployment benefits should be issued in the same currency as the benefits to be paid. These amendments would result in the depth of the market for high quality corporate bonds being assessed at currency level. The amendments apply from the beginning of the earliest comparative period presented in the financial statements in which the amendments are first applied. Any initial adjustment arising should be recognised in retained earnings at the beginning of that period.

The amendments to HKAS 34 clarify the requirements relating to information required by HKAS 34 that is presented elsewhere within the interim financial report but outside the interim financial statements. The amendments require that such information be incorporated by way of a cross reference from the interim financial statements to the other part of the interim financial report that is available to users on the same terms and at the same time as the interim financial statements.

The Directors do not anticipate that the application of these will have a material effect on the Group's consolidated financial statements.

3. BASIS OF PRESENTATION

(a) Statement of compliance

The Financial Statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as "HKFRSs") issued by the HKICPA and the disclosure requirements of Hong Kong Companies Ordinance. In addition, the Financial Statements include applicable disclosures required by the GEM Listing Rules.

(b) Going concern

In preparing the Financial Statements, the Directors have given careful consideration to the future liquidity of the Group notwithstanding that:

- The Group has incurred a net loss of approximately HK$41,723,000 during the year ended 31 March 2015 and, as of that date, the Group's total liabilities exceeded its total assets by approximately HK$28,966,000.

The Directors adopted the going concern basis in the preparation of Financial Statements and implemented the following measures in order to improve the working capital and liquidity and cash flow position of the Group:

(1) Financial supports

China Xinhua NNC, one of the major Shareholders and convertible note holders, has confirmed to provide continuing financial support to the Group to enable it to continue as a going concern and to settle the liabilities as and when they fall due.

(2) Alternative source of funding

The Group is actively considering to raise new capital by carrying out fund raising activities including but not limited to rights issue, open offer, placing of new shares and issuance of convertible note.

In the opinion of the Directors, in light of the various measures/arrangements implemented after the end of the reporting period, the Group will have sufficient working capital for its current requirements and it is reasonable to expect the Group to remain a commercially viable concern. Accordingly, the Directors are satisfied that it is appropriate to prepare the Financial Statements on a going concern basis.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for any future liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. The effect of these adjustments has not been reflected in the financial statements.

(c) Basis of preparation

The Financial Statements have been prepared under the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

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

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 liability, the Group takes into account the characteristics into account when pricing the asset or liability at the measurement date.

The accounting policies and methods of computation used in the preparation of the Financial Statements are consistent with those adopted in the annual report for the year ended 31 March 2014, except for the adoption of new and revised HKFRSs as disclosed in note 2.

(d) Functional and presentation currency

The financial statements are presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company. All values are rounded to the nearest thousand dollars (HK$'000) except otherwise indicated.

4. REVENUE

An analysis of the Group's revenue for the years ended 31 March 2015 and 2014 were as follows:

	2015	2014
	HK$'000	*HK$'000*
Construction works	**358,684**	303,384
Advertising income	**10,951**	20,947
	369,635	324,331

5. OTHER INCOME

Other income recognised during the years ended 31 March 2015 and 2014 were as follows:

	2015	2014
	HK$'000	*HK$'000*
Interest income	**49**	18
Waiver of the interests on promissory note	**4,054**	–
Waiver of the interests on convertible notes	**–**	30,691
Sundry income	**33**	252
	4,136	30,961

6. OTHER GAINS AND LOSSES

Other gains and losses recognised during the years ended 31 March 2015 and 2014 were as follows:

	2015	2014
	HK$'000	*HK$'000*
Exchange (loss)/gain, net	**(80)**	1
Net gains/(losses) on disposal of property, plant and equipment	**1,455**	(13)
Gains arising from extension of promissory note	**8,708**	–
Realised gain/(loss) arising on change in fair value of financial assets at fair value through profit or loss	**493**	(1,311)
Unrealised gain/(loss) arising on change in fair value of financial assets at fair value through profit or loss	**9**	(1,984)
	10,585	(3,307)

7. SEGMENT INFORMATION

Information reported to the executive Directors, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided are:

(i) Provision of waterworks engineering services – provision of waterworks engineering services, road works and drainage services and site formation works for public sector in Hong Kong;

(ii) Television broadcasting business – the business of broadcasting television programmes on television channels operated by television broadcasting companies in the Asia-Pacific region (excluding the PRC) in return for advertising and related revenue; and

(iii) Large outdoor display screen advertisement business – the business of broadcasting advertisements on the large outdoor display screens in the PRC.

Each of these operating segments is managed separately as each of the product and service lines requires different resources as well as marketing approaches.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment.

For the year ended 31 March 2015

	Provision of waterworks engineering services *HK$'000*	Television broadcasting business *HK$'000*	Large outdoor display screen advertisement business *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
Revenue from external customers	358,684	9,881	1,070	–	369,635
Inter-segment sales	–	788	–	(788)	–
Other income and gains	3	1,455	–	–	1,458
Reportable segment revenue	358,687	12,124	1,070	(788)	371,093
Reportable segment results	12,859	(25,396)	(2,751)	–	(15,288)
Unallocated corporate income					13,344
Unallocated corporate expenses					(17,688)
Finance costs					(25,720)
Loss before income tax					(45,352)

For the year ended 31 March 2014

	Provision of waterworks engineering services *HK$'000*	Television broadcasting business *HK$'000*	Large outdoor display screen advertisement business *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
Revenue from external customers	303,384	16,932	4,015	–	324,331
Inter-segment sales	–	1,288	–	(1,288)	–
Other income and gains	252	–	–	–	252
Reportable segment revenue	303,636	18,220	4,015	(1,288)	324,583
Reportable segment results	28,074	(480,894)	2,037		(450,783)
Unallocated corporate income					55,323
Unallocated corporate expenses					(46,012)
Finance costs					(42,041)
Loss before income tax					(483,513)

Segment revenue reported above represents revenue generated from external customers. Segment profit/(loss) represents the profit earned/loss incurred by each segment without allocation of interest income, finance costs, realised gain/(loss) arising on change in fair value of financial assets at fair value through profit or loss, unrealised gain/(loss) arising on change in fair value of financial asset at fair value through profit or loss, waiver of the interests on promissory note, waiver of the interests on convertible notes, gains arising from extension of promissory notes, and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

As at 31 March 2015

	Provision of waterworks engineering services *HK$'000*	**Television broadcasting business** *HK$'000*	**Large outdoor display screen advertisement business** *HK$'000*	**Total** *HK$'000*
Segment assets	**129,475**	**145,299**	**11,132**	**285,906**
Unallocated				**80,706**
Consolidated assets				**366,612**
Segment liabilities	**47,879**	**19,674**	**445**	**67,998**
Unallocated				**327,580**
Consolidated liabilities				**395,578**

As at 31 March 2014

	Provision of waterworks engineering services *HK$'000*	Television broadcasting business *HK$'000*	Large outdoor display screen advertisement business *HK$'000*	Total *HK$'000*
Segment assets	118,012	165,051	11,027	294,090
Unallocated				38,867
Consolidated assets				332,957
Segment liabilities	53,005	25,754	140	78,899
Unallocated				661,997
Consolidated liabilities				740,896

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

- all assets are allocated to operating segments other than available-for-sale financial assets, financial assets at fair value through profit or loss, cash and cash equivalents, tax recoverables and assets for corporate use. Goodwill is allocated to television broadcasting business; and

- all liabilities are allocated to operating segments other than bank overdraft, convertible notes, current and deferred tax liabilities, finance lease payables and promissory note.

Other segment information

For the year ended 31 March 2015

	Provision of waterworks engineering services *HK$'000*	Television broadcasting business *HK$'000*	Large outdoor display screen advertisement business *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Additions to non-current assets	11,417	–	1,934	898	14,249
Depreciation of property, plant and equipment	13,548	1	2,217	2,499	18,265
Amortisation of film rights	–	2,129	–	–	2,129
Amortisation of intangible assets	–	21,959	–	–	21,959
Net gains on disposal of property, plant and equipment	1,455	–	–	–	1,455

For the year ended 31 March 2014

	Provision of waterworks engineering services *HK$'000*	Television broadcasting business *HK$'000*	Large outdoor display screen advertisement business *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Additions to non-current assets	16,315	7	11,753	79	28,154
Depreciation of property, plant and equipment	11,633	1	1,186	2,297	15,117
Amortisation of film rights	–	1,231	–	–	1,231
Amortisation of intangible assets	–	58,232	–	–	58,232
Net losses on disposal of property, plant and equipment	13	–	–	–	13
Impairment loss recognised in respect of goodwill	–	151,194	–	–	151,194
Impairment loss recognised in respect of intangible assets	–	269,309	–	–	269,309
Impairment loss recognised in respect of trade receivables	–	9,469	–	–	9,469

Revenue from major products and services

The Group's revenue from its major products and services were as follows:

	2015 **HK$'000**	2014 *HK$'000*
Construction works	**358,684**	303,384
Advertising income	**10,951**	20,947
	369,635	324,331

Geographical information

The Group's operations are mainly located in Hong Kong and the PRC. The following table provides an analysis of the Group's revenue by location of customers:

	2015	2014
	HK$'000	*HK$'000*
Hong Kong	**358,884**	320,916
PRC	**4,060**	2,632
Overseas	**6,691**	783
	369,635	324,331

The following is an analysis of the carrying amount of non-current assets (excluding available-for-sale financial assets) analysed by the geographical area in which the assets are located:

	2015	2014
	HK$'000	*HK$'000*
Hong Kong	**171,635**	197,609
PRC	**10,237**	10,615
	181,872	208,224

Information about major customers

Included in revenue arising from provision of waterworks engineering services of approximately HK$358,684,000 (2014: approximately HK$303,384,000) are revenue generated from four (2014: three) customers amounting to approximately HK$357,617,000 (2014: approximately HK$263,980,000) has individually accounted for over 10% of the Group's total revenue. No other single customers contributed 10% or more to the Group's revenue for years ended 31 March 2015 and 2014.

Revenue from major customers is as follows:

	2015	2014
	HK$'000	*HK$'000*
Customer A	**56,388**	12,936
Customer B	**42,422**	142,130
Customer C	**204,402**	83,737
Customer D	**54,405**	38,113
Others	**12,018**	47,415
	369,635	324,331

8. LOSS FROM OPERATIONS

Loss from operations has been arrived at after charging:

	2015	2014
	HK$'000	*HK$'000*
Contract costs recognised as expenses	**333,532**	264,671
Amortisation of film rights (included in amortisation expenses)	**2,129**	1,231
Amortisation of intangible assets (included in amortisation expenses)	**21,959**	58,232
Television broadcasting right fee and television satellite fees (included in cost of services)	**10,284**	8,361
Expenses incurred in provision of large outdoor display screen advertisement business (included in cost of services)	**2,737**	1,199
Auditors' remuneration	**680**	680
Depreciation of property, plant and equipment*	**18,265**	15,117
Staff costs	**80,197**	72,703
Operating lease rentals in respect of rented premises	**19,127**	19,870

* Depreciation of property, plant and equipment of approximately HK$13,002,000 (2014: approximately HK$11,342,000) and approximately HK$2,292,000 (2014: approximately HK$1,199,000) have been separately expensed in contract costs recognised as expenses and expenses incurred in provision of large outdoor display screen advertisement business respectively.

9. FINANCE COSTS

	2015	2014
	HK$'000	*HK$'000*
Interest on:		
Finance leases payables	**375**	222
Bank overdraft wholly repayable within five years	**183**	21
Promissory note	**2,665**	2,520
Convertible notes	**22,497**	39,278
	25,720	42,041

10. INCOME TAX

The amount of income tax in the consolidated statement of profit or loss and other comprehensive income represents:

	2015	2014
	HK$'000	*HK$'000*
Current tax – Hong Kong profits tax		
– tax for the year	**1,283**	4,040
– over-provision in respect of prior years	**(169)**	(519)
	1,114	3,521
Current tax – Macau Complementary tax		
– tax for the year	**60**	–
Deferred tax		
– current year	**(4,803)**	(55,742)
Income tax credit	**(3,629)**	(52,221)

Hong Kong profits tax is calculated at 16.5% (2014: 16.5%) on the estimated assessable profits for the year ended 31 March 2015.

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Company and its subsidiaries incorporated in the BVI are not subject to any income tax in the Cayman Islands and the BVI respectively.

Macau Complementary Tax is calculated at the maximum progressive rate of 12% on the estimated assessable profits during the year ended 31 March 2015. No provision for Macau Complementary Tax had been made as the subsidiary incorporated in Macau had no assessable profits arising in Macau during the year ended 31 March 2014.

No provision for PRC Enterprise Income tax has been made as the subsidiary incorporated in the PRC had no assessable profits arising in the PRC during the years ended 31 March 2015 and 2014.

The tax credit for the year can be reconciled to the loss before income tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2015		2014	
	HK$'000	*%*	*HK$'000*	*%*
Loss before income tax	**(45,352)**		(483,513)	
Tax calculated at the rates, applicable to profits in the countries concerned	**(7,771)**	**17.1**	(79,861)	16.5
Tax effect of expenses not deductible for tax purpose	**2,955**	**(6.5)**	25,686	(5.3)
Tax effect of income not taxable for tax purpose	**(2,149)**	**4.7**	(3)	–
Over-provision in respect of prior years	**(169)**	**0.4**	(519)	–
Tax effect of temporary difference not recognised	**256**	**(0.5)**	200	–
Utilization tax losses previously not recognised	**(234)**	**0.5**	–	–
Tax effect of tax losses not recognised	**3,483**	**(7.7)**	2,276	(0.5)
Income tax credit	**(3,629)**	**8.0**	(52,221)	10.7

11. DIVIDENDS

The Board does not recommend the payment of any dividend for the year ended 31 March 2015 (2014: Nil).

12. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic and diluted loss per Share attributable to owners of the Company is based on the following data:

	2015	2014
	HK$'000	*HK$'000*
Loss for the purpose of basic and diluted loss per Share	**(41,723)**	(431,292)
	Number of shares	
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic loss per Share	**3,112,536**	1,715,272

Diluted loss per Share for the years ended 31 March 2015 and 2014 are the same as the basic loss per Share as the convertible notes outstanding at the end of the reporting period had an anti-dilutive effect on the basic loss per Share.

13. TRADE AND OTHER RECEIVABLES

	2015	2014
	HK$'000	*HK$'000*
Trade receivables *(note (i), (iii))*	**48,165**	40,234
Allowance for doubtful debts	**(–)**	(9,469)
	48,165	30,765
Retention receivables *(note (ii), (iii)), (note 14)*	**9,355**	5,974
Other receivables and prepayments *(note (iv))*	**23,724**	36,498
Amounts due from a substantial Shareholder *(note(v))*	**91**	91
Deposits	**4,787**	4,476
Deposit paid for acquisition of a subsidiary *(note (vi))*	**1,000**	–
	87,122	77,804

Notes:

(i) Trade receivables as at the end of the reporting period mainly derived from provision of construction works on civil engineering contracts. The related customers are mainly government department/organisation and reputable corporations. The Group does not hold any collateral over these balances.

Included in trade and other receivables are trade receivables (net of impairment losses) with the following ageing analysis as of the end of reporting period:

	2015	2014
	HK$'000	*HK$'000*
Current or less than 1 month	**45,530**	30,742
1 to 3 months	**2,533**	–
More than 3 months but less than 12 months	**102**	23
	48,165	30,765

The Group grants an average credit period of 30 days (2014: 30 days) to its trade customers of contract works. Application for progress payments of contract works is made on a regular basis.

Trade receivables disclosed above include amounts (see below for aged analysis) which are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Ageing of receivables that are past due but not impaired

	2015	2014
	HK$'000	*HK$'000*
Overdue by:		
31-60 days	**2,533**	–
Over 90 days	**102**	23
	2,635	23

Movements in the allowance for doubtful debts

	2015	2014
	HK$'000	*HK$'000*
Balance at the beginning of the year	**9,469**	–
Impairment loss recognised in respect of trade receivables	**–**	9,469
Amounts written-off during the year as uncollectible	**(9,469)**	–
Balance at the end of the year	**–**	9,469

(ii) Retention monies withheld by customers of contract works are released after the completion of maintenance period of the relevant contract or in accordance with the terms specified in the relevant contract.

(iii) Trade and other receivables are short term and hence the Directors consider the carrying amounts of trade and other receivables approximate their fair values at the end of reporting periods.

(iv) It mainly consists of prepayments for insurance and advance payment to subcontractors.

(v) Amount due from a substantial Shareholder is unsecured, interest-free and recoverable on demand. During the year ended 31 March 2015, the highest balance of amount due from a substantial Shareholder was approximately HK$91,000 (2014: approximately HK$91,000).

(vi) On 8 December 2014, the Group entered into a sale and purchase agreement with an independent third party pursuant to which a wholly-owned subsidiary of the Company will acquire 60% of the issued share capital of Xinhua Afanti Asset Management Limited (formerly known as Afanti Asset Management Limited) at the consideration of HK$1,000,000. The acquisition has not yet completed at the end of the reporting period and the acquisition is subject to approval of Securities and Futures Commission.

14. AMOUNTS DUE FROM CUSTOMERS FOR CONTRACT WORKS

	2015	2014
	HK$'000	*HK$'000*
Contracts in progress at the end of the reporting period:		
Contract costs incurred to date plus recognised profits less recognised loss	**1,282,544**	923,860
Less: Progress billings	**(1,282,544)**	(923,860)
	–	–

"Contract costs incurred to date plus recognised profits" comprise direct materials, costs of subcontracting, direct labour, an appropriate portion of variable and fixed construction overheads and gross profit earned to date of the contracts, which is measured by reference to the certification by architects.

"Progress billings" represent the amounts billed to the customers for work performed up to the end of reporting period.

At 31 March 2015, retentions held by customers for contract works included in other receivables *(note 13)* amounted to approximately HK$9,355,000 (2014: approximately HK$5,974,000).

15. TRADE AND OTHER PAYABLES

	2015	2014
	HK$'000	*HK$'000*
Trade payables	**22,480**	36,401
Retention money payables	**15,356**	7,723
Amount due to a Shareholder *(note (i))*	**17,112**	19,112
Amounts due to Directors *(note (iii))*	**2,758**	12,858
Deferred revenue	**555**	3,857
Interest payables	**19,917**	13,501
Amount due to a related party *(note (ii))*	**2,009**	2,009
Other payables and accruals	**9,935**	11,602
	90,122	107,063

Notes:

(i) Amount due to a Shareholder represents amount due to a major Shareholder, China Xinhua NNC, which is unsecured, interest-free and repayable on demand.

(ii) Amount due to a related party represents amount due to 新華音像中心. 新華音像中心 and China Xinhua NNC have a common shareholder, Xinhua News Agency（新華社）. The amount is unsecured, interest-free and repayable on demand.

(iii) Amounts due to Directors are unsecured, interest free and repayable on demand.

The Group normally settles trade payables within 30 days (2014: 30 days) credit term. Based on the invoice date, ageing analysis of trade payables at the end of the reporting period is as follows:

	2015	2014
	HK$'000	*HK$'000*
Current or less than 1 month	**14,767**	20,883
1 to 3 months	**7,474**	10,943
More than 3 months but less than 12 months	**–**	4,086
More than 12 months	**239**	489
	22,480	36,401

16. SHARE CAPITAL

	Notes	**Number of shares At HK$0.001 each**	**Nominal Value** *HK$'000*
Authorised:			
As at 1 April 2013, 31 March 2014, 1 April 2014 and 31 March 2015		500,000,000,000	500,000
Issued and fully paid:			
As at 1 April 2013		1,674,735,664	1,674
Issue of Shares pursuant to conversion of convertible notes	*(a)*	306,122,448	306
As at 31 March 2014 and 1 April 2014		1,980,858,112	1,980
Issue of Shares pursuant to the placing	*(b)*	334,900,000	335
Issue of Shares pursuant to conversion of convertible notes	*(c)*	1,377,551,019	1,378
As at 31 March 2015		**3,693,309,131**	**3,693**

Notes:

(a) On 28 January 2014, a holder of convertible notes, exercised its conversion right to convert part of principal amount of HK$40,000,000 of the convertible notes into 204,081,632 Shares. The excess of the conversion price over the nominal value of Shares of approximately HK$204,000, was credited to share premium of the Company.

On 13 March 2014, China Xinhua NNC, a holder of convertible notes, exercised its conversion right to convert part of the principal amount of HK$20,000,000 into 102,040,816 Shares. The excess of the conversion price over the nominal value of Shares of approximately HK$102,000, was credited to share premium of the Company.

(b) On 17 July 2014, 334,900,000 Shares of HK$0.001 each were issued by way of placing at a price of HK$0.25 per Share for cash consideration of approximately HK$83,725,000 for the purpose of the Group's business development, payment of registered capital of a subsidiary incorporated in the PRC, repayment of unsecured and non-interest bearing advances from certain Directors and general working capital of the Company. The excess of the placing price over the nominal value of the Shares issued was credited to the share premium of the Company.

(c) On 26 May 2014, APT Satellite TV Development Limited, a holder of convertible notes, exercised its conversion right to convert the principal amount of HK$35,000,000 into 178,571,429 Shares. The excess of the conversion price over the nominal value of Shares of approximately HK$179,000, was credited to share premium of the Company.

On 26 May 2014, China Xinhua NNC, a holder of convertible notes, exercised its conversion right to convert the principal amount of HK$20,000,000 into 102,040,816 Shares. The excess of the conversion price over the nominal value of Shares of approximately HK$102,000, was credited to share premium of the Company.

On 18 July 2014, a holder of convertible notes exercised its conversion right to convert the principal amount of HK$60,000,000 into 306,122,448 Shares. The excess of the conversion price over the nominal value of Shares of approximately HK$306,000, was credited to share premium of the Company.

On 27 August 2014, a holder of convertible notes exercised its conversion right to convert the principal amount of HK$47,560,000 into 242,653,061 Shares. The excess of the conversion price over the nominal value of Shares of approximately HK$243,000, was credited to share premium of the Company.

On 27 August 2014, Proud Glory Investments Limited ("Proud Glory"), a holder of convertible notes, exercised its conversion right to convert the principal amount of HK$27,440,000 into 140,000,000 Shares. The excess of the conversion price over the nominal value of Shares of approximately HK$140,000 was credited to share premium of the Company.

On 22 September 2014, China Xinhua NNC, a holder of convertible notes, exercised its conversion right to convert part of the principal amount of HK$80,000,000 into 408,163,265 Shares. The excess of the conversion price over the nominal value of Shares, of approximately HK$408,000, was credited to share premium of the Company.

17. RESERVES

	Share premium HK$'000	Convertible notes equity reserves HK$'000	Foreign currency translation reserves HK$'000	Other reserves HK$'000	Accumulated losses HK$'000	Total equity HK$'000
At 1 April 2013	735,089	17,381	–	9,868	(800,115)	(37,777)
Loss for the year	–	–	–	–	(431,292)	(431,292)
Other comprehensive income for the year, net of tax:						
Items that may be classified subsequently to profit or loss:						
Exchange differences on translating foreign operations	–	–	45	–	–	45
Total comprehensive income/(loss) for the year	–	–	45	–	(431,292)	(431,247)
Issue of Shares pursuant to the conversion of convertible notes	60,823	(1,718)	–	–	–	59,105
At 31 March 2014 and 1 April 2014	795,912	15,663	45	9,868	(1,231,407)	(409,919)
Loss for the year	–	–	–	–	(41,723)	(41,723)
Other comprehensive income for the year, net of tax:						
Items that may be classified subsequently to profit or loss:						
Exchange differences on translating foreign operations	–	–	108	–	–	108
Total comprehensive income/(loss) for the year	–	–	108	–	(41,723)	(41,615)
Issue of Shares pursuant to the placing	83,390	–	–	–	–	83,390
Transaction costs attributable to issue of ordinary Share pursuant to placing	(2,118)	–	–	–	–	(2,118)
Issue of Shares pursuant to the conversion of convertible notes	277,829	(7,731)	–	–	–	270,098
Transfer to accumulated losses upon mature of convertible notes	–	(7,932)	–	–	7,932	–
Recognition of convertible notes equity reserves on extension of convertible notes	–	80,844	–	–	–	80,844
Deferred tax liability arising on extension of convertible notes	–	(13,339)	–	–		(13,339)
At 31 March 2015	**1,155,013**	**67,505**	**153**	**9,868**	**(1,265,198)**	**(32,659)**

18. MATERIAL RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the Financial Statements, during the years ended 31 March 2015 and 2014, the Group had entered into the following material transactions with related parties which, in the opinion of the Directors, were conducted on normal commercial terms and in the ordinary course of the Group's business.

(a) During the year, the Group entered into the following material related party transactions:

Related party relationship	Type of transaction	2015	2014
		HK$'000	*HK$'000*
A company that Mr. Chia Kar Hin, Eric John ("Mr. Chia"), an executive Director, had material interest	Service fee for announcement posting agreement	**9**	9
	Company secretarial fees paid	**51**	53
A company that the spouse of Mr. Chia had material interest	Legal and professional fee paid	**35**	56
China Xinhua NNC	Annual fee for television broadcasting right *(note (i))*	**1,000**	1,000
	Advertisement broadcasting income *(note (ii))*	**–**	9,332
	Waiver of the interests on convertible notes *(note (iii))*	**–**	19,852
	Accrued interests on convertible notes *(note (iv))*	**10,085**	19,542
CNC China	Advertising income *(note (v))*	**2,578**	2,248
A company that Dr. Lee Yuk Lun, *JP* ("Dr. Lee"), an executive Director had material interest	Waiver of the interests on convertible notes *(note (iii))*	**–**	10,839
	Accrued interests on convertible notes *(note (iv))*	**–**	8,131

Notes:

(i) Pursuant to the agreements signed between the Group and China Xinhua NNC on 5 September 2011, China Xinhua NNC granted the television broadcasting right to Xinhua TV Asia-Pacific for the period from 1 September 2011 to 31 August 2021 on an exclusive basis with an annual fee of HK$1,000,000 payable by Xinhua TV Asia-Pacific to China Xinhua NNC prior to 31 December 2016, and HK$3,000,000 payable by Xinhua TV Asia-Pacific to China Xinhua NNC with effect from 1 January 2017. The transactions constituted continuing connected transactions under the GEM Listing Rules.

(ii) Pursuant to the advertisement broadcasting contract (the "Advertisement Broadcasting Contract") signed between the Group and China Xinhua NNC on 24 August 2012, China Xinhua NNC has agreed to pay Xinhua TV Asia-Pacific, in cash, 50% of any amount that CNC China receives as the economic entitlement of CNC China under the advertisement operation cooperation contract dated 23 May 2011 entered into between CNC China and AVIC Culture Co., Limited ("AVIC Culture") relating to the grant of the exclusive right by CNC China to AVIC Culture for the promotion and operation of 58% of the advertising resources of the China Xinhua News Network World Channel (the "CNC Channel") (Chinese) and CNC Channel (English) (collectively the "CNC Channels") which are developed and currently maintained by China Xinhua NNC ("Partial Advertisement Operation Right"), for the period from 25 May 2011 to 25 August 2016 (the "Advertisement Operation Cooperation Contract"), being a guaranteed fixed fee of RMB90 million plus 40% of the part of advertising revenue derived from the Partial Advertisement Operation Right in excess of RMB90 million during the term of the Advertisement Operation Cooperation Contract. The transactions constituted continuing connected transactions under the GEM Listing Rules.

On 21 May 2014, AVIC Culture and CNC China have mutually agreed in writing to terminate the Advertisement Operation Cooperation Contract. As such, AVIC Culture will not settle the remaining amount of advertising fee due to CNC China which would then be paid to China Xinhua NNC and the Group. Accordingly, CNC China, China Xinhua NNC and the Group have mutually agreed to terminate the agreement concluded by CNC China and China Xinhua NNC and the Advertisement Broadcasting Contract concluded by the Group and China Xinhua NNC respectively on the same day. Details of the termination were set out in the announcement of the Company dated 28 May 2014.

(iii) During the year ended 31 March 2014, China Xinhua NNC and Proud Glory, a company in which Dr. Lee has had material interests in, had waived the interests on convertible notes of approximately HK$19,852,000 for the period from 9 December 2012 to 8 December 2013 and approximately HK$10,839,000 for the period from 9 December 2012 to 31 March 2014 respectively.

(iv) During the year ended 31 March 2015, the convertible notes interest payable to China Xinhua NNC and Proud Glory were amount to approximately HK$10,085,000 (2014: approximately HK$19,542,000) and HK$nil (2014: approximately HK$8,131,000) respectively.

(v) On 22 July 2013, the Company and CNC China entered into the channel resources usage framework agreement (the "CRU Framework Agreement"), pursuant to which the Company will and will procure its subsidiaries to provide advertising resources on the television channels controlled by the Company to CNC China and its associates for the advertisement businesses of independent third party clients undertook by them. As consideration, CNC China will pay the Group certain percentage of the advertisement broadcasting fees (after deducting applicable PRC taxes) for using such advertising resources based on the terms and conditions of each agreement. The CRU Framework Agreement will have a term of 3 years ending on 31 March 2016. The transactions constituted continuing connected transactions under the GEM Listing Rules.

One of the Directors, Mr. Kan Kwok Cheung ("Mr. Kan"), who is also a Shareholder of the Company, has provided personal guarantee to the lessor in respect of the Group's obligations under finance lease as at the end of the reporting period.

As at 31 March 2015, the banking facilities of the Group were secured by corporate guarantee executed by Shunleetat (BVI) Limited, which is wholly and beneficially owned by Mr. Kan, the charges over the properties held by Mr. Kan and personal guarantee provided by Mr. Kan.

The Directors considered that the above related party transactions were conducted on normal commercial terms and in the ordinary and usual course of the Group's business.

(b) Compensation of key management personnel of the Group

The key management personnel of the Group are the Directors.

19. EVENTS AFTER THE REPORTING PERIOD

On 8 December 2014, the Group entered into a sale and purchase agreement with an independent third party pursuant to which a wholly-owned subsidiary of the Company will acquire 60% of the issued share capital of Xinhua Afanti Asset Management Limited (formerly known as Afanti Asset Management Limited) at the consideration of HK$1,000,000. The acquisition has not yet completed as at date of this announcement and the acquisition is subject to approval of Securities and Futures Commission.

EXTRACT OF INDEPENDENT AUDITORS' REPORT

The following is an extract of the independent auditors' report on the consolidated financial statements of the Group for the year ended 31 March 2015:

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 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 predecessor Hong Kong Companies Ordinance (Cap. 32).

MATERIAL UNCERTAINTY CONCERNING GOING CONCERN BASIS OF ACCOUNTING

Without qualifying our opinion, we draw attention to Note 3 in the consolidated financial statements which indicates that the Group incurred a net loss of approximately HK$41,723,000 during the year ended 31 March 2015 and, as of that date, the Group's total liabilities exceeded its total assets by approximately HK$28,966,000. These conditions, along with other matters as set forth in Note 3, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group is principally engaged in the provision of waterworks engineering services for the public sector in Hong Kong, television broadcasting business in the Asia-Pacific region (excluding the PRC) in return for advertising and related revenue and large outdoor display screen advertisement business in the PRC. During the year ended 31 March 2015, the Group continued to focus on rendering waterworks engineering services to the public sector in Hong Kong and further develop its television broadcasting business in the Asia-Pacific region (excluding the PRC) and large outdoor display screen advertisement business in the PRC.

Provision of waterworks engineering services

During the year ended 31 March 2015, the Group has been undertaking two main contracts and six subcontracts. Among the eight contracts, five are related to provision of waterworks engineering services and the remaining contracts are related to provision of drainage services. Details of the contracts undertaken are set out below:

Contract number	Particulars of contract	Client	Contract period under main contracts
Main contracts			
8/WSD/11	Construction of Pak Shek Kok Fresh Water Service Reservoir Extension	WSD	Dec 2011 – May 2014
3/WSD/13	Mainlying near She Shan Tsuen, Tai Po	WSD	Sept 2013 – Jul 2016
Subcontracts			
18/WSD/08	Replacement and rehabilitation of water mains stage 3 – mains on Hong Kong Island South and outlying islands	Ming Hing Civil Contractors Limited	Mar 2009 – Mar 2015
8/WSD/10	Replacement and rehabilitation of water mains, stage 4 phase 1 – mains in Tuen Mun, Yuen Long, North District and Tai Po	Hsin Chong Construction Company Limited	Apr 2011 – Dec 2015
DC/2012/04	Sewerage in Kau Lung Hang San Wai, Kau Lung Hang Lo Wai and Tai Hang	Hsin Chong Tsun Yip Joint Venture	Jun 2012 – Dec 2017
DC/2012/07	Lam Tsuen Valley Sewerage – village sewerage, stage 2, phase 1	Hsin Chong Tsun Yip Joint Venture	Oct 2012 – Jan 2016
DC/2012/08	Lam Tsuen Valley Sewerage – village sewerage, stage 2, phase 2	Hsin Chong Tsun Yip Joint Venture	Oct 2012 – Aug 2016
5/WSD/13	Replacement and rehabilitation of water mains, stage 4 phase 1 and stage 4 phase 2 – mains in northern and eastern New Territories	Hsin Chong Tsun Yip Joint Venture	Nov 2013 – Feb 2016

Total contract value
HK$1,959.2 million

Total amount of works certified *(Note)*
HK$1,432.9 million

Note: Amount of works certified is based on the certificates of payment received from client.

During the year ended 31 March 2015, the two contracts with contracts numbered 5/WSD/13 and DC/2012/07 were the main contributors to the Group's revenue, which generated approximately HK$161.5 million and HK$46.3 million, constituting approximately 43.7% and 12.5% of the Group's total revenue respectively.

Television broadcasting business

The Group has developed a broadcasting network of television channels with relatively extensive scale. Currently, it is broadcasting the television programmes relating to information contents from Xinhua News Agency in Hong Kong, Thailand, Mongolia, Malaysia, Laos and Australia. The Group maintained good relationship with those television service providers that are currently working with and in the meantime, actively sought for cooperation opportunities with other strategic partners in order to give customers a unique viewing experience and expand in the worldwide coverage of the CNC Channels.

Expect for broadcasting television programmes in the CNC Channels, the Group has currently produced several self-produced television feature programmes. "Macau, Macau", one of the documentary television feature programme produced by the Group, for the purpose of marking the 15th anniversary of the transfer of sovereignty over Macau to the PRC, has been completed during the year ended 31 March 2015. "Macau, Macau" debuted on 1 December 2014 at a special premiere held at The Venetia Macao and was broadcasted on the CNC Channels in over 70 countries from 18 December 2014 with good response. Besides gaining social influence, the production of "Macau, Macau" was supported by the subsidy from Macau Government Tourist Office. In addition to the CNC Channels, the Company has granted the licence of certain television feature programmes, such as "Hong Kong, Hong Kong" and "Macau, Macau", to other media channel operators in respect of broadcasting these television feature programmes on its channels in Hong Kong and other different countries so as to boost up the audience rating.

In addition to good response from audience, the television feature programme "ICAC" which was produced in last year, has been awarded the third honor of the television documentary films in the 27th China TV Golden Eagle Award (第二十七屆中國電視金鷹獎) of the China TV Golden Eagle Award Organising Committee (中國電視金鷹獎組織委員會). It affirmed the production quality and success of the self-produced features programmes of the Group. In the future, with the great success of television feature programmes, the Group will continue to produce information contents according to different social themes.

Large outdoor display screen advertisement business

Large outdoor display screen advertisement business segment has only made a steady development due to the challenging and competitive business environment in the PRC. Except for the LED displays in Sichuan Chengdu, Jiangsu Xuyi and Jiangsu Kunshan, the Group has constructed and installed a LED display in Yangzhou during the year. In order to increase the effectiveness on cost-saving and obtain higher profit growth, the Group has formed a joint operation arrangement in respect of construction and operation of LED display in Yangzhou jointly during the year. As such, it allows the Group to share both construction and operation costs with each other and at the same time enjoy the advertising revenue derived from the joint operation. In addition to the joint operation arrangement, the Group has entered into an advertising agreement with an advertising agent pursuant to which the Group grants the right to the advertising agent for operating certain portion of the advertising air time of the LED display in Yangzhou in return for a fixed amount of advertising revenue. The Directors consider that it is a more effective way to boost the Group's advertising income.

Despite the adversities, including but not limited to the keen competition environment and high construction and operation costs, that the Group faced, the Group has actively seized business opportunities and sought for expansion of this business segment during the year. The Group has maintained good relationship with the constructors and extended the construction agreement with the constructors so as to build up more LED displays in the PRC in the coming years. Going forward, the Group will continue to negotiate with potential customers, including but not limited to commercial real estate developers, PRC government authorities and other potential partners for cooperation in order to balance the risk and return of this competitive segment.

Aimed at maximising profit and return for the Group and the Shareholders, the Group is exploring new business opportunity to broaden its source of income and expand the business operations.

Financial Review

Revenue

For the year ended 31 March 2015, the Group reported a revenue of approximately HK$369.6 million (2014: approximately HK$324.3 million), representing an increase of approximately 14.0% as compared with that for the previous year. The revenue derived from provision of waterworks engineering services, television broadcasting business and large outdoor display screen advertisement business constituted approximately 97.0%, 2.7% and 0.3% of the Group's total revenue respectively. The higher revenue was mainly due to the increase in works from the replacement and rehabilitation of water mains stage 4 phase 1 and stage 4 phase 2 — mains in northern and eastern New Territories. For the year ended 31 March 2015, the Group derived advertising revenue of approximately HK$9.9 million (2014: approximately HK$16.9 million) from television broadcasting business and approximately HK$1.0 million (2014: approximately HK$4.0 million) from large outdoor display screen advertisement business respectively.

During the year ended 31 March 2015, the revenue of the Group was primarily generated from the undertaking of waterworks contracts in the capacity of a subcontractor. The breakdown of total revenue by nature of capacity of the Group is set forth below:

	For the year ended 31 March			
	2015		2014	
	HK$'000	***% of total***	*HK$'000*	*% of total*
Main contractor	**28,094**	**7.8**	15,076	5.0
Subcontractor	**247,891**	**69.1**	245,035	80.8
Jointly controlled operations	**82,699**	**23.1**	43,273	14.2
Total	**358,684**	**100.0**	303,384	100.0

Cost of services

The Group's cost of services increased by approximately 26.4% to approximately HK$346.6 million (2014: approximately HK$274.2 million) for the year ended 31 March 2015 as compared with that for the previous year. The Group's cost of services mainly includes costs of construction services, costs of television broadcasting business and direct costs attributable to large outdoor display screen advertisement business. Costs of construction services mainly comprise raw materials, direct labour and subcontracting fee for services provided by the subcontractors. Costs of television broadcasting business mainly comprise transmission costs and broadcasting fee. Transmission costs comprise satellite transmission fee and carriage fee payable to satellite operators while broadcasting fee comprises annual fee payable to media broadcasting providers and China Xinhua NNC. Direct costs attributable to large outdoor display screen advertisement business mainly comprise depreciation charges of LED display screens and control room. The following table sets out a breakdown of the Group's cost of services:

	For the year ended 31 March			
	2015		2014	
	HK$'000	***% of total***	*HK$'000*	*% of total*
Costs of construction services				
Raw materials	**44,155**	**12.8**	30,915	11.3
Direct labour	**65,865**	**19.0**	62,335	22.7
Subcontracting fee	**162,374**	**46.9**	108,850	39.8
Other direct costs	**61,138**	**17.6**	62,571	22.8
Subtotal	**333,532**	**96.3**	264,671	96.6

	For the year ended 31 March			
	2015		2014	
	HK$'000	***% of total***	*HK$'000*	*% of total*
Costs of television broadcasting business				
Transmission costs	**2,500**	**0.7**	2,500	0.9
Broadcasting fee	**7,784**	**2.2**	5,861	2.1
Subtotal	**10,284**	**2.9**	8,361	3.0
Direct costs attributable to large outdoor display screen advertisement business	**2,737**	**0.8**	1,199	0.4
Subtotal	**2,737**	**0.8**	1,199	0.4
Total	**346,553**	**100.0**	274,231	100.0

Gross profit

The gross profit of the Group for the year ended 31 March 2015 decreased by approximately 53.9% to approximately HK$23.1 million (2014: approximately HK$50.1 million) as compared with that for the previous year. The gross profit margin of the Group decreased to approximately 6.2% for the year ended 31 March 2015 (2014: approximately 15.4%). The decrease in gross profit and gross profit margin was largely due to large portion of revenue and gross margin derived from certain waterworks engineering projects recognised at the early stage in the prior years.

Other income

The Group's other income for the year ended 31 March 2015 decreased by approximately 86.6% to approximately HK$4.1 million (2014: approximately HK$31.0 million) as compared with that for the previous year. The decrease in other income was mainly due to the recognition of one-off item, i.e. waiver of interests on convertible notes of approximately HK30.7 million from certain noteholders in the previous year.

Other gains and losses

The Group's other gains and losses for the year ended 31 March 2015 increased by approximately 4.2 times to approximately HK$10.6 million in surplus (2014: approximately HK$3.3 million in deficit) as compared with that for the previous year. The increase in other gains and losses was mainly attributable to gains arising from extension of promissory note recognised during the year.

Amortisation expenses

The Group's amortisation expenses for the year ended 31 March 2015 decreased by approximately 59.5% to approximately HK$24.1 million (2014: approximately HK$59.5 million) as compared with that for the previous year. The amortisation expenses mainly consisted of amortisation charges of television broadcasting right and film rights for the television broadcasting business. The decrease in amortisation expenses was mainly due to the impairment loss of television broadcasting right recognised for the year ended 31 March 2014 and thus caused a significant reduction in carrying amount of television broadcasting right.

Selling and distribution expenses

The Group's selling and distribution expenses for the year ended 31 March 2015 increased by approximately 165.9% to approximately HK$0.2 million (2014: approximately HK$85,000) as compared with that for the previous year. The selling and distribution expenses mainly consisted of advertising expenses for the television broadcasting business. The increase in selling and distribution expenses was mainly due to the increase in marketing effort in promotion of television feature programme "Macau, Macau" during the year.

Administrative expenses

The Group's administrative expenses for the year ended 31 March 2015 increased by approximately 11.5% to approximately HK$33.1 million (2014: approximately HK$29.7 million) as compared with that for the previous year. The administrative expenses mainly consisted of auditors' remuneration, legal and professional fees, staff costs (including Directors' remuneration), depreciation expenses and rental expenses. The increase in the administrative expenses was mainly attributable to the increase in staff costs and depreciation expenses due to the expansion of business.

Finance costs

The Group's finance costs for the year ended 31 March 2015 decreased by approximately 38.8% to approximately HK$25.7 million (2014: approximately HK$42.0 million) as compared with that for the previous year. The decrease in finance costs was mainly due to reduction in carrying amount of convertible notes which were resulted from the exercise of conversion rights of convertible notes by certain noteholders.

Impairment loss recognised in respect of goodwill and intangible assets

During the year ended 31 March 2012, the Group entered into a sale and purchase agreement with China Xinhua NNC, APT Satellite TV Development Limited and Proud Glory to acquire entire equity interest of Xinhua TV Asia-Pacific at an aggregate consideration of approximately HK$700.0 million, comprising (a) issuance of 474,335,664 Shares to China Xinhua NNC at HK$0.196 per share; and (b) HK$607,030,210 by way of the issue of the convertible notes to China Xinhua NNC, Proud Glory and APT Satellite TV Development Limited at a conversion price of HK$0.196 per Share. The Group completed its very substantial acquisition (the "Acquisition") of the entire equity interest in Xinhua TV Asia-Pacific on 9 December 2011 and commenced the television broadcasting business since then.

The recoverable amounts of Xinhua TV Asia-Pacific as at 31 March 2015 and 2014, were determined with reference to a valuation conducted by an independent valuer, based on income-based approach, after considering the financial information of Xinhua TV Asia-Pacific as at 31 March 2015 and 2014, including but not limited to (i) the financial position of Xinhua TV Asia-Pacific and its subsidiaries as at 31 March 2015 and 2014; (ii) the total revenue derived from television broadcasting business; (iii) number of existing contracts and memorandum of understanding; and (iv) the market and industry condition.

The recoverable amount of Xinhua TV Asia-Pacific approximates to the carrying amount of intangible assets, i.e., television broadcasting right as at 31 March 2015. Therefore, no impairment loss is recognised during the year ended 31 March 2015. To the best of knowledge and belief of the Directors, there has not been any change of valuation methodology, basis of valuation and assumptions as at 31 March 2015 and no other changes in circumstance and reasons giving rise to changes in valuation approach. All changes of inputs were made to reflect the recent development of television broadcasting business as compared to that expected in previous years.

During the year ended 31 March 2014, although the television broadcasting business continued to make steady growth and progress when compared with previous years, it is still under development and far behind the development schedule as expected. It has not yet brought in satisfactory return to the Group since the Acquisition. The Group generated its first revenue from television broadcasting business during the year ended 31 March 2013.

Due to the unsatisfactory results in these years and relatively slow development pace of television broadcasting business, the Directors considered that major inputs regarding revenue were adjusted downwards to reflect the current situation for prudence sake. As such, the recoverable amount of Xinhua TV Asia-Pacific as at 31 March 2014 was amounted to approximately HK$163.0 million and the impairment loss, which arose from the difference between the aggregate carrying amounts of goodwill and intangible assets and the recoverable amount of entire equity interest in Xinhua TV Asia-Pacific as at 31 March 2014, of approximately HK$151.2 million and approximately HK$269.3 million were recognised in respect of goodwill and intangible assets for the year ended 31 March 2014. Except aforesaid, to the best of knowledge and belief of the Directors, there has not been any change of valuation methodology, basis of valuation and assumptions as at 31 March 2014 and no other changes in circumstance and reasons giving rise to changes in valuation approach. All changes of inputs were made to reflect the recent development of television broadcasting business as compared to that expected in previous years.

Net loss

The net loss attributable to owners of the Company for the year ended 31 March 2015 decreased by 90.3% to approximately HK$41.7 million (2014: approximately HK$431.3 million) as compared with that for the previous year. The decrease in net loss was mainly resulted from the recognition of one-off item, i.e., the impairment loss in respect of goodwill and intangible assets and provision for doubtful debt, made in the previous year.

Loss per Share

The basic loss per Share for the year ended 31 March 2015 was approximately HK1.34 cents (2014: approximately HK25.14 cents).

Prospects

During the year, the respective established brandnames of the Group are given full play in our vigorously developed three main businesses, namely provision of waterworks engineering services, television broadcasting business and large outdoor display screen advertisement business. The Group is currently pursuing a strategy of diversification of business segments by developing new businesses, deeply exploring the potential and value of its existing resources, and putting greater efforts to improve the synergy of its terminal resources in order to improve its overall efficiency and expand room for development. The Group will continue to streamline and strengthen its existing businesses and operations to meet the challenges ahead. The Directors are optimistic towards its core businesses and will seize the business opportunities to achieve long-term sustainable growth for the benefits of the Group and the Shareholders as a whole.

Provision of waterworks engineering services

The Group's waterworks engineering services remains the major source of revenue of the Group. In the coming years, it is believed that the replacement and rehabilitation programme of water mains (the "R&R Programme") launched by WSD will continue to open up numerous waterworks opportunities to the Group. According to WSD, Stage 4 Phase 1 of the R&R Programme had commenced in March 2011 and will be completed in 2015. About 500 kilometres of water mains will be replaced and rehabilitated at this stage. Stage 4 Phase 2 of the R&R Programme had commenced in January 2012 and will be completed in 2015. About 350 kilometres of water mains will be replaced and rehabilitated at this stage.

Due to the economy of Hong Kong and intensity competition and threat from rising construction costs, Hong Kong economy is expected to continue its moderate growth, particularly for the construction industry. However, we will work closely with our subcontractors and suppliers, develop construction initiatives in technology and design for better operational efficiency, and reduce the demand for manpower to trim down the overall construction costs. Taking into account the construction industry in Hong Kong, the Group still remains prudently optimistic about the business outlook on this segment in the foreseeable future. We believe that the Group is able to take up more contracts and capture more potential business opportunities.

Going forward, the Group will continue to improve its quality of service and enhance management capabilities and competitiveness for bidding for more rewarding contracts in Hong Kong and to further scale up the Group's business. Also, the Group will intend to expand our services from time to time and apply for additional licences, permits or qualifications which may be required. The Group will continue to seek improvement in cost-savings, efficiency and profitability and identify opportunities for joint ventures or strategic alliances in a bid to drive its strategy of vertical as well as horizontal expansion.

Television broadcasting business

Television broadcasting business is now under overwhelming competitive pressure due to the rapid growth of the media technologies which has posed great challenges to the traditional television broadcasting business. In view of the significant loss incurred in this segment for the year ended 31 March 2014, the immediate task of the Group is to achieve a turnaround in its profitability of this business segment. However, the television broadcasting business is still at the stage of adjustment and may continue to encounter difficulties as the same as the previous year. In face of the difficult operation environment, the Group is actively sought to increase the coverage of the CNC Channels by strengthening and rejuvenating its marketing and sales team internally. Besides, the Group will seek for new type of co-operation arrangements with television service providers so as to lower the cost of operation which in turn to improve its profitability.

Also, the Group will continue to produce information contents according to different social themes. Apart from continuing to serve viewers' needs for quality and informative programmes, such as Hong Kong Voice Express, the Group is actively enlarging its market share, improving its market image and developing new contents, including the production of crowd pleasing materials that cater to the tastes of the main stream audience. The Company is now preparing to produce a documentary television feature programme regarding the background and history of The University of Macau which is estimated to be completed in year 2015.

In view of these uncertainties for this business segment, the Group remains cautiously optimistic and continues to execute our business strategies while keeping a close eye on the latest developments of the market. The Group's strong backup from Xinhua News Agency and relationships with media service providers, together with the forward-looking strategy are favourable factors for the development of our business and operations.

Large outdoor display screen advertisement business

Upon completion of construction and installation of LED displays in Sichuan Chengdu, Jiangsu Xuyi, Jiangsu Kunshan and Yangzhou, the Group aims at constructing more LED displays in other PRC cities so as to increase the attractiveness to the potential advertising customers. With the view of fierce industry competition, the Group will continue to adopt the strategy of forming joint operation arrangement or other effective co-operation arrangements with potential partners in respect of construction and operation of LED displays so as to increase the cost-effectiveness of this segment. At the same time, the Group aims to increase the market share by comprehensively fostering marketing plan for advertising business as well as the capacity to maintain customer relationships. Meanwhile, the Group will look for new business opportunities from time to time, including but not limited to negotiating with potential commercial real estate developers, PRC government authorities and other potential partners to strengthen its market position and boost up the development of this business segment.

Video broadcasting business

In an era where internet and mobile internet grow sharply, the lifestyle changes rapidly nowadays. The Group has made great efforts in seeking market penetration in the mobile internet industry and transforming from television-based operation to mobile internet-based operation. Currently, the Group has been growing its advertising base through mobile and other platforms and diversified its business to video broadcasting business in the Greater China region. By leveraging on the video contents of the Group, the Company has entered into a cooperation agreement (the "Video Cooperation Agreement") with China Mobile Limited (the "China Mobile") in October 2014 pursuant to which the Group becomes a cooperation partner and content provider of certain mobile video platforms of the China Mobile, namely 和視頻 and 和視界 (collectively the "Mobile Video Platforms"). As a result, the Group can broadcast locally produced programmes, video contents broadcasted in and extracted from CNC Channels and videos that the Group has licensed to broadcast, either with charges or free of charge, via the Mobile Video Platforms of China Mobile with effect from October 2014. The Directors aims at further co-operations with other media platforms and believed that it is another source of income in the future.

Despite the ever-changing economic environment, the Group will implement stringent control over the costs and make frequent review in order to maximize its profit by utilizing existing resources efficiently and maximizing synergic effects between business segments. The Group will also fine-tune the pace of operation and development and adopt flexible marketing policies to suit the development of different business segments. The Group is now developing a diversified business strategy such that its different business segments cater the taste of different groups of customers, including diversifying its business and strengthening the development of existing business. Besides, by capitalizing the advantages of business segments accumulated over the years, the Group aims penetrate into upstream resources business so as to realise vertical integration into industry-specific markets to form competitive edges across industries or regions for its long-term stable development. This allows to adapt and react to sudden changes in demand and to realise its full business potential markets.

The Group will continue to review its existing business segments from time to time and strive to improve the business operation and financial position of the Group. Looking forward, the Group will continue to look for business opportunities in its main business segments and take effort to optimize the synergy of its related investments and other profitable investments with a view to maximize the return to the Shareholders. The Directors consider that it is beneficial for the Group to seek suitable investment opportunities from time to time to diversify its existing business portfolio into businesses with growth potential, that expand its geographical reach, broaden its source of income and further improve the financial position of the Group.

Capital Structure

The Shares were listed on GEM on 30 August 2010. The capital of the Group comprises only ordinary shares.

On 3 July 2014, the Company entered into a placing agreement with Gransing Securities Co., Limited to place an aggregate of 334,900,000 Shares to not less than six placees at an issue price of HK$0.25 per placing Share and that the net price to the Company of each placing Share is approximately HK$0.243. The placing price represented (i) a discount of approximately 13.8% to the closing price of HK$0.29 per Share as quoted on the Stock Exchange on 3 July 2014, being the last trading date of the placing agreement; and (ii) a discount of approximately 14.7% to the average closing price of HK$0.293 per Share as quoted on the Stock Exchange for the five consecutive trading days preceding 3 July 2014. The placing Shares were placed to not less than six placees, who and whose ultimate beneficial owners are independent institutional, professional and/or individual investors and not concert parties with the controlling shareholder(s) (if any) (as defined under Hong Kong Code on Takeovers and Mergers), and not connected with any directors, chief executive or substantial shareholder (if any) of the Company or its subsidiaries and their respective associates. None of the placees and their respective associates became a substantial shareholder of the Company as a result of the placing.

The Directors were of the view that the placing would strengthen the financial position of the Group, including its ability to meet any future obligations and further expand the Group's business. The Directors considered that the terms of the placing agreement, including the rate of the placing commission, are fair and reasonable based on the current market conditions. Accordingly, the Board considered that the placing was in the interests of the Company and the Shareholders as a whole. The placing was completed on 17 July 2014 and raised gross proceeds of approximately HK$83.7 million. The proceeds from the placing was used to finance the Group's development, payment of registered capital of a subsidiary incorporated in the PRC, repayment of unsecured and non-interest bearing advances from certain Directors and general working capital of the Company.

Total equity attributable to owners of the Company amounted to approximately HK$29.0 million in deficit as at 31 March 2015 (31 March 2014: approximately HK$407.9 million in deficit). The decrease in deficit was mainly resulted from fund raising activities from the placing and conversion of convertible notes from noteholders.

Liquidity and Financial Resources

During the year ended 31 March 2015, the Group generally financed its operations through internally generated cash flows and net proceeds from placing exercise.

As at 31 March 2015, the Group had net current assets of approximately HK$73.2 million (31 March 2014: net current liabilities of approximately HK$583.1 million), including cash balance of approximately HK$62.2 million (31 March 2014: approximately HK$20.6 million). The current ratio, being the ratio of current assets to current liabilities, was approximately 1.66 as at 31 March 2015 (31 March 2014: approximately 0.18). The change from in net current liabilities to net current assets and increase in current ratio were primarily due to fund raising activities from placing, conversion of convertible notes and extension of promissory note and convertible notes during the year.

Gearing Ratio

The gearing ratio, which is based on the amount of total borrowings, promissory note, convertible notes, finance lease payables and advance received from customers divided by total assets, was approximately 70.1% as at 31 March 2015 (31 March 2014: approximately 178.8%). The decrease in gearing ratio was resulted from the decrease in total liabilities due to exercise of conversion rights of convertible notes by certain noteholders and increase in total assets.

Foreign Exchange Exposure

The group entities collect most of the revenue and incur most of the expenditures in their respective functional currencies. The Directors consider that the Group's exposure to foreign currency exchange risk is insignificant as the majority of the Group's transactions are denominated in the functional currency of each individual group entity. During the year ended 31 March 2015, the Group was mainly exposed to foreign currency exchange risk of United States Dollars and Renminbi and the management mainly monitored the foreign currency exchange risk with advices from the Group's major banks.

Capital Commitment

As at 31 March 2015, the Group did not have any significant capital commitments (31 March 2014: approximately HK$3.5 million in respect of acquisition of property, plant and equipment).

Charges on the Group's Assets

The Group's machineries and motor vehicles with net book values as at 31 March 2015 amounted to approximately HK$0.8 million (2014: approximately HK$1.4 million) and approximately HK$12.3 million (2014: approximately HK$8.6 million) was held under finance lease. As at 31 March 2015, the Group pledged its machinery and motor vehicles with net book values of approximately HK$12,000 (31 March 2014: approximately HK$78,000) and approximately HK$0.7 million (31 March 2014: approximately HK$1.8 million) respectively as securities for its performance of obligations as a sub-contractor of the Replacement and Rehabilitation of water mains, Stage 4, Phrase 1 – Mains in Tuen Mun, Yuen Long, North District and Tai Po.

Contingent Liabilities

As at 31 March 2015, the Group did not have any material contingent liabilities (31 March 2014: Nil).

Information on Employees

As at 31 March 2015 the Group had 275 full-time staff in Hong Kong and over 90% of them are direct labour. Total staff costs (including Directors' remuneration) for the year ended 31 March 2015 amounted to approximately HK$80.2 million (2014: approximately HK$72.7 million), representing an increase of approximately 10.3% over that for the previous year. The increase was mainly due to the increase in the number of staff to support the expansion of the Group's business.

Remuneration is determined with reference to the nature of job, performance, qualifications and experience of individual employees, as well as the result of the Group and the market trend. The Group carries out staff performance appraisal once a year and the assessment result is used for salary reviews and promotion decisions. The Group recognises the importance of staff training and thus regularly provides internal and external trainings for its staff to strength their skills and knowledge.

Significant Investment Held

As at 1 April 2014, the Group held a 17% equity interest in the issued share capital of China New Media (HK) Company Limited as a long term investment. During the year, the Group has disposed of 17% equity interest in the share capital of China New Media (HK) Company Limited.

Except for investment in subsidiaries and save as disclosed above, during the year ended 31 March 2015 and as at the end of the reporting period, the Group did not hold any significant investment in equity interest in any company.

Future Plans for Material Investments and Capital Assets

On 8 December 2014, the Group entered into a sale and purchase agreement with an independent third party pursuant to which a wholly-owned subsidiary of the Company will acquire 60% of the issued share capital of Xinhua Afanti Asset Management Limited (formerly known as Afanti Asset Management Limited) at the consideration of HK$1.0 million. The acquisition has not yet completed as at date of this announcement and the acquisition is subject to approval of Securities and Futures Commission.

Save as disclosed above, as at 31 March 2015, the Group did not have other plans for material investments and capital assets.

Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

During the year ended 31 March 2015, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 March 2015.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 24 July 2015 to Tuesday, 28 July 2015, both days inclusive. During this period, no transfer of Shares will be registered. In order to attend and vote at the annual general meeting, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Tricor Investor Services Limited, at level 22, Hopewell Centre, 183 Queens's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 23 July 2015.

PURCHASE, SALE OR REDEMPTION OF THE SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Shares during the year ended 31 March 2015.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and enhance the performance of the Group.

The Company has applied the principles and code provisions in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 15 to the GEM Listing Rules.

In the opinion of the Board, the Company has complied with the Code throughout the year ended 31 March 2015, except for paragraphs A.2.7 and A.6.7 of the Code. This announcement further illustrates in detail as to how the Code was applied, inclusive of the considered reasons for any deviation throughout the year ended 31 March 2015.

Paragraph A.2.7 of the Code provides that the chairman should at least annually hold meetings with the non-executive directors and independent non-executive directors without the executive directors present. Although the chairman did not hold a meeting with the non-executive Directors and independent non-executive Directors during the year ended 31 March 2015, he delegated the company secretary to gather any concerns and/or questions that the non-executive Directors and independent non-executive Directors might have and report to him for setting up follow-up meetings, whenever necessary, in due course.

Paragraph A.6.7 of the Code requires that independent non-executive directors and other non-executive directors shall attend general meetings and develop a balanced understanding of the views of shareholders.

The then executive Director, namely Mr. Wu Jin Cai, two executive Directors, namely Dr. Lee Yuk Lun, *JP* and Mr. Kan Kwok Cheung, a non-executive Director, namely Dr. Li Yong Sheng, the then non-executive Director, namely Ms. Liang Hui, an independent non-executive Director, namely Mr. Jin Hai Tao and the then independent non-executive Director, namely Mr. Chu Siu Lun, Ivan did not attend the annual general meeting of the Company held on 31 July 2014 due to overseas commitment and pre-arranged business engagements. Other Board members, the chairmen of the relevant Board committees and the external auditor of the Company also attended the annual general meeting to inter-face with, and answer questions from the shareholders of the Company.

Two executive Directors, namely Mr. Zhang Hao and Mr. Zou Chen Dong, a non-executive Director, namely Dr. Li Yong Sheng, an independent non-executive Director, namely Mr. Jin Hai Tao and two the then independent non-executive Directors, namely Mr. Hau Chi Kit and Mr. Chu Siu Lun, Ivan did not attend the extraordinary general meeting of the Company held on 22 January 2015 due to overseas commitment and pre-arranged business engagements.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed above, no significant event has taken place subsequent to 31 March 2015 and up to the date of this announcement.

AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") on 11 August 2010 with terms of reference in compliance with paragraph C.3.3 of the Code.

The primary duties of the Audit Committee include, among other things, reviewing and supervising the financial reporting process and internal control systems, as well as the overall risk management of the Group, reviewing the financial statements and the quarterly, interim and annual reports of the Group, and reviewing the terms of engagement and scope of audit work of the external auditors.

The composition of the Audit Committee is as follows:

Independent non-executive Directors
Mr. Wong Chung Yip, Kenneth *(Chairman)*
The Hon. Ip Kwok Him, *GBS, JP (appointed on 18 May 2015)*
Mr. Wan Chi Keung, Aaron, *BBS, JP (appointed on 9 February 2015)*
Mr. Jin Hai Tao
Mr. Hau Chi Kit *(resigned on 18 May 2015)*
Mr. Chu Siu Lun, Ivan *(resigned on 31 January 2015)*

Non-executive Directors
Dr. Li Yong Sheng
Ms. Liang Hui *(resigned on 15 September 2014)*

The members of the Audit Committee possess diversified industry experience and the chairman of the Audit Committee has appropriate professional qualifications and experience in accounting matters.

The Audit Committee had reviewed the Financial Statements and is of the opinion that the preparation of such statements complied with the applicable accounting standards and that adequate disclosures have been made.

By Order of the Board
CNC Holdings Limited
Li Yuet Tai
Company Secretary

Hong Kong, 1 June 2015

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors:
Mr. Zhang Hao
Mr. Zou Chen Dong
Dr. Lee Yuk Lun, *JP*
Mr. Kan Kwok Cheung
Mr. Chia Kar Hin, Eric John

Non-executive Director:
Dr. Li Yong Sheng

Independent non-executive Directors:
The Hon. Ip Kwok Him, *GBS, JP*
Mr. Wan Chi Keung, Aaron, *BBS, JP*
Mr. Jin Hai Tao
Mr. Wong Chung Yip, Kenneth

This announcement will remain on the GEM website at http://www.hkgem.com on the "Latest Company Announcements" page for at least seven days from the day of its posting and the Company's website at http://www.cnctv.hk.