ZHI CHENG HOLDINGS LIMITED
智城控股有限公司*

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 08130)

RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2016

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

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

* *For identification purposes only*

RESULTS

The board of directors (the "Board") of Zhi Cheng Holdings Limited (the "Company") is pleased to present the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2016 together with the comparative figures for the corresponding year in 2015.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2016

	Notes	**2016**	2015
		HK$'000	*HK$'000*
Continuing operations			
Revenue	6	**28,543**	33,103
Cost of sales		**(24,445)**	(26,608)
Gross profit		**4,098**	6,495
Other income and gains	7	**3,948**	449
Administrative expenses		**(51,598)**	(64,652)
Gain on bargain purchase		**–**	322
(Loss)/gain on disposal of subsidiaries		**(185)**	256
Gain on disposal of property, plant and equipment		**18**	–
Impairment loss recognised in respect of available-for-sale investments		**–**	(6,000)
Impairment loss recognised in respect of goodwill		**(15,225)**	(14,802)
Impairment loss recognised in respect of intangible assets		**(4,335)**	(2,953)
Loss arising on change in fair value of financial assets at fair value through profit or loss		**(207)**	–
Written off of property, plant and equipment		**(3)**	(37)
Loss from operations	8	**(63,489)**	(80,922)
Finance costs	9	**(377)**	–
Loss before taxation		**(63,866)**	(80,922)
Income tax expense	10	**(256)**	(104)
Loss for the year from continuing operations		**(64,122)**	(81,026)
Discontinued operations			
Loss for the year from discontinued operations	14	**(1,751)**	(75,755)
Loss for the year		**(65,873)**	(156,781)
Loss for the year attributable to:			
owners of the Company		**(65,349)**	(155,627)
non-controlling interests		**(524)**	(1,154)
		(65,873)	(156,781)
Loss per share	11		(Restated)
From continuing and discontinued operations			
Basic and diluted		**HK(7.96) cents**	HK(24.11) cents
From continuing operations			
Basic and diluted		**HK(7.75) cents**	HK(12.37) cents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2016

	2016	2015
	HK$'000	*HK$'000*
Loss for the year	**(65,873)**	(156,781)
Other comprehensive income/(expense) for the year		
Item that may be reclassified to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	**1,119**	(2,453)
Reclassification of translation reserve upon disposal of subsidiaries	**3,776**	–
Other comprehensive income/(expense) for the year, net of income tax	**4,895**	(2,453)
Total comprehensive expense for the year	**(60,978)**	(159,234)
Total comprehensive expense for the year attributable to:		
owners of the Company	**(59,984)**	(158,237)
non-controlling interests	**(994)**	(997)
	(60,978)	(159,234)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2016

	Notes	2016 HK$'000	2015 HK$'000
Non-current assets			
Property, plant and equipment		**3,375**	7,391
Investment properties		**–**	21,406
Goodwill		**17,221**	32,446
Intangible assets		**–**	7,722
Prepayments	*12*	**2,255**	–
Finance lease receivables – net		**11,580**	–
Available-for-sale investments		**–**	–
		34,431	68,965
Current assets			
Trade and other receivables	*12*	**205,350**	186,346
Finance lease receivables – net		**5,356**	–
Promissory note receivable		**15,000**	–
Bank balances and cash		**226,503**	4,252
		452,209	190,598
Assets of disposal group classified as held for sale	*14*	**31,903**	25,925
		484,112	216,523
Current liabilities			
Trade and other payables	*13*	**33,320**	18,199
Corporate bond		**8,877**	–
Tax payable		**3,941**	4,795
		46,138	22,994
Liabilities of disposal group classified as held for sale	*14*	**10,091**	8,200
		56,229	31,194
Net current assets		**427,883**	185,329
Total assets less current liabilities		**462,314**	254,294

	2016	2015
	HK$'000	*HK$'000*
Capital and reserves		
Share capital	**25,809**	6,112
Reserves	**428,623**	236,334
Equity attributable to owners of the Company	**454,432**	242,446
Non-controlling interests	**7,882**	8,876
	462,314	251,322
Non-current liability		
Deferred tax liabilities	**–**	2,972
	462,314	254,294

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2016

	Issued capital HK$'000	Share premium HK$'000	Contributed surplus HK$'000	Share-based compensation reserve HK$'000	Statutory reserve HK$'000	Translation reserve HK$'000	Accumulated losses HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2014	4,174	1,255,370	325,798	8,032	1,951	4,817	(1,309,941)	290,201	9,873	300,074
Loss for the year	–	–	–	–	–	–	(155,627)	(155,627)	(1,154)	(156,781)
Other comprehensive (expense)/income for the year										
Exchange differences on translation of financial statements of overseas subsidiaries	–	–	–	–	–	(2,610)	–	(2,610)	157	(2,453)
Total comprehensive expense for the year	–	–	–	–	–	(2,610)	(155,627)	(158,237)	(997)	(159,234)
Transfer of statutory reserve	–	–	–	–	15	–	(15)	–	–	–
Recognition of equity-settled share-based payment	–	–	–	11,529	–	–	–	11,529	–	11,529
Exercise of share options	172	12,261	–	(3,807)	–	–	–	8,626	–	8,626
Cancellation of share options	–	–	–	(265)	–	–	265	–	–	–
Issue of new shares	1,296	67,134	–	–	–	–	–	68,430	–	68,430
Placing of new shares	470	24,000	–	–	–	–	–	24,470	–	24,470
Share issuing expenses	–	(2,573)	–	–	–	–	–	(2,573)	–	(2,573)
At 31 March 2015 and 1 April 2015	6,112	1,356,192	325,798	15,489	1,966	2,207	(1,465,318)	242,446	8,876	251,322
Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**(65,349)**	**(65,349)**	**(524)**	**(65,873)**
Other comprehensive income/(expense) for the year										
Exchange differences on translation of financial statements of overseas subsidiaries	**–**	**–**	**–**	**–**	**–**	**1,589**	**–**	**1,589**	**(470)**	**1,119**
Reclassification of translation reserve upon disposal of subsidiaries	**–**	**–**	**–**	**–**	**–**	**3,776**	**–**	**3,776**	**–**	**3,776**
Total comprehensive expense for the year	**–**	**–**	**–**	**–**	**–**	**5,365**	**(65,349)**	**(59,984)**	**(994)**	**(60,978)**
Disposal of subsidiaries	**–**	**–**	**–**	**–**	**(279)**	**–**	**279**	**–**	**–**	**–**
Recognition of equity-settled share-based payment	**–**	**–**	**–**	**9,677**	**–**	**–**	**–**	**9,677**	**–**	**9,677**
Exercise of share options	**567**	**31,380**	**–**	**(10,178)**	**–**	**–**	**–**	**21,769**	**–**	**21,769**
Cancellation of share options	**–**	**–**	**–**	**(1,154)**	**–**	**–**	**1,154**	**–**	**–**	**–**
Issue of new shares	**7,370**	**92,125**	**–**	**–**	**–**	**–**	**–**	**99,495**	**–**	**99,495**
Placing of new shares	**8,630**	**107,875**	**–**	**–**	**–**	**–**	**–**	**116,505**	**–**	**116,505**
Open offer	**3,130**	**28,173**	**–**	**–**	**–**	**–**	**–**	**31,303**	**–**	**31,303**
Share issuing expenses	**–**	**(6,779)**	**–**	**–**	**–**	**–**	**–**	**(6,779)**	**–**	**(6,779)**
At 31 March 2016	**25,809**	**1,608,966**	**325,798**	**13,834**	**1,687**	**7,572**	**(1,529,234)**	**454,432**	**7,882**	**462,314**

Notes:

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 9 November 2001 and continued in Bermuda on 20 April 2009. The Company's shares have been listed on the GEM of the Stock Exchange since 26 August 2002. According to the register of substantial shareholders maintained by the Company, at 31 March 2016, Joy Grand Investment Limited and UBS SDIC Asset Management (Hong Kong) Company Limited are substantial shareholders of the Company. The ultimate controlling party of Joy Grand Investment Limited is China Smartpay Group Holdings Limited.

The registered office and principal place of business of the Company are located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and Room 3203, 32nd Floor, Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong respectively.

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

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are provision of consultancy services, advertising and media related services, provision of project management services, travel agency and related operations and provision of financial leasing and other financial services.

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

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") for the first time in the current year:

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

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. ISSUED BUT NOT YET EFFECTIVE HKFRSs

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

HKAS 1 (Amendments)	Disclosure Initiative[1]
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants[1]
HKAS 27 (2011) (Amendments)	Equity Method in Separate Financial Statements[1]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012-2014 Cycle[1]
HKFRS 9	Financial Instruments[2]
HKFRS 10 and HKAS 28 (2011) (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures[4]
HKFRS 10, HKFRS 12 and HKAS 28 (2011) (Amendments)	Investment Entities: Applying the Consolidation Exception[1]
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations[1]
HKFRS 15	Revenue from Contracts with Customers[2]
HKFRS 16	Leases[3]

1 Effective for annual period beginning on or after 1 January 2016, with earlier application permitted
2 Effective for annual period beginning on or after 1 January 2018, with earlier application permitted
3 Effective for annual period beginning on or after 1 January 2019, with earlier application permitted
4 Effect for annual period beginning on or after a date to be determined

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' ("FVTOCI") measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an 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. 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 the adoption of HKFRS 9 in the future may have a significant impact on the amounts reported in respect of the Group's financial assets and financial liabilities. Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

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 consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

HKFRS 16 Leases

HKFRS 16, which upon the effective date will supersede HKAS 17 "Leases", introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The directors of the Company will assess the impact of the application of HKFRS 16. For the moment, it is not practicable to provide a reasonable estimate of the effect of the application of HKFRS 16 until the Group performs a detailed review.

Save as described above, the directors of the Company anticipate that the application of these amendments will have no material effect on the Group's consolidated financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRSs, which is a collective term that includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations ("Ints") issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules") and by the Hong Kong Companies Ordinance.

The provisions of the new Hong Kong Companies Ordinance (Cap. 622) ("new CO") regarding preparation of accounts and directors' reports and audits became effective for the Company for the financial year ended 31 March 2016. Further, the disclosure requirements set out in the GEM Listing Rules regarding annual accounts have been amended with reference to the new CO and to streamline with HKFRSs. Accordingly the presentation and disclosure of information in the consolidated financial statements for the financial year ended 31 March 2016 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended 31 March 2015 are presented or disclosed in the consolidated financial statements based on the new requirements. Information previously required to be disclosed under the predecessor Companies Ordinance or GEM Listing Rules but not under the new CO or amended GEM Listing Rules are not disclosed in these consolidated financial statements.

Basis of preparation

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in the annual report for the year ended 31 March 2016.

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

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

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

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

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

The principal accounting policies are set out below.

Basis of consolidation

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

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

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

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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

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

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

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interest in existing subsidiaries

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

When the Group loses control of a subsidiary, a gain or loss is recognised in the consolidated income statement and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 "Income Taxes" and HKAS 19 "Employee Benefits" respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 "Share-based Payment" at the acquisition date (see the accounting policy below); and

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another HKFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39, or HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets", as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

5. SEGMENT INFORMATION

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geographical locations. During the year ended 31 March 2016, the Group commenced to engage in a new segment, financial leasing and other financial services. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following five reportable segments. No operating segments have been aggregated to form the following reportable segments.

(i)	Consultancy services:	Provision of consultancy and advisory services to entities in relation to the rechargeable stored value subscriber identity module ("SIM") card business in Hong Kong.
(ii)	Advertising and media related services:	Engaged in designing, production, acting as agency and placement of advertisements, information consulting and marketing planning in the People's Republic of China (the "PRC").
(iii)	Project management services:	Provision of PRC project management services to entities in relation to the operation and monitoring of radio-frequency identification ("RFID") card system.
(iv)	Travel agency and related operations:	Rendering travel agency services related to air ticketing and air/hotel packages in Hong Kong.
(v)	Financial leasing and other financial services:	Provision of financial leasing and other financial services in the PRC.

Two operations (property investments and decoration and interior design services) were discontinued during the year ended 31 March 2016, whereas two operations of medical information digitalisation system ("MIDS") and securities broking services were discontinued during the year ended 31 March 2015.

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

Segment revenue and results

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resources allocation and assessments of segment performance for the years ended 31 March 2016 and 2015 is set out below:

	Continuing operations												Discontinued operations											
	Consultancy services		Advertising and media related services		Project management services		Travel agency and related operations		Financial leasing and other financial services		Subtotal		Decoration and interior design services		Property investments		MIDS		Securities broking services		Subtotal		Total	
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue:																								
Sales to external customers	**–**	675	**22,924**	16,290	**–**	1,001	**5,249**	15,137	**370**	–	**28,543**	33,103	**25**	2,016	**841**	1,624	**–**	–	**–**	100	**866**	3,740	**29,409**	36,843
Segment results	**(2,150)**	(8,761)	**(19,213)**	(18,425)	**(5,742)**	(5,570)	**(416)**	(540)	**808**	–	**(26,713)**	(33,296)	**477**	(807)	**(1,703)**	534	**(525)**	(76,213)	**–**	731	**(1,751)**	(75,755)	**(28,464)**	(109,051)
Unallocated other revenue and gains																							**3,934**	479
Unallocated expenses																							**(40,710)**	(48,105)
Loss from operations																							**(65,240)**	(156,677)
Finance costs																							**(377)**	–
Loss before taxation																							**(65,617)**	(156,677)
Income tax																							**(256)**	(104)
Loss for the year																							**(65,873)**	(156,781)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in both years.

The accounting policies of the reportable segments are the same as the Group's accounting policies as described in the annual report for the year ended 31 March 2016. Segment results represent the profit/(loss) earned/(suffered) by each segment without allocation of central administration cost including directors' remuneration, other income and gains, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

	Continuing operations												Discontinued operations											
	Consultancy services		Advertising and media related services		Project management services		Travel agency and related operations		Financial leasing and other financial services		Subtotal		Decoration and interior design services		Property investments		MIDS		Securities broking services		Subtotal		Total	
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment assets	**1,932**	4,077	**87,048**	103,395	**12,457**	14,960	**962**	2,148	**17,394**	–	**119,793**	124,580	**–**	2,666	**–**	22,725	**19,452**	16,546	**–**	–	**19,452**	41,937	**139,245**	166,517
Unallocated assets																							**379,298**	118,971
Total assets																							**518,543**	285,488
Segment liabilities	**–**	–	**15,184**	7,895	**4,159**	2,014	**1,212**	2,031	**124**	–	**20,679**	11,940	**–**	1,908	**–**	301	**5,932**	6,186	**–**	–	**5,932**	8,395	**26,611**	20,335
Unallocated liabilities																							**29,618**	13,831
Total liabilities																							**56,229**	34,166

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

– all assets are allocated to reportable segments other than unallocated head office and corporate financial assets, promissory note receivable and current and deferred tax assets. Goodwill is allocated to reportable segments; and

– all liabilities are allocated to reportable segments other than current and deferred tax liabilities, other unallocated head office and corporate financial liabilities and corporate bond.

Other segment information

Continuing operations

	Consultancy services 2016 HK$'000	Consultancy services 2015 HK$'000	Advertising and media related services 2016 HK$'000	Advertising and media related services 2015 HK$'000	Project management services 2016 HK$'000	Project management services 2015 HK$'000	Travel agency and related operations 2016 HK$'000	Travel agency and related operations 2015 HK$'000	Financial leasing and other financial services 2016 HK$'000	Financial leasing and other financial services 2015 HK$'000	Subtotal 2016 HK$'000	Subtotal 2015 HK$'000
Interest on corporate bond	–	–	–	–	–	–	–	–	–	–	–	–
Addition to non-current assets*	–	–	**(24)**	(2,078)	–	–	–	–	–	–	**(24)**	(2,078)
Amortisation of intangible assets	**(2,147)**	(6,478)	–	–	**(1,240)**	(1,613)	–	–	–	–	**(3,387)**	(8,091)
Depreciation of property, plant and equipment	–	–	**(765)**	(462)	–	(29)	–	–	–	–	**(765)**	(491)
Fair value changes on investment properties	–	–	–	–	–	–	–	–	–	–	–	–
Impairment loss recognised in respect of available-for-sale investment	–	–	–	–	–	–	–	–	–	–	–	–
Impairment loss recognised in respect of goodwill	–	–	**(15,225)**	(14,802)	–	–	–	–	–	–	**(15,225)**	(14,802)
Impairment loss recognised in respect of intangible assets	–	(2,953)	–	–	**(4,335)**	–	–	–	–	–	**(4,335)**	(2,953)

Discontinued operations

	Decoration and interior design services 2016 HK$'000	Decoration and interior design services 2015 HK$'000	Property investments 2016 HK$'000	Property investments 2015 HK$'000	MIDS 2016 HK$'000	MIDS 2015 HK$'000	Securities broking services 2016 HK$'000	Securities broking services 2015 HK$'000	Subtotal 2016 HK$'000	Subtotal 2015 HK$'000	Unallocated 2016 HK$'000	Unallocated 2015 HK$'000	Total 2016 HK$'000	Total 2015 HK$'000
Interest on corporate bond	–	–	–	–	–	–	–	–	–	–	**(377)**	–	**(377)**	–
Addition to non-current assets*	–	(429)	–	–	–	(8)	–	(17)	–	(454)	**(857)**	(3,002)	**(881)**	(5,534)
Amortisation of intangible assets	–	–	–	–	–	(9,186)	–	(17)	–	(9,203)	–	–	**(3,387)**	(17,294)
Depreciation of property, plant and equipment	**(65)**	(71)	–	–	–	(81)	–	–	**(65)**	(152)	**(2,090)**	(2,013)	**(2,920)**	(2,656)
Fair value changes on investment properties	–	–	–	460	–	–	–	–	–	460	–	–	–	460
Impairment loss recognised in respect of available-for-sale investment	–	–	–	–	–	–	–	–	–	–	–	(6,000)	–	(6,000)
Impairment loss recognised in respect of goodwill	–	–	–	–	–	–	–	–	–	–	–	–	**(15,225)**	(14,802)
Impairment loss recognised in respect of intangible assets	–	–	–	–	–	(65,480)	–	–	–	(65,480)	–	–	**(4,335)**	(68,433)

* Non-current assets excluded those relating to financial instruments. Addition to non-current assets include property, plant and equipment.

Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's non-current assets* ("specified non-current assets"). The geographical location of customers is based on the location of the revenue derived, and the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment and investment properties, and the location of the operation to which they are allocated, in the case of intangible assets and goodwill.

The Group operates in three principal geographical areas – Hong Kong, the PRC (excluding Hong Kong) and Canada.

The Group's revenue from external customers and information about its non-current assets by geographical location are detailed below:

	Revenue from external customers		**Non-current assets***	
	2016	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**5,274**	18,829	**2,633**	12,719
The PRC	**23,294**	16,290	**20,218**	34,840
Canada	**841**	1,624	**–**	21,406
Total	**29,409**	36,743	**22,851**	68,965

* Non-current assets excluded those relating to financial instruments

Information about major customers

Revenue from customers of the corresponding years contributing over 10% over of the total sales of the Group are as follows:

	2016	2015
	HK$'000	*HK$'000*
Customer A[1]	**–**	4,805
Customer B[2]	**–**	4,435
Customer C[1]	**–**	4,260
Customer D[1]	**9,260**	–

1 Revenue from advertising and media related services
2 Revenue from travel agency and related operations

6. REVENUE

Revenue represents the net amounts received and receivables from goods sold and rendering of services by the Group to customers, after allowances for returns and trade discounts where applicable and services rendered.

	2016 *HK$'000*	2015 *HK$'000*
Continuing operations		
Finance lease income	**370**	–
Provision of consultancy services	**–**	675
Provision of advertising and media related services	**22,924**	16,290
Provision of project management services	**–**	1,001
Provision of travel agency services	**5,249**	15,137
Total	**28,543**	33,103

7. OTHER INCOME AND GAINS

	2016 *HK$'000*	2015 *HK$'000*
Continuing operations		
Bank interest income	**5**	1
Interest income on loan to independent third parties	**1,049**	110
Management fee income	**2,310**	112
Other income	**584**	226
Total	**3,948**	449

8. LOSS FROM OPERATIONS

The Group's loss from operations is arrived at after charging/(crediting):

	2016 *HK$'000*	2015 *HK$'000*
Continuing operations		
Amortisation of intangible assets	**3,387**	8,091
Auditors' remuneration:		
Audit services	**1,083**	1,083
Non-audit services	**218**	343
	1,301	1,426
Cost of sales	**24,445**	26,608
Depreciation of property, plant and equipment	**2,855**	2,504
Minimum lease payment under operating lease on premises	**3,492**	2,097
Net foreign exchange (gain)/loss	**(287)**	127
Share-based payment expenses in respect of consultancy services	**7,447**	11,529
Staff costs (including directors' remuneration):		
Salaries and allowances	**14,203**	15,597
Share-based payment expenses	**2,230**	–
Contribution to retirement benefits scheme	**1,396**	651
	17,829	16,248

9. FINANCE COSTS

	2016	2015
	HK$'000	*HK$'000*
Continuing operations		
Interest on corporate bond	**377**	–

10. INCOME TAX EXPENSE

	2016	2015
	HK$'000	*HK$'000*
Continuing operations		
Current tax charged/(credited):		
PRC Enterprise Income Tax	**256**	(221)
Under provision in prior year	**–**	325
	256	104
Deferred tax:		
Current year	**–**	–
Total tax charged	**256**	104

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both years. No provision for Hong Kong Profits has been made in the consolidated financial statement as the Group has no assessable profit derived from Hong Kong for both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Canada subsidiaries are subject to Canada Corporate Tax comprising Federal Tax and Provincial Corporation Tax. With effect from 1 January 2012, the Canada Federal Tax has been reduced from 16.5% to 15% while the Provincial Corporation Tax remains at 2.5%. The deferred tax balance has been adjusted to reflect the tax rates that are expected to apply to the respective years when the asset is realised or the liability is settled.

11. LOSS PER SHARE

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

From continuing and discontinued operations

	2016	2015
	HK$'000	*HK$'000*
		(Restated)
Loss		
Loss attributable to owners of the Company for the purposes of basic and diluted loss per share	**(65,349)**	(155,627)

	2016	2015
		(Restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**821,031,863**	645,614,236

The computation of diluted loss per share does not assume the exercise of the Company's outstanding share options since the exercise would result in a decrease in loss per share in both years.

From continuing operations

	2016	2015
	HK$'000	*HK$'000*
		(Restated)
Loss		
Loss attributable to owners of the Company for the purposes of basic and diluted loss per share	**(63,598)**	(79,872)

	2016	2015
		(Restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**821,031,863**	645,614,236

From discontinued operations

Basic and diluted loss per share for the discontinued operation is HK0.21 cents per share (2015: HK11.74 cents per share), based on the loss for the year from the discontinued operations of approximately HK$1,751,000 (2015: HK$75,755,000).

The weighted average number of ordinary shares for the year ended 31 March 2015 for the purposes of calculating basic and diluted earnings per share have been adjusted and restated for the issuance of new shares upon open offer which took place on 9 December 2015.

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

12. TRADE AND OTHER RECEIVABLES

	2016 HK$'000	2015 HK$'000
Trade receivables *(Note a)*	**17,512**	15,433
Deposits	**87,996**	51,923
Prepayments	**14,344**	27,577
Other receivables	**77,576**	87,333
Loan receivables	**10,177**	4,080
	207,605	186,346
Analysis as:		
Current	**205,350**	186,346
Non-current	**2,255**	–
	207,605	186,346

Notes:

(a) An aged analysis of the Group's trade receivables (which included in trade and other receivables), based on invoice date, and net of allowance for doubtful debts, at the end of the reporting period is as follows:

	2016 HK$'000	2015 HK$'000
0 – 30 days	**9,809**	1,115
31 – 60 days	**476**	5,352
61 – 90 days	**67**	620
Over 90 days	**7,160**	8,346
	17,512	15,433

Details on the Group's credit policy are set out in the annual report for the year ended 31 March 2016.

The following is an aged analysis of trade receivables which were past due but not impaired based on the due date:

	2016 HK$'000	2015 HK$'000
1 – 30 days	**–**	–
31 – 61 days	**–**	–
61 – 90 days	**–**	–
Over 90 days	**6,944**	6,949
	6,944	6,949

Trade receivables that were past due but not impaired relate to the credits available to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

13. TRADE AND OTHER PAYABLES

	2016 *HK$'000*	2015 *HK$'000*
Trade payables *(Note a)*	**13,076**	6,453
Accruals and other payables	**12,667**	6,717
Tenant deposits	**–**	37
Receipt in advance	**6,439**	4,145
Amounts due to key officer *(Note b)*	**–**	105
Other non-income tax payable	**1,138**	742
	33,320	18,199

Notes:

(a) An aged analysis of the Group's trade payables at the end of the reporting period is as follows:

	2016 *HK$'000*	2015 *HK$'000*
0 – 30 days	**7,831**	2,963
31 – 60 days	**43**	285
61 – 90 days	**–**	40
Over 90 days	**5,202**	3,165
	13,076	6,453

(b) Amounts due to key officer were interest free, unsecured and repayable on demand.

14. DISCONTINUED OPERATIONS AND DISPOSAL GROUP HELD FOR SALE

(a) Discontinued operations

Disposal of decoration and interior design services

On 31 August 2015, the Company has entered into a sale and purchase agreement to dispose of its entire equity interest in Chun Sing Design (HK) Limited ("Chun Sing"), a wholly-owned subsidiary of the Company to an independent third party. Chun Sing directly holds entire equity interests in Chun Sing Design (Shenzhen) Limited* (駿昇設計製作(深圳)有限公司) ("Shenzhen Chun Sing"). The Group initiated an active programme to locate a buyer and completed the sale during the second half of the year. The disposal was completed on 31 August 2015, on which date control of the decoration and interior design services operations was passed to the purchaser. Details of the assets and liabilities disposed of, and the calculation of the profit or loss on disposal are disclosed in the annual report for the year ended 31 March 2016.

* *For identification purposes only*

Analysis of loss for the year from decoration and interior design services operations

The results of the discontinued operations (i.e. decoration and interior design services) included in the loss for the year are set out below. The comparative loss and cash flows from discontinued operations have been re-presented to include those operations classified as discontinued in the current year.

	2016	2015
	HK$'000	*HK$'000*
Profit/(loss) for the year from decoration and interior design services operations		
Revenue	**25**	2,016
Cost of sales	**(20)**	(1,658)
Gross profit	**5**	358
Other income and gains	**–**	–
Administrative expenses	**(426)**	(1,165)
Gain on disposal of subsidiaries	**898**	–
Profit/(loss) from operations	**477**	(807)
Income tax expense	**–**	–
Profit/(loss) for the year	**477**	(807)
Profit/(loss) for the year from decoration and interior design services operations include the following:		
Depreciation of property, plant and equipment	**65**	71
Minimum lease payment under operating lease on premises	**101**	333
Salaries and allowances	**100**	273
Contribution to retirement benefits scheme	**5**	25
Cash flow from decoration and interior design services operations:		
Net cash outflows from operating activities	**(46)**	1,092
Net cash outflows from investing activities	**–**	(429)

Disposal of property investments operations

On 15 April 2015, the Group entered into the sale and purchase agreement to dispose of its entire equity interest in Grandeur Concord Limited ("Grandeur Concord"), a wholly-owned subsidiary of the Company, and the sale loan to Gold Train Limited ("Gold Train"), an independent third party. Grandeur Concord directly holds entire equity interests in Vincent Investment Limited ("Vincent Investment"). The sole asset of significance of Grandeur Concord and Vincent Investment (the "Grandeur Concord Group") is the property. The disposal was completed on 30 November 2015, on which date control of the property investments operations was passed to Gold Train. Details of the assets and liabilities disposed of, and the calculation of the profit or loss on disposal are disclosed in the annual report for the year ended 31 March 2016.

Analysis of loss for the year from property investments operations

The results of the discontinued operations (i.e. property investments) included in the loss for the year are set out below. The comparative loss and cash flows from discontinued operations have been re-presented to include those operations classified as discontinued in the current year.

	2016	2015
	HK$'000	*HK$'000*
(Loss)/profit for the year from property investments operations		
Revenue	**841**	1,624
Cost of sales	**–**	–
Gross profit	**841**	1,624
Other income and gains	**–**	30
Administrative expenses	**(998)**	(1,494)
Fair value changes on investment properties	**–**	460
Loss on disposal of subsidiaries	**(1,546)**	–
(Loss)/profit from operations	**(1,703)**	620
Income tax expense	**–**	(86)
(Loss)/profit for the year	**(1,703)**	534
(Loss)/profit for the year from property investments operations include the following:		
Salaries and allowances	**170**	260
Contribution to retirement benefits scheme	**3**	4
Cash flow from property investments operations:		
Net cash outflows from operating activities	**145**	1,330

Plan to dispose of MIDS operations

On 13 March 2015 and 26 March 2015, the Group entered into two disposal agreements with purchaser A and purchaser B to dispose of the entire registered capital of Jia Tai Hua Technology (Tianjin) Company Limited* (嘉鈦華數碼科技（天津）有限公司) ("Jia Tai Hua") and Tianjin Yi Chen Electronic Technology Company Limited* (天津市逸晨電子科技有限公司) ("Yi Chen"), wholly-owned subsidiaries of the Company, which carried out the Group's MIDS operations at a consideration of HK$11,000,000 and HK$1,000,000 respectively. The carrying amount of the related assets and liabilities are carried at the lower of carrying amount and their fair value less costs to sell and, accordingly, no impairment loss was recognised, neither when Jia Tai Hua and Yi Chen were reclassified as held for sale nor at the end of the reporting period. Details of the assets and liabilities of disposal group held for sale at 31 March 2015 are disclosed in note 14(b).

Jia Tai Hua and Yi Chen carried out all of the Group's MIDS operations. The disposal of the Group's MIDS business is to streamline the Group's operations in the PRC.

Analysis of loss for the year from MIDS operations

The results of the discontinued operations, (i.e MIDS operations business) are included in the loss for the year are set out below. The comparative loss and cash flows from discontinued operations have been re-presented to include those operations classified as discontinued in the current year.

	2016 ***HK$'000***	2015 *HK$'000*
Loss for the year from MIDS operations		
Revenue	**–**	–
Cost of sales	**–**	–
Gross profit	**–**	–
Other income and gains	**–**	–
Administrative expenses	**(525)**	(10,733)
Impairment loss recognised in respect of intangible assets	**–**	(65,480)
Loss from operations	**(525)**	(76,213)
Income tax expense	**–**	–
Loss for the year	**(525)**	(76,213)

Loss for the year from MIDS operations include the following:		
Amortisation of intangible asset	**–**	9,186
Depreciation of property, plant and equipment	**–**	81
Minimum lease payment under operating lease on premises	**32**	209
Salaries and allowance	**334**	877
Contribution to retirement benefits scheme	**110**	170
Cash flow from MIDS operations:		
Net cash outflows from operating activities	**(157)**	(634)
Net cash outflows from investing activities	**–**	(8)
Net cash inflows from financing activities	**–**	782

* *For identification purpose only*

Disposal of securities broking services

On 17 December 2014, the Group entered into a disposal agreement with a purchaser to dispose of the entire issued share capital of Eastmoney International Securities Limited (formerly known as BWC Securities Limited) ("Eastmoney"), which carried out all of the Group's securities broking services operations. The disposal of the Group's securities broking services business is to realign the Group's strategic direction in the area of financial services. The disposal was completed on 31 March 2015, on which date control of the securities broking services operations was passed to the purchaser. Details of the assets and liabilities disposed of, and the calculation of the profit or loss on disposal are disclosed in the annual report for the year ended 31 March 2016.

Analysis of loss for the year from securities broking services operations

The results of the discontinued operations (i.e. securities broking services business) included in the loss for the year are set out below.

	2015
	HK$'000
Profit for the year from securities broking services operations	
Revenue	100
Cost of sales	–
Gross profit	100
Other income and gains	24
Administrative expenses	(396)
Gain on disposal of a subsidiary	1,003
Profit from operations	731
Income tax expense	–
Profit for the year	731
Profit for the year from securities broking services operations include the following:	
Amortisation of intangible assets	17
Depreciation of property, plant and equipment	–
Cash flow from securities broking services operations:	
Net cash inflows from operating activities	871

(b) Disposal Group Held for Sale

Plan to dispose of project management services operations

On 23 March 2015, the Group entered into a disposal agreement with a purchaser to dispose of the entire registered capital of Guangzhou Xun Zhi Tong Information Technology Company Limited* (廣州迅置通信息科技有限公司) ("Guangzhou Xun Zhi Tong"), a wholly-owned subsidiary of the Company, which carried out all of the Group's project management services operations at a consideration of HK$8,000,000. The disposal of the Group's project management services operations is to streamline the Group's operations in the PRC. The disposal has not been completed as at the date of the annual report. As at 31 March 2016, the carrying amount of related assets and liabilities are carried at the lower of carrying amount and their fair value less costs to sell and, accordingly, no impairment loss was recognised.

	Jia Tai Hua and Yi Chen *HK$'000*	**Guangzhou Xun Zhi Tong** *HK$'000*	**Total** *HK$'000*
Assets of disposal group classified as held for sale at 31 March 2016			
Property, plant and equipment	**43**	**–**	**43**
Intangible assets	**1,325**	**534**	**1,859**
Trade and other receivables	**18,066**	**10,991**	**29,057**
Bank balances and cash	**18**	**926**	**944**
	19,452	**12,451**	**31,903**
Liability of disposal group classified as held for sale at 31 March 2016			
Trade and other payables	**(5,932)**	**(4,159)**	**(10,091)**
	(5,932)	**(4,159)**	**(10,091)**
Net assets of disposal group classified as held for sale at 31 March 2016	**13,520**	**8,292**	**21,812**

	Jia Tai Hua and Yi Chen *HK$'000*	Guangzhou Xun Zhi Tong *HK$'000*	Total *HK$'000*
Assets of disposal group classified as held for sale at 31 March 2015			
Property, plant and equipment	45	–	45
Intangible assets	1,563	556	2,119
Trade and other receivables	14,910	8,821	23,731
Bank balances and cash	28	2	30
	16,546	9,379	25,925
Liability of disposal group classified as held for sale at 31 March 2015			
Trade and other payables	(6,186)	(2,014)	(8,200)
	(6,186)	(2,014)	(8,200)
Net assets of disposal group classified as held for sale at 31 March 2015	10,360	7,365	17,725

The change of foreign shareholder for a wholly foreign-owned enterprise in the PRC requires approvals from multiple government departments and each department can take a few weeks to process the application. The application process time is also affected by the recent fiscal and internal control tightening where it may take multiple submissions to perfect the application. As such the completions for the disposals are taking longer than expected due to administrative delays. The Group is now close to the final stages of the application for change of foreign shareholder for the disposed wholly foreign-owned enterprises and expects to complete the shareholder change in approximately 2 months' time.

* *For identification purpose only*

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2016 (2015: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview

Provision of Financial Leasing and other Financial Services

Following the completion of fund raising by way of open offer in December 2015, the Group has commenced its financial leasing operation during the year under review. With the provision of finance lease of electric and hybrid vehicles in the PRC, the financial leasing business is expected to generate a steady stream of revenue in the near future.

The Group is currently in the process of finalizing a number of financial leasing transactions, mainly in the infrastructure and electric vehicle areas. The Group is planning to make further investments in this segment and also look into the establishment or joint establishment with other partners of financial leasing or other financial related companies that will complement the Group's financial leasing and other financial services business.

During the year under review, the revenue contributed by such segment was approximately HK$0.4 million (2015: HK$Nil).

Advertising and Media Related Services

Apart from the provision of advertising services through marketing and promotional events with advertising clienteles in the lifestyle and apparel industry, riding on the trend of growing number of connected consumers, the expansion of mobile telephony, and elevated mobile broadband adoption, the Group is also developing its media services in the video production area and expects the projects to generate revenue in the upcoming quarters.

One of the other media services has been the publishing of travel books with associated advertisements. The spending on travelling advertising media continued to shift to digital services at a rapid pace, proclaiming the end of the printed media as the trend continues in 2016 by the recent closure of international and Hong Kong local newspapers and magazines. Victimized by the inevitable substitution of the digital shift, provisions were made to the goodwill relating to advertising and media related services segment.

Advertising and media related services are provided in the PRC by three subsidiaries of the Company, of which 上海思璇廣告有限公司 (Shanghai Si Xuan Advertisement Company Limited*, "Shanghai Si Xuan") were controlled by contractual arrangements and details and reasons for the contractual arrangements are disclosed in the Company's announcements dated 3 May 2012. The Group is reviewing the contractual arrangements for Shanghai Si Xuan and will consider unwinding the structured contracts when the conditions for a relaxation of foreign-funded advertising enterprise are met. Risks associated with the contractual arrangements included that the PRC Government may determine the structured contracts are not in compliance with applicable PRC laws, rules, regulations or policies; the structured contracts may not provide control as

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effective as direct ownership and the Group may not be able to recover or reclaim any or all of the related interest in the event of breach of contractual terms by the PRC company and its PRC shareholders; the structured contracts may be subject to scrutiny of the PRC tax authorities and additional tax may be imposed. The Group continues to monitor and arrange annual reviews of the contractual arrangements to mitigate the effects of the above risks.

During the year under review, the revenue contributed by such segment was approximately HK$22.9 million (2015: HK$16.3 million).

Travel Agency and Related Operations

While the overall travel industry remained steady for the past year, tradition brick-and-mortar travel agencies continues to face the challenge of higher cost in compare with automated online travel booking platforms that offer services like real-time price comparison. Some travel agencies remains competitive by providing personalized and specialize customer services that highly depend on experienced staffs with established connections with clientele. The Group experienced a shortage of talents towards the end of 2015 thus affecting the revenue under the travel agency and related operations. Plans for diversification are in action and the Group is also reviewing the strategic direction for this segment.

During the year under review, the revenue contributed by such segment was approximately HK$5.2 million (2015: HK$15.1 million).

Provision of Project Management Services

Mobile and internet technologies have evolved rapidly in the past few years bring opportunities and challenges. The original functions of the Education Institution Internal Security Control System ("EIISCS") have been superseded by location-based services and mobile applications. Due to change of the technology surrounding the operating environment, provisions were made to the intangible assets relating to the project management services segment.

During the year under review, the revenue contributed by such segment was approximately HK$Nil (2015: HK$1.0 million).

Provision of Consultancy Services

With internet connectivity widely available in form of Wi-Fi and mobile data communications, some would even considers internet as essential as utilities like electricity and water supply. Tradition international call telephony and short message services now appears a thing from the past and the prepaid SIM cards market is now shifted from specific demographics in Hong Kong to mobile data for outbound travelers going overseas. As such the Group is reviewing the consultancy services segment to determine the next course of action.

During the year under review, the revenue contributed by such segment was approximately HK$Nil (2015: HK$0.7 million).

Decoration and Interior Design Services

On 31 August 2015, the Company has entered into a sale and purchase agreement to dispose of its entire equity interest in Chun Sing Design (HK) Limited ("Chun Sing") to an independent third party, at an aggregate consideration of HK$1,200,000. Chun Sing directly holds entire equity interest in Chun Sing Design (Shenzhen) Limited* (駿昇設計製作（深圳）有限公司). The transaction was completed on 31 August 2015 and the target ceased to be a subsidiary of the Company and its financial results were reclassified as discontinued operations in the Group's financial accounts for the year ended 31 March 2016.

During the year under review, the revenue contributed by such segment was approximately HK$25,000 (2015: HK$2.0 million).

Property Investments

On 15 April 2015, the Company entered into a disposal agreement with the purchaser, pursuant to which the purchaser has agreed to acquire and the Company has agreed to dispose the sale share, representing the entire issued share capital of the Grandeur Concord Limited, and the sale loan at an aggregate consideration of HK$20,000,000. The target group is principally engaged as a lessor of an investment property located in Canada for rental income. The transaction was completed on 30 November 2015 and the target ceased to be a subsidiary of the Company and its financial results were reclassified as discontinued operations in the Group's financial accounts for the year ended 31 March 2016.

During the year under review, the revenue contributed by such segment was approximately HK$0.8 million (2015: HK$1.6 million) and was mainly derived from the leasing of an investment property located in Canada.

Financial Review

For the year under review, the revenue from continuing operations of the Group was approximately HK$28.5 million (2015: HK$33.1 million), of which approximately HK$0.4 million (2015: HK$Nil) was generated from provision of financial leasing and other financial services; approximately HK$22.9 million (2015: HK$16.3 million) was generated from provision of advertising and media related services; approximately HK$Nil (2015: HK$0.7 million) was generated from provision of consultancy services; approximately HK$Nil (2015: HK$1.0 million) was generated from provision of project management services; approximately HK$5.2 million (2015: HK$15.1 million) was generated from travel agency and related operations, thus representing a decrease of approximately 13.8% as compared with that of the year ended 31 March 2015. Other revenue amounted to approximately HK$3.9 million (2015: HK$0.4 million), an increase of approximately 7.8 times over the prior year.

Administrative expenses decreased by 20.2% to approximately HK$51.6 million from HK$64.7 million in prior year. Such a decrease was mainly attributed to a decrease in the amortisation of intangible assets of approximately HK$3.4 million (2015: HK$8.1 million) and consultancy expenses to approximately HK$3.8 million (2015: HK$10.1 million); and also to a decrease in staff salaries and allowances to approximately HK$14.2 million (2015: HK$15.6 million).

Finance costs increased to HK$0.4 million (2015: HK$Nil). The increase was mainly due to interest paid on a corporate bond issued by the Company during the year.

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Loss attributable to owners of the Company was approximately HK$65.3 million (2015: HK$155.6 million). The change was mainly attributed to a diminution in impairment losses recognised in respect of available-for-sale investments HK$Nil (2015: HK$6.0 million); and the amortisation of intangible assets of approximately HK$3.4 million (2015: HK$8.1 million).

Future Plans

On 20 June 2016, a wholly-owned subsidiary of the Company entered into a finance lease arrangement for the sales and leaseback transaction of renewable solar energy equipment with a indirectly wholly-owned subsidiary of China Sinyes Solar Technologies Holdings Limited. Pursuant to the arrangement, Shenzhen City Jia Ying Financial Leasing Company Limited* (深圳市嘉盈融資租賃有限公司) purchased the equipment for RMB40 million and leased back to the lessee for a term of 12 months with total future lease payments of approximately RMB42.6 million.

Looking ahead, the Group will continue to develop its main business lines, including advertising and media related services and financial leasing and other financial related services. In 2015, there were over 7,000 Public-Private Partnership projects in PRC's national catalogue with a total investment of RMB8.3 trillion. These Public-Private Partnership projects range from urban infrastructure, healthcare, energy to public transportation and other industries. The rapid growth reflects the PRC government's support towards infrastructure investments by way of Public-Private Partnership. Observing the trend on the development of government backed projects and the financing needs from these projects, the Group is exploring opportunities to develop in the sector through its financial leasing and other financial related services business segment.

Liquidity and Financial Resources

At 31 March 2016, the Group had total assets of approximately HK$518.5 million (2015: HK$285.5 million), including net cash and bank balances of approximately HK$226.5 million (2015: HK$4.3 million). The increase in cash and bank balances coincided with fund raising activities of the Company and operations of the Group during the year.

During the year under review, the Group financed its operations with internally generated cash flows and the proceeds from the issuance of new shares.

Capital Structure

Save as disclosed below, there was no change in the capital structure of the Group at 31 March 2016 as compared with that at 31 March 2015.

During the year ended 31 March 2016, certain option holders exercised their option rights to subscribe for an aggregate of 14,940,000 shares at HK$0.51 per share and an aggregate of 41,740,000 shares at HK$0.339 per share. The net proceeds from the exercise of option rights amounted to approximately HK$21.8 million.

On 2 October 2015, the Company and Kingsway Financial Services Group Limited (the "Underwriter") entered into the underwriting agreement in respect of the proposed open offer of 313,037,533 offer shares available to the qualifying shareholders on the basis of one offer share for every two existing shares in issue and held on the record date and payable in full on acceptance (the "Open Offer"). The gross proceeds raised by the Company from the Open Offer amount to approximately HK$31.3 million (before expenses). The Open Offer was completed on 9 December 2015 and the net proceeds raised by the Company from the Open Offer amount to approximately HK$29.2 million (after expenses).

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On 5 February 2016, the Company entered into the following agreements: (1) a subscription agreement with China Smartpay Group Holdings Limited, an independent third party, pursuant to which, the subscriber has conditionally agreed to subscribe for, and/or procure the designated subsidiary(ies) to subscribe for, and the Company has conditionally agreed to issue 508,000,000 subscription shares at the subscription price of HK$0.135 per subscription share; (2) a subscription agreement with UBS SDIC Asset Management (Hong Kong) Limited, an independent third party, pursuant to which subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue 229,000,000 subscription shares at the subscription price of HK$0.135 subscription share; (3) the placing agreement with the placing agents, pursuant to which the placing agents have conditionally agreed to severally (and not jointly nor jointly and severally) procure subscriber(s), on a fully underwritten basis, to subscribe for, and the Company has conditionally agreed to issue, a total of 863,000,000 placing shares at the placing price of HK$0.135 per Placing Share. Each of Haitong International Securities Company Limited and First Shanghai Securities Limited will severally (and not jointly nor jointly and severally) assume a placing commitment of 740,000,000 and 123,000,000 placing shares, respectively. The subscriptions and placings were completed on 31 March 2016 and the aggregate net proceeds of approximately HK$207 million from the subscriptions and placing were held in bank accounts of the Group.

Charge on the Group Assets

As at 31 March 2016, the Group did not have any charge on its assets (2015: Nil).

Foreign Exchange Risk

The Group has not used any foreign currency derivative instruments to hedge its exposure to foreign exchange risk. However, the management monitors closely the exposures and will consider hedging the exposures should the need arise.

Commitments

At 31 March 2016, the Group, as a lessor, did not have operating lease commitments (2015: HK$1.3 million) and as a lessee, had operating lease commitment of approximately HK$27.2 million (2015: HK$7.1 million).

Contingent Liabilities

At 31 March 2016, the Group had no contingent liabilities (2015: HK$Nil).

Significant Investment

At 31 March 2016, the Group did not hold any significant investment.

Material Acquisitions and Disposal of Subsidiaries and Affiliated Companies

Save as disclosed in the "Business Overview" under the "Management Discussion and Analysis" section, the Group did not make any material acquisitions and disposal of subsidiaries and affiliated companies during the year ended 31 March 2016.

Purchase, sale or redemption of shares

During the year ended 31 March 2016, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

Audit committee

The Company has established an audit committee with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control procedures of the Group. The audit committee comprises the four independent non-executive directors namely, Mr. Chong Yiu Kan, Sherman, Ms. Feng Lei, Ms, Chan Wing Yan, Carman and Mr. Yeung Kwong Wai. During the year, the audit committee held 4 meetings to review the Group's annual report, half-year report and quarterly reports.

The Group's annual results for the year ended 31 March 2016 have been reviewed by the audit committee.

Corporate Governance Practices

Save as disclosed below, the Company complied with Code of Corporate Governance Practices as set out in Appendix 15 of the GEM Listing Rules for the year ended 31 March 2016.

Terms of non-executive Directors

Under the Code provision A.4.1, all the non-executive directors should be appointed for a specific term, subject to re-election. The term of office for non-executive directors is subject to retirement from office by rotation and is eligible for re-election in accordance with the provisions of the Company's bye-laws. At each annual general meeting, one-third of the directors for the time being, (or if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. As such, the Company considers that such provisions are sufficient to meet the underlying objective of this code provision.

Compliance with Rules 5.48 to 5.67 of the GEM Listing Rules

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all directors, all directors have complied with such code of conduct and the required standard of dealings regarding directors' securities throughout the year ended 31 March 2016.

By Order of the Board
Zhi Cheng Holdings Limited
Lien Wai Hung
Chairman

Hong Kong, 24 June 2016

As at the date of this announcement, the executive Directors are Mr. Lien Wai Hung, Mr. Wei Shu Jun, Ms. Zhu Qi and Dr. Shen Furong; the independent non-executive Directors are Mr. Chong Yiu Kan, Sherman, Ms. Feng Lei, Ms. Chan Wing Yan, Carman and Mr. Yeung Kwong Wai.

This announcement will be published on the GEM website on the "Latest Company Announcements" page for at least 7 days from the date of publication and on the Company's website at www.zhicheng-holdings.com.