INNO-TECH HOLDINGS LIMITED
匯創控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 8202)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2015 AND CONTINUED SUSPENSION OF TRADING

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a high 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 (the "Directors") of Inno-Tech Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (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 in this announcement misleading.

* *For identification purpose only*

HIGHLIGHTS

- The Group's turnover from continuing operations for the year ended 30 June 2015 amounted to approximately HK$39,218,000, a decrease of 23.7% from approximately HK$51,375,000 for the year ended 30 June 2014.

- Net gain attributable to owners of the Company amounted to HK$716,253,000 for the year ended 30 June 2015 compared to net loss of HK$371,458,000 for the year ended 30 June 2014.

- Basic and diluted earnings per share from continuing operations was HK$0.91 for the year ended 30 June 2015 compared to basic and diluted loss per share from continuing operations was HK$7.99 (restated) for the year ended 30 June 2014.

- The Directors do not recommend the payment of a final dividend for the year ended 30 June 2015.

The board of Directors (the "Board") of Inno-Tech Holdings Limited (the "Company") announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 30 June 2015, together with comparative figures for the year ended 30 June 2014 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2015

	Notes	**2015** ***HK$'000***	2014 *HK$'000*
Continuing operations			
Turnover	*4*	**39,218**	51,375
Cost of sales		**(70,440)**	(76,151)
Gross loss		**(31,222)**	(24,776)
Other revenue	*5*	**17,482**	3,511
Other income	*5*	**2**	2
Marketing and promotion expenses		**(1,795)**	(1,783)
Administrative expenses		**(29,610)**	(28,363)
Finance costs	*6*	**(29,980)**	(44,007)
Changes in fair value of financial assets at fair value through profit or loss		**28**	18
Changes in fair value of derivative financial instruments		**702,813**	1,284
Gain arising from redemption of convertible notes		**35,699**	–
Gain arising from extension of promissory notes		**13,432**	–
Loss arising from extinguishment of convertible notes		**(42,214)**	–
Impairment loss on intangible assets		**(171,899)**	–
Impairment loss on goodwill		**(3,527)**	(274,902)
Impairment loss on available-for-sale financial assets		**–**	(234)
Profit/(loss) before income tax	*7*	**459,209**	(369,250)
Income tax	*8*	**55,135**	13,041
Profit/(loss) for the year from continuing operations		**514,344**	(356,209)
Discontinued operations			
Profit/(loss) for the year from discontinued operations		**206,249**	(21,428)
Profit/(loss) for the year		**720,593**	(377,637)
Profit/(loss) for the year attributable to:			
Owners of the Company		**716,253**	(371,458)
Non-controlling interests		**4,340**	(6,179)
		720,593	(377,637)
			(Restated)
Earnings/(loss) per share attributable to the owners of the Company			
From continuing and discontinued operations			
– Basic and diluted *(HK$ per share)*	*9*	**1.27**	(8.33)
From continuing operations			
– Basic and diluted *(HK$ per share)*	*9*	**0.91**	(7.99)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2015

	2015	2014
	HK$'000	*HK$'000*
Profit/(loss) for the year	**720,593**	(377,637)
Other comprehensive (loss)/income for the year		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	**(434)**	169
Reclassification adjustments relating to foreign operations disposed during the year	**392**	–
Other comprehensive income for the year	**(42)**	169
Total comprehensive income/(loss) for the year	**720,551**	(377,468)
Total comprehensive income/(loss) for the year attributable to:		
Owners of the Company	**716,211**	(371,364)
Non-controlling interests	**4,340**	(6,104)
	720,551	(377,468)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Notes	2015 HK$'000	2014 HK$'000
Non-current assets			
Property, plant and equipment		**855**	1,167
Intangible assets		**945**	205,789
Goodwill		**–**	3,527
		1,800	210,483
Current assets			
Financial assets at fair value through profit or loss		**70**	42
Accounts receivable	*11*	**2,214**	3,130
Prepayments, deposits and other receivables		**23,405**	7,874
Tax recoverable		**–**	220
Cash and cash equivalents		**7,506**	1,704
		33,195	12,970
Assets classified as held for sale		**–**	107,368
		33,195	120,338
Current liabilities			
Trade payables, accrued expenses and other payables	*12*	**30,225**	42,843
Borrowings		**42,000**	20,400
Promissory notes		**46,693**	158,913
Convertible notes		**–**	36,296
Derivative financial liabilities		**–**	5
Tax payable		**16,906**	16,888
		135,824	275,345
Liabilities directly associated with assets classified as held for sale		**–**	320,799
		135,824	596,144
Net current liabilities		**(102,629)**	(475,806)
Total assets less current liabilities		**(100,829)**	(265,323)
Non-current liabilities			
Convertible notes		**–**	693,458
Deferred taxation		**236**	55,591
		236	749,049
Net liabilities		**(101,065)**	(1,014,372)
Equity			
Share capital		**79,625**	2,701
Reserves		**(180,690)**	(1,006,515)
Equity attributable to the owners of the Company		**(101,065)**	(1,003,814)
Non-controlling interests		**–**	(10,558)
Total equity		**(101,065)**	(1,014,372)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2015

	Attributable to the owners of the Company											
	Share capital *HK$'000*	**Share premium** *HK$'000*	**Share option reserve** *HK$'000*	**Convertible notes reserve** *HK$'000*	**Contributed surplus** *HK$'000*	**Capital redemption reserve** *HK$'000*	**Exchange reserve** *HK$'000*	**Other reserves** *HK$'000*	**Accumulated losses** *HK$'000*	**Sub-total** *HK$'000*	**Non-controlling interests** *HK$'000*	**Total** *HK$'000*
At 1 July 2013	1,540	669,059	38,714	10,084	52,959	43	(935)	–	(1,673,566)	(902,102)	(3,927)	(906,029)
Loss for the year	–	–	–	–	–	–	–	–	(371,458)	(371,458)	(6,179)	(377,637)
Other comprehensive income for the year:												
Items that may be reclassified subsequently to profit or loss:												
Exchange difference on translation of financial statements of overseas subsidiaries	–	–	–	–	–	–	94	–	–	94	75	169
Total comprehensive loss for the year	–	–	–	–	–	–	94	–	(371,458)	(371,364)	(6,104)	(377,468)
Issue of shares pursuant to the conversion of convertible notes	477	259,620	–	(2,024)	–	–	–	–	–	258,073	–	258,073
Issue of shares pursuant to the placing	684	12,225	–	–	–	–	–	–	–	12,909	–	12,909
Share placement expenses	–	(587)	–	–	–	–	–	–	–	(587)	–	(587)
Change in ownership interest of a subsidiary	–	–	–	–	–	–	–	(743)	–	(743)	(527)	(1,270)
At 30 June 2014 and 1 July 2014	2,701	940,317	38,714	8,060	52,959	43	(841)	(743)	(2,045,024)	(1,003,814)	(10,558)	(1,014,372)
Profit for the year	–	–	–	–	–	–	–	–	716,253	716,253	4,340	720,593
Other comprehensive loss for the year:												
Items that may be reclassified subsequently to profit or loss:												
Exchange difference on translation of financial statements of overseas subsidiaries	–	–	–	–	–	–	(42)	–	–	(42)	–	(42)
Total comprehensive income for the year	–	–	–	–	–	–	(42)	–	716,253	716,211	4,340	720,551
Transfer to accumulated losses upon extinguishment of convertible notes	–	–	–	(8,060)	–	–	–	–	8,060	–	–	–
Issue of shares pursuant to the redemption of convertible notes	9,397	39,467	–	–	–	–	–	–	–	48,864	–	48,864
Issue of shares pursuant to open offer	67,527	77,656	–	–	–	–	–	–	–	145,183	–	145,183
Open offer expenses	–	(7,509)	–	–	–	–	–	–	–	(7,509)	–	(7,509)
Release upon disposal of subsidiaries	–	–	–	–	–	–	–	–	–	–	6,218	6,218
At 30 June 2015	79,625	1,049,931	38,714	–	52,959	43	(883)	(743)	(1,320,711)	(101,065)	–	(101,065)

1. GENERAL INFORMATION

Inno-Tech Holdings Limited (the "Company") was incorporated in Bermuda on 19 November 2001 as an exempted company with limited liability under the Companies Act of Bermuda. The shares of the Company are listed on the Growth Enterprise Market (the "GEM") of the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and Suite B, 6/F., One Capital Place, 18 Luard Road, Wanchai, Hong Kong respectively.

The Company is an investment holding company. The principal activities of the Company's subsidiaries are set out in note 18 to the consolidated financial statements.

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

In the current year, the Group has applied, for the first time the following new standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for annual periods beginning on or after 1 July 2014. A summary of the new HKFRSs is set out below:

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

The application of these new and revised HKFRSs has not had any material impact on the amounts reported for the current period and prior years but may affect the accounting for future transactions or arrangements. The impact of the application of the new and revised HKFRSs is discussed below.

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 application of these amendments does not have a material effect on the Group's consolidated financial statements.

Annual Improvement to HKFRSs 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 application of these amendments does not have a material effect on the Group's consolidated financial statements.

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

The Group has applied the amendments to HKFRS 10, HKFRS 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:

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

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

- measures and evaluates performance of substantially all of its investments on a fair value basis.

Consequential amendments to HKFRS 12 and HKAS 27 have been made 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 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 application of these amendments to HKAS 19 (2011) does not have a significant impact on the Group's consolidated financial statements as the Group does not have any defined benefit plans.

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 36 Recoverable Amount Disclosures for Non-Financial Assets

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

The application of these amendments has had no material impact on the disclosures 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.

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

HKFRS 9	Financial Instruments[1]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations[4]
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidated Exception[4]
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation[4]
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants[4]
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements[4]
HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
HKAS 1 (Amendments)	Disclosure Initiative[4]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012-2014 Cycle[4]

[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 earlier 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 January 2016, 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 to be 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. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable 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 of the Company 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 IFRS/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 of the Company do not anticipate that the application of these amendments to HKFRS 14 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 of the Company 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 consolidate 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 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 of the Company do not anticipate that the application of these amendments to HKFRS 11 will have a material impact on the Group's consolidated financial statements.

Amendments to HKAS 16 and HKAS 38 Clarification of Acceptable Methods 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. The directors of the Company 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 of the Company 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 of the Company 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 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 of the Company 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 of the Company 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 Improvements 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 post-employment 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 of the Company do not anticipate that the application of these will have a material effect on the Group's consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong and the applicable disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the Group is set out below.

Basis of preparation of the consolidated financial statements

(i) Loss of access to books and records of Redgate Ventures Limited and its subsidiaries (collectively known as the "Redgate Group")

As disclosed in Note 10 and 36 to the consolidated financial statements, the Group completed the disposal of Redgate Group on 17 November 2014 (the "Disposal"). Upon completion of the Disposal, the directors of the Company and the Group was unable to access the books and records of Redgate Group.

(ii) Engagement of an independent investigating accountant to study and review the financial affair of the Company

On 14 January 2015, the board of directors of the Company resolved to engage a legal advisor, Messrs. Lam & Co., Solicitors, to advise the Company on the legal implication of some financial issues in respect of and resulting from a direct acquisition of the entire equity interests in Redgate Group (the "Transaction"). Redgate Group principally engaged in the outdoor advertising on billboards and outdoor display spaces business and television advertisements business. In addition to the Transaction, the Company also concerned with certain payments to the directors over the period from 2010 to 2014 (the "Payments to Directors"). Based on the advices from the legal advisor, the Company decided to engage an independent investigating accountant to study and review the financial affairs of the Company up to the last five years from its engagement.

On 11 February 2015, the independent investigating accountant submitted a preliminary report to the Company, which centered on its preliminary findings of the inadequacy of internal control procedures governing cash transactions and certain payment to one of the Company's executive director, Mr. Ang Wing Fung ("Mr. Ang").

On 10 March 2015, the independent investigating accountant submitted a second report to the Company and concluded that (1) Mr. Ang had repaid the Company the sum of HK$7.7 million on 2 March 2015 and out of it HK$7 million was used to repay part of the debt owed to one of the noteholders of the promissory notes issued to the seller of Redgate Ventures Limited as part of the considerations for the Transaction; (2) the Company faces the issue of insufficient funds available to meet the debts owed to the noteholders of the promissory notes in the total sum of HK$111 million; and (3) Mr. Ang is suspected of dissipating a significant amount by cash withdrawals without supporting documents in the vicinity of HK$32 million. The Company made enquiry of Mr. Ang about the funds and apart from providing a written acknowledgment that he owed the Company a sum of HK$33 million, Mr. Ang did not offer any explanation to the Company as to how and why the sum of HK$32 million was withdrawn by him from the Company's bank account. In April 2015, the independent investigating accountant submitted the final report to the Company confirming that the total funds withdrew by Mr. Ang from the Company during his office as executive director was to the extent of HK$33 million. The independent investigating accountant also confirmed that no funds were withdrawn by other directors of the Company at the material times. On 23 April 2015, the Company has recovered from Mr. Ang in full the sum of HK$33 million.

(iii) Going Concern Basis

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange of assets.

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). Hong Kong dollar is the Company's functional and presentation currency. These consolidated financial statements are presented in Hong Kong dollars ("HK$") rounded to the nearest thousand except when otherwise indicated.

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity not withstanding that:

- The Group had consolidated net current liabilities and net liabilities of approximately HK$102,629,000 and HK$101,065,000 as at 30 June 2015.

The directors adopted the going concern basis in the preparation of the consolidated financial statements and implemented the following measures in order to improve the working capital and liquidity and cash flow position of the Group:

1. Alternative source of external funding

   On 7 December 2015, the Company entered into a loan agreement with Enhanced Finance Limited ("Enhanced Finance"), which is not a related party of the Company and its associates, for which Enhanced Finance agreed to provide the Company a loan facility of HK$10,000,000.

2. Proposed repayment of borrowings and promissory note by issuance of convertible bonds

On 24 August 2015, the Company issued a letter to the lender of the borrowings of principal amount of approximately HK$42,000,000, Hansom Finance Limited ("Hansom Finance"), and proposed the repayment of the borrowings by issuance of convertible bonds. On 25 August 2015, Hansom Finance principally agreed the Company's proposal, subject to their review and entering into definitive agreements with the Company.

On 30 September 2015, the Company issued a letter to the holder of the promissory note, Profit Eagle Limited ("Profit Eagle"), and proposed the repayment of outstanding promissory note by issuance of convertible bonds. On 22 October 2015, Profit Eagle principally agreed the Company's proposal on the condition that the Company should issue and allot 180,000,000 ordinary shares of the Company to Profit Eagle at the aggregate consideration of HK$1.00.

The Company is in the progress of negotiating detailed terms of the proposals now for both cases.

3. Attainment of profitable and positive cash flow operations

The Group is taking measures to tighten cost controls over various costs and expenses and to seek new investment and business opportunities with an aim to attain profitable and positive cash flow operations.

In the opinion of the directors, in light of the various measures or arrangements implemented or will be 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 considered that it is appropriate to prepare the consolidated financial statements on a going concern basis.

The applicability of the going concern basis is dependent on the favourable outcome of the proposed measures being implemented by the Group, in order for the Group to meet its financial obligations as they fall due and to finance its future working capital and financial requirements. These consolidated financial statements do not include any adjustments that may result if the measures could not be implemented successfully. If the proposed measures could not proceed successfully and the going concern basis was not be appropriate, adjustments would have to be made to the consolidated financial statements to reduce the value of the assets of the Group to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively.

4. TURNOVER

Turnover represents revenue from the advertising operations in the People's Republic of China ("PRC"). The amount of each significant category of revenue recognised in turnover during the year is as follows:

	2015	2014
	HK$'000	*HK$'000*
Continuing operations:		
Outdoor advertising on buses and bus stations	**39,218**	48,411
Television advertisements	**–**	2,964
	39,218	51,375

5. OTHER REVENUE AND OTHER INCOME

	2015	2014
	HK$'000	*HK$'000*
Continuing operations:		
Other revenue		
Bank interest income	**9**	9
Compensation received	**5,325**	–
Sundry income *(note)*	**12,148**	3,502
	17,482	3,511
Continuing operations:		
Other income		
Dividend income	**2**	2

Note:

During the year ended 30 June 2015, HK$11,040,000 (2014: HK$Nil) included in the sundry income was related to the repayment received from a former director, Mr. Ang Wing Fung, in respect of expenses incurred by the Group during the year and in previous year. For details, please refer to note 3(ii).

6. FINANCE COSTS

	2015	2014
	HK$'000	*HK$'000*
Continuing operations:		
Interest on other borrowings wholly repayable within five years	**5,365**	–
Imputed interest on promissory notes	**9,212**	6,350
Imputed interest on convertible notes	**15,403**	37,657
Total interest expenses on financial liabilities not at fair value through profit or loss	**29,980**	44,007

7. PROFIT/(LOSS) BEFORE INCOME TAX

Profit/(loss) before income tax is arrived at after charging/(crediting):

	2015	2014
	HK$'000	*HK$'000*
(a) Staff cost (including directors' emolument):		
Continuing operations:		
Contributions to defined contribution plan	**718**	697
Salaries, wages and other benefits	**8,252**	8,579
	8,970	9,276
Number of employees	**44**	49

	2015	2014
	HK$'000	*HK$'000*

(b) Other items

Continuing operations:		
Amortisation of intangible assets	**32,945**	35,442
Auditors' remuneration	**1,000**	1,000
Depreciation on property, plant and equipment	**421**	295
Operating lease charges in respect of office premises	**766**	658
Exchange (gain)/loss, net	**(589)**	495
Impairment loss on available-for-sale financial assets	**–**	234
Impairment loss on intangible assets	**171,899**	–
Impairment loss on goodwill	**3,527**	274,902
Changes in fair value of financial assets at fair value through profit or loss	**(28)**	(18)
Changes in fair value of derivative financial instruments	**(702,813)**	(1,284)
Gain arising from redemption of convertible notes	**(35,699)**	–
Gain arising from extension of promissory notes	**(13,432)**	–
Loss arising from extinguishment of convertible notes	**42,214**	–
Impairment loss on other receivables	**–**	9,770

The cost of sales includes the amortisation of intangible assets of approximately HK$32,945,000 (2014: HK$35,442,000).

8. INCOME TAX

The Group

(i) Income tax in the consolidated statement of profit or loss represents:

	2015	2014
	HK$'000	*HK$'000*
Current tax		
PRC Enterprise income tax	**–**	1,163
Under provision in prior years		
PRC Enterprise income tax	**220**	–
Deferred tax		
Current year	**(55,355)**	(14,204)
Tax credit for the year	**(55,135)**	(13,041)

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2014: HK$ Nil).

No provision for PRC enterprise income tax has been made as the Group did not generate any assessable profits arising in the PRC during the year (2014: subsidiaries located in the PRC are subject to the PRC enterprise income tax at a rate of 25%).

9. EARNINGS/(LOSS) PER SHARE

For continuing and discontinued operations

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

	2015	2014
	HK$'000	*HK$'000*
Profit/(loss)		
Profit/(loss) for the year attributable to the owners of the Company	**716,253**	(371,458)

	2015	2014
	'000	*'000*
		(Restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings/(loss) per share *(note)*	**565,368**	44,574

Note:

The number of ordinary shares adopted in the calculation of the basic and diluted earnings/(loss) per share for the years ended 30 June 2015 has been adjusted to reflect the impact of the share consolidation and issue of shares pursuant to open offer effected during the respective reporting periods. The number of ordinary shares for the year ended 30 June 2014 has also been restated to reflect the impact of share consolidation and issue of shares pursuant to open offer on a retrospective basis.

The basic and diluted earnings/(loss) per share from continuing and discontinued operations are the same for years ended 30 June 2015 and 2014 respectively, as the effect of the share options and convertible notes outstanding as at 30 June 2015 and 2014 would be anti-dilutive and were not included in the calculation of diluted earnings/(loss) per share.

From continuing operations

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

Earnings/(loss) figures are calculated as follows:

	2015	2014
	HK$'000	*HK$'000*
Earnings/(loss) for the purpose of basic and diluted loss per share from continuing operations	**514,344**	(356,008)

	2015	2014
	'000	*'000*
		(Restated)
Weighted average number of ordinary shares for the purpose of basic and diluted earnings/(loss) per share *(note)*	**565,368**	44,574

Note:

The number of ordinary shares adopted in the calculation of the basic and diluted earnings/(loss) per share for the years ended 30 June 2015 has been adjusted to reflect the impact of the share consolidation and issue of shares pursuant to open offer effected during the respective reporting periods. The number of ordinary shares for the year ended 30 June 2014 has also been restated to reflect the impact of share consolidation and issue of shares pursuant to open offer on a retrospective basis.

The basic and diluted earnings/(loss) per share are the same for years ended 30 June 2015 and 2014 respectively, as the effect of the share options and convertible notes outstanding as at 30 June 2015 and 2014 would be anti-dilutive and were not included in the calculation of diluted earnings/(loss) per share.

From discontinued operations

For the year ended 30 June 2015, basic earnings per share from discontinued operations is HK$0.36 per share based on the profit for the year from the discontinued operations of approximately HK$201,909,000 and the denominators detailed above.

For the year ended 30 June 2014, basic loss per share from discontinued operations is HK$0.35 (restated) per share based on the loss for the year from the discontinued operations of approximately HK$15,450,000 and the denominators detailed above.

The number of ordinary shares adopted in the calculation of the basic and diluted earnings/(loss) per share for the years ended 30 June 2015 has been adjusted to reflect the impact of the share consolidation and issue of shares pursuant to open offer effected during the respective reporting periods. The number of ordinary shares for the year ended 30 June 2014 has also been restated to reflect the impact of share consolidation and issue of shares pursuant to open offer on a retrospective basis.

The basic and diluted earnings/(loss) per share from discontinued operations are the same for years ended 30 June 2015 and 2014 respectively, as the effect of the share options and convertible notes outstanding as at 30 June 2015 and 2014 were anti-dilutive and were not included in the calculation of diluted earnings/(loss) per share.

10. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports which provides information about components of the Group. These information are reported to and reviewed by the chief operating decision maker ("CODM") for the purposes of resource allocation and performance assessment.

The Group has the following continuing operating segments during the year. These segments are managed separately. No operating segments have been aggregated to form the following reportable segments.

(1) Outdoor advertising on buses and bus stations: outdoor advertising operations on buses and bus stations in the PRC

(2) Television advertisements: television advertising operations in the PRC

The Group was involved in following segment which was discontinued during the year ended 30 June 2014.

(1) Outdoor advertising on billboards and outdoor display spaces: outdoor advertising operations on billboards and outdoor display spaces in the PRC

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

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment loss represents the loss from each segment without allocation of central administration costs (e.g. directors' emoluments and finance costs). This is the measure reported to the CODM, for the purposes of resource allocation and performance assessment. Taxation (credit)/charge is not allocated to reportable segments.

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

Sales between segments are carried out on arm's length basis. The revenue from external parties reported to the CODM is measured in a manner consistent with that in the profit or loss. There were no inter-segment sales during the year 2015 (2014: Nil).

All assets are allocated to reportable segments other than financial assets at fair value through profit or loss and unallocated corporate assets. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and all liabilities are allocated to reportable segments other than borrowings, deferred taxation, convertible notes, promissory notes and unallocated liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

Continuing operations

(a) Business segments

Information regarding the Group's reportable segments as provided to the Group's continuing operations is set out below:

	Continuing operations					
	Outdoor advertising on buses and bus stations		Television advertisements		Total	
	2015	2014	**2015**	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue						
Revenue from external customers	**39,218**	48,411	**–**	2,964	**39,218**	51,375
Reportable segment loss before income tax	**(4,457)**	(5,166)	**(202,591)**	(313,531)	**(207,048)**	(318,697)
Depreciation and amortisation	**(5,963)**	(8,453)	**(27,037)**	(27,042)	**(33,000)**	(35,495)
Other material non-cash items:						
– Impairment loss on other receivables	**–**	–	**–**	(9,770)	**–**	(9,770)
– Impairment loss on intangible assets	**–**	–	**(171,899)**	–	**(171,899)**	–
– Impairment loss on goodwill	**–**	–	**(3,527)**	(274,902)	**(3,527)**	(274,902)
Reportable segment assets	**11,861**	17,066	**2,515**	204,684	**14,376**	221,750
Reportable segment liabilities	**10,495**	18,826	**20,702**	22,559	**31,197**	41,385
Additions to non-current assets	**74**	45	**–**	3	**74**	48

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

	2015	2014
	HK$'000	*HK$'000*
Continuing operations:		
Revenue		
Total reportable segment revenues	**39,218**	51,375
Elimination of inter-segment revenue	**–**	–
Consolidated turnover	**39,218**	51,375
Profit/(loss)		
Reportable segment loss derived from Group's external customers	**(207,048)**	(318,697)
Other revenue and other income	**9,159**	2
Finance costs	**(29,980)**	(44,007)
Impairment loss on available-for-sale financial assets	**–**	(234)
Change in fair value of derivative financial instruments	**702,813**	1,284
Gain arising from redemption of convertible notes	**35,699**	–
Gain arising from extension of promissory notes	**13,432**	–
Loss arising from extinguishment of convertible notes	**(42,214)**	–
Unallocated head office and corporate expenses	**(22,652)**	(7,598)
Profit/(loss) before income tax	**459,209**	(369,250)
Assets		
Total reportable segment assets	**14,376**	221,750
Elimination of inter-segment receivables	**–**	–
	14,376	221,750
Assets relating to outdoor advertising on billboards and outdoor display spaces (now discontinued)	**–**	107,368
Deposit paid for acquisition of a subsidiary	**15,000**	–
Financial assets at fair value through profit or loss	**70**	42
Unallocated corporate assets	**5,549**	1,661
Consolidated total assets	**34,995**	330,821

	2015	2014
	HK$'000	*HK$'000*
Liabilities		
Total reportable segment liabilities	**31,197**	41,385
Elimination of inter-segment payables	**–**	–
	31,197	41,385
Liabilities related to outdoor advertising on billboards and outdoor display spaces (now discontinued)	**–**	320,799
Liabilities related to intelligent system (now discontinued)	**11,393**	11,393
Borrowings	**42,000**	20,400
Promissory notes	**46,693**	158,913
Convertible notes	**–**	729,754
Deferred taxation	**236**	55,591
Unallocated corporate liabilities	**4,541**	6,958
Consolidated total liabilities	**136,060**	1,345,193
Discontinued operations:		
Revenue		
Total reportable segment revenues	**22,360**	67,261
Elimination of inter-segment revenue	**–**	–
Consolidated turnover	**22,360**	67,261

(c) *Geographic information*

As all segments of the Group are operating in the PRC, including Hong Kong, no geographic information has further been disclosed.

(d) *Information about major customers*

For the year ended 30 June 2015, there was no (2014: no) customer accounted for over 10% of total revenue of the Group.

11. ACCOUNTS RECEIVABLE

	2015	2014
	HK$'000	*HK$'000*
Trade debtors	**2,214**	3,130

(a) Ageing analysis

Included in accounts receivable are trade debtors (net of allowance for doubtful debts) with the following ageing analysis as of the end of the reporting period:

	2015	2014
	HK$'000	*HK$'000*
Current	**35**	–
Less than 1 month past due	**500**	2,340
1 to 3 months past due	**1,114**	–
Over 3 months past due	**565**	790
	2,214	3,130

The Group's trading terms with customers are on credit. The credit period is generally from nil to 30 days. No interest is charged on accounts receivable and the Group does not hold any collateral over these balances.

12. TRADE PAYABLES, ACCRUED EXPENSES AND OTHER PAYABLES

	2015	2014
	HK$'000	*HK$'000*
Trade payables *(note (i) and (ii))*	**191**	615
Accrued expenses and other payables	**28,401**	39,217
Amounts due to directors *(note (iii))*	**–**	2,815
Purchase consideration payable	**196**	196
Receipts in advance	**1,437**	–
	30,225	42,843

Notes:

(i) The following is an ageing analysis of trade payables presented based on invoice date as at the end of the reporting period:

	2015	2014
	HK$'000	*HK$'000*
Less than 1 month	**–**	–
1 to 3 months	**191**	596
Over 1 year	**–**	19
	191	615

(ii) The credit period of trade payables is generally from nil to 30 days.

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

13. DIVIDEND

The board of directors do not recommend the payment of any dividend for the year ended 30 June 2015 (2014: Nil).

14. DISPOSAL OF SUBSIDIARIES

On 25 April 2014, the Company entered into the conditional sale and purchase agreement (the "Sale and Purchase Agreement") that outdoor advertising on billboards and outdoor display spaces operation were discontinued following the disposal of Redgate Ventures Limited ("Redgate"), a direct wholly-owned subsidiary of the Company, and its subsidiaries (collectively known as the "Redgate Group"), which carried out all of the Group's outdoor advertising on billboards and outdoor display spaces operation. As the conditions precedent to the Sale and Purchase Agreement have not been fulfilled on or before 31 August 2014, being the long stop date for the fulfillment of the conditions, the Company and the purchaser agreed to terminate the Sale and Purchase Agreement. Accordingly, the Company and the purchaser entered into the termination deed on 1 September 2014 pursuant to which the parties agreed that the Sale and Purchase Agreement be terminated and all antecedent obligations and liabilities of the parties under the Sale and Purchase Agreement should be absolutely discharged and released immediately upon the signing of the termination deed and no party should have any claim against the other party in respect of any matter or thing arising out of or in connection with the Sale and Purchase Agreement.

On 1 September 2014, the Company and the new purchaser entered into the new sale and purchase agreement pursuant to which the Company conditionally agreed to sell and the new purchaser conditionally agreed to purchase Redgate Group at consideration of HK$600,000. The disposal of Redgate Group was completed on 17 November 2014.

Summary of the effects of the disposal of Redgate Group are as follows:

	HK$'000
Net liabilities disposed of:	
Available-for-sale financial assets	1
Property, plant and equipment	89
Accounts receivable	31,649
Prepayments, deposits and other receivables	23,756
Prepaid advertising placement service costs	10,906
Cash and cash equivalents	17,913
Trade payables, accrued expenses and other payables	(297,791)
Tax payable	(15,512)
	(228,989)
Non-controlling interests	6,218
Net liabilities disposed of	(222,771)

Gain on disposal of subsidiaries:

	HK$'000
Consideration received	600
Net liabilities disposed of	222,771
Reclassification of exchange reserve upon disposal of subsidiaries to profit or loss	(392)
Gain on disposal	222,979

Net cash outflow on disposal of Redgate Group:

	HK$'000
Consideration received in cash and cash equivalents	600
Less: Cash and cash equivalents disposed of	(17,913)
	(17,313)

15. COMPARATIVE FINANCIAL INFORMATION

Certain comparative figures have been restated to conform with current year's presentation.

EXTRACT OF INDEPENDENT AUDITORS' REPORT

The following is an extract from the report issued by HLB Hodgson Impey Cheng Limited on the consolidated financial statements of the Group for the year ended 30 June 2015:

BASIS FOR DISCLAIMER OF OPINION

(a) Scope limitation – Profit for the year from discontinued operations and the disposal of subsidiaries

As disclosed in notes 10 and 36 to the consolidated financial statements, the Group disposed of its outdoor advertising on billboards and outdoor display spaces business (the "Disposal Group") on 17 November 2014, which was classified as discontinued operations during the year ended 30 June 2014 and its assets and liabilities were classified as held for sale as at 30 June 2014. Included in the Group's consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income was profit for the year from discontinued operations, comprising the loss for the year from the Disposal Group of approximately HK$16,730,000 and gain on disposal of the Disposal Group of approximately HK$222,979,000.

As disclosed in note 3(b)(i) to the consolidated financial statements, the directors of the Company were not able to access the books and records of the Disposal Group upon completion of the disposal of the Disposal Group. Consequently, we were unable to get access to the books and records of the Disposal Group. Due to the lack of books and records of the Disposal Group, we were unable to obtain sufficient appropriate audit evidence and explanation in respect of the financial information of the Disposal Group as set out below, which has been included in the consolidated financial statements of the Group for the year ended 30 June 2015:

Included in the consolidated statement of profit or loss and note 10 to the consolidated financial statements:

	HK$'000
Loss for the year of the Disposal Group	
Turnover	22,360
Cost of sales	(11,180)
Gross profit	11,180
Other revenue	1,106
Marketing and promotion expenses	(201)
Administrative expenses	(28,780)
Loss before income tax	(16,695)
Income tax	(35)
Loss for the year from the Disposal Group	(16,730)
(Loss)/profit for the year from the Disposal Group attributable to:	
Owners of the Company	(21,070)
Non-controlling interests	4,340
	(16,730)

Included in the consolidated statement of cash flows and note 10 to the consolidated financial statements:

	HK$'000
Net cash outflow from operating activities	(386)
Net cash outflow	(386)
Profit for the year from discontinued operations:	
Loss for the year from the Disposal Group	(16,730)
Gain on disposal of the Disposal Group	222,979
	206,249

Included in the consolidated statement of profit or loss, consolidated statement of cash flows and note 36 to the consolidated financial statements:

	HK$'000
Net liabilities disposed of:	
Available-for-sale financial assets	1
Property, plant and equipment	89
Accounts receivable	31,649
Prepayments, deposits and other receivables	23,756
Prepaid advertising placement service costs	10,906
Cash and cash equivalents	17,913
Trade payables, accrued expenses and other payables	(297,791)
Tax payable	(15,512)
	(228,989)
Non-controlling interests	6,218
Net liabilities disposed of	(222,771)

Gain on disposal of subsidiaries:

	HK$'000
Consideration received	600
Net liabilities disposed of	222,771
Reclassification of exchange reserve upon disposal of subsidiaries to profit or loss	(392)
Gain on disposal	222,979

Net cash outflow on disposal of Redgate Group:

	HK$'000
Consideration received in cash and cash equivalents	600
Less: Cash and cash equivalents disposed of	(17,913)
	(17,313)

Due to the lack of books and records of the Disposal Group, we were unable to obtain sufficient appropriate audit evidence and explanation to the transactions and balances included in the financial statements of the Disposal Group, the loss and cash flow for the period of the Disposal Group, the gain on disposal of the Disposal Group and the resulting movement recorded in the reserves. We were therefore unable to carry out satisfactory audit procedures to obtain reasonable assurance regarding the completeness, accuracy, existence or occurrence, valuation, ownership, classification and disclosures of the transactions undertaken by the Disposal Group. There were no alternative audit procedures that we could perform to satisfy ourselves as to whether the above transactions and balances were free from material misstatement. Consequently, we were unable to carry out audit procedures that we consider necessary to satisfy ourselves as to the completeness and existence or occurrence of any other significant transactions, inter-group transactions, contingent liabilities, commitments, related party transactions and subsequent events relating to the Disposal Group. Any adjustments that might have been found to be necessary in respect of the above would have a consequential significant effect on the Group's net liabilities as at 30 June 2015 and the profit and cash flows of the Group for the year ended 30 June 2015 and may have resulted in additional information being disclosed in the consolidated financial statements as to the nature of the transactions and any contingent liabilities, commitments, related party transactions and significant non-adjusting subsequent events relating to the Disposal Group.

(b) Scope limitation – Impairment of goodwill and intangible assets

As disclosed in notes 16 and 17 to the consolidated financial statements, in view of continuous loss making from the television advertisements business, the directors of the Company are of the opinion that the carrying amounts of the goodwill and intangible assets in the consolidated statement of financial position exceeded their recoverable amounts, and therefore, based on the assessment carried out by the directors of the Company as at the end of the reporting period, an impairment loss on goodwill of approximately HK$3,527,000 and an impairment loss on intangible assets of approximately HK$171,899,000 were recognised in the consolidated statement of profit or loss of the Group respectively. However, we have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the reasonableness of the bases and assumptions used by the directors of the Company in their assessment as at the end of the reporting period, and therefore as to whether the impairment loss on goodwill provided during the year then ended of approximately HK$3,527,000 and the impairment loss on intangible assets provided during the year then ended of approximately HK$171,899,000, including any related tax impact, are fairly stated. Any adjustment to the goodwill and intangible assets and impairment losses would have a consequential impact on the Group's net liabilities as at 30 June 2015 and its profit and cash flows for the year then ended, the amount of the interests in subsidiaries in the Company's statement of financial position as at 30 June 2015 and the results of the Company for the year then ended, and the related disclosures thereof in the consolidated financial statements.

(c) Scope limitation – Transactions of the Group during the year ended 30 June 2015

As disclosed in note 3(b)(ii), the directors of the Company engaged an independent investigating accountant (the "Investigating Accountant") to review the financial affairs of the Group for the last five years from January 2010 to January 2015, including the payment to directors and the acquisition of Redgate Ventures Limited. During the review process, the directors of the Company and the Investigating Accountant were unable to locate the supporting documents for certain transactions entered during the year ended 30 June 2015 as set out below:

Transactions included in the consolidated statement of financial position and the Company's statement of financial position

	HK$'000
Prepayments, deposits and other receivables	25,250
Borrowings	16,000
Cash and bank balances	55,798

Transactions included in the consolidated statement of profit or loss and the Company's statement of profit or loss

	HK$'000
Finance costs	694
Administrative expenses	2,814
Other revenue	11,040

Due to the lack of supporting documents of the above transactions, we were unable to obtain sufficient appropriate audit evidence and explanation to the above transactions included in the consolidated financial statements of the Group and the financial statements of the Company and the resulting movement in the reserves. We were therefore unable to carry out satisfactory audit procedures to obtain reasonable assurance regarding the completeness, accuracy, existence or occurrence, valuation, ownership, classification and disclosures of the transactions undertaken by the Group and the Company. Also, as there was inadequate documentary evidence available for us to verify the nature of the above transactions, we were unable to carry out any substantive procedures in relation to the above transactions. There were no alternative audit procedures that we could perform to satisfy ourselves as to whether the above transactions and balances were free from material misstatement. Consequently, we were unable to carry out audit procedures that we consider necessary to satisfy ourselves as to the completeness and existence or occurrence of any other significant transactions, inter-group transactions, contingent liabilities, commitments, related party transactions and subsequent events relating to the Group. Any adjustments that might have been found to be necessary in respect of the above would have a consequential significant effect on the Group's net liabilities as at 30 June 2015 and the profit and cash flows of the Group for the year ended 30 June 2015 and may have resulted in additional information being disclosed in the consolidated financial statements as to the nature of the transactions.

(d) Scope limitation – Promissory notes

As disclosed in notes 30 to the consolidated financial statements, there were changes in the terms and holders of the promissory notes. We were unable to obtain sufficient appropriate audit evidence regarding the promissory notes because we were unable to carry out any effective confirmation procedures in relation to the promissory notes for the purpose of our audit and there were no alternative audit procedures that we could perform to satisfy ourselves as to whether the carrying amount of promissory notes as at 30 June 2015, and the gain arising from extension of promissory notes of approximately HK$13,432,000 were free from material misstatement. Any adjustments that might have been found necessary may have an effect on the balance of the Group's and the Company's net liabilities as at 30 June 2015 and the profit and cash flows of the Group for the year ended 30 June 2015, and the related disclosures thereof in the consolidated financial statements.

(e) Scope limitation – Contingent liabilities and commitments

Due to the lack of books and records of the Disposal Group and the incomplete records of the Group, we were unable to obtain sufficient appropriate audit evidence and explanations as to whether the contingent liabilities and commitments committed by the Group were properly recorded and accounted for and in compliance with the requirements of applicable Hong Kong Financial Reporting Standards, including HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and HKAS 39 "Financial Instruments: Recognition and Measurement". There were no alternative audit procedures that we could perform to satisfy ourselves as to whether the contingent liabilities and commitments were free from material misstatements. Any adjustments that might have been found necessary may have a consequential effect on the Group's net liabilities as at 30 June 2015 and consequently the profit and cash flows of the Group for the year ended 30 June 2015, and the related disclosures thereof in the consolidated financial statements.

(f) Scope limitation – Events after reporting period

Due to the lack of books and records of the Disposal Group and the incomplete records of the Group, we have not been unable to obtain sufficient appropriate audit evidence as to whether the events after the reporting period were properly recorded and accounted for and in compliance with the requirements of applicable Hong Kong Financial Reporting Standards including Hong Kong Accounting Standard 10 "Events after the Reporting Period". There were no practical alternative procedures that we could perform over the significant transactions which occurred during the period from 1 July 2015 to the date of this auditors' report. Any adjustments that might have been found necessary may have a consequential effect on the Group's net liabilities as at 30 June 2015 and consequently the profit and cash flows of the Group for the year ended 30 June 2015, and the related disclosures thereof in the consolidated financial statements.

(g) Scope limitation – Related party transactions

Due to the lack of books and records of the Disposal Group and the incomplete records of the Group, we have not been unable to obtain sufficient appropriate audit evidence as to whether the related party disclosures were properly recorded and accounted for and in compliance with the requirements of applicable Hong Kong Financial Reporting Standards, including Hong Kong Accounting Standard 24 "Related Party Disclosures". There were no practical alternative procedures that we could perform over the related party transactions which occurred during the year ended 30 June 2015. Any adjustments that might have been found necessary may have a consequential effect on the Group's net liabilities as at 30 June 2015 and consequently the profit and cash flows of the Group for the year ended 30 June 2015, and the related disclosures thereof in the consolidated financial statements.

(h) Material uncertainty relating to the going concern basis

As disclosed in note 3(b)(iii) to the consolidated financial statements, the Group incurred a gross loss of approximately HK$31,222,000 for the year ended 30 June 2015 and had net current liabilities and net liabilities of approximately HK$102,629,000 and HK$101,065,000 as at 30 June 2015 respectively. In addition, the borrowings and promissory notes were defaulted as of the date of this announcement. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

The validity of the going concern assumption on which the consolidated financial statements are prepared is dependent on the favourable outcomes of the steps being taken by the directors of the Company as described in note 3(b)(iii) to the consolidated financial statements. The consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern and therefore do not include any adjustments relating to the realisation and classification of non-current assets that may be necessary if the Group is unable to continue as a going concern.

Should the going concern assumption be inappropriate, adjustments may have to be made to reflect the situation that assets may need to be realised at other than the amounts at which they are currently recorded in the consolidated statement of financial position. In addition, the Group may have to provide for further liabilities that might arise, and to reclassify non-current assets as current assets.

In the absence of sufficient documentary evidence, we were unable to ascertain whether the assumptions made by the directors of the Company in the preparation of the consolidated financial statements on a going concern basis were fair and reasonable. Accordingly, we were unable to satisfy ourselves that the use of the going concern assumption was appropriate. There were no other satisfactory audit procedures that we could adopt to satisfy ourselves as to the appropriateness of the use of the going concern assumption, which might have a consequential significant effect on the net liabilities of the Group and the Company as at 30 June 2015 and the loss of the Group for the year then ended, and the related disclosures thereof in the consolidated financial statements.

(i) Scope limitation – Opening balances and corresponding figures

The corresponding figures in the current year's financial statements are derived from the financial statements for the year ended 30 June 2014 which contained a disclaimer of audit opinion of which details of qualifications were set out in our auditors' report dated 26 September 2014 for the Group's financial statements for the year ended 30 June 2014. In addition, due to the lack of books and records of the Disposal Group and the incomplete records of the Group, we have not been able to obtain sufficient appropriate audit evidence as to whether the opening balances as at 1 July 2014 and the comparative figures for the year ended 30 June 2014 were properly recorded and accounted for and in compliance with the requirements of applicable Hong Kong Financial Reporting Standards, including Hong Kong Accounting Standard 1 " Presentation of Financial Statements". Therefore, the comparative figures may not be comparable and we were unable to obtain sufficient appropriate audit evidence regarding the opening balances and corresponding figures and there were no alternative audit procedures to satisfy ourselves as to whether the opening balances and corresponding figures were free from material misstatement. Any adjustment to these figures that might have been found necessary in respect would have had a consequential impact on the opening balances of net liabilities of the Company and the Group as at 1 July 2014, the opening balances of the accumulated losses of the Company and the Group as at 1 July 2014, the net liabilities of the Company and the Group as at 30 June 2015, results for the year ended 30 June 2015 of the Company and the Group and the related disclosures thereof in the financial statements.

DISCLAIMER OF OPINION

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

OTHER MATTERS

Report on matters under section 80(1) of Schedule 11 to the new Hong Kong Companies Ordinance (Cap. 622), with reference to sections 141(4) and 141(6) of the predecessor Hong Kong Companies Ordinance (Cap.32)

In respect alone of the inability to obtain sufficient appropriate audit evidence regarding item (a) to (i) above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and

- we were unable to determine whether proper books of account had been kept.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND FINANCIAL PERFORMANCE

Inno-Tech Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") are principally engaged in buses and bus stations advertising business in the People's Republic of China (the "PRC").

The Group reported a turnover of approximately HK$39,218,000 for the year ended 30 June 2015, representing a decrease of approximately 23.7% compared with the turnover of approximately HK$51,375,000 for the year ended 30 June 2014. During the 12 months of operation, all the turnover contributed from advertising business.

The Group has recorded an one-off gain of approximately HK$206,249,000 (2014: Nil) arising from the disposal of Redgate Ventures Limited ("Redgate") and its subsidiaries (collectively referred as to the "Redgate Group"), which has been completed on 17 November 2014.

The marketing and promotion expenses for the year ended 30 June 2015 was similar to the last corresponding year of approximately HK$1,795,000 (2014: approximately HK$1,783,000), which were arising from the buses and bus stations advertising business.

The administrative expenses for the year ended 30 June 2015 increased by approximately HK$1,247,000 to approximately HK$29,610,000 (2014: approximately HK$28,363,000), which was mainly due to the payment of legal and professional fees for the disposal of Redgate Group and the other corporate transactions was made in the last corresponding year.

The profit from disposal of Redgate Group has been partly offset by the following items:–

(i) non-cash impairment loss on goodwill and intangible assets of approximately HK$3,527,000 and HK$171,899,000 respectively. During the year, the subsidiary of the Company entered into a termination agreement with the other contractual party to terminate the media co-operation agreement, therefore, the goodwill and intangible assets arising from the co-operation agreement was fully impaired;

(ii) the effective interest expenses of approximately HK$27,031,000 during the year ended 30 June 2015 (2014: HK$44,007,000) on convertible notes and promissory notes issued;

(iii) the interest expenses of approximately HK$5,365,000 (2014: Nil) on other borrowings wholly repayable within five years.

The above-mentioned impairment and effective interest are non-cash in nature and do not have any impact on the operating cash flows of the Group.

Basic earnings/(loss) per share from continuing operations as at 30 June 2015 was HK$0.39 (2014: HK$(7.99)).

The Directors do not recommend the payment of a final dividend for the year ended 30 June 2015 (2014: Nil).

Buses and bus stations advertising business in PRC

The Group continues to focus on the business operations of having outdoor advertising on buses and bus stations. It now pursues the development in the following possible ways:

– Expands the advertising network;

– Expands the customer base;

– Increases the utilization of the Group's media resources;

– Enhances pricing strategy; and

– Focuses on sales and marketing.

During the year ended 30 June 2015, the Group's bus advertising business in PRC reported a 19.0% decrease in revenue to HK$39,218,000 from HK$48,411,000 in 2014.

Television advertisement business in PRC

Due to challenging and competitive operating environment in the PRC throughout the year, the Group has scaled down the investment in this sector in order to allocate more resources on other major sectors and explore new business opportunities. There is no revenue reported during the year ended 30 June 2015 (2014: HK$2,964,000).

EVENTS AFTER THE REPORTING PERIOD

On 15 July 2015, a supplemental agreement to the memorandum of understanding in relation to a proposed acquisition ("Supplemental MOU") was entered into between the Company and the prospective vendors pursuant to which the parties agreed to extend the inspection period as six months after the execution of the Supplemental MOU and extend the long stop date as 30 days after the revised inspection period. For details, please refer to the Company's announcement dated 15 July 2015.

PROSPECTS

The Board will continue to explore and evaluate new businesses and investment opportunities which could be of good potential and/or long-term benefit to the Group and the Shareholders.

The Board will take a cautious and conservative approach in the evaluation and timing of potential projects or investments, including and constantly keep reviewing the Group's strategies and operations with a view to improve its business performance and Company's shareholders' returns.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2015, the net current liabilities of the Group were approximately HK$102,629,000 (2014: net current liabilities HK$475,806,000). Out of the current assets as at 30 June 2015, approximately HK$7,506,000 (2014: HK$1,704,000) were cash and cash equivalents. The current ratio of the Group as at 30 June 2015 was 0.24 (2014: 0.20). As at 30 June 2015, the Group has borrowings of HK$42,000,000 (2014: HK$20,400,000) and other debts (include the principal amount of promissory notes and convertible notes) of HK$46,693,000 (30 June 2014: HK$888,667,000) denominated in Hong Kong dollars. The net debt (i.e. total short-term borrowings and other debts less cash and cash equivalents) as at 30 June 2015 was HK$81,187,000 (2014: HK$213,905,000) and accordingly net debt gearing ratio (i.e. net debt/net assets) as at 30 June 2015 was Nil (2014: Nil).

The Group did not have any stand-by banking facilities at 30 June 2015 and 2014.

As at 30 June 2015, the Group had cash and cash equivalents (the "Liquidity Resources") of approximately HK$7,506,000 (2014: 1,704,000) which are mainly denominated in Hong Kong dollars and Renminbi ("RMB"). The Group expected to fund the future cash flow needs through internally generated cash flows from operations, borrowings and equity financing.

Save as disclosed in this annual results announcement, the Group has no material capital expenditure commitments as at 30 June 2015.

CONVERTIBLE INSTRUMENTS

The placing of convertible bonds in aggregate principal amount of HK$200,000,000 ("Placing CB") was completed on 29 August 2012. The net proceeds from the placing amounted to approximately HK$194,000,000 was used to fund the cash portion of the consideration paid for acquisition of shares of Redgate Ventures Limited. The Placing CB, with maturity dated 28 August 2014 (extended the maturity date to 28 November 2014), is convertible into shares at the conversion price of HK$38 per share (upon completion of share consolidated completed on 30 October 2014) during the conversion period. Prior to early redemption on 3 December 2014, the Placing CB with principal amount of HK$163,000,000 have been converted into shares of the Company. On 3 December 2014, the Company has fully redeemed the remaining Placing CB with the principal amount of HK$37,000,000 by issuing 3,700,000 shares at issue price of HK$2.22 each.

On 31 August 2012, the Company issued convertible notes with the principal amount of HK$1,160,000,000 as consideration for acquisition 100% equity interest of Redgate Ventures Limited ("Redgate CN1 & CN2"). The Redgate CN1 & CN2, with maturity date of 30 August 2015, is convertible into share at the conversion price of HK$38 per share (upon completion of share consolidation completed on 30 October 2014) during the conversion period. Prior to early redemption on 3 December 2014, Redgate CN1 & CN2 with the principal amount of HK$470,354,044 have been converted into shares of the Company. On 3 December 2014, the Company has fully redeemed the remaining Redgate CN1 & CN2 with the principal amount of HK$689,645,956 by issuing 68,964,601 ordinary shares at issue price of HK$2.22 each.

On 31 August 2012, the Company issued convertible notes with the principal amount of HK$140,704,206 as consideration for acquisition 100% equity interest of Redgate Ventures Limited ("Redgate CN3"). The Redgate CN3, with maturity date of 30 August 2015, is convertible into share at the conversion price of HK$23.5 per share (upon completion of share consolidation completed on 30 October 2014) during the conversion period. Prior to early redemption on 3 December 2014, Redgate CN3 with the principal amount of HK$8,952,158 have been converted into shares of the Company. On 3 December 2014, the Company has fully redeemed the remaining Redgate CN3 with the principal amount of HK$131,752,048 by issuing 21,304,581 ordinary shares at issue price of HK$2.22 each.

CAPITAL STRUCTURE

(a) On 25 April 2014, the Board proposed to implement the share consolidation on basis that every ten issued and unissued share of HK$0.01 each in the share capital of the Company will be consolidated into one consolidated share of HK$0.1 each ("Share Consolidation"). Following the passing of a special resolution of the Company's special general meeting on 29 October 2014, the Share Consolidation was completed on 30 October 2014.

(b) During the year ended 30 June 2015, the Company has fully redeemed all the outstanding convertible bonds and convertible notes amounted to HK$858,398,003 by issuing 93,969,182 ordinary shares of the Company at issue price of HK$2.22 each. Prior to the redemption on 3 December 2014, the outstanding principal amounts of the Placing CB, Redgate CN1 & CN2 and Redgate CN3 were HK$37,000,000, HK$689,645,956 and HK$131,752,048 respectively. Accordingly, an aggregate of 3,700,000, 68,964,601 and 21,304,581 ordinary shares were issued and allotted by the Company to the holders of the outstanding Placing CB, Redgate CN1 & CN2 and Redgate CN3 respectively.

For details of redemption, please refer to the circular dated 14 October 2014.

(c) On 25 April 2014, the Company proposed to raise not less than approximately HK$145,200,000 (before expenses) and not more than approximately HK$278,100,000 (before expenses) by way of an open offer of not less than 675,266,925 offer shares and not more than 1,293,640,550 offer shares at a subscription price of HK$0.215 (after the effective of Share Consolidation) per offer share on the basis of twenty five offer shares for every consolidated share ("Open Offer"). The Company and the underwriter entered into the underwriting agreement pursuant to which the Open Offer is fully underwritten by the underwriter.

On 26 November 2014, all the conditions set out in the underwriting agreement have been fulfilled and the Open Offer has become unconditional. On 3 December 2014, 675,266,925 offer shares were issued at subscription price of HK$0.215 each.

Details of issuance of offer shares and the use of proceed are set as below:

Proposed use of net proceeds		**The amount of net proceeds dedicated to be applied to each of the proposed uses**	**The amount of net proceeds already applied to the proposed uses as of 30 June 2015**
(a)	For early partial settlement of the outstanding promissory	HK$16,000,000	HK$40,000,000
(b)	For paying the license fee for the Group's bus advertising business and acquiring more television airtime for scaling up the Group's existing business of advertising through television airtime	approximately HK$68,300,000	approximately HK$32,010,000
(c)	For settlement of the outstanding Indebtedness owed to financial institutions	approximately HK$20,400,000	approximately HK$32,286,000
(d)	For financing the operation of the remaining group	approximately HK$5,000,000	–
(e)	For the general working capital	approximately HK$25,000,000	approximately HK$30,404,000

As at 30 June 2015, the Company's issued share capital was HK$79,624,678.40 and the number of its issued ordinary shares was 796,246,784 of HK$0.10 each.

FOREIGN CURRENCY EXCHANGE RISK

The Group has transactional currency exposures. Such exposures arise from the business operations in the PRC denominated in RMB. As at 30 June 2015, the Group had a minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities were principally denominated in the respective functional currencies, i.e. RMB, used by the respective group entities.

The RMB is not freely convertible into other foreign currencies and conversion of the RMB into foreign currencies is subject to rules and regulations of foreign exchange control promulgated by the PRC government. As at 30 June 2015, the Group does not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities. The Group will closely monitor its foreign currency exposure and will consider using hedging instruments in respect of significant foreign currency exposure as and when appropriate.

As at 30 June 2015, the Group had no investment in any financial derivatives, foreign exchange contracts, interest or currency swaps, hedgings or other financial arrangements for hedging purposes to reduce any currency risk nor made any over-the-counter contingent forward transactions.

CHARGES OF ASSETS

As at 30 June 2015, the Company has charged all its equity interests in four companies wholly owned by the Company to secure the borrowing of the Group (2014: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS DURING THE YEAR AND FUTURE PLANS FOR MATERIAL INVESTMENTS

(a) On 25 April 2014, the Company and the purchaser ("Purchaser") entered into the sale and purchase agreement ("Sale and Purchase Agreement") pursuant to which the Company conditionally agreed to sell and the Purchaser conditionally agreed to acquire sale shares of Redgate Ventures at a consideration of HK$500,000.

    As the conditions precedent to the Sale and Purchase Agreement have not been fulfilled on or before 31 August 2014, being the long stop date for the fulfillment of the conditions, the parties agreed to terminate the Sale and Purchase Agreement. Accordingly, the Company and the Purchaser entered into the termination deed ("Termination Deed") on 1 September 2014 pursuant to which the parties agreed that the Sale and Purchase Agreement be terminated and all antecedent obligations and liabilities of the parties under the Sale and Purchase Agreement should be absolutely discharged and released immediately upon the signing of the Termination Deed and no party should have any claim against the other party in respect of any matter or thing arising out of or in connection with the Sale and Purchase Agreement.

On 1 September 2014, the Company and the new purchaser ("New Purchaser") entered into the new sale and purchase agreement pursuant to which the Company conditionally agreed to sell and the New Purchaser conditionally agreed to acquire the sale shares of Redgate Ventures at a consideration of HK$600,000. On 29 October 2014, special general meeting was held and the proposed disposal of Redgate Ventures was duly passed by independent shareholders. The disposal was completed on 17 November 2014.

For details, please refer to the Company's announcement dated 25 April 2014 and 1 September 2014.

(b) On 2 December 2014, the Company and the vendors ("Prospective Vendors") entered into the memorandum of understanding ("MOU") in relation to a possible acquisition.

The target group will be principally engaged in worldwide media commercial advertising business in football matches of Liga de Fútbol Professional. The Company has paid HK$15,000,000 ("Deposit") to the Prospective Vendors as a refundable deposit. Subject to the satisfaction of due diligence result on the target group, the Company will consider further negotiation with the Prospective Vendors on the possible acquisition and entering into formal agreement. In the event that formal agreement is not entered into prior to the long stop date or the MOU is terminated, the Deposit shall be refunded in full without interest and without deduction to the Company by the Prospective Vendors within fourteen days. In the event of entering into the formal agreement, the Deposit will be applied towards satisfaction of the consideration of the Possible Acquisition or part thereof.

For details, please refer to the Company's announcement dated 2 December 2014.

Save as disclosed above, the Group did not make any material acquisition or disposal during the year.

In addition, the Group is constantly looking for any other business opportunities for new possible potential investment to improve the standard performance of the Group and improve Shareholders' return.

EMPLOYEE INFORMATION AND REMUNERATION POLICY

As at 30 June 2015, the Group employed a total 44 employees (2014: 49), and the total remuneration for the year ended 30 June 2015 was approximately HK$8,881,000 (2014: HK$9,276,000). The Group remunerates its employees based on their performance, working experience and the prevailing market price. Other employee benefits include mandatory provident fund, insurance and medical coverage, training programs and share option scheme.

DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 30 June 2015 (2014: Nil) and no interim dividend was paid during the year (2014: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

AUDIT COMMITTEE

The audit committee of the Company ("AC") was set up on 5 July 2002 with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the AC are to review and supervise the financial reporting process and internal control system of the Group. As of the date of this announcement, the AC comprises of four members, Mr. Lee Ho Yiu, Thomas, Mr. Tse Yuen Ming, Dr. Chan Yiu Wing and Ms. Liu Jianyi, all being independent non-executive Directors. The AC held four meetings during the year. The Group's audited results for the year ended 30 June 2015 have been reviewed by the AC, which was of the opinion that the preparation of such results complied with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures have been made. The AC is chaired by Mr. Lee Ho Yiu, Thomas.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to achieving high standard of corporate governance to safeguard the interests of all shareholders and to enhance corporate value and accountability.

The Company's corporate governance practices are based on the principles and code provisions (the "Code Provision(s)") set out in the Corporate Governance Code (the "CG Code") contained in Appendix 15 of the GEM Listing Rules.

Throughout the year ended 30 June 2015, the Company has complied with most of the Code Provisions of the CG Code, except for the following deviations.

The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review its corporate governance practices from time to time to ensure they comply with the statutory requirements and the CG Code and align with the latest developments.

CODE PROVISION A.2.1

Code Provision A.2.1 provides that the roles of the Chairman and Chief Executive Officer ("CEO") should be separate and should not be performed by the same individual.

Following the step down of Mr. Chen Chuan from the office of Chairman and an executive Director of the Company on 23 January 2015, the Company has not appointed Chairman, and the roles and functions of the Chairman have been performed by all the executive Directors collectively.

Following the step down of Mr. Ang Wing Fung from the office of executive Director and CEO of the Company on 9 April 2015, the Company has not appointed CEO, and the roles and functions of the CEO have been performed by all the executive Directors collectively.

CODE PROVISION A.6.7 AND E.1.2

Under the code provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. In addition, Under the code provision E.1.2 of the CG Code, the chairman of the board should attend the annual general meeting and he should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. During the year ended 30 June 2015, the annual general meeting of the Company (the "AGM") held on 30 December 2014, Mr. Ang Wing Fung (chairman of remuneration committee), Ms. Lu Di and Mr. Tse Yuen Ming did not attend the said AGM to answer questions of the shareholders of the Company due to other prior business engagements or other overseas commitments. The special general meeting of the Company (the "SGM") held on 29 October 2014, Mr. Chen Chuan (chairman of the Board), Ms. Lu Di and Mrs. Kwan Leung, Anna did not attend the said SGM to answer questions of the shareholders of the Company due to other prior business engagements or other overseas commitments. However, the said absent Directors have appointed the other attended Directors as their representative at the said meetings to answer questions of the shareholders of the Company.

RULE 5.05(1) OF THE GEM LISTING RULES

Rule 5.05(1) of the GEM Listing Rules the board of directors of a listed issuer must include at least three independent non-executive Directors.

Upon the resignation of Ms. Lu Di as the independent non-executive Director of the Company on 15 January 2015, the number of independent non-executive Directors fell below the minimum requirement.

After the appointment of Dr. Chan Yiu Wing and Ms. Liu Jianyi as the independent non-executive Director on 16 March 2015, the Company has fulfilled the requirement on the number of independent non-executive directors of the Company as required under Rule 5.05(1) of the GEM Listing Rules.

RULE 5.28 OF THE GEM LISTING RULES

Rule 5.28 of the GEM Listing Rules every listed issuer must establish an audit committee comprising non-executive directors only. The audit committee must comprise a minimum of 3 members.

Upon the resignation of Ms. Lu Di as the independent non-executive Director of the Company on 15 January 2015, the number of members of the audit committee fell below the minimum requirement.

After the appointment of Dr. Chan Yiu Wing and Ms. Liu Jianyi as the members of audit committee on 16 March 2015, the Company has fulfilled the requirement on the number of members of the audit committee as required under Rule 5.28 of the GEM Listing Rules.

NON-COMPLIANCE WITH FINANCIAL REPORTING PROVISIONS OF THE GEM LISTING RULES

Pursuant to the GEM Listing Rules, the Company is required to despatch to every shareholder of the Company and other holders of its listed securities its annual report and to make announcement of its annual results not more than three months after the year ended 30 June 2015. However, the Company was unable to despatch its annual report and to make announcements of its annual results for the year ended 30 June 2015 within the prescribed time limit as set out in the relevant GEM Listing Rules. The Board acknowledges that the delay in the despatch of the annual report and announcement of its annual results constitute non-compliance with Rule 18.03 and Rule 18.49 of the GEM Listing Rules, respectively.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the code of conduct for securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 ("Securities Code") of the GEM Listing Rules. During the year ended 30 June 2015, the Directors have confirmed, following specific inquiry by the Company, that they have complied with the required standard and code of conduct set out in the Securities Code during the year under review.

INTERNAL CONTROL

The Board engaged an independent accountant to conduct regular review on the system of internal control of the Group and its effectiveness covering the financial, operational, compliance controls and risk management functions. The Board is committed to implement an effective and sound internal control system to safeguard the interest of Shareholders and the Group's assets.

The Company has engaged Elite Partners Risk Advisory Services Limited ("Elite Partners") to advise on the enhancement of the Company's governance in general and the Company's finance, in particular, as to the thorough compliance of the GEM Listing Rules and laws and regulations in Hong Kong. The Company finished its internal control manual and enhanced its internal control system that recommended by Elite Partners for the year ended 30 June 2015.

To further monitor and assess the effectiveness of the internal control system, the Company has appointed Elite Partners as the internal control advisor of the Group to perform quarterly review on the risk management function and the audit on the internal control system. Elite Partners will report its findings and recommendation to the audit committee on a quarterly basis.

LITIGATION

During the year and up to the date of this announcement, the Group has been involved in the following legal proceedings:

(a) On 31 August 2010, a writ of summons was issued by Mr. Lim Yi Shenn as the plaintiff ("Plaintiff") against Ms. Wong Yuen Yee, an ex-director of the Company, Mr. Wong Yao Wing, Robert, an ex-director of the Company and the Company (collectively "Defendants"). The Plaintiff claimed against each of the Defendants for damages for various misrepresentations allegedly made by the Defendants in relation to certain investment agreement and placing agreement of April and June 2008. The Plaintiff has filed a statement of claim setting out the particulars of his claims against the Defendants and claiming damages for misrepresentation in the amount of approximately HK$15,838,000 and/or, alternatively, the return of a sum of HK$10,000,000 by the Defendants based upon an alleged admission of liability made by the Defendants. The Defendants denied the Plaintiff's claims and vigorously contested such claims.

    The Plaintiff's claims came before the Honourable Deputy High Court Judge Wilson Chan for trial on 3 to 7, 10 to 13, 18 and 19 November 2014 and Judgment was handed down by the Honourable Deputy High Court Judge Wilson Chan on 29 January 2015 ("the Judgment"). By the Judgment, the Honourable Deputy High Court Judge Wilson Chan dismissed all the Plaintiff's claims with costs to the Defendants.

    On 4 March 2015, the Plaintiff served a Notice of Appeal against the Judgement and the Board of the Company was advised that there is no merit in such appeal at all. A date of hearing of the said appeal has not yet been fixed.

    The Directors, based on legal advice, consider that the Plaintiff does not have any valid claim against the Company at all and the Company has good defence to the claims. Therefore, no provision in respect of such claims was made in the consolidated financial statements.

(b) On 14 January 2011, a Writ of Summons was issued by Smart Step Holdings Limited ("SSHL") as the plaintiff against the Company, Inno-Gold Mining Limited ("IGML") and Dragon Emperor International Limited ("DEIL"). DEIL and IGML were the subsidiaries of the Company until 9 May 2011 when the Company disposed all its interest in them.

In the said case SSHL alleged that Ms. Wong Yuen Yee and Mr. Wong Yao Wing had acted negligently and/or had breached their duties during their time as executives and directors of the Company, DEIL and IGML.

The substantive hearing of this case was adjourned sine die pursuant to the court order dated 15 April 2011, and currently there is no hearing listed for this case. This case remains dormant as at the date of approval of these consolidated financial statements.

The Directors, based on legal advice, consider that the case does not have any adverse financial impact upon the Company at all. Therefore, no provision in respect of such claims was made in the consolidated financial statements.

(c) On 30 January 2015, the Securities and Futures Commission ("the Petitioner") presented a Petition to the High Court under section 214 of the Securities and Futures Ordinance, Cap. 571 ("the Petition") against the Company and 4 ex-directors of the Company, namely, Wong Yuen Yee, Wong Yao Wing, Robert, Wong Kwok Sing and Lam Shiu San (collectively "the Ex-Directors"). It is the Petitioner's complains that the Ex-Directors had conducted the business or affairs of the Company in a manner involving misfeasance or misconduct toward the Company, its members or any part of its members and/or unfairly prejudicial to its members or any part of its members.

By the Petition the Petitioner sought an order that the Company shall bring in its name civil proceedings against the Ex-Directors to seek recovery of compensation or loss and damages suffered by the Company as a result of such misfeasance or misconduct or unfairly prejudicial conduct and also disqualification of the ex-directors to be director, liquidator, or receiver or manager of any listed or unlisted company in Hong Kong or from taking part in the management of any listed or unlisted company in Hong Kong on such terms and for such periods as the Court shall think fit and/or other reliefs.

The Company has sought independent legal advice on the Petition and the Petition has been scheduled for hearing on 29 April 2015.

The Company has agreed with the Petitioner will serve the writ before its expiry date.

The Directors, based on legal advice, consider that the case does not have any adverse financial impact upon the Company at all. Therefore, no provision in respect of such claims was made in the consolidated financial statements.

SUSPENSION OF TRADING

Trading in the shares of the Company has been suspended at the request of the Company since 26 January 2015 and will remain suspended until further notice.

By order of the Board
Ha Chuen Yeung
Chairman

Hong Kong, 28 January 2016

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Ha Chuen Yeung and Mr. Lau King Hang; and four independent non-executive Directors, namely Mr. Lee Ho Yiu, Thomas, Mr. Tse Yuen Ming, Dr. Chan Yiu Wing and Ms. Liu Jianyi.

This announcement will remain on the GEM website at http://www.hkgem.com on the "Latest Company Announcements" page for 7 days from the date of its posting and on the website of the Company.