CULTURE LANDMARK INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 674)

ANNOUNCEMENT OF THE FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2015

FINAL RESULTS

The board (the "Board") of directors (the "Directors") of Culture Landmark Investment Limited (the "Company") announces the consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 March 2015 with comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2015

	Notes	2015 HK$	2014 HK$
Continuing operations			
Turnover	3	**141,378,969**	224,247,041
Other income and gains		**7,321,418**	30,400,017
Costs of inventories		**(9,152,937)**	(1,183,575)
Depreciation on property, plant and equipment		**(13,298,088)**	(19,071,442)
Amortisation	4	**(23,994,665)**	(28,495,327)
Impairment losses	4	**(336,346,196)**	(16,121,300)
Operating lease payments		**(45,917,744)**	(52,455,152)
Staff costs		**(52,682,825)**	(78,167,700)
Other operating expenses		**(135,588,290)**	(166,767,616)
Share of profits/(losses) of associates		**616,346**	(6,508,682)
Finance costs		**(4,313,268)**	(13,275,762)
Loss before income tax credit/(expense)	4	**(471,977,280)**	(127,399,498)
Income tax credit/(expense)	5	**21,417,725**	(1,526,529)
Loss for the year from continuing operations		**(450,559,555)**	(128,926,027)
Discontinued operation			
Loss for the year from discontinued operation		—	(11,055,441)
Gain on disposal of subsidiaries		—	79,446,079
Profit for the year from discontinued operation		—	68,390,638
Loss for the year		**(450,559,555)**	(60,535,389)

	Notes	**2015** *HK$*	2014 *HK$*
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Gain on revaluation of properties		**654,096**	746,459
Tax expense related to changes on revaluation of properties		**(107,925)**	(123,166)
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translating foreign operations		**(6,203,495)**	(2,018,877)
Available-for-sale investments, change in fair value		**(177,984,369)**	26,889,435
Available-for-sale investments, reclassify from equity to profit or loss		**147,964,021**	449,120
Release of foreign exchange reserve upon disposal of subsidiaries		**(471,831)**	(59,156,406)
Release of foreign exchange reserve upon impairment loss on available-for-sale investments		**(4,775,996)**	—
Reclassification adjustment for realisation upon disposal of available-for-sale investments		**2,681,793**	—
Other comprehensive income for the year, net of tax		**(38,243,706)**	(33,213,435)
Total comprehensive income for the year		**(488,803,261)**	(93,748,824)
Loss for the year attributable to:			
Owners of the Company	7	**(445,229,478)**	(52,291,302)
Non-controlling interests		**(5,330,077)**	(8,244,087)
		(450,559,555)	(60,535,389)
Total comprehensive income for the year attributable to:			
Owners of the Company		**(481,783,516)**	(83,347,170)
Non-controlling interests		**(7,019,745)**	(10,401,654)
		(488,803,261)	(93,748,824)
Loss per share from continuing operations	7		
Basic (HK cents)		**(70.06)**	(20.26)
Diluted (HK cents)		**(70.06)**	(20.26)
Earnings per share from discontinued operation	7		
Basic (HK cents)		—	11.53
Diluted (HK cents)		—	11.53
Loss per share from continuing and discontinued operations	7		
Basic (HK cents)		**(70.06)**	(8.73)
Diluted (HK cents)		**(70.06)**	(8.73)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	Notes	31 March 2015 HK$	31 March 2014 HK$
Assets			
Non-current assets			
Property, plant and equipment		**127,346,754**	74,859,922
Investment properties		**6,326,550**	6,199,271
Goodwill	*8*	—	96,019,091
Intangible assets	*9*	**1,022,728**	129,654,080
Interests in associates		—	56,625,703
Available-for-sale investments	*10*	**21,268,209**	204,732,204
Convertible loan notes		—	3,569,000
Deferred tax assets		**1,640,340**	—
Total non-current assets		**157,604,581**	571,659,271
Current assets			
Inventories		**31,450,492**	33,449,819
Trade and other receivables	*11*	**197,466,828**	196,319,683
Deferred expenditure		—	3,929,687
Amounts due from non-controlling shareholders		**4,049**	472,706
Amounts due from related parties		**261,828**	1,622,672
Amount due from an associate		—	4,322,138
Cash and bank balances		**109,558,313**	173,820,122
Total current assets		**338,741,510**	413,936,827
Total assets		**496,346,091**	985,596,098

	Notes	31 March 2015 HK$	31 March 2014 HK$
Liabilities			
Current liabilities			
Trade, bills and other payables	*12*	**92,253,338**	80,518,963
Amounts due to non-controlling shareholders		**53,594,160**	97,794,653
Amounts due to related parties		**43,894,302**	35,023,051
Bank borrowings		**33,922,913**	29,569,384
Other borrowings		**—**	39,640,500
Deferred income		**504,993**	504,382
Current tax liabilities		**2,278,096**	3,113,333
Total current liabilities		**226,447,802**	286,164,266
Net current assets		**112,293,708**	127,772,561
Total assets less current liabilities		**269,898,289**	699,431,832
Non-current liabilities			
Bank borrowings		**26,385,890**	—
Provision for long service payments		**42,373**	42,373
Deferred income		**3,727,265**	4,227,134
Deferred tax liabilities		**—**	12,561,503
Total non-current liabilities		**30,155,528**	16,831,010
Total liabilities		**256,603,330**	302,995,276
NET ASSETS		**239,742,761**	682,600,822
Capital and reserves attributable to owners of the Company			
Share capital		**35,925,952**	29,938,352
Reserves		**221,977,593**	655,506,241
		257,903,545	685,444,593
Non-controlling interests		**(18,160,784)**	(2,843,771)
TOTAL EQUITY		**239,742,761**	682,600,822

Notes

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis except for certain properties, convertible loan notes and available-for-sale investments, which are measured at revalued amount or fair value as explained in the accounting policies set out below.

(c) Functional and presentation currency

The financial statements are presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company.

2. ADOPTION OF HKFRSs AND AMENDED LISTING RULES

(a) Adoption of new/revised to HKFRSs — first effective on 1 April 2014

Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment entities

The adoption of the new/revised HKFRSs has no material impact on the Group's financial statements.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following revised standards, amendments and interpretations which are relevant to the Group have been issued, but are not yet effective for the financial year beginning on 1 April 2014 and have not yet been early adopted.

HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle[2]
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle[1]
HKFRSs (Amendments)	Annual Improvements 2012-2014 Cycle[3]
Amendments to HKAS 1	Disclosure Initiative[3]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
HKFRS 9	Financial Instruments[5]
HKFRS 15	Revenue from Contracts with Customers[4]

1 Effective for annual periods beginning on or after 1 July 2014

2 Effective for annual periods beginning, or transactions occurring, on or after 1 July 2014

3 Effective for annual periods beginning on or after 1 January 2016

4 Effective for annual periods beginning on or after 1 January 2017

5 Effective for annual periods beginning on or after 1 January 2018

Annual Improvements 2010-2012 Cycle, 2011-2013 Cycle and 2012-2014 Cycle

The amendments issued under the annual improvements process make small, non-urgent changes to a number of standards where they are currently unclear. They include amendments to HKAS 16 Property, Plant and Equipment to clarify how the gross carrying amount and accumulated depreciation are treated where an entity uses the revaluation model. The carrying amount of the asset is restated to revalued amount. The accumulated depreciation may be eliminated against the gross carrying amount of the asset. Alternatively, the gross carrying amount may be adjusted in a manner consistent with the revaluation of the carrying amount of the asset and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

Amendments to HKAS 1 – Disclosure Initiative

The amendments to HKAS 1 are designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures.

Amendments to HKAS 16 and HKAS 38 — Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to HKAS 16 prohibit the use of a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that amortisation based on revenue is not appropriate for intangible assets. This presumption can be rebutted if either the intangible asset is expressed as a measure of revenue or revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

HKFRS 9 (2014) — Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income ("FVTOCI") if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss ("FVTPL").

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

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

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors' interests in the joint venture or associate.

HKFRS 15 — Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework 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 and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

HKFRS 15 requires the application of a 5 steps 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 each performance obligation
- Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

The Group is in the process of making an assessment of the potential impact of these pronouncements and the Directors so far concluded that they are not yet in a position to quantify the effects of application of other new/revised HKFRSs on the Group's financial statements.

(c) Disclosures of possible impacts on financial statements on initial adoption of the amended Listing Rules

The amended Listing Rules in relation to the presentation and disclosures in financial statements, including the amendments with reference to the new Companies Ordinance, Cap. 622 (the New Ordinance), will first apply to the Company in its financial year ending on 31 March 2016. The Directors consider that there will be no impact on the Group's financial position or performance. However the amendments to Listing Rules would have impacts on the presentation and disclosures in the consolidated financial statements.

3. SEGMENT REPORTING

Management determines operating segments based on the reports regularly reviewed by the chief operating decision maker, which is the Board, in assessing performance and allocating resources. The chief operating decision maker considers the business primarily on the basis of the types of services supplied by the Group. The Group is currently organised into six operating divisions — licence fee collection and provision of intellectual property enforcement services business, exhibition-related business, property sub-leasing business, property development and investment, entertainment business and food and beverages.

Principal activities are as follows:

Licence fee collection and provision of intellectual property enforcement services business	—	provision of copyright licence fees settlement and collection services and intellectual property enforcement services in respect of karaoke copyright in the Peoples' Republic of China ("PRC") as managed and administered by the China Audio-Video Copyright Association, the sole official recognised national audio-video organisation in PRC
Exhibition-related business	—	organising all kinds of exhibition events and meeting events
Property sub-leasing business	—	sub-leasing of properties in PRC
Property development and investment	—	development of real properties and leasing of investment properties
Entertainment business	—	provision of talent management and entertainment and travelling related services
Food and beverages	—	sale of food and beverages and restaurant operations

(i) The Group was also involved in the hotel operation business. On 22 July 2013, the Group ceased the hotel operation business.

(a) Information about reportable segment revenue, profit or loss, assets and liabilities and other information

	2015									
	Continuing operations								Discontinued operation	
	License fee collection and provision of intellectual property enforcement services business *HK$*	Exhibition-related business *HK$*	Property sub-leasing business *HK$*	Property development and investment *HK$*	Entertainment business *HK$*	Food and beverages *HK$*	Inter-segment elimination *HK$*	Sub-total *HK$*	Hotel operation *HK$*	Total *HK$*
Reportable segment revenue										
External sales	39,740,199	66,712,740	33,586,207	–	604,164	735,659	–	141,378,969	–	141,378,969
Inter-segment sales	–	–	–	–	–	–	–	–	–	–
	39,740,199	66,712,740	33,586,207	–	604,164	735,659	–	141,378,969	–	141,378,969
Reportable segment loss before income tax credit	(182,541,766)	(25,735,652)	(122,251,776)	(665,213)	(4,996,663)	(5,444,091)	–	(341,635,161)	–	(341,635,161)
Other segment information										
Interest income	335,822	102,500	12,779	189	1,401	36	–	452,727	–	452,727
Interest expenses	–	–	3,805,261	–	–	–	–	3,805,261	–	3,805,261
Depreciation of property, plant and equipment	1,686,785	612,215	6,966,567	630,022	40,932	629,962	–	10,566,483	–	10,566,483
Amortisation of intangible assets	12,183,598	3,178,241	–	–	–	–	–	15,361,839	–	15,361,839
Amortisation of deferred expenditure	8,632,826	–	–	–	–	–	–	8,632,826	–	8,632,826
Gain on disposal of property, plant and equipment	74,083	–	–	–	–	–	–	74,083	–	74,083
Reversal of impairment loss on other receivables	–	–	1,212,716	–	–	–	–	1,212,716	–	1,212,716
Impairment loss on goodwill	79,427,363	–	16,591,728	–	–	–	–	96,019,091	–	96,019,091
Impairment loss on intangible assets	68,494,242	19,864,005	–	–	–	–	–	88,358,247	–	88,358,247
Impairment loss on deferred expenditure	2,268,500	–	–	–	–	–	–	2,268,500	–	2,268,500

	2015									
	Continuing operations								Discontinued operation	
	License fee collection and provision of intellectual property enforcement services business *HK$*	Exhibition-related business *HK$*	Property sub-leasing business *HK$*	Property development and investment *HK$*	Entertainment business *HK$*	Food and beverages *HK$*	Inter-segment elimination *HK$*	Sub-total *HK$*	Hotel operation *HK$*	Total *HK$*
Impairment loss on available-for-sale investments	–	–	98,747,593	–	–	–	–	98,747,593	–	98,747,593
Impairment loss on other receivables	252,083	–	1,484,254	–	–	–	–	1,736,337	–	1,736,337
Share of profits of associates	–	–	–	–	616,346	–	–	616,346	–	616,346
Loss on disposal of subsidiaries	16,030,080	–	–	–	–	–	–	16,030,080	–	16,030,080
Loss on disposal of associates	–	–	–	–	2,912,809	–	–	2,912,809	–	2,912,809
Gain on deemed disposal of interest in associates, net	–	–	–	–	1,162,241	–	–	1,162,241	–	1,162,241
Loss on disposal of convertible loan notes	–	–	–	–	1,051,473	–	–	1,051,473	–	1,051,473
Reportable segment assets	56,944,443	34,620,005	122,685,084	119,361,973	2,719,783	35,332,897	–	371,664,185	–	371,664,185
Expenditure for reportable segment non-current assets	7,685,784	–	57,224,652	2,668,714	619,304	–	–	68,198,454	–	68,198,454
Reportable segment liabilities	79,490,176	13,851,708	153,231,955	–	5,985,322	10,858	–	252,570,019	–	252,570,019

	2014									
	Continuing operations								Discontinued operation	
	License fee collection and provision of intellectual property enforcement services business *HK$*	Exhibition-related business *HK$*	Property sub-leasing business *HK$*	Property development and investment *HK$*	Entertainment business *HK$*	Food and beverages *HK$*	Inter-segment elimination *HK$*	Sub-total *HK$*	Hotel operation *HK$*	Total *HK$*
Reportable segment revenue										
External sales	87,012,992	66,243,406	64,895,784	–	3,152,388	2,942,471	–	224,247,041	12,489,056	236,736,097
Inter-segment sales	–	–	–	–	–	284,347	(284,347)	–	–	–
	87,012,992	66,243,406	64,895,784	–	3,152,388	3,226,818	(284,347)	224,247,041	12,489,056	236,736,097
Reportable segment (loss)/profit before income tax expense	(20,706,534)	(3,196,927)	(14,931,492)	(971,614)	4,673,405	(11,040,964)	–	(46,174,126)	68,390,638	22,216,512
Other segment information										
Interest income	842,794	72,672	123,229	–	89	90	–	1,038,874	–	1,038,874
Interest expenses	33,250	–	10,177,109	–	–	–	–	10,210,359	–	10,210,359
Depreciation of property, plant and equipment	2,842,128	682,806	11,167,033	–	181,851	997,289	–	15,871,107	139,124	16,010,231
Amortisation of payments for leasehold land held for own use under operating leases	–	–	–	–	–	–	–	–	1,205,395	1,205,395
Amortisation of intangible assets	12,386,256	3,178,240	–	–	–	–	–	15,564,496	–	15,564,496
Amortisation of deferred expenditure	12,930,831	–	–	–	–	–	–	12,930,831	–	12,930,831
Gain on disposal of property, plant and equipment	157,207	–	–	–	–	–	–	157,207	–	157,207
Impairment loss on property, plant and equipment	–	–	6,263,276	–	–	2,430,288	–	8,693,564	–	8,693,564
Impairment loss on trade and other receivables	546,125	–	6,285,075	–	–	–	–	6,831,200	–	6,831,200
Share of losses of associates	–	–	–	–	6,508,682	–	–	6,508,682	–	6,508,682
(Loss)/gain on disposal of subsidiaries	–	–	(12,048,296)	–	9,200,697	–	–	(2,847,599)	79,446,079	76,598,480

	2014									
	Continuing operations								Discontinued operation	
	License fee collection and provision of intellectual property enforcement services business *HK$*	Exhibition-related business *HK$*	Property sub-leasing business *HK$*	Property development and investment *HK$*	Entertainment business *HK$*	Food and beverages *HK$*	Inter-segment elimination *HK$*	Sub-total *HK$*	Hotel operation *HK$*	Total *HK$*
Waiver of amount due to a related party	–	–	2,836,401	–	–	–	–	2,836,401	–	2,836,401
Reportable segment assets	332,986,814	61,546,882	179,945,781	121,076,043	83,346,859	36,380,867	–	815,283,246	–	815,283,246
Expenditure for reportable segment non-current assets	3,504,561	593,238	18,897,328	7,138,072	–	–	–	30,133,199	–	30,133,199
Reportable segment liabilities	169,183,611	18,482,656	88,167,400	–	4,972,795	2,669,475	–	283,475,937	–	283,475,937

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

Loss before income tax credit/(expense) from continuing operations

	2015 **HK$**	2014 *HK$*
Reportable segment loss before income tax credit/(expense) from continuing operations	**(341,635,161)**	(46,174,126)
Unallocated realised (loss)/gain on disposal of available-for-sale investments	**(1,630,320)**	2,378,140
Unallocated interest income and other income	**3,362,898**	6,813,887
Unallocated impairment loss on property plant and equipment	**—**	(147,416)
Unallocated impairment loss on available-for-sale investments	**(49,216,428)**	(449,120)
Unallocated finance costs	**(508,007)**	(3,065,402)
Unallocated staff costs	**(27,389,866)**	(33,119,507)
Unallocated rent, rates and management fee	**(22,875,881)**	(15,566,822)
Unallocated depreciation of property, plant and equipment	**(2,731,605)**	(3,200,335)
Unallocated head office and corporate expenses	**(29,352,910)**	(34,868,797)
Loss before income tax credit/(expense) from continuing operations	**(471,977,280)**	(127,399,498)

Assets

	2015	2014
	HK$	*HK$*
Reportable segment assets	**371,664,185**	815,283,246
Available-for-sale investments	**21,268,209**	101,333,932
Cash and cash equivalents	**56,898,668**	27,494,061
Property, plant and equipment	**6,652,302**	9,362,065
Loan receivables	**27,722,772**	11,300,000
Unallocated head office and corporate assets	**12,139,955**	20,822,794
Total assets	**496,346,091**	985,596,098

Liabilities

	2015	2014
	HK$	*HK$*
Reportable segment liabilities	**252,570,019**	283,475,937
Other borrowings	—	13,000,000
Unallocated head office and corporate liabilities	**4,033,311**	6,519,339
Total liabilities	**256,603,330**	302,995,276

(c) Geographical information

The Group's operations are mainly located in Hong Kong, PRC and Korea.

An analysis of the Group's geographical segments is set out as follows:

	2015							
	Hong Kong		PRC		Korea		Total	
	Continuing operations *HK$*	Discontinued operation *HK$*	Continuing operations *HK$*	Discontinued operation *HK$*	Continuing operations *HK$*	Discontinued operation *HK$*	Continuing operations *HK$*	Discontinued operation *HK$*
Turnover *(note (i))*	691,188	—	140,157,155	—	530,626	—	141,378,969	—
Non-current assets other than financial instruments and deferred tax assets	15,950,804	—	108,852,524	—	9,892,704	—	134,696,032	—

	2014							
	Hong Kong		PRC		Korea		Total	
	Continuing operations *HK$*	Discontinued operation *HK$*	Continuing operations *HK$*	Discontinued operation *HK$*	Continuing operations *HK$*	Discontinued operation *HK$*	Continuing operations *HK$*	Discontinued operation *HK$*
Turnover *(note (i))*	6,639,426	—	217,607,615	12,489,056	—	—	224,247,041	12,489,056
Non-current assets other than financial instruments and deferred tax assets	117,969,283	—	239,189,513	—	6,199,271	—	363,358,067	—

Note:

(i) Turnover is attributed to countries on the basis of the customers' location.

4. LOSS BEFORE INCOME TAX CREDIT/(EXPENSE) FROM CONTINUING OPERATIONS

Loss before income tax credit/(expense) from continuing operations is arrived at after charging:

	2015	2014
	HK$	*HK$*
Amortisation on:		
— intangible assets	**15,361,839**	15,564,496
— deferred expenditure	**8,632,826**	12,930,831
	23,994,665	28,495,327
Loss on disposal of subsidiaries *(note 13)*	**16,030,080**	12,048,296
Loss on disposal of associates	**2,912,809**	—
Loss on disposal of convertible loan notes	**1,051,473**	—
Loss on disposal of available-for-sale investments	**1,630,320**	—
Impairment losses on:		
— property, plant and equipment	**—**	8,840,980
— available-for-sale investments	**147,964,021**	449,120
— trade and other receivables	**1,736,337**	6,831,200
— goodwill	**96,019,091**	—
— intangible assets	**88,358,247**	—
— deferred expenditure	**2,268,500**	—
	336,346,196	16,121,300

5. INCOME TAX CREDIT/(EXPENSE)

The amount of income tax credit/(expense) in the consolidated statement of comprehensive income represents:

	Continuing operations		Discontinued operation		Total	
	2015	2014	**2015**	2014	**2015**	2014
	HK$	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*
Current tax — Hong Kong profits tax						
— tax for the year	**—**	(229,259)	**—**	—	**—**	(229,259)
— (under)/over-provision in respect of prior years	**(192,035)**	115,931	**—**	—	**(192,035)**	115,931
	(192,035)	(113,328)	**—**	—	**(192,035)**	(113,328)
Current tax — PRC Enterprise Income Tax						
— tax for the year	**(29,098)**	(3,045,966)	**—**	—	**(29,098)**	(3,045,966)
— over-provision in respect of prior years	**411,471**	—	**—**	—	**411,471**	—
	382,373	(3,045,966)	**—**	—	**382,373**	(3,045,966)
Deferred tax	**21,227,387**	1,632,765	**—**	—	**21,227,387**	1,632,765
	21,417,725	(1,526,529)	**—**	—	**21,417,725**	(1,526,529)

No Hong Kong profits tax has been provided within the Group as there is no estimated assessable profits for the year ended 31 March 2015.

Hong Kong profits tax has been provided for certain subsidiaries within the Group and is calculated at 16.5% on the estimated assessable profits for the year ended 31 March 2014.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% (2014: 25%).

6. DIVIDENDS

No dividend was paid or proposed in respect of the year ended 31 March 2015, nor has any dividend been proposed since the end of reporting period (2014: nil).

7. LOSS PER SHARE

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

	2015	2014
	HK$	*HK$*
(Loss)/profit for the purpose of basic and diluted (loss)/earnings per share		
(Loss)/profit for the year attributable to owners of the Company		
— from continuing operations	**(445,229,478)**	(121,345,266)
— from discontinued operation	**—**	69,053,964
— from continuing and discontinued operations	**(445,229,478)**	(52,291,302)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	**635,512,866**	598,767,047
Effect of dilutive potential ordinary shares:		
— Share options	**—**	—
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share	**635,512,866**	598,767,047

There are no dilutive effects on the share options granted, as they are anti-dilutive.

8. GOODWILL AND IMPAIRMENT

	Provision of intellectual property enforcement services *(note (a))* *HK$*	Property sub-leasing business *(note (b))* *HK$*	Total *HK$*
Cost			
At 1 April 2013	79,427,363	18,311,567	97,738,930
Disposal of subsidiaries	—	(1,719,839)	(1,719,839)
At 31 March 2014 and 1 April 2014 and 31 March 2015	79,427,363	16,591,728	96,019,091
Impairment			
At 1 April 2013, 31 March 2014 and 1 April 2014	—	—	—
Impairment loss	(79,427,363)	(16,591,728)	(96,019,091)
At 31 March 2015	(79,427,363)	(16,591,728)	(96,019,091)
Carrying value			
At 31 March 2015	—	—	—
At 31 March 2014	79,427,363	16,591,728	96,019,091

In accordance with HKAS 36 "Impairment of assets", management of the Group performed impairment test for goodwill allocated to the Group's various cash generating units ("CGUs") by comparing their recoverable amounts to their carrying amounts at the end of the reporting period. The recoverable amount of a CGU is determined based on value-in-use calculation.

(a) The recoverable amount of the CGU in relation to provision of intellectual property enforcement services was zero and determined from value-in-use calculation based on cash flow projections covering from 2015 to 2022, which is the period whereby an exclusive right has been granted to the Group by the China Audio-Video Copyright Association to provide intellectual property enforcement services. Discount rate of 15.5% (2014: 17%) per annum is used in the calculation which was provided by APAC Asset Valuation and Consulting Limited ("APAC"). The key assumption have been determined by the Group's management based on past performance and its expectations for the industry development. During the year ended 31 March 2015, the goodwill of HK$79,427,363 was fully impaired and impairment loss on intangible assets of HK$68,494,242 were provided (note 9(b)). It was because the revenue generated from the CGU has dropped. The Directors considered that the customer, the karaoke venue operators, were affected by the reduction in expenditures in entertainment and recreation activities in PRC and the industry would experience no growth in future.

For the year ended 31 March 2014, no impairment was provided on goodwill from the provision of intellectual property enforcement services as the recoverable amount exceeded the carrying amount of the CGU.

(b) On 8 July 2011, the Group acquired the entire issued share capital of BoRen Cultural Development Limited ("BoRen") which is engaged in sub-leasing of properties and facilities in Nanjing, PRC. The estimated recoverable amount was 103,015,144 and determined from value-in-use calculation. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using a 5% (2014: 5%) revenue growth rate per annum. Discount rate of 10% (2014: 11%) per annum was used in the calculation which was provided by APAC with reference to similar companies. The key assumptions have been determined by the Group's management based on past performance and its expectations for the industry development. During the year ended 31 March 2015, the goodwill of HK$16,591,728 was fully impaired (2014: nil), it was mainly due to keen competition in property market and adverse economic environment in the PRC, and significant investments in renovation of leasehold improvements for sustaining the growth in future.

All the discount rates used above are pre-tax and reflect specific risks relating to the relevant segments.

9. INTANGIBLE ASSETS

	Provision of copyright licence fees settlement and collection services	Provision of intellectual property enforcement services	Golf club memberships	Customer relationship and customer contracts	Films in progress	Total
	(note (a))	*(note (b))*	*(note (c))*	*(note (d)*	*(note (e))*	
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
Cost						
At 1 April 2013	2,371,104	116,848,511	2,311,075	38,410,000	15,588,339	175,529,029
Additions	—	—	—	—	10,370,981	10,370,981
Disposal	—	—	—	—	(3,873,499)	(3,873,499)
Exchange differences	123,015	2,137,886	14,839	—	344,669	2,620,409
At 31 March 2014 and 1 April 2014	2,494,119	118,986,397	2,325,914	38,410,000	22,430,490	184,646,920
Disposal of subsidiaries *(note 13)*	(2,458,585)	—	(824,583)	—	—	(3,283,168)
Disposal	—	—	—	—	(22,444,074)	(22,444,074)
Exchange differences	(35,534)	145,712	(1,331)	—	13,584	122,431
At 31 March 2015	—	119,132,109	1,500,000	38,410,000	—	159,042,109

	Provision of copyright licence fees settlement and collection services	Provision of intellectual property enforcement services	Golf club memberships	Customer relationship and customer contracts	Films in progress	Total
	(note (a))	*(note (b))*	*(note (c))*	*(note (d)*	*(note (e))*	
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
Accumulated amortisation and impairment						
At 1 April 2013	102,629	26,297,507	243,506	12,189,515	—	38,833,157
Amortisation for the year	478,523	11,790,850	116,883	3,178,240	—	15,564,496
Exchange differences	6,252	588,935	—	—	—	595,187
At 31 March 2014 and 1 April 2014	587,404	38,677,292	360,389	15,367,755	—	54,992,840
Amortisation for the year	160,719	11,905,997	116,883	3,178,240	—	15,361,839
Impairment loss	—	68,494,242	—	19,864,005	—	88,358,247
Disposal of subsidiaries *(note 13)*	(747,185)	—	—	—	—	(747,185)
Exchange differences	(938)	54,578	—	—	—	53,640
At 31 March 2015	—	119,132,109	477,272	38,410,000	—	158,019,381
Net book value						
At 31 March 2015	—	—	1,022,728	—	–	1,022,728
At 31 March 2014	1,906,715	80,309,105	1,965,525	23,042,245	22,430,490	129,654,080

(a) Provision of copyright licence fees settlement and collection services represents the exclusive right in respect of the karaoke copyright in PRC managed and administered by the China Audio-Video Copyright Association for a period of 10 years from 27 December 2007. During the year ended 31 March 2015, intangible asset in relation to provision of copyright licence fees settlement and collection services was disposed through disposal of subsidiaries (see note 13).

(b) The recoverable amount of the CGU of provision of intellectual property enforcement services to which the intellectual property enforcement services right is allocated has been determined by the value-in-use calculation, the details of which are disclosed in note 8(a). As at 31 March 2015, impairment loss of HK$68,494,242 was recognised due to the reason as described in note 8(a). As at 31 March 2014, management of the Group determined that there was no impairment as the recoverable amount exceeded its carrying amount.

(c) For the purpose of impairment testing on the golf club memberships, the recoverable amount has been determined based on fair value less costs to sell. The fair value less costs to sell is referenced to the second-hand market price of the golf club memberships less estimated costs of disposal. During the year ended 31 March 2015 and 2014, no impairment loss was recognised since the recoverable amount of the golf club memberships exceeded its carrying amount.

(d) Customer relationship and customer contracts represent the long established relationship China Resources Advertising & Exhibition Company Limited, the Company's subsidiary, and its subsidiaries (the "CRA Group"), which acts as an organiser and contractor for all kinds of exhibition events and meeting events mainly in Hong Kong, with the Hong Kong Trade Development Council ("HKTDC") and various sub-councils of the China Council for the Promotion of International Trade in PRC for large-scale trade fairs, which are mostly organised by HKTDC. The CRA Group has been consistently appointed by HKTDC as the sole agent of China Pavilion for the Hong Kong Fashion Week.

For the year ended 31 March 2015, the estimated recoverable amounts of the above CGU were zero and determined based on the value-in-use approach. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a six-year period with reference to the remaining useful life of customer relationship and customer contracts. Discount rate of 15% (2014: 16%) is used in the calculation which was provided by APAC. The key assumptions have been determined by the Group's management based on past performance and its expectations for the industry development. During the year ended 31 March 2015, impairment loss of HK$19,864,005 (2014: nil) was recognised in respect of the customer relationship and customer contracts as the Directors consider the clients of the CRA Group are primarily PRC based textile manufacturers which are recently facing the industry downturn, and in addition, the drop in the client base of the CRA Group due to the exhibitions held in PRC attract a significant number of the existing clients of the CRA Group.

(e) During the year ended 31 March 2015, films in progress were fully disposed.

10. AVAILABLE-FOR-SALE INVESTMENTS

	2015	2014
	HK$	*HK$*
Listed securities in Hong Kong, at fair value *(note (a))*	**21,268,209**	101,333,932
Contingent consideration in related to acquisition of subsidiaries *(note (b))*	**—**	103,398,272
	21,268,209	204,732,204

Notes:

(a) As at 31 March 2015, the listed securities in Hong Kong represented mainly the equity interests in Cosmopolitan International Holdings Limited which is listed on the Main Board of the Stock Exchange.

During the year ended 31 March 2015, fair value losses on the available-for-sale investments of the Group amounted to HK$79,066,044 (2014: gain on fair value HK$28,219,295) was recognised in other comprehensive income and HK$49,216,428 (2014: 449,120) was reclassified to profit or loss as the Directors considered the decline in fair value constituted objective evidence of impairment.

The fair values of listed equity investments are based on quoted market prices.

(b) The contingent consideration in relation to acquisition of subsidiaries was secured by 40% equity interests of Elite-China Cultural Development Limited which was held by FeiFan Cultural Development Limited, a non-controlling interest of the Group's subsidiaries.

The contingent consideration of approximately RMB82,000,000 (2014: approximately RMB82,000,000) (equivalent to HK$103,523,589 as at 31 March 2015 and HK$103,398,272 as at 31 March 2014) related to acquisition of subsidiaries was valued at 31 March 2015 and 31 March 2014 on option pricing model basis by APAC, an independent professional valuer. During the year ended 31 March 2015, the Group recognised impairment loss on the contingent consideration based on the accounting policy of impairment loss on financial assets amounted to HK$98,747,593 (2014: nil) in other comprehensive income and HK$98,747,593 was reclassified to profit or loss as there is indication that the vendor may have potential financial difficulty as at 31 March 2015.

11. TRADE AND OTHER RECEIVABLES

	2015	2014
	HK$	*HK$*
Trade debtors *(note (a))*	**37,466,143**	24,453,758
Deposits, prepayments and other receivables	**22,277,913**	36,695,425
Loan receivables *(note (b))*	**27,722,772**	11,300,000
Deposits for acquisition of subsidiaries *(note (c))*	**110,000,000**	110,000,000
Deposit pledged for other borrowing	**—**	13,870,500
	197,466,828	196,319,683

Notes:

(a) The ageing analysis of trade receivables based on invoice date after impairment loss is as follows:

	2015	2014
	HK$	*HK$*
Within 90 days	**18,710,907**	23,407,795
91 days to 365 days	**11,002,411**	99,070
More than 365 days	**7,752,825**	946,893
	37,466,143	24,453,758

The below table reconciles the impairment loss of trade receivables for the year:

	2015	2014
	HK$	*HK$*
At 1 April	**10,496,203**	8,702,352
Impairment loss recognised	**—**	6,831,200
Bad debts written off	**(10,496,203)**	(5,037,349)
At 31 March	**—**	10,496,203

The Group recognised impairment loss on individual assessment based on the group accounting policy.

The Group generally grants no credit period to its customers, except for transactions with customers in exhibition-related services, in which credit period ranging from 30 to 60 days is granted.

(b) Loan receivables presented:

	2015	2014
	HK$	*HK$*
— Loan to independent third parties *(note (i))*	**27,722,772**	—
— advances to Rich Success International Holdings Limited	—	11,300,000
	27,722,772	11,300,000

(i) It represented advances to two independent third parties. On 23 March 2015, the Group and the independent third parties entered into the loan agreements in which the Group agreed to advance to the independent third parties loans in the principal amount of HK$13,861,386 each. The loans are unsecured by and bear an effective interest rate of 4% per annum and shall be repayable in 3 months from the date of advance.

(c) On 14 June 2013, the Company entered into 2 sets of memorandum of understanding ("MOU I and MOU II") regarding the proposed acquisitions of (i) the entire issued share capital of a company which directly or indirectly holds interests in the Yixing project and Lianyungang project, and (ii) the entire issued share capital of a company which indirectly holds interests in Xi'an project. Both MOU I and MOU II are not legally binding save and except the provisions in relation to the payment of earnest moneys in the respective sums of HK$30,000,000 and HK$20,000,000 respectively. Details of MOU I and MOU II were more particularly set out in the announcement of the Company dated 14 June 2013.

On 11 October 2013, Estate Fortune Limited ("EFL"), an independent third party, entered into a second supplemental memorandum of understanding with the Company in relation to the proposed acquisition, pursuant to which both parties to MOU I agreed that (i) the 60-day validity period of MOU I be extended for a further period of 60 days, from 12 October 2013 to 11 December 2013; and (ii) all the other provisions of MOU I shall remain valid and shall not be affected in any respect. On 27 November 2013, the Company entered into a third supplemental memorandum of understanding with EFL in which the validity period of the MOU I be extended for a further period of 120 days, from 11 December 2013 to 10 April 2014 and all the other terms of the MOU I shall remain valid and shall not be affected in any respect. On 10 April 2014, the Company entered into a fourth supplemental memorandum of understanding with EFL in which the validity period of the MOU I be extended for a period of 270 days from 10 April 2014 to 4 January 2015 and all other terms of the MOU I shall remain valid and shall not be affected in any respect.

On 31 March 2015, the Company entered into a termination agreement with EFL (the "Termination Agreement"), pursuant to which the parties agreed to terminate the MOU I, supplemental MOU, second supplemental MOU, third supplemental MOU and fourth supplemental MOU with immediate effect from 31 March 2015. Pursuant to the Termination Agreement, EFL shall refund the earnest money (the "MOU I Earnest Money") in the amount of HK$30,000,000 to the Company within three (3) business days after the date of the Termination Agreement.

The MOU I Earnest Money was fully refunded after the year ended 31 March 2015.

On 1 August 2013, Bliss Zone Limited ("BZL"), an independent third party, and the Company entered into a conditional sale and purchase agreement (the "Acquisition Agreement) as contemplated under MOU II, pursuant to which the Company has conditionally agreed to acquire the entire issued share capital of Longisland Tourism Investment & Development Limited (長島旅遊投資發展有限公司) for a consideration of HK$400,000,000, of which HK$150,000,000 shall be settled by cash and the remaining balance shall be settled by the issue of convertible bonds. The total payment amounting to HK$80,000,000 (including the payment of HK$20,000,000 mentioned above) (the "MOU II Earnest Money") was paid. The transaction was approved by the shareholders of the Company on 7 November 2013.

Details of the transactions were more particularly set out in the Company's announcements dated 14 June 2013, 1 August 2013, 11 October 2013, 7 November 2013, 27 November 2013 and 10 April 2014 and circular dated 23 October 2013.

On 30 July 2014, the Company and BZL entered into a supplemental agreement. Pursuant to the supplemental agreement, the Company and BZL agreed to extend the long stop date for 3 months up to and including 31 October 2014. Details of the supplemental agreement were more particularly set out in the Company's announcement dated 30 July 2014.

On 28 October 2014, the Company and BZL entered into a second supplemental agreement. Pursuant to the second supplemental agreement, the Company and BZL agreed to extend the long stop date for a further 6 months from 31 October 2014 up to and including 30 April 2015. Details of the second supplemental agreement were more particularly set out in the Company's announcement dated 28 October 2014.

On 30 April 2015, as the conditions precedent to the Acquisition Agreement have not been fulfilled and/or waived (as the case maybe) by the long stop date and no extension of the time was agreed by the parties to the Acquisition Agreement, the Acquisition Agreement has lapsed and ceased to have any effect and neither party thereto shall have any rights or obligations towards each other thereunder, save for liabilities for any antecedent breaches thereof and the BZL is required to rebate the MOU II Earnest Money to the Company within three (3) days from the long stop date.

The MOU II Earnest Money was fully refunded after the year ended 31 March 2015.

Details of lapse of the Acquisition Agreement were more particularly set out in the Company's announcement dated 30 April 2015.

12. TRADE, BILLS AND OTHER PAYABLES

	2015	2014
	HK$	*HK$*
Trade creditors	**15,380,803**	10,053,565
Bills payables	**12,624,828**	—
Other payables and accruals	**46,638,581**	56,327,811
Other deposits received	**17,609,126**	14,137,587
	92,253,338	80,518,963

Included in trade, bills and other payables are trade creditors with the following ageing analysis as of the end of reporting period:

	2015	2014
	HK$	*HK$*
Current or within 30 days	**15,037,117**	7,408,448
31 to 60 days	**1,783,923**	175,530
61 to 90 days	**935,796**	177,193
Over 90 days	**10,248,795**	2,292,394
	28,005,631	10,053,565

Trade, bills and other payables are expected to be settled within one year.

13. DISPOSAL OF SUBSIDIARIES

On 3 July 2014, the Company entered into a sale and purchase agreement with Great Future Investment Limited, an independent third party to dispose the entire issued share capital of and shareholders' loan due from Hua Rong Sheng Shi Holding Limited ("Hua Rong") at the consideration of HK$30,000,001. The transaction was completed on 8 August 2014.

Hua Rong holds 70% equity interests in Tian He Wen Hua Group Holdings Limited* (天合文化集團有限公司) which is principally engaged in licence fee collection and provision of intellectual property enforcement services business in PRC.

	HK$
Net liabilities disposed of:	
Property, plant and equipment	1,762,526
Intangible assets	2,535,983
Deferred tax assets	7,328,668
Cash and cash equivalents	61,378,913
Restricted cash at banks	32,705,110
Other receivables	6,281,817
Amount due from non-controlling shareholder	554,152
Trade and other payables	(18,116,744)
Amount due to non-controlling shareholder	(37,080,887)
Shareholder's loan	(106,170,028)
Deferred tax liabilities	(411,049)
Tax payables	(176,160)
Non-controlling interests	(10,260,417)
	(59,668,116)
Shareholder's loan receivable disposed of	106,170,028
Reclassification of cumulative exchange differences from foreign exchange reserve to profit or loss	(471,831)
Loss on disposal of subsidiaries	(16,030,080)
Total consideration satisfied by:	
Cash	30,000,001
Net cash outflow arising from disposal	(31,378,912)

14. EVENTS AFTER THE REPORTING PERIOD

On 8 June 2015, Shenzhen Wendi Multimedia Technology Company Limited*（深圳市文地多媒體技術有限公司）(“Shenzhen Wendi”), an indirectly wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Guangwei Technology Group Limited*（廣微科技集團有公司）(“Guangwei”), pursuant to which Shenzhen Wendi conditionally agreed to purchase and Guangwei conditionally agreed to sell the 9.5% of the subscribed capital contribution of Chongqing Lianshun Heqi Venture Investment Fund Partnership*（重慶聯順合氣創業投資基金合伙企業）at a consideration equivalent to HK$32,000,000 in Renminbi.

Guangwei is a company established in PRC and wholly-owned by Ms. Wang Ming and Ms. Wenying Cheng*（鄭文英）in equal shares. As Ms. Wang Ming is a substantial shareholder of the Company, holding approximately 12.25% of the issued share capital of the Company. This transaction is a connected transaction for the Company under the Listing Rules.

FINAL DIVIDEND

The Directors do not recommend any payment of final dividend for the year ended 31 March 2015 (2014: nil).

BUSINESS REVIEW AND OUTLOOK

Financial Review

Consolidated results

The turnover and loss of the Group for the year ended 31 March 2015 were approximately HK$141.4 million and approximately HK$450.6 million respectively as compared to the turnover and loss of approximately HK$224.2 million and approximately HK$60.5 million respectively of last year. The deterioration was primarily attributable to (i) the drop in the turnover in the principal activities of the Group amounted to approximately HK$82.8 million; (ii) the impairment of goodwill and intangible assets for the provision of intellectual property enforcement services business, exhibition-related business and property sub-leasing business amounted to approximately HK$147.9 million, approximately HK$19.9 million and approximately HK$16.6 million respectively; (iii) the loss on disposal of Hua Rong Sheng Shi Holding Limited ("Hua Rong") of approximately HK$16.0 million; and (iv) the change in fair value of available-for-sale investments of approximately HK$178.0 million of which approximately HK$148.0 million was charged to the profit or loss.

The Board considers that impairment on goodwill and intangible assets and the change in fair value of available-for-sales investments are non-cash items and has no effect on the cash flow of the Group's operations and the loss on disposal of Hua Rong was an one-off disposal loss and a non-recurring item.

Business Review

During the year under review, the Group's reportable business segments principally consist of (i) licence fee collection and provision of intellectual property enforcement services business; (ii) exhibition-related business; (iii) property sub-leasing business; (iv) property development and investment; (v) entertainment business; and (vi) food and beverages business.

Licence fee collection and provision of intellectual property enforcement services business

The Group is engaged in the collection of licence fees of karaoke music products from karaoke operators and the provision of intellectual property enforcement services in respect of karaoke music products and videos in the Peoples' Republic of China ("PRC").

During the year ended 31 March 2015, this business segment recorded a turnover of approximately HK$39.7 million and a loss of approximately HK$182.5 million. The loss was mainly attributable to (i) the drop in turnover due to the disposal of Hua Rong completed in August 2014 and less license fee collected from karaoke operators during the year under review; (ii) the impairment on the goodwill and intangible assets amounted to approximately HK$79.4 million and approximately HK$68.5 million respectively; and (iii) the loss on disposal of Hua Rong of approximately HK$16.0 million.

Hua Rong is principally engaged in the provision of copyright licence fees settlement and collection services in respect of karaoke music products and videos in PRC in return of certain percentage of the licence fee collected from karaoke venues as its service charge. The disposal of Hua Rong was completed on 8 August 2014. As disclosed in the Company's announcement dated 3 July 2014, the estimated loss on disposal of Hua Rong (based on the unaudited financial statement of Hua Rong as at 31 March 2014) was approximately HK$35.0 million. The change in the amount of loss on disposal from approximately HK$35.0 million to approximately HK$16.0 million was mainly due to (i) the operating loss of Hua Rong of approximately HK$6.0 million for the period from 1 April 2014 to the date of completion on 8 August 2014; and (ii) the fact that a pledged deposit of Hua Rong of approximately HK$13.0 million was used to set-off a loan due by a wholly owned subsidiary of the Group to a third party borrower and the treatment of above mentioned pledged deposit was confirmed only after obtaining relevant documentations.

After the disposal of Hua Rong, the turnover of this segment was based on certain percentage of the license fee collected from karaoke venues by Hua Rong.

For the year ended 31 March 2015, the turnover of this business segment was approximately HK$39.7 million, representing a drop of approximately HK$47.3 million and 54.4% comparing with the turnover of approximately HK$87.0 million in 2014. The Directors consider that karaoke venue operators were affected by the reduction in expenditures in entertainment and recreational activities in PRC. Accordingly, the intellectual property enforcement services would experience no growth. Taking into account the decrease in revenue growth rate, the impairment on goodwill and intangible assets amounted to approximately HK$79.4 million and approximately HK$68.5 million respectively were made in 2015.

Exhibition-related business

China Resources Advertising & Exhibition Company Limited and its subsidiaries (the "CRA Group") are principally engaged in exhibition-related business. The CRA Group acts as an organiser and contractor for exhibitions and meeting events held in Hong Kong. It has developed over 20-year relationship with the Hong Kong Trade Development Council ("HKTDC") and has become one of the major agents organising trade fairs for PRC groups whilst most of which were co-organised with the HKTDC. The clients of the CRA Group are primarily PRC based including numerous sub-councils of the China Council for the Promotion of International Trade in PRC. Overall, the exhibition-related business contributed a turnover of approximately HK$66.7 million to the Group, including a turnover of approximately HK$53.3 million generated from a function named "the Fashion Week" co-organised with the HKTDC. For the year ended 31 March 2015, the exhibition-related business recorded a net loss of approximately HK$25.7 million after taking into account the impairment on intangible assets of approximately HK$19.9 million. The impairment loss on intangible assets of approximately HK$19.9 million was recognised for the year ended 31 March 2015 as the Directors consider the clients of the CRA Group are primarily PRC based textile manufacturers which are recently facing the industry downturn, and in addition, the drop in the client base of the CRA Group due to the exhibitions held in PRC attract a significant number of the existing clients of the CRA Group.

Property sub-leasing business

In 2011, the Company entered into an agreement (the "BoRen Agreement") with HaoRan Cultural Development Limited (the "HaoRan Vendor") pursuant to which the Company agreed to acquire from HaoRan Vendor the entire issued capital of BoRen Cultural Development Limited ("BoRen"). BoRen holds indirect interests in a group of companies which principally engage in sub-leasing of properties and facilities in Nanjing. The Company will receive compensation from HaoRan Vendor and the guarantor under the BoRen Agreement should the total profit for three financial years ending 31 December 2017 be less than RMB75 million. The compensation is payable only if the Company advances loans in the total principal amount in Hong Kong dollars of not less than a sum equivalent to RMB50 million (the "Advanced Loans") to Elite-China Cultural Development Limited or any of its subsidiaries (the "Elite Group") for each of the three financial years ending 31 December 2017. On 30 September 2014, the Company entered into the fourth supplemental agreement with HaoRan Vendor and the guarantor to defer the guarantee period and the provision of the Advanced Loans.

The Company has not so far made any Advanced Loans to Elite Group under the BoRen Agreement as the Company is contemplating various other investment opportunities. The Board considers it more beneficial to defer its obligation in order to spare its financial resources to such other investment opportunities which may offer better prospects and return.

For the year ended 31 March 2015, the property sub-leasing business recorded a turnover and a loss of approximately HK$33.6 million and approximately HK$122.3 million respectively after taking into account the impairment loss on contingency consideration related to the acquisition of subsidiaries and goodwill amounted to approximately HK$98.7 million and approximately HK$16.6 million respectively. The Directors mainly consider the factor that the slowdown in revenue in this segment over the pass few years was due to the unfavorable market conditions and the situation may continue to persist in the near future and there is indication that HaoRan Vendor may have potential financial difficulty as at 31 March 2015, as a result, the impairment loss on contingency consideration related to the acquisition of subsidiaries and goodwill amounted to approximately HK$98.7 million and approximately HK$16.6 million respectively was recognised to reflect a more conservative expectation.

Property development and investment

In 2013, the Company entered into an acquisition agreement (the "Acquisition Agreement") with Bliss Zone Limited ("BZL") to acquire the entire issued share capital of Longisland Tourism Investment & Development Limited (長島旅遊投資發展有限公司) and its subsidiaries (collectively, the "Longisland Group") for a total consideration of HK$400 million (out of which, HK$150 million was payable by cash and the remaining balance was payable by the issue of convertible bonds to BZL or its nominee upon completion). The transaction was approved by the Company's shareholders on 7 November 2013.

Pursuant to the terms of the Acquisition Agreement, the completion of the Acquisition Agreement is conditional upon fulfilment and/or waiver (as the case maybe) of the conditions precedent (the "Conditions Precedent") set out in the Acquisition Agreement on or before 31 July 2014 (the "Long Stop Date"). If the Conditions Precedent have not been fulfilled and/or waived (as the case maybe) on or before the Long Stop Date or such other date as the parties to the Acquisition Agreement may otherwise agree in writing, the Acquisition Agreement shall lapse. The Company and BZL have entered into a supplemental agreement and a second supplemental agreement on 30 July 2014 and 28 October 2014 respectively, and pursuant to which the Company and BZL agreed to extend the original Long Stop Date up to and including 30 April 2015. On 30 April 2015, the Conditions Precedent to the Acquisition Agreement were not fulfilled and/or waived (as the case maybe) and no extension of the time was agreed by the parties to the Acquisition Agreement, the Acquisition Agreement had lapsed and ceased to have any effect and neither party thereto had any rights or obligations towards each other thereunder, save for liabilities for any antecedent breaches thereof and BZL was required to rebate the earnest money, the partial payment and any settled residual payment to the Company. The total payment amounting to HK$80 million was fully refunded after the year ended 31 March 2015.

As at the date of this announcement, except for the tripartite framework agreement in relation to the development of certain projects in Sheshan (the "Tripartite Framework Agreement") announced by the Company on 23 December 2013, all the other memorandum of understanding in relation to the real property investment projects as stated in the Company's annual report 2014 were terminated as no formal sale and purchase agreement could be agreed and entered into. Details of the Tripartite Framework Agreement were disclosed in the Company's announcement dated 23 December 2013.

Entertainment business and food and beverages business

On 23 September 2014, the Group entered into a placing agreement and a convertible loan note placing agreement with a placing agent to dispose (i) 229,326,016 shares of China Star Cultural Media Group Limited ("CSCM") (formerly known as China Media and Films Holdings Limited), a company listed on the Growth Enterprise Market of the Stock Exchange, at a price of HK$0.24 per share and (ii) the convertible loan notes (the "CLNs") in the aggregate principal amount of up to HK$6.2 million at the CLN placing price of HK$3,413,000. The losses on disposal of the CSCM shares and CLNs were approximately HK$2.9 million and approximately HK$1.1 million, respectively. During the year ended 31 March 2015, the share of profit of associate was approximately HK$0.6 million.

As to the food and beverages business, owing to the high operating costs and keen competition in the industry, the Group ceased the operation of Golden Island Bird's Nest (Chiu Chau) Restaurant in Hong Kong and the wine bar and restaurant in Zhuhai during the year under review.

For the year ended 31 March 2015, the entertainment business recorded a turnover and a loss of approximately HK$0.6 million and HK$5.0 million respectively and the food and beverages business recorded a turnover and a loss of approximately HK$0.7 million and HK$5.4 million respectively.

The Directors believe that the operation of the entertainment business shall remain challenging in the future while ceasing the outlets of the food and beverages business is for the best interests of the Group.

Liquidity and financial resources

The Group finances its operations mainly with internally generated resources. The Group maintains good business relationship with banks and has sufficient banking facilities available for future business development.

As at 31 March 2015, the Group had borrowings of approximately HK$60.3 million (2014: HK$69.2 million). The gearing ratio of the Group was 23.4% compared with 10.1% as at 31 March 2014. This is mainly due to the significant reduction in the Company's shareholders' equity resulting from the recognition of the impairment of goodwill, intangible assets and available-for-sale investments. Such ratio was calculated with reference to the total borrowings (being the sum of bank borrowings and other borrowings) over the Company's shareholders' equity.

The Group was able to generate sufficient cash flow from its operations to fulfill its repayment obligations and meet the cash requirements for its day-to-day operations for the year. The revenue of the Group, being mostly denominated in Renminbi and Hong Kong dollar, matches the currency requirement of the Group's expenses while other foreign currency transactions were immaterial. No financial instrument was used for hedging. The Group was not exposed to any exchange rate risk or any related hedges.

Fund raising activities

During the year under review, the Group completed the following fund raising exercise to strengthen its financial position and raised the gross proceeds of approximately HK$59.9 million, with the net proceeds of approximately HK$58.0 million had been applied as follows:

Date of announcement	Fund raising activities	Net proceeds	Proposed use of proceeds	Actual use of proceeds	Unutilised amount as at 31 March 2015
10 December 2014	Placing of 119,752,000 new shares at the placing price of HK$0.50 per placing share	Approximately HK$58.0 million	For general working capital of the Group and for development of the existing and future projects of the Group	Approximately HK$20.0 million has been utilised as general working capital of the Group	Approximately HK$38.0 million

Charges

As at 31 March 2015, certain bank deposits of the Group in the aggregate amount of HK$2,300,000 were pledged to secure the banking facilities of the Group. Also, Nanjing Yinkun Investment Corporation*（南京垠坤投資實業有限公司）, a non-wholly owned subsidiary of the Company has pledged a deposit of RMB5,500,000 to a bank as security for a bill payable of RMB10,000,000.

As at 31 March 2015, Mr. Yang Lei (a director of certain subsidiaries of the Company) and a company beneficially owned by Mr. Yang Lei and his spouse respectively provided guarantees for certain bank loans of the Group. Certain assets of Mr. Yang Lei were also pledged to secure bank loans of the Group.

Save as disclosed above, the Group did not have any charges on assets as at 31 March 2015.

Contingent liabilities

As at 31 March 2015, the Group had no material contingent liabilities.

Outlook

Looking ahead, the Directors expect the business environment to remain challenging, but are cautiously optimistic towards the overall outlook of the Group.

The Group will focus its effort on licence fee and provision of intellectual property enforcement services business, exhibition-related business and property sub-leasing business, and at the same time the Group is also in a position to look for suitable investment opportunities (if any) to enhance its earning potential.

On 8 June 2015, the Group has entered into an acquisition agreement to acquire certain subscribed capital contribution of Chongqing Lianshun Heqi Venture Investment Fund Partnership*(重慶聯順合氣創業投資基金合伙企業), which is expected to provide the Group a favourable investment opportunity in the fast-growing unconventional oil/gas industry.

On 15 June 2015, the Group has set up a wholly foreign-owned enterprise, namely Concord & Witty Idea Leasing Company (Shenzhen) Limited* (瑞程興立融資租賃(深圳)有限公司) (the "WFOE"), in the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone of Shenzhen* (深圳市前海深港現代服務業合作區) (the "Zone"), which principal business is the provision of financial leasing services. The WFOE was established as an indirect wholly-owned subsidiary of the Company with registered capital of US$30 million. With the various policy incentives being implemented within the Zone, the WFOE aims to provide more competitive and lower cost financial leasing services to PRC customers. In light of the above, the Directors consider that the establishment of the financial leasing company in the Zone will enable the Company to diversify its business into the financial services sector and will also introduce the Group's business to the new market participants in the Zone.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the year ended 31 March 2015.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2015 have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on this preliminary announcement.

CODE OF CORPORATE GOVERNANCE PRACTICES

During the year ended 31 March 2015, the Group has complied with the code provisions in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules save for the following derivations:

a. Division of responsibilities between the chairman and chief executive officer

Under the CG Code provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The roles of the chairman and chief executive officer of the Company have been performed by Mr. Cheng Yang, who is also an executive Director. Mr. Cheng resigned as the chief executive officer of the Company with effect from 28 January 2015.

During the reporting period, Mr. Cheng Yang, the Company's Chairman, decided not to concurrently act as the chief executive officer so as to enhance the corporate governance standards of the Company. On the recommendation of the nomination committee of the Company, the Board appointed Mr. Tsoi Tung, the Company's executive Director, to fill the vacancy of chief executive officer with effect from 28 January 2015. Thereafter, the Company has fully complied with the Code Provision A.2.1 set out in Appendix 14 to the Listing Rules as the roles of chairman and chief executive officer of the Company have been separated and performed by different individuals.

b. Term of appointment of non-executive Directors

Under the CG Code provision A.4.1, all non-executive Directors should be appointed for a specific term, subject to re-election. Whilst the non-executive Directors are not appointed for a specific term, 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 (the "Bye-laws"). At each annual general meeting of the Company, 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 objectives of CG Code.

COMPLIANCE WITH MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Specific enquiries have been made with all Directors, who have confirmed that, during the year ended 31 March 2015, each of them has complied with the provisions with the required standards as set out in the Model Code.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") has reviewed with the management of the Group on the accounting principles and practices adopted by the Group, its internal controls and financial reporting matters.

The annual results of the Company for the year ended 31 March 2015 have been reviewed by the Audit Committee.

PROPOSED ADOPTION OF NEW BYE-LAWS

The Bye-laws have not been amended since 29 August 2012. With a view to bringing the existing Bye-laws in line with certain amendments to the Listing Rules and the Companies Act 1981 of Bermuda between 2012 and now and to modernising and updating the existing Bye-laws, the Board proposes to put forward to the shareholders of the Company for approval at its forthcoming annual general meeting a special resolution to adopt the new Bye-laws in substitution for and to the exclusion of the existing Bye-laws. A circular containing, among others, the notice of the annual general meeting and details of the proposed amendments to the existing Bye-laws will be despatched to the shareholders of the Company in due course.

By Order of the Board
Culture Landmark Investment Limited
Cheng Yang
Chairman

Hong Kong, 26 June 2015

As at the date of this announcement, the executive Directors are Mr. Cheng Yang (the Chairman), Mr. Tsoi Tung, Ms. Lei Lei, Mr. Huang Ranfei and Mr. Li Weipeng; and the independent non-executive Directors are Mr. Tong Jingguo, Mr. Yang Rusheng and Mr. So Tat Keung.

* *Fro identification only*