Annual Report

2013-14

CULTURECOM

CULTURECOM HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code : 00343)

CONTENTS

CORPORATE INFORMATION

NON-EXECUTIVE DIRECTOR

Mr. Chu Bong Foo *(Chairman)*

EXECUTIVE DIRECTORS

Ms. Chow Lai Wah Livia *(Vice Chairman)*
Dr. Lai Tak Kwong, Andrew *(Chief Executive Officer)*
Mr. Kwan Kin Chung *(Managing Director)*
Mr. Chung Billy
Mr. Tang U Fai
Mr. Tang Kwing Chuen Kenneth
Mr. Chen Man Lung
Mr. Wan Xiaolin

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tsang Wai Wa
Mr. Joseph Lee Chennault
Mr. Lai Qiang
Ms. Ng Ying

COMPANY SECRETARY

Mr. Leung Kee Wai

CORPORATE GOVERNANCE COMMITTEE

Mr. Chen Yen Lung
Ms. Chow Lai Wah Livia
Mr. Tang Kwing Chuen Kenneth
Ms. Mak Wing Shuen Jennie

AUDIT COMMITTEE

Mr. Tsang Wai Wa
Mr. Joseph Lee Chennault
Mr. Lai Qiang

REMUNERATION COMMITTEE

Mr. Tsang Wai Wa
Mr. Wan Xiaolin
Mr. Lai Qiang

NOMINATION COMMITTEE

Ms. Chow Lai Wah Livia
Mr. Tsang Wai Wa
Mr. Lai Qiang

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited

SOLICITORS

Michael Li & Co.
Appleby

AUDITOR

Deloitte Touche Tohmatsu

PUBLIC RELATION

Wonderful Sky Financial Group Limited

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

PRINCIPAL OFFICE

Suite 1102, 11th Floor
Chinachem Tower
34–37 Connaught Road Central
Hong Kong

PRINCIPAL REGISTRAR

Butterfield Fulcrum Group (Bermuda) Limited
26 Burnaby Street
Hamilton HM 11
Bermuda

BRANCH REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

COMPANY WEBSITE

www.culturecom.com.hk

STOCK CODE

343

RESULTS

The consolidated turnover of the Company and its subsidiaries for the year ended 31 March 2014 amounted to HK$31,216,000 (2013: HK$26,813,000) of which HK$11,080,000 (2013: HK$17,324,000) was attributable to the business of comics publication of the Group, HK$12,984,000 (2013: HK$8,968,000) was attributable to retailing and wholesales business, HK$2,828,000 (2013: HK$521,000) was attributable to catering, HK$4,324,000 (2013: HK$nil) was attributable to Chinese information infrastructure and online social music gaming platform. Loss for the year attributable to equity holders, taking into account taxation, was HK$147,229,000 (loss for 2013: HK$297,629,000). The loss per share was HK12.6 cents (loss per share for 2013: HK28.3 cents).

FINAL DIVIDEND

The Board of Directors has resolved not to declare any final dividend for the year ended 31 March 2014 (2013: Nil).

BUSINESS REVIEW

Having been in the cultural business for over 40 years in Hong Kong, we are proud to be one of the largest comic book publishers in Asia since the 1970s. We are now expanding our portfolio from mainly martial styles to a new one targeting mainland China with the good deeds Chinese traditional stories. We also make mobile games in monitizing our titles. In particular, we are excited to share with our shareholders about the meaningful yet promising business initiative we have started reaping fruits.

The whole story started from a current social problem about the "left-behind children" in China. The rapid economic development in China caused a worsening income polarization problem that forced millions of village farmers to migrate to the cities as factory workers. This has created millions of children left behind in the rural areas under the care of relatives, mostly uneducated grandparents or family friends. Often, the caretakers do not have the physical ability, financial means or the knowledge needed to take care of the children. This causes the left-behind children to stay under-priviledged and to suffer from developmental issues, increasing their vulnerability to becoming victims of human trafficking or involved in criminal activities. The number of this group is estimated to be in the range of 60 millions currently.

In response to this issue, we have started a 3D movie theatre and shopping kiosks project in western Guangdong to provide entertainment and merchandise of superb quality for our future generations. This is very much welcome and highly supported by the local government for our excellent services provided to the local community, who couldn't have the access to such in the past. The early results have been very encouraging, generating over HK$3,754,000 revenue in less than one full operating year. As always, we believe in being a responsible corporate citizen as this is the key to our long term success. The early yet important success of this project reinforces our persistence in aligning our interests with our key stakeholders. We believe our shareholders would also be delighted with this update.

Turning back to the more technical aspect, we are glad to update you that we have effectively finished the infrastructure of our social and gaming platform, Ucan.com, that integrates music, gaming, and Online-to-Offline (O2O) e-commerce. With our top-of-the-class network with companies like International Business Machines (IBM), tvb.com, China Mobile and the Industrial and Commercial Bank of China, we are now actively enriching our contents creation and partnership every single second. All in all, we are getting increasingly confident and ever more enthusiastic in building a unique platform providing quality entertainment, cultural and lifestyle contents and services targeting the fast growing mainland China market leveraging on our long standing leadership and network here in Hong Kong, the metropolitan city in the country and Asia.

PROSPECTS

In an execution mode, our team is ready to excel in the business strategies we have been planning in the last few years. As always, we understand the need for changes as we progress and we are fully prepared for that. We would like to ensure our respected shareholders that all of us in the Company would strive to deliver satisfactory results, and we would look forward to celebrating our success together very soon. We are sure that our shareholders would share the same thought and vision.

To capture the diversified preferences of game players around the world, we will continue to bring in high quality mobile games from both external developers and internal development to cover the global market. We believe in and will continue bringing niche products to the market with a clear differentiation of our brand.

While we are confident in the business prospects of the various business initiatives discussed above, we are fully aware of the external headwinds in the global economy, with the tapering actions taken by the Federal Reserve of the United States and the long due albeit short term slowdown of the Chinese economy. That said, we have now built a platform covering not just the mainland China market but a global footage. This has rendered our business model more resilient than ever. We look forward to sharing an encouraging update soon.

APPRECIATIONS

I would like to express my sincere thanks to the Board of Directors, our management and staff for their continued dedication in the past year, and to all our customers, suppliers, business partners and shareholders for their enthusiastic support of the Group.

Chu Bong Foo
Chairman

Hong Kong, 27 June 2014

FINANCIAL RESULTS

For the year ended 31 March 2014, the Group's overall turnover increased by approximately 16% to HK$31,216,000, of which approximately HK$11,080,000, HK$4,324,000, HK$12,984,000 and HK$2,828,000 (2013: HK$17,324,000, nil, HK$8,968,000 and HK$521,000) were attributable to our business of publishing, Chinese information infrastructure and online social music gaming platform, retailing and wholesales, and catering, respectively. In particular, there was HK$3,754,000 revenue generated from a 3D movie theatre project which has commenced operations in 2014. This is included in the Chinese information infrastructure and online social music gaming platform turnover.

The Group's consolidated net loss attributable to the owners of the Company in 2014 decreased to HK$147,229,000 or HK cents 12.6 per share (2013: loss of HK$297,629,000 or HK cents 28.3 per share). This was mainly due to lower cost incurred to develop online business by HK$88,978,000 and decreased in fair value change of held for trading investments in the amount of HK$12,978,000 as well as a HK$21,276,000 one time reserve release from the completion of the disposal of Raise Beauty Group.

Also, as at 31 March 2014, the Group's net asset value was approximately HK$328,119,000 and net asset value per weighted average number of 1,164,543,000 shares of the Company was approximately HK$0.28 (2013: HK$0.50). Decrease in net asset value was primarily due to the disposal of Raise Beauty Group, impairment loss on loans to an associate and allowance for inventories that took place during this year.

WARRANTS

On 7 March 2011, the Company entered into a placing agreement with an independent placing agent in relation to the private placing of up to 137,850,000 warrants (the "2013 Warrants") with subscription price of HK$0.2, conferring rights to subscribe for up to 137,850,000 new ordinary shares of the Company at an exercise price of HK$0.28 per share, to not less than 300 placees who are independent third parties, which are exercisable during the two years from 3 May 2011 to 2 May 2013, both days inclusive. The placing of the 2013 Warrants was completed on 29 April 2011 and was classified as equity instruments.

The proceeds from the placing of approximately HK$26,552,000, net of expenses incurred on warrants issue amounting HK$1,018,000, were used as general working capital of the Company.

For the year ended 31 March 2014, registered holders of 78,840,000 shares (31 March 2013: 53,180,000 shares) units of the 2013 Warrants exercised their rights to subscribe for 78,840,000 shares (31 March 2013: 53,180,000 shares) in the Company at exercise price of HK$0.28 per share. As at 31 March 2014, 137,730,000 units of the 2013 Warrants was exercised and 120,000 units of the 2013 Warrants was expired.

On 20 July 2012, the Company proposed to enter into a warrant subscription agreement in relation to the private placing of up to 76,790,000 warrants by the warrant subscribers, at the warrant issue price of HK$0.10 per warrant. The net proceeds from the warrant subscription of approximately HK$7,492,000 were used as the general working capital of the Group.

The non-listed warrants were issued by the Company at the warrant issue price to subscribe for an aggregate of HK$92,148,000 in shares, each entitles the holder thereof to exercise the right to subscribe for one new share at the warrant subscription price of HK$1.20 (subject to adjustment) at any time during a period of five (5) years commencing from the date of issue of warrants. The placing of the warrant subscription was completed on 2 August 2012. During the year, no non-listed warrants subscriber exercised their rights to subscribe share.

SUBSTANTIAL DISPOSAL

On 6 February 2013, the Group entered into the Sale and Purchase Agreement with an independent third party in relation to the disposal of 100% equity interest of Raise Beauty Investment Limited ("Raise Beauty") at a consideration of RMB80,000,000. Raise Beauty holds 100% interest in the registered and paid up capital of Keenwell Energy Technology Limited ("Keenwell Energy") and 東營健宏石油技術服務有限公司 ("Dong Ying"), the crude oil exploration services company, which was owned by Raise Beauty for 94.87% and Keenwell Energy for 5.13%. RMB32,000,000 was received by the Group upon the signing of the Sale and Purchase Agreement in which 40% equity interest of Raise Beauty was transferred to the independent third party ("Purchaser"). The completion of the disposal of remaining 60% was on 22 October, 2013 upon which the remaining 60% equity interest of Raise Beauty have been transferred to the Purchaser.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2014, the Group had bank and deposits with financial institutions balance in aggregate of approximately HK$182,802,000 and held for trading investment of HK$19,267,000. The Group has no significant exposure to foreign exchange rate fluctuation.

As of 31 March 2014, the Group had a net current assets position of approximately HK$289,185,000 (31 March 2013: HK$473,726,000) and a current ratio of 9.5 (31 March 2013: 9.0). The Group's total liabilities as of 31 March 2014 amounted to approximately HK$34,092,000 (31 March 2013: HK$59,065,000) and represented approximately 10.0% (31 March 2013: 12.1%) to equity attributable to owners of the Company.

Upon consideration of the above and expected cashflow, the Directors have no doubt that the Group will have sufficient liquidity to finance its daily operations. As always, the Group will continue to follow prudent and disciplined cash management practices on any excess liquidity.

EMPLOYMENT AND REMUNERATION POLICIES

As of 31 March 2014, the Group had a total of 140 employees of which 88 are based in Hong Kong, 20 in Macau and 32 in PRC. Total staff costs incurred during the year amounted to approximately HK$37,239,000 (31 March 2013: HK$18,266,000). Remuneration packages are maintained at competitive levels and reviewed by the management on a periodical basis. Discretionary bonuses and incentive share options are awarded to certain directors and employees according to the assessment of individual merit and performance.

The Directors present their annual report and the audited financial statements for the year ended 31 March 2014.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities of its principal associates and subsidiaries are set out in notes 19 and 39 to the consolidated financial statements respectively.

SUBSIDIARIES AND ASSOCIATES

Details of the Group's associates and of the Company's subsidiaries at 31 March 2014 are set out in notes 19 and 39 to the consolidated financial statements respectively.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate turnover during the year attributable to the Group's five largest customers accounted for 62.7% of the Group's turnover from continuing operations, of which 23.0% was attributable to the largest customer.

The aggregate purchases during the year attributable to the Group's five largest suppliers accounted for 39.7% of the Group's total purchases from continuing operations, of which 22.1% was attributable to the largest supplier.

At no time during the year did a director, an associate of a director or a shareholder of the Company (which to the knowledge of the directors own more than 5% of the Company's share capital) have an interest in any of the Group's five largest customers or suppliers.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2014 and the state of the Company's and the Group's affairs as at that date are set out in the financial statements on pages 39 to 144.

DIVIDEND

No dividend was paid or proposed during the year of 2014, nor has any dividend been prepared since the end of the reporting period (2013: nil).

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group spent approximately HK$7,640,000 on the acquisitions of property, plant and equipment.

Details of these and other movements during the year in the property, plant and equipment of the Group are set out in note 18 to the consolidated financial statements.

SHARE CAPITAL, WARRANTS AND SHARE OPTIONS

Details of movements during the year in the share capital, the warrants and the share option scheme of the Company are set out in notes 30, 31 and 32 to the consolidated financial statements respectively.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in consolidated statement of changes in equity and note 40 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

At 31 March 2014, the Company has no reserves available for distribution to shareholders.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on pages 145 and 146.

DIRECTORS

The Directors of the Company during the year and up to the date of this report were:

Chairman and Non-Executive Director:

Mr. Chu Bong Foo

Executive Directors:

Ms. Chow Lai Wah Livia *(Vice Chairman)*
Dr. Lai Tak Kwong Andrew
(appointed as Executive Director and Chief Executive Officer on 2 April 2014)
Mr. Kwan Kin Chung *(Managing Director)*
Mr. Chung Billy
Mr. Tang U Fai
Mr. Tang Kwing Chuen Kenneth
Mr. Chen Man Lung
Mr. Wan Xiaolin

Independent Non-Executive Directors:

Mr. Tsang Wai Wa
Mr. Joseph Lee Chennault
Mr. Lai Qiang
Ms. Ng Ying

The directors of the Company, including executive, non-executive and independent non-executive directors ("INEDs") are subject to retirement by rotation and re-election at the annual general meeting of the Company. In accordance with Clauses 101, 110(A) and 190(v) of the Company's Bye-Laws, Messrs. Chow Lai Wah Livia, Kwan Kin Chung, Tang U Fai, Wan Xiaolin and Lai Tak Kwong Andrew will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

None of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

The Company has received the annual confirmation of independence from each of the INEDs as required under Rule 3.13 of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company considered all INEDs to be independent.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Chairman and Non-Executive Director

Mr. Chu Bong Foo, aged 76, was appointed as the vice-chairman and an executive director of the Company in May 1999. On 21 January 2011, he was appointed as the Chairman and re-designated as Non-Executive Director of the Company. In addition, he is appointed as director of certain subsidiaries of the Group. He is responsible for the design and development of the Group's Chinese information infrastructure. Mr. Chu is the inventor of the Cangjie method, the most widely available Chinese input method and has engaged himself in the development of Chinese character generating technology for over 21 years. He is renowned for "the father of the modern Chinese computing". He is also a founder of Chu Bong Foo Culture Foundation.

Executive Directors

Ms. Chow Lai Wah Livia, aged 53, joined the Company in April 2008 and was appointed as an Executive Director on 17 May 2011, and as Vice Chairman of the Company on 26 March 2012. Currently, Ms. Chow is a member of the Corporate Governance Committee and the Nomination Committee of the Company. Ms. Chow is the Director of L&W Holding Limited which is one of the substantial shareholders of the Company. Ms. Chow presently is responsible for corporate management of the Group. Prior to joining the Company, Ms. Chow was the president of East Universal Investments Inc., based in the United States for 11 years. She has more than 21 years of extensive experience in executive development and corporate management.

Dr. Lai Tak Kwong Andrew, aged 60, was appointed as an Executive Director and Chief Executive Officer on 2 April 2014. Dr. Lai was a corporate vice president of United States Hewlett-Packard (the "HP") and general manager of HP Global Delivery China Center (the "GDCC"). In 2003, he was appointed as the chief executive officer of Bytewatch Inc., a high-profile, fast-paced silicon valley company. In 2006, Dr. Lai was named as 2006 Shanghai HP board of director, president of HP Software Engineering Academy and vice president and general manager of HP GDCC with clients mainly from Europe, the Americas and Fortune 500 listed companies in Asia. He holds a Master of Business Administration and Master of Computer Science from the University of Southern California, Los Angeles, as well as a Bachelor Degree and Doctor of Philosophy in Computer Science from United States University.

Mr. Kwan Kin Chung, aged 45, joined the Group in 1998 and has been one of the Executive Directors since March 2008. Mr. Kwan is also the Managing Director of the Group and serves as the Director for several subsidiaries of the Group. He held the position of vice president for the Group from 1998 to 2002 and was appointed as the acting chief executive officer of the Company in April 2007. During the period of serving as vice president, Mr. Kwan was also the vice publisher of Tin Tin Daily News where he gained valuable experience in the media industry. Mr. Kwan holds the position of managing director of China Bio Cassava Holdings Limited whose shares are listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited. Mr. Kwan has extensive experience in businesses restructuring and corporate investment. He holds a Bachelor Degree of Arts in Economics from Zhongshan University, Guangzhou, PRC.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Executive Directors (Continued)

Mr. Chung Billy, aged 39, joined the Group in June 2007 and has been one of the Executive Directors since November 2007. Mr. Chung serves as the Director for several subsidiaries of the Group. He is responsible for the Group's overall operation and business development, as well as human resources and accounting related managerial activities. Mr. Chung holds a Bachelor Degree of Arts in Accounting from the University of Waterloo, Canada and a Master Degree of Business Administration from the University of Toronto, Canada. As a member of the Canadian Institute of Chartered Accountants, he has over 13 years of extensive experience in the fields of accounting, consulting and investment banking. He is also a fellow member of the Hong Kong Institute of Certified Public Accountants. Prior to joining the Group, Mr. Chung acted as senior project director at Opes Asia Development Limited, whose shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited.

Mr. Tang U Fai, aged 40, was appointed as an Executive Director of the Company in March 2008, and is a director of certain subsidiaries of the Group. Mr. Tang holds a Bachelor of Science Degree in Computer Science and Economics from the University of Victoria, Canada and a Master of Science Degree in Software Engineering from the University of Macau. Mr. Tang joined the Group as the chief technology officer in May 2001. In 2003, he was further appointed as the general manager of Etown Online (Macau) Limited where he was gained extensive executive experience.

Mr. Tang Kwing Chuen Kenneth, aged 36, was appointed as an Executive Director of the Company on 8 December 2008. He was appointed as company secretary of ViaGOLD Capital Limited, a company whose shares are listed on Australian Stock Exchange, in January 2007. Mr. Tang holds a Master of Commerce Degree in Finance and a Bachelor of Science Degree majoring in Information Systems from the University of New South Wales, Australia. He joined the Group as project manager in October 2003. He has extensive years of experience in banking and finance industry.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Executive Directors (Continued)

Mr. Chen Man Lung, aged 48, was appointed as Executive Director of the Company in October 2009 and appointed as Chief Operation Officer of the Company in October 2012. He was appointed as an executive director of China Bio Cassava Holdings Limited till 18 June 2012 whose shares are listed on the GEM of the Stock Exchange. He was appointed as an independent non-executive director of Opes Aisa Development Limited and Mobile Telecom Network Holdings Limited, both companies whose shares are listed on the Stock Exchange, and the chief financial officer of ViaGold Capital Limited, a company whose shares are listed on the Australian Stock Exchange. Mr. Chen is also the director and founder of two private equities focusing on antique and art investment, as well as media investment. He currently served as the director of The Hong Kong Baptist University Alumni Association Limited and founding member of the International Federation of Creative and Technology. He served as Academic Advisor of Academy of Visual Arts and the Humanities program of Hong Kong Baptist University, the director of the Hong Kong Comics & Animation Federation Limited (HKCAF) and Committee Member of the Inbound Travel Agent Association Limited (HKITA). He was granted the Bachelor of Arts Degree of Arts in Sociology and the Master of Arts Degree in Chinese Studies from The Hong Kong Baptist University and The Hong Kong University of Science and Technology respectively. Mr. Chen has over 22 years of extensive experience in investment industry.

Mr. Wan Xiaolin, aged 56, joined the Group as the general manager in January 2000 and is responsible for the group administration, human resources and training, accounts and finance and information technology related management activities. Mr. Wan holds a Bachelor of Arts Degree in Economics from Shanghai Maritime University, Shanghai, PRC. Prior to joining the Group, he was general manager of China Merchants Transportation Group for finance and accounting division. Mr. Wan was appointed as an executive director of the Company in July 2002, and is a director of certain subsidiaries of the Group. Mr. Wan was an executive director of China Bio Cassava Holdings Limited, whose shares are listed on GEM of the Stock Exchange, and had been resigned with effect from 29 June 2013.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Independent Non-Executive Directors

Mr. Tsang Wai Wa, aged 53, was appointed as an Independent Non-executive Director of the Company on 17 November 2009. Mr. Tsang is a member of the Audit Committee of the Group. Mr. Tsang was an Independent Non-executive Director of China Biocassava Holdings Limited and has resigned with effect from 14 March 2014. Mr. Tsang also served as an Independent Non-executive Director of Opes Asia Development Limited from 7 April 2009 to 20 December 2011, all of their shares are listed on the Stock Exchange. Mr. Tsang holds the Bachelor Degree in Finance and Accounting and a Master degree in Business Administration. He is a fellow member of the Chartered Association of Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. He has extensive experience in auditing, accounting, company secretary and corporate finance.

Mr. Joseph Lee Chennault, aged 70, was appointed as an Independent Non-Executive Director of the Company in September 2004. Mr. Chennault is a member of the Audit Committee of the Group. He holds a Bachelor Degree of Arts in Economics from University of San Francisco and a Master Degree of Business Administration from Golden Gate University, both in the United States. He is a member of the California Society of Certified Public Accountants and has over 32 years of experience in accounting and auditing in listed companies.

Mr. Lai Qiang, aged 40, was appointed as an Independent Non-Executive Director in December 2008. Mr. Lai is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Group. He is an intermediate level economist. He holds a Bachelor Degree in International Finance (Professional Economics) under the International Trading Finance Department, from Zhongshan University, Guangzhou, PRC. Mr. Lai is currently the managing director of Shenzhen Huaqiang Microcredit Company Limited (深圳華強小額貸款有限公司). Mr. Lai has over 17 years of practical experience in group enterprise fund management and financial management.

Ms. Ng Ying, aged 45, was appointed as an Independent Non-Executive Director of the Group in December 2012. She has over 20 years of experience in accounting and finance management for the companies in Hong Kong and Mainland China, and the listed company in Hong Kong. Ms. Ng holds a Higher Diploma of Arts in Economics from Zhongshan University, Guangzhou, PRC.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Senior Management

Mr. Leung Kee Wai, aged 50, was appointed as Company Secretary on 12 June 2014. Mr. Leung is the fellow member of the Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries. He holds a Master Degree in Business Administration from the University of Bradford in the United Kingdom. He is also a fellow of the Association of Chartered Certified Accountants and an associate of the Hong Kong Institute of Certified Public Accountants. Mr. Leung has substantial experience in the fields of company secretarial practice, accounting and finance.

Mr. Cheung Wai Chung Ronnie, aged 44, joined the Group in November 2012. He is the President and Chief Financial Officer of the Group. Mr. Cheung possesses over 21 years of extensive experience in investment management, mergers and acquisitions as well as strategic planning in the Asia Pacific region. He has worked at international financial institutions and leading corporations with a wide exposure to the dynamic cross-cultural environment. Besides his professional experience, Mr. Cheung also holds advisory role for the charitable community. Mr. Cheung holds a Bachelor Degree of Business Administration from the Chinese University of Hong Kong. He is also a charterholder of the Chartered Financial Analyst (CFA) designation and a fellow member of the Association of Chartered Certified Accountants.

Ms. Mak Wing Shuen Jennie ("Mrs. Lau"), aged 46, joined the Group in July 1997. Mrs. Lau is currently the Deputy Chief Executive Officer of the Group. She is also a member of the Corporate Governance Committee of the Group. Prior to joining the Group, she was responsible for administrative management and development in both local and global businesses of ViaGOLD Capital Limited, a company whose shares are listed on Australian Stock Exchange. She has over 10 years of extensive experience in the travelling management business. She is also an associated member of the International Air Transport Association (IATA).

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Senior Management (Continued)

Ms. Wong Eva, aged 38, joined the group in March 2012. Ms. Wong is the Vice President and the Head of Investor Relations. Prior to her appointment, Ms. Wong was the vice president and head of investor relations of China Solar Energy Holdings Limited, a company whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited. Prior to joining the Group, Ms. Wong has served as investor relations and corporate communications for several listed companies. Her investor relations experience includes funds, institutional sales and research analysts targeting, financial media relations, development of investor relations presentations and materials and participated in roadshows across U.S., Europe and Asia. Ms. Wong received her Bachelor Degree in Psychology from York University, Toronto, Canada.

Ms. Shen Hung Lien, aged 59, joined the Group in May 1998. Ms. Shen is the Chairman of Culturecom Technology (Macau) Limited, a wholly owned subsidiary of the Group. She is also the Chief Executive Officer of Chu Bong Foo Labs. She is responsible for the development of chinese information infrastructure systems under the guidance of Mr. Chu Bong Foo. Ms. Shen graduated from the National Taiwan University with a Bachelor Degree of Arts.

Mr. Hu Tian Bao, aged 51, joined the Group in 2000. Mr. Hu is the Deputy General Manager of Culturecom Technology (Macau) Limited, a wholly owned subsidiary of the Group and he serves as the Chief Engineer of Chu Bong Foo Labs. He is responsible for the development of intelligent graphic systems under the guidance of Mr. Chu Bong Foo. He graduated from Institute of Metal Research, Chinese Academy of Sciences with Bachelor Degree of Metal Physics.

Ms. Lee Yuk Ping, aged 46, joined the Group in September 1997. Ms. Lee holds a Master Degree of Professional Accounting. She is a fellow member of both the Chartered Association of Certified Accountants and the Hong Kong Institute of Certified Public Accountants. She has extensive experience in auditing, accounting and corporate finance.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Senior Management (Continued)

Mr. Shiu Kwok Keung, aged 47, joined the Group in May 2011. He is the Chief Executive Officer of Culturecom Investments Limited, a wholly owned subsidiary of the Group. He has extensive experience in finance, accounting and management. Prior to his appointment, he was the senior management of several companies in Hong Kong. Mr. Shiu holds a Master of Science Degree in finance from the National University of Ireland, Dublin, another Master Degree in Professional Accounting from the Southern Cross University, Australia, and a Bachelor of Social Science Degree in China Studies (Economics) from the Hong Kong Baptist University. He is a Chartered Financial Analyst Charterholder and a Certified Practising Accountant of CPA Australia.

Mr. Chau Ka Hang, aged 48, joined the Group in January 1999. Mr. Chau is the General Manager of Culturecom Media Limited, a wholly owned subsidiary of the Group. He is responsible for the overall business planning, development and marketing of comic publishing for the Group in Hong Kong and the mainland of China. Mr. Chau has over 18 years of experience in advertising business and comic publication management.

Mr. Yue Chi Wing Toby, aged 47, joined the Group in January 2014. He is the Comic General Manager of Culturecom Limited, a wholly owned subsidiary of the Group. Mr. Yu started working in his long admired comics industry since 1980's. Prior to joining the Group, he held senior management positions in the top 3 comics companies in Hong Kong. In 1996, Toby was promoted as the head of the publishing department and the chief editor of Culturecom Limited. During that time, he published numerous popular comic books and acted as chief editor for Dragon Tiger Gate, The Twin Heroes, and Feel 100%.

SHARE OPTION SCHEMES

The Company has terminated its share option scheme adopted on 21 August 2002 (the "2002 Scheme") and adopted a new share option scheme (the "2013 Scheme") on its 2013 Annual General meeting held on 12 August 2013.

Subsequent to the termination of the 2002 Scheme, no further share options can be granted thereunder but in all other respects, the provisions of the 2002 Scheme shall remain in force and all share options granted prior to such termination shall continue to be valid and exercisable in accordance therewith.

The number of shares available for issue under 2002 Scheme and 2013 Scheme as at the date of the Annual Report is 152,197,780 and 10,000,000 respectively, totalling 162,197,780 shares which in aggregate respectively approximately 13.84% of the issued share capital of the Company as of that date.

Details of movement of the share options granted to the Directors and employees of the Company under 2002 Scheme and 2013 Scheme during the year are as follows:

SHARE OPTION SCHEMES (Continued)

				Number of share options						
		Date of Grant	At 1 April 2013	Transfer from other category during the year	Transfer to other category during the year	Lapsed during the year	Granted/ Exercised/ Cancelled during the year	At 31 March 2014	Exercise price per share	Exercise period
									HK$	
(a) Directors										
Ms. Chow Lai Wah Livia	(i)	7 July 2006	548,500	-	-	-	-	548,500	0.92	7 July 2006 to 6 July 2016
	(ii)	29 June 2007	4,388,000 *(note 2)*	-	-	-	-	4,388,000	2.16	29 June 2007 to 28 June 2017
Mr. Kwan Kin Chung	(i)	7 July 2006	877,600	-	-	-	-	877,600	0.92	7 July 2006 to 6 July 2016
	(ii)	29 June 2007	109,700	-	-	-	-	109,700	2.16	29 June 2007 to 28 June 2017
	(iii)	6 November 2007	877,600	-	-	-	-	877,600	1.42	6 November 2007 to 5 November 2017
Mr. Tang U Fai	(i)	19 December 2003	109,700	-	-	(109,700)	-	-	2.42	19 December 2003 to 18 December 2013
	(ii)	24 March 2005	1,755,200	-	-	-	-	1,755,200	2.69	24 March 2005 to 23 March 2015
	(iii)	7 July 2006	109,700	-	-	-	-	109,700	0.92	7 July 2006 to 6 July 2016
Mr. Tang Kwing Chuen Kenneth		7 July 2006	54,850	-	-	-	-	54,850	0.92	7 July 2006 to 6 July 2016
Mr. Chen Man Lung	(i)	24 March 2005	1,426,100	-	-	-	-	1,426,100	2.69	24 March 2005 to 23 March 2015
	(ii)	7 July 2006	713,050	-	-	-	-	713,050	0.92	7 July 2006 to 6 July 2016
	(iii)	29 June 2007	1,206,700	-	-	-	-	1,206,700	2.16	29 June 2007 to 28 June 2017
	(iv)	6 November 2007	1,645,500	-	-	-	-	1,645,500	1.42	6 November 2007 to 5 November 2017
Mr. Wan Xiaolin		19 December 2003	329,100	-	-	(329,100)	-	-	2.42	19 December 2003 to 18 December 2013

SHARE OPTION SCHEMES (Continued)

			Date of Grant	At 1 April 2013	Transfer from other category during the year	Transfer to other category during the year	Lapsed during the year	Granted/ Exercised/ Cancelled during the year	At 31 March 2014	Exercise price per share	Exercise period
				Number of share options						HK$	
(b)	Employees	(i)	19 December 2003	3,554,280	-	-	(3,554,280)	-	-	2.42	19 December 2003 to 18 December 2013
		(ii)	24 March 2005	4,388,000	-	-	-	-	4,388,000	2.69	24 March 2005 to 23 March 2015
		(iii)	7 July 2006	329,100	-	-	-	-	329,100	0.92	7 July 2006 to 6 July 2016
		(iv)	29 June 2007	10,476,350	-	-	-	-	10,476,350	2.16	29 June 2007 to 28 June 2017
		(v)	6 November 2007	12,286,400	-	-	-	-	12,286,400	1.42	6 November 2007 to 5 November 2017
		(vi)	25 October 2013 (Note 3)	-	-	-	-	5,000,000	5,000,000	1.398	25 October 2013 to 24 October 2016
(c)	Others	(i)	19 December 2003	2,490,190	-	-	(2,490,190)	-	-	2.42	19 December 2003 to 18 December 2013
		(ii)	24 March 2005	21,994,850	-	-	-	-	21,994,850	2.69	24 March 2005 to 23 March 2015
		(iii)	3 October 2005	3,291,000	-	-	-	-	3,291,000	1.93	3 October 2005 to 2 October 2015
		(iv)	7 July 2006	12,275,430	-	-	-	-	12,275,430	0.92	7 July 2006 to 6 July 2016
		(v)	29 June 2007	27,699,250	-	-	-	-	27,699,250	2.16	29 June 2007 to 28 June 2017
		(vi)	6 November 2007	45,744,900	-	-	-	-	45,744,900	1.42	6 November 2007 to 5 November 2017
		(vii)	5 November 2013 (Note 3)	-	-	-	-	5,000,000	5,000,000	1.42	5 November 2013 to 4 November 2016

Notes:

1. The options exercise period is commenced from the date of grant for ten years, except these in note 3. The options may be exercised at any time with the option period provided that the options have been vested. As at 31 March 2014, all options have been vested.

2. Mr. Dizon Basilio ("Mr. Dizon") has been granted 4,388,000 share options under the 2002 Scheme of the Company. Pursuant to the SFO, Ms. Chow Lai Wah Livia, the spouse of Mr. Dizon, is deemed to be interested in the share options granted to Mr. Dizon.

3. The options exercise period is commenced from the date of grant for three years. The options may be exercised at any time with the option period provided that the options have been vested. As at 31 March 2014, all options have been vested.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the share option holdings disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DISCLOSURE OF INTERESTS

(a) Interests of the Directors

As at 31 March 2014, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he/she is taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange:

Interests in the shares of the Company

Name of Director		Capacity	Nature of interest	Number of shares held	Approximate percentage of issued share capital
Ms. Chow Lai Wah Livia	(i)	Beneficial owner	Personal interest	32,962,800	26.44%
	(ii)	Interests of a controlled corporation	Corporate interest	255,848,600 *(Note 1)*	
	(iii)	Interests of spouse	Corporate interest and personal interest	21,008,712 *(Note 2)*	
Mr. Tang Kwing Chuen Kenneth		Beneficial owner	Personal interest	135,000	0.01%
Mr. Wan Xiaolin		Beneficial owner	Personal interest	50,000	N/A
Mr. Chen Man Lung		Beneficial owner	Personal interest	200	N/A

DISCLOSURE OF INTERESTS (Continued)

(a) Interests of the Directors (Continued)

Interests in the shares of the Company (Continued)

Note:

1 Ms. Chow Lai Wah Livia ("Ms. Chow") has controlling interests in L&W Holding Limited ("L&W"), L&W is beneficially interested in 255,848,600 shares in the Company. Accordingly, Ms. Chow is deemed to be interested in 255,848,600 shares in the Company under the SFO.

2 Harvest Smart Overseas Limited ("Harvest Smart") is beneficially interested in 13,213,712 shares. Therefore, Ms. Chow is deemed to be interested in 13,213,712 shares in the Company under the SFO.

Mr. Dizon Basilio ("Mr. Dizon"), the spouse of Ms. Chow, is beneficially interested in 7,795,000 shares, and Mr. Dizon has controlling interests 100% in Harvest Smart. Therefore, Ms. Chow is deemed to be interested in 21,008,712 shares in the Company under the SFO.

All interests stated above represent long positions.

DISCLOSURE OF INTERESTS (Continued)

(a) Interests of the Directors (Continued)

Interest in shares of associated corporation of the Company

Name of associated corporation	Name of Director	Capacity	Nature of interest	Number of shares held	% of total issued share capital of the associated corporation
China Bio Cassava Holdings Limited	Mr. Kwan Kin Chung	Beneficial owner	Personal interest	6,450,000 *(note 1)*	0.26%
	Mr. Chung Billy	Beneficial owner	Personal interest	800,000 *(note 2)*	0.03%
	Mr. Tang U Fai	Beneficial owner	Personal interest	1,000,000 *(note 3)*	0.04%
	Mr. Chen Man Lung	Beneficial owner	Personal interest	4,250,000 *(note 4)*	0.17%
	Mr. Wan Xiaolin	Beneficial owner	Personal interest	3,250,000 *(note 5)*	0.13%
	Mr. Tsang Wai Wa	Beneficial owner	Personal interest	1,876,355 *(note 6)*	0.07%

DISCLOSURE OF INTERESTS (Continued)

(a) Interests of the Directors (Continued)

Interest in shares of associated corporation of the Company (Continued)

Notes:

1. Mr. Kwan Kin Chung is beneficially interested in 6,450,000 share options in China Bio Cassava Holdings Limited.

2. Mr. Chung Billy is beneficially interested in 300,000 ordinary shares and 500,000 share options in China Bio Cassava Holdings Limited.

3. Mr. Tang U Fai is beneficially interested in 1,000,000 share options in China Bio Cassava Holdings Limited.

4. Mr. Chen Man Lung is beneficially interested in 4,250,000 share options in China Bio Cassava Holdings Limited. Mr. Chen Man Lung has resigned as the executive director of China Bio Cassava Holdings Limited with effect from 18 June 2012. Therefore, all the share options of Mr. Chen Man Lung in China Bio Cassava Holdings Limited have been lapsed.

5. Mr. Wan Xiaolin is beneficially interested in 3,250,000 share options in China Bio Cassava Holdings Limited. Mr. Wan Xiaolin has resigned as the executive director of China Bio Cassava Holdings Limited with effect from 26 June 2013. Therefore, all the share options of Mr. Wan Xiaolin in China Bio Cassava Holdings Limited have been lapsed.

6. Mr. Tsang Wai Wa is beneficially interested in 626,355 ordinary shares and 1,250,000 share options in China Bio Cassava Holdings Limited. Mr. Tsang Wai Wa has resigned as the independent non-executive director of China Bio Cassava Holdings Limited with effect from 14 March 2014. However, all the share options of Mr. Tsang Wai Wa in China Bio Cassava Holdings Limited are still valid.

All interests stated above represent long positions.

DISCLOSURE OF INTERESTS (Continued)

(a) Interests of the Directors (Continued)

Interests in share options of the Company

Name of Director		Capacity	Nature of interest	Number of share options	Exercise price per share	Exercisable period	Approximate percentage of issued share capital
					HK$		
Ms. Chow Lai Wah Livia	(i)	Beneficial owner	Personal interest	548,500	0.92	7 July 2006 to 6 July 2016	0.42%
	(ii)	Interest of spouse	Family interest	4,388,000 (Note 1)	2.16	29 June 2007 to 28 June 2017	
Mr. Kwan Kin Chung	(i)	Beneficial owner	Personal interest	877,600	0.92	7 July 2006 to 6 July 2016	0.16%
	(ii)	Beneficial owner	Personal interest	109,700	2.16	29 June 2007 to 28 June 2017	
	(iii)	Beneficial owner	Personal interest	877,600	1.42	6 November 2007 to 5 November 2017	
Mr. Tang U Fai	(i)	Beneficial owner	Personal interest	1,755,200	2.69	24 March 2005 to 23 March 2015	0.16%
	(ii)	Beneficial owner	Personal interest	109,700	0.92	7 July 2006 to 6 July 2016	
Mr. Tang Kwing Chuen Kenneth		Beneficial owner	Personal interest	54,850	0.92	7 July 2006 to 6 July 2016	N/A
Mr. Chen Man Lung	(i)	Beneficial owner	Personal interest	1,426,100	2.69	24 March 2005 to 23 March 2015	0.43%
	(ii)	Beneficial owner	Personal interest	713,050	0.92	7 July 2006 to 6 July 2016	
	(iii)	Beneficial owner	Personal interest	1,206,700	2.16	29 June 2007 to 28 June 2017	
	(iv)	Beneficial owner	Personal interest	1,645,500	1.42	6 November 2007 to 5 November 2017	

Notes:

1. Mr. Dizon Basilio ("Mr. Dizon") has been granted 4,388,000 share options under the 2002 Scheme of the Company, Pursuant to the SFO, Ms. Chow, the spouse of Dizon deemed to be interested in the share options granted to Mr. Dizon.

2. The options exercise period is commenced from the date of grant for ten years. The options may be exercised at any time with the option period provided that the options have been vested. As at 31 March 2014, all options have been vested.

All interests stated above represent long positions.

DISCLOSURE OF INTERESTS (Continued)

(a) Interests of the Directors (Continued)

Save as disclosed above, as at 31 March 2014, none of the Directors nor chief executive of the Company had interests or short positions in any securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he/she is taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange.

(b) Interests of Substantial Shareholders

As at 31 March 2014, so far as is known to any Director or chief executive of the Company, the following person had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register to be kept by the Company under Section 336 of the SFO:

Interests in the shares and underlying shares of the Company

Name	Capacity	Number of shares held	Number of underlying shares held	Approximate percentage of issued share capital
L&W Holding Limited	Beneficial owner	255,848,600	–	21.84%
Harvest Smart Overseas Limited	Beneficial owner	13,213,712	–	1.13%
Mr. Dizon Basilio	Beneficial owner, interests in a controlled corporation and interests of spouse *(Note 1)*	21,008,712	4,936,500	2.21%

DISCLOSURE OF INTERESTS *(Continued)*

(b) Interests of Substantial Shareholders *(Continued)*

Interests in the shares and underlying shares of the Company (Continued)

Name	Capacity	Number of shares held	Number of underlying shares held	Approximate percentage of issued share capital
Ms. Chow Lai Wah Livia	Beneficial owner, interests in a controlled corporation and interests of spouse *(Note 2)*	309,820,112	4,936,500	26.87%

Notes:

1. Mr. Dizon Basilio ("Mr. Dizon") is beneficially interests in 7,795,000 shares and 4,388,000 share options in the Company. Mr Dizon also has controlling interests 65% and 100% in L&W Holding Limited ("L&W") and Harvest Smart Overseas Limited ("Harvest Smart") respectively. Ms. Chow Lai Wah Livia ("Ms. Chow"), the spouse of Mr. Dizon and the Director of the Company, is beneficially interested in 32,962,800 shares in the Company, therefore, Mr. Dizon is deemed to be interested in 309,820,112 shares in the Company under the SFO.

2. Ms. Chow is beneficially interested in 32,962,800 shares in the Company and 548,500 share options in the Company. She is the spouse of Mr. Dizon and has controlling interests in L&W and Harvest Smart. Accordingly, Ms. Chow is deemed to be interested in 309,820,112 shares in the Company under the SFO.

All interests stated above represent long positions.

Save as disclosed above, as at 31 March 2014, the Directors and the chief executive of the Company were not aware of any person who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register to be kept by the Company under Section 336 of the SFO.

DIRECTORS' INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS

During the year, the Company had carried on a continuing connected transaction, the details of the transactions are disclosed below.

On 29 June 2010, the Group entered into a licensing agreement ("Licensing Agreement") with Mutual Work Media Investment Fund Limited ("Mutual Work"), of which Mr. Chen Man Lung, an Executive Director of the Company, is holding 100% of the interests of Mutual Work. Pursuant to the Licensing Agreement, the Group granted a 3-years right to Mutual work for the production of movies from 29 June 2010. Detail of the transaction was set out in the announcement of the Company dated 29 June 2010, which the right expired on 28 June 2013. The annual cap of the Licensing Agreement is based on the royalty payment and the share of bonus on the global box office result. No royalty income was received during the year.

Save as the above disclosed, no other contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors nor their respective associates had any business which competed or was likely to compete, either directly or indirectly, with the business of the Group at the end of the year or at any time during the year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-Laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor its subsidiaries have repurchased, sold or redeemed any of the listed securities in the Company during the year ended 31 March 2014.

AUDIT COMMITTEE

The audit committee of the Company, with written terms of reference in line with the code provisions set out in the Code on Corporate Governance Practices (the "Code") as stipulated in Appendix 14 to the Listing Rules, currently comprises three independent non-executive Directors, namely Mr. Tsang Wai Wa, Mr. Joseph Lee Chennault and Mr. Lai Qiang. The audit committee of the Company has reviewed with the management the accounting principles and practices adopted by the Group and discussed the internal control and financial reporting matters including the review of the audited financial statements for the year ended 31 March 2014.

CORPORATE GOVERNANCE

A report on the principle corporate governance practices adopted by the Company is set out on pages 31 to 36 of the annual report.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" as set out in Appendix 10 to the Listing Rules as its own code for dealing in securities of the Company by the Directors (the "Model Code"). Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard as set out in the Model Code during the year ended 31 March 2014.

SUFFICIENCY OF PUBLIC FLOAT

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

AUDITOR

The financial statements of the Company for the year ended 31 March 2014 were audited by Deloitte Touche Tohmatsu, who will retire and a resolution to re-appoint Deloitte as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Chu Bong Foo
Chairman

Hong Kong, 27 June 2014

INTRODUCTION

The Group is committed to achieving high standards of corporate governance which is crucial to the development of the Group and safeguard the interests of the Company's shareholders. To accomplish this, the Group has adopted practices which meet the Code as set out in Appendix 14 to the Listing Rules. During the year, the Company has complied with the Code except the following deviations:

Code Provision A.4.1

Under the code provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. The current independent non-executive Directors of the Company are not appointed for a specific term. However, all Directors (including executive, non-executive and independent non-executive directors) of the Company are subject to retirement by rotation at the annual general meeting in accordance with Bye-Law 110(A) and 190(v) of the Bye-Laws of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code.

Code Provision E.1.2

Under the code provision E.1.2, the Chairman of the board should attend the annual general meeting. The Chairman of the board, Mr. Chu Bong Foo, was unable to attend the annual general meeting of the Company held on 12 August 2013 as he was on business trip for other important business engagement. However, an Executive Director, present at the annual general meeting who then took the chair of that meeting in accordance with the Bye-Laws of the Company.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code for dealing in securities of the Company by the Directors. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard as set out in the Model Code during the year ended 31 March 2014.

BOARD OF DIRECTORS

As at the date of this report, the Board comprises the non-executive Chairman, the Vice Chairman, the Managing Director, five executive Directors and four independent non-executive Directors. The Board of Directors is principally accountable to the shareholders and is responsible for the leadership and control of the Group including overseeing the Group's businesses, strategic directions, financial performance, setting objectives and business development plans, and monitoring the performance of the senior management.

The Board of Directors meets regularly throughout the year to formulate overall strategy, monitor business development as well as the financial performance of the Group and has formal procedures on matters for consideration and decision. The Board of Directors has delegated certain authorities to the senior management for the day-to-day management of the Group's operation. The attendance of Directors at the board meetings held during the year is as follows:

Directors	**Attendance/ Number of Meetings**
Non-executive Director	
Mr. Chu Bong Foo *(Chairman)*	14/14
Executive Directors	
Ms. Chow Lai Wah Livia *(Vice Chairman)*	14/14
Dr. Lai Tak Kwong, Andrew *(appointed as Executive Director on 2 April 2014)*	N/A
Mr. Kwan Kin Chung *(Managing Director)*	14/14
Mr. Chung Billy	14/14
Mr. Tang U Fai	14/14
Mr. Tang Kwing Chuen Kenneth	14/14
Mr. Chen Man Lung	14/14
Mr. Wan Xiaolin	14/14
Independent non-executive Directors	
Mr. Tsang Wai Wa	14/14
Mr. Joseph Lee Chennault	14/14
Mr. Lai Qiang	14/14
Ms. Ng Ying	14/14

BOARD OF DIRECTORS (Continued)

The Company has received the annual confirmation of independence from each of the independent non-executive Directors as required under Rule 3.13 of the Listing Rules. The Company considered all independent non-executive Directors to be independent.

AUDIT COMMITTEE

The Company has established an Audit Committee with written terms of reference is aligned with the code provisions set out in the Code.

The Audit Committee meets at least twice a year for reviewing the reporting of annual and interim results and other information to the shareholders, and the effectiveness and objectivity of the audit process. Additional meetings may be held by the Audit Committee from time to time to discuss special projects or other issues which the Audit Committee considers necessary. The external auditors of the Company may request a meeting if they consider that one is necessary. The Audit Committee also provides an important link between the Board and the Company's auditors in matters coming within the scope of its terms of reference and keeps under review the independence and objectivity of the auditors.

Currently, the Audit Committee comprised three independent non-executive Directors. The Audit Committee was chaired by Mr. Tsang Wai Wa.

During the year, the Audit Committee reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the audited financial statements and unaudited interim financial statements.

During the year, the members and attendance of the meetings of the Audit Committee are as follows:

Directors	**Attendance/ Number of Meetings**
Mr. Tsang Wai Wa	2/2
Mr. Joseph Lee Chennault	2/2
Mr. Lai Qiang	2/2

ROLES AND RESPONSIBILITIES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the Chairman and Chief Executive Officer ("CEO") are segregated and performed by different persons. The Chairman is primarily responsible for the management of the Board, while the CEO is primarily for the daily operation of the Group in accordance with the goals set up by the Board. The CEO is also supported by other executive Directors and senior management.

TERMS OF NON-EXECUTIVE DIRECTORS

Under the code provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. The current independent non-executive Directors of the Company are not appointed for a specific term. However, all Directors (including executive, non-executive and independent non-executive directors) of the Company are subject to retirement by rotation at the annual general meeting in accordance with Bye-Law 110(A) and 190(v) of the Bye-Laws of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code.

REMUNERATION COMMITTEE

The Remuneration Committee of the Group has been established in November 2005 with written terms of reference in line with the Code. The Remuneration Committee will meet as and when necessary or as requested by any Committee member to consider and recommend to the Board the Group's remuneration policy and structure and to review and determine the remuneration packages of the executive Directors and senior management. The Directors are remunerated with reference to their respective duties and responsibility with the Company, the Company's performance and current market situation.

Currently, the Remuneration Committee comprised two independent non-executive Directors and one executive Director. The Remuneration Committee was chaired by Mr. Tsang Wai Wa.

Details of emoluments of the Directors from the Group for the year are as disclosed in note 17 to the consolidated financial statements.

NOMINATION COMMITTEE

According to the Bye-laws of the Company, the Company established a Nomination Committee on 26 March 2012 with written terms of reference, to formulate nomination policy for the Board's consideration and implement the Board's approved nomination policy. The Board of Directors has the power from time to time to appoint any person as a director either to fill a casual vacancy or as an addition to the Board of Directors. The nomination shall be taken in consideration of the nominee's qualification, ability and potential contribution to the Company.

NOMINATION COMMITTEE (Continued)

According to the written terms of reference, the Nomination Committee shall consists of three Directors, a majority of whom shall be independent non-executive Directors appointed by the Board of Directors from time to time. Currently, the Nomination Committee comprises Ms. Chow Lai Wah Livia, and two independent non-executive Directors, namely Mr. Tsang Wai Wa and Mr. Lai Qiang.

CORPORATE GOVERNANCE COMMITTEE

According to the Bye-laws of the Company, the Company established a Corporate Governance Committee (the "CGC") on 26 April 2010 with written terms of reference. The CGC obligates to advise upon any transaction of the Company which the Board is proposed to enter or transact for and on behalf of the Company, and give a collective opinion to the Board as to the propriety, feasibility and prudence of entering into such transactions.

According to the written terms of reference, the CGC comprised of 4 members. Currently, the CGC was chaired by Mr. Chen Yen Lung ("Mr. Chen"). Mr. Chen participates in international financial investment over 22 years and has a strong and long-term business relationships with a number of international financial institutions.

ACCOUNTABILITY AND AUDIT

Directors' Responsibilities for the Financial Statements

The Directors are responsible for the preparation of the financial statements for each financial period which give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the financial statements for the year ended 31 March 2014, the Directors have selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the financial statements on a going concern basis. The Directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group, for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor's Responsibilities and Remuneration

During the year, the audit fee for the Group amounted to approximately HK$1,550,000.

The statement of the auditor of the Company regarding their reporting responsibilities is set out in the Independent auditor's Report on pages 37 and 38.

Internal Control

During the year, the Company has adopted and reviewed the effectiveness of the Group's internal control which includes financial, operational and compliance controls and risk management functions for safeguarding the interests of the shareholders of the Company.

SHAREHOLDERS' RIGHTS

The Company is aware of its responsibility to look after the interests of its Shareholders.

Pursuant to the Company's Bye-laws 70 and section 74 of Bermuda Companies Act 1981(as amended) (the"Act"), the Board, on the requisition of Shareholders of the Company holding not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, can convene a special general meeting ("SGM") to address specific issues of the Company within 21 days from the date of deposit of written notice to the registered office of the Company. If the Board fails to proceed to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

The written requisition must state the purposes of the meeting together with proposals to be put forward at such meeting, signed by the Shareholder(s) concerned and may consist of several documents in like form, each signed by one or more of those Shareholders. Besides, the written requisition must be valid in pursuant to section 79 and 80 of the Act. The requisition will be verified with the Company's share registrars and upon their confirmation that the requisition is proper and in order, the Company Secretary will ask the Board of the Company to convene the SGM after the deposit of such requisition by serving sufficient notice in accordance with the statutory requirements to all the registered Shareholders. Shareholders are encouraged by the Company to attend the Company's general meeting.

Shareholders are provided with contact details of the Company, such as telephone number, fax number, postal address and the Company's website address in order to enable them to make any query that they may have with respect to the Company. Shareholders may make enquiries to the Board by writing to the Company at the Company's head office in Hong Kong at Suite 1102, 11th Floor, Chinachem Tower, 34-37 Connaught Road Central, Hong Kong. In addition, Shareholders can contact the share registrar of the Company, if they have any enquires about their shareholding issues.

All resolutions put forward at shareholder meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Stock Exchange and the Company after each shareholder meeting.

INVESTORS RELATIONS

The Board gives high priority to balanced, clear and transparent communications which allow shareholders and investors to understand the Group's prospects and the market environment in which it operates. The Company engages with Shareholders and other investors through various channels of communication to help ensure that their views and concerns are understood and addressed in a constructive way.

The Company's constitutional documents have been posted on the Company's website at www.culturecom.com.hk. During the year, there had been no significant change in the Company's constitutional documents.

Deloitte.
德勤

TO THE SHAREHOLDERS OF CULTURECOM HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Culturecom Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 39 to 144, which comprise the consolidated and company statements of financial position as at 31 March 2014, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

Auditor's Responsibility (Continued)

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2014, and of the Group's loss and cash flows for the year then ended in accordance with HKFRSs and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
27 June 2014

for the year ended 31 March 2014

	NOTES	2014 HK$'000	2013 HK$'000
Continuing operations			
Revenue	7	**31,216**	26,813
Cost of sales		**(23,572)**	(14,258)
Gross profit		**7,644**	12,555
Other income and other gain and loss	8	**(12,752)**	(5,793)
Administrative expenses		**(82,449)**	(56,535)
Other advertising and promotion expenses		**(23,377)**	(16,915)
Amortisation of intangible assets	21	**(2,874)**	–
Impairment loss on loans to an associate	19	**(26,801)**	–
Loss on fair value change of held for trading investments		**(2,680)**	(15,658)
Share of losses of associates	19	**(5,417)**	(1,816)
Share of loss of a joint venture	19	**(1)**	–
Impairment on available-for-sale financial assets	22	**–**	(15,000)
Cost incurred to develop online business	10	**(29,899)**	(118,877)
Finance costs	11	**–**	(9)
Loss before tax	12	**(178,606)**	(218,048)
Income tax credit (expense)	13	**10**	(672)
Loss for the year from continuing operations		**(178,596)**	(218,720)
Discontinued operations			
Gain (loss) for the year from discontinued operations	14	**21,276**	(79,276)
Loss for the year		**(157,320)**	(297,996)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange gain on translation of financial statements of foreign operations		**4,732**	5,080
Other comprehensive income for the year		**4,732**	5,080
Total comprehensive expense for the year		**(152,588)**	(292,916)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2014

	NOTE	2014 HK$'000	2013 HK$'000
Loss for the year attributable to:			
Owners of the Company			
– Loss for the year from continuing operations		**(172,692)**	(213,556)
– Profit (loss) for the year from discontinued operations		**25,463**	(84,073)
		(147,229)	(297,629)
Non-controlling interests			
– Loss for the year from continuing operations		**(5,904)**	(5,164)
– (Loss) profit for the year from discontinued operations		**(4,187)**	4,797
		(10,091)	(367)
		(157,320)	(297,996)
Total comprehensive expense attributable to:			
Owners of the Company		**(142,840)**	(291,192)
Non-controlling interests		**(9,748)**	(1,724)
		(152,588)	(292,916)
Loss per share	16		
From continuing and discontinued operations			
Basic (HK cents)		**(12.6)**	(28.3)
Diluted (HK cents)		**(12.6)**	(28.3)
From continuing operations			
Basic (HK cents)		**(14.8)**	(20.3)
Diluted (HK cents)		**(14.8)**	(20.3)

at 31 March 2014

	NOTES	**2014** **HK$'000**	2013 HK$'000
Non-current assets			
Property, plant and equipment	18	**15,854**	12,512
Interests in associates	19	**10,611**	13,028
Interest in a joint venture	19	**–**	–
Intangible assets	21	**2,905**	1,385
Deferred tax asset	33	**2,318**	2,178
Loan to an associate	19	**4,450**	24,823
Goodwill	20 & 34	**2,796**	–
Available-for-sale financial assets	22	**–**	–
		38,934	53,926
Current assets			
Inventories	23	**51,365**	36,757
Trade receivables	24	**2,932**	6,120
Other receivables, deposits and prepayments	25	**66,802**	29,148
Amounts due from associates	19	**48**	41
Tax recoverables		**61**	–
Held for trading investments	26	**19,267**	29,710
Bank balances and cash	27	**182,802**	300,461
		323,277	402,237
Assets classified as held for sale	14	**–**	130,554
		323,277	532,791
Current liabilities			
Trade payables	28	**361**	2,380
Other payables and accrued charges	28	**33,601**	31,053
Tax payable		**130**	–
Obligations under finance leases			
– due within one year	29	**–**	7
		34,092	33,440

at 31 March 2014

	NOTES	2014 HK$'000	2013 HK$'000
Liabilities associated with assets classified as held for sale	14	**–**	25,625
		34,092	59,065
Net current assets		**289,185**	473,726
Total assets less current liabilities		**328,119**	527,652
Net assets		**328,119**	527,652
Capital and reserves			
Share capital	30	**11,716**	10,928
Reserves		**329,589**	479,198
Equity attributable to owners of the Company		**341,305**	490,126
Non-controlling interests		**(13,186)**	37,526
Total equity		**328,119**	527,652

The consolidated financial statements on pages 39 to 144 were approved and authorised for issue by the board of directors on 27 June 2014 and are signed on its behalf by:

Chu Bong Foo
Director

Kwan Kin Chung
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2014

	Attributable to owners of the Company										
	Share capital HK$'000	Share premium HK$'000	Contribution surplus HK$'000 (Note a)	Warrant reserve HK$'000 (Note b)	Capital redemption reserve HK$'000	Translation reserve HK$'000	Share option reserve HK$'000	Accumulated losses HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2012	10,396	1,730,979	171,671	25,580	446	25,674	63,619	(1,269,429)	758,936	-	758,936
Loss for the year	-	-	-	-	-	-	-	(297,629)	(297,629)	(367)	(297,996)
Other comprehensive income											
Exchange gain on translation of financial statements of foreign operations	-	-	-	-	-	6,437	-	-	6,437	(1,357)	5,080
Total comprehensive expense for the year	-	-	-	-	-	6,437	-	(297,629)	(291,192)	(1,724)	(292,916)
Issue of warrants (note 31)	-	-	-	7,679	-	-	-	-	7,679	-	7,679
Exercise of warrants	532	14,358	-	-	-	-	-	-	14,890	-	14,890
Expenses incurred on warrants issue	-	-	-	(187)	-	-	-	-	(187)	-	(187)
Transfer from warrant reserve to share premium due to exercise of warrants	-	10,243	-	(10,243)	-	-	-	-	-	-	-
Disposal of partial interest in a subsidiary (Note c)	-	-	-	-	-	-	-	-	-	39,250	39,250
At 31 March 2013	**10,928**	**1,755,580**	**171,671**	**22,829**	**446**	**32,111**	**63,619**	**(1,567,058)**	**490,126**	**37,526**	**527,652**
Loss for the year	-	-	-	-	-	-	-	(147,229)	(147,229)	(10,091)	(157,320)
Other comprehensive income											
Exchange gain on translation of financial statements of foreign operations	-	-	-	-	-	4,389	-	-	4,389	343	4,732
Total comprehensive expense for the year	-	-	-	-	-	4,389	-	(147,229)	(142,840)	(9,748)	(152,588)
Recognition of share-based payment expenses in respect of share options	-	-	-	-	-	-	4,505	-	4,505	-	4,505
Exercise of warrants (note 31)	788	36,473	-	(15,186)	-	-	-	-	22,075	-	22,075
Lapse of warrants	-	-	-	(151)	-	-	-	151	-	-	-
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	400	400
Release upon disposal of a subsidiary (Note c)	-	-	-	-	-	(32,561)	-	-	(32,561)	(41,364)	(73,925)
At 31 March 2014	**11,716**	**1,792,053**	**171,671**	**7,492**	**446**	**3,939**	**68,124**	**(1,714,136)**	**341,305**	**(13,186)**	**328,119**

Notes:

(a) Contribution surplus represents the difference between the nominal value of the share capital of the acquired subsidiaries and the nominal amount of the Company's share capital issued as consideration for the acquisition as at the date of the group reorganisation in prior years.

(b) Warrant reserve arises from the issue of warrants less the expenses incurred on warrants issue. Upon exercise of warrant, warrant reserve would be transferred to share premium. (note 31).

(c) Disposal of partial interest in a subsidiary represents the disposal of 40% interest in Raise Beauty Investments Limited, (former wholly owned subsidiary of the Group), on 6 February 2013. The consideration of HK$39,250,000 is recognised as non-controlling interest as of 31 March 2013. The disposal of remaining 60% equity interest was completed on 22 October 2013. Upon completion of the disposal, Raise Beauty Investment Limited ceased to be a subsidiary of the Group. The translation reserve of the subsidiary is being reclassified from equity to profit or loss upon loss of control of the subsidiary (note 14).

for the year ended 31 March 2014

	NOTE	2014 HK$'000	2013 HK$'000
OPERATING ACTIVITIES			
Loss for the year		**(157,320)**	(297,996)
Adjustments for:			
Income tax credit		**(1,120)**	(14,494)
Finance cost		**-**	9
Interest income		**(670)**	(1,429)
Share of losses of associates		**5,417**	1,816
Share of loss of a joint venture		**1**	–
Share-based payment expenses		**4,505**	–
Amortisation of intangible assets		**2,874**	9,689
Allowance for inventories		**11,833**	–
Depreciation of property, plant and equipment		**4,162**	7,291
Impairment loss on property, plant and equipment		**2,249**	25,926
Impairment loss on intangible asset		**5,550**	51,054
Impairment loss on prepayment		**-**	7,450
Impairment loss on available-for-sale financial assets		**-**	15,000
Impairment loss on loans to an associate		**26,801**	–
Impairment loss on interests in associates		**-**	160
Impairment losses on other receivables and deposit		**14,197**	623
Recovery of impairment loss on trade receivables		**-**	(235)
Recovery of impairment loss on other receivables		**(189)**	–
Loss on fair value change of held for trading investments		**2,680**	15,658
Loss on disposal of property, plant and equipment		**53**	–
Gain on disposal of a subsidiary	14	**(31,744)**	–
Operating cash flows before movements in working capital		**(110,721)**	(179,478)
Increase in inventories		**(25,997)**	(1,730)
Decrease (increase) in trade receivables		**3,317**	(3,147)
(Increase) decrease in other receivables, deposits and prepayments		**(25,550)**	7,235
(Decrease) increase in trade payables		**(2,779)**	191
Increase in other payables and accrued charges		**1,825**	7,976
Decrease in held for trading investments		**7,763**	5,543
Net cash used in operations		**(152,142)**	(163,410)
Interest paid		**-**	(9)
NET CASH USED IN OPERATING ACTIVITIES		**(152,142)**	(163,419)

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2014

	NOTES	2014 HK$'000	2013 HK$'000
INVESTING ACTIVITIES			
Interest received		**523**	1,429
Purchases of property, plant and equipment		**(7,640)**	(10,360)
Acquisition of a subsidiary	34	**(1,576)**	–
Repayment from associates		**37**	26
Investment in associates/a joint venture		**(3,001)**	–
Loans to an associate		**(6,325)**	(24,823)
Development costs paid		**(4,394)**	–
Deposit paid for the acquisition transaction	41	**(26,112)**	–
Repayment of amount due from a subsidiary upon disposal	14	**47,994**	–
Proceeds on disposal of interest in a subsidiary	14	**10,168**	–
NET CASH FROM (USED IN) INVESTING ACTIVITIES		**9,674**	(33,728)
FINANCING ACTIVITIES			
Proceeds from issue of warrants		**-**	7,679
Proceeds from exercise of warrants issued		**22,075**	14,890
Proceeds from disposal of partial interest in a subsidiary without losing control		**-**	39,250
Repayments of obligations under finance leases		**(7)**	(43)
Expenses paid on warrants issue		**-**	(187)
NET CASH FROM FINANCING ACTIVITIES		**22,068**	61,589
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(120,400)**	(135,558)
CASH AND CASH EQUIVALENTS AT 1 APRIL		**300,461**	434,531
Effect of foreign exchange rate changes		**2,741**	2,477
CASH AND CASH EQUIVALENTS AT 31 MARCH		**182,802**	301,450
Represented by:			
Bank balances and deposits with financial institutions		**182,802**	300,461
Cash and cash equivalent classified as assets held for sale		**-**	989
		182,802	301,450

1. GENERAL INFORMATION

Culturecom Holdings Limited (the "Company") is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office is Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda and its principal place of business is Suite 1102, 11th Floor, Chinachem Tower, 34-37 Connaught Road Central, Hong Kong.

The Company is an investment holding company. The principal activities of its principal subsidiaries are set out in note 39. The Group's principal places of the business are in Hong Kong, the People's Republic of China (the "PRC") and Macau.

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

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

Application of new and revised HKFRSs

The Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 – 2011 Cycle
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine

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

Except as described below, the application of the new and revised 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 disclosure set out in these consolidated financial statements.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising HKFRS 10 *Consolidated Financial Statements*, HKFRS 11 *Joint Arrangements*, HKFRS 12 *Disclosure of Interests in Other Entities*, HKAS 27 (as revised in 2011) *Separate Financial Statements* and HKAS 28 (as revised in 2011) *Investments in Associates and Joint Ventures*, together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding transitional guidance. HKAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The impact of the application of HKFRS 10 and HKFRS 12 is set out below.

Impact of the application of HKFRS 10

HKFRS 10 replaces the parts of HKAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements and HK(SIC) Int-12 *Consolidation – Special Purpose Entities*. HKFRS 10 changes the definition of control such that an investor has control over an investee when (a) it has power over the investee, (b) it is exposed, or has rights, to variable returns from its involvement with the investee and (c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

The Directors made an assessment as at the date of initial application of HKFRS 10 (i.e. 1 April 2013) over the Group's investees in accordance with the requirements of HKFRS 10. The Directors concluded the application of HKFRS 10 in the current year has had no material effect on the amounts reported in these consolidated financial statements.

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

Impact of the application of HKFRS 12

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements (please see notes 19 and 39 for details).

HKFRS 13 Fair Value Measurement

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are within the scope of HKAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application. In accordance with the transitional provisions of HKFRS 13, the Group has not made any new disclosures required by HKFRS 13 for the 2013 comparative period (please see note 6 for the 2014 disclosures). Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

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

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The Group has applied the amendments to HKAS 1 *Presentation of Items of Other Comprehensive Income*. Upon the adoption of the amendments to HKAS 1, the Group's statement of comprehensive income is renamed as the statement of profit or loss and other comprehensive income. Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

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

New and revised HKFRSs issued but not yet effective

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[1]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[6]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[6]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[2]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010 – 2012 Cycle[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 – 2013 Cycle[2]
HKFRS 9	Financial Instruments[3]
HKFRS 14	Regulatory Deferral Accounts[5]
HK(IFRIC) – Int 21	Levies[1]

[1] Effective for annual periods beginning on or after 1 January 2014
[2] Effective for annual periods beginning on or after 1 July 2014
[3] Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised
[4] Effective for annual periods beginning on or after 1 July 2014, with limited exceptions
[5] Effective for first annual HKFRS financial statements beginning on or after 1 January 2016
[6] Effective for annual periods beginning on or after 1 January 2016

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

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for hedge accounting.

Key requirements of HKFRS 9 are described as follows:

- 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. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting 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.

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

HKFRS 9 Financial Instruments (Continued)

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 retrospective quantitative effectiveness test has been removed. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Based on the Group's financial assets and financial liabilities as at 31 March 2014, the Directors do not anticipate that the adoption of HKFRS 9 will have a significant impact on the amounts reported in respect of the Group's financial assets and financial liabilities.

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities

The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The directors of the Company do not anticipate that the application of these amendments to HKAS 32 will have a significant impact on the Group's consolidated financial statements as the Group does not have any financial assets and financial liabilities that qualify for offset.

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

Amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements regarding the fair value hierarchy, key assumptions and valuation techniques used when the recoverable amount of an asset or CGU was determined based on its fair value less costs of disposal.

The directors of the Company do not anticipate that the application of these amendments to HKAS 36 will have a significant impact on the Group's consolidated financial statements.

HK(IFRIC) – Int 21 Levies

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

The Directors do not anticipate that the application of HK(IFRIC) – Int 21 will have a significant impact on the Group's consolidated financial statements.

The Directors anticipate that the application of other new and revised standards, amendments or interpretation will have no material impact on the results and the financial position of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the disclosure requirements of the Hong Kong Companies Ordinance.

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

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 the 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 affects its returns.

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

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

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and expense of a subsidiary 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.

Changes in the Group's ownership interests in existing subsidiaries

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

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss 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 combinations

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations (Continued)

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 re-assessment, 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 their fair value or, when applicable, on the basis specified in another standard.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

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 indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. 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 on a pro rata basis 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 amount of profit or loss on disposal.

Interests in subsidiaries

Interests in subsidiaries are included in the Company's statement of financial position at cost less any identified impairment loss. Results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivable during the year.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates and joint ventures (Continued)

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate or a joint venture of the Group (such as a sale or contribution of assets), profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements to the extent of interests in the associate or joint venture that are not related to the Group.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. The directors of the Company must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts and sales related taxes.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Service incomes are recognised when services are provided.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

Leasing

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

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see the accounting policy below).

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

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

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss. In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 April 2005 are treated as assets and liabilities of that foreign operation and retranslated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in equity under the heading of translation reserve.

Retirement benefit costs

Payments to defined contribution retirement benefit plans/the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

Taxation

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

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

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

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

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

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses/revalued amounts, being their fair value at the date of the revaluation less subsequent accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses on tangible and intangible assets below).

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

Research and development expenditure incurred to develop online business

Expenditure on research activities in planning stage is recognised as an expense in the period in which it is incurred.

An internally-generated intangible assets arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all the followings have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible assets (Continued)

Research and development expenditure incurred to develop online business (Continued)

- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Application and infrastructure development stage, graphical design stage and content development stage of a website development are similar in nature to the development phase of an intangible asset. Expenditure incurred in these stages is recognised as an expense when incurred, unless the expenditure is incurred for purchasing or developing hardware which is capitalised as property, plant and equipment or directly attributed to preparing the web site of the online platform in the manner intended by the directors of the Company and meet all the recognition criteria of internally-generated intangible assets listed above.

Expenditure incurred in the content development stage to the extent that content is developed to advertise and promote the Group's own products and services is recognised as an expense when incurred (e.g. when the advertising services are received).

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above.

Subsequent to initial recognition, internally-generated intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets acquired separately.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

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

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

Financial assets

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

Effective interest method

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

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL, of which interest income is excluded in net gains or losses.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at fair value through profit or loss

Financial assets at FVTPL has two subcategories, including financial assets held for trading and those designated as at FVTPL on initial recognition.

A financial asset is classified as held for trading if:

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

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets and is included in the 'loss on fair value change of held for trading investments' line item in the consolidated statement of profit or loss and other comprehensive income. Fair value is determined in the manner described in note 26.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including loans to an associate, trade receivables, other receivables, amounts due from associates and bank balance and cash) are measured at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at FVTPL, loans and receivables or held-to-maturity investments. The Group designated the investments in unlisted shares as available-for-sale financial assets on initial recognition.

Available-for-sale financial assets equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period (see the accounting policy in respect of impairment loss on financial assets below).

Dividends on available-for-sale financial assets equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

Impairment of financial assets

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period of 0 to 90 days for receivables of publishing and retailing and wholesales business and 180 to 360 days for crude oil exploration services business, observable changes in national or local economic conditions that correlate with default on receivables.

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments

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

Equity instruments

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

Effective interest method

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

Interest expense is recognised on an effective interest basis.

Other financial liabilities

Other financial liabilities including, trade payables and other payables are subsequently measured at amortised cost, using the effective interest method.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Derecognition (Continued)

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

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees and others providing similar services

The fair value of services received determined by reference to the fair value of share options granted at the date of grant is recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in equity (share options reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payment transactions (Continued)

Equity-settled share-based payment transactions (Continued)

Share options granted to employees on or before 7 November 2002, or granted after 7 November 2002 and vested before 1 January 2005

The financial impact of share options granted is not recorded in the consolidated financial statements until such time as the options are exercised, and no charge is recognised in profit or loss in respect of the value of options granted. Upon the exercise of the share options, the resulting shares issued are recorded as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded as share premium. Options which lapse or are cancelled prior to their exercise date are deleted from the register of outstanding options.

Share options granted to suppliers/consultants

Share options issued in exchange for goods or services are measured at the fair values of the goods or services received, unless that fair value cannot be reliably measured, in which case the goods or services received are measured by reference to the fair value of the share options granted. The fair values of the goods or services received are recognised as expenses, with a corresponding increase in equity (share options reserve), when the Group obtains the goods or when the counterparties render services, unless the goods or services qualify for recognition as assets.

Impairment losses on tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill above)

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment losses on tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill above) (Continued)

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

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

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

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

Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives and impairment on property, plant and equipment

The Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. The directors of the Company will increase the depreciation charge where useful lives are expected to be shorter than previously estimated, or it will write-off or write-down obsolete or non-strategic assets that have been abandoned or sold.

In determining whether certain property, plant and equipment is impaired requires an estimation of the value in use of those property, plant and equipment. The value in use calculation requires the Group to estimate the future cash flows expected to arise from those property, plant and equipment and a suitable discount rate in order to calculate the present value. During the years ended 31 March 2014 and 2013, no impairment losses on property, plant and equipment of continuing operations is recognised in profit or loss. Where the actual future cash flows are less than expected due to unfavourable changes in the major assumption adopted in the Group's estimation, such as market demand, utilisation rate of the Group's production plants and unit production cost, a greater impairment loss may arise.

As at 31 March 2014, the carrying amount of property, plant and equipment is HK$15,854,000 (2013: HK$12,512,000).

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Allowance for inventories

As at 31 March 2014, the carrying amount of the Group's inventories was HK$51,365,000, net of allowance of HK$11,833,000 (2013: HK$36,757,000, net of allowance of HK$ nil). At the end of the reporting period, the Group reviews an aging analysis of inventories and carries out an inventory review on a product-by-product basis. The Group makes allowance for obsolete and slow-moving inventory items identified that are less than the net realisable value. The Group estimates the net realisable value for finished goods based primarily on the latest invoice prices and current market conditions. The amount of allowance would be changed as a result of changes in current market conditions and technology subsequently.

Estimated impairment on trade and other receivables, loans to an associate and amounts due from associates

Where there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 March 2014, the carrying amount of trade receivables is HK$2,932,000 (2013: HK$6,120,000), net of allowance for doubtful debts of HK$385,000 (2013: HK$385,000). The carrying amount of other receivables is HK$4,535,000 (2013: HK$11,711,000), net of impairment loss of HK$9,197,000 (2013: HK$623,000).

Additionally, as at 31 March 2014, the carrying amount of loans to an associate and amounts due from associates are HK$4,450,000 and HK$48,000 (2013: HK$24,823,000 and HK$41,000) respectively, net of impairment loss on loans to an associate of HK$26,801,000 (2013: HK$ nil). There is no impairment loss on amounts due from associates for the years ended 31 March 2014 and 2013.

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior years. The capital structure of the Group consists of obligations under finance lease disclosed in note 29, and equity attributable to owners of the Company, comprising share capital, share premium and reserves.

The directors of the Company review the capital structure on a semi-annual basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

6. FINANCIAL INSTRUMENTS

6a. Categories of financial instruments

	2014 HK$'000	2013 HK$'000
Financial assets		
Loans and receivables (including cash and cash equivalents)	196,320	343,156
Held for trading investments	19,267	29,710
Financial liabilities		
Liabilities at amortised cost	17,822	8,264

6. FINANCIAL INSTRUMENTS (Continued)

6b. Financial risk management objectives and policies

The Group's major financial instruments include loan to an associate, trade receivables, other receivables, amounts due from associates, held for trading investments, bank balances and cash and trade and other payables. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The directors of the Company manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

There has been no significant change to the Group's exposure to market risks or the manner in which it manages and measures the risks.

Currency risk

Several subsidiaries of the Group have foreign currency revenues and expenses giving rise to investments, receivables, payables and bank balances which expose the Group to foreign currency risk. They are mainly denominated in United States dollars ("USD"), Australian dollars ("AUD"), Euro ("EUR"), Macau Pataca ("MOP") and Renminbi ("RMB"). As HK$ is pegged to USD and MOP, the Group does not expect any significant movements in the USD/HK$ and MOP/HK$ exchange rates. The Group is mainly exposed to foreign exchange risk arising from transactions that are denominated in AUD, EUR and RMB. The directors of the Company monitor foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

6. FINANCIAL INSTRUMENTS (Continued)

6b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

Currency risk (Continued)

The carrying amounts of the Group's foreign currency denominated monetary assets (including loan to an associate, other receivables, bank balances and cash) and monetary liabilities (including other payables) at the reporting date are as follows:

	Assets		**Liabilities**	
	2014	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000
AUD	**1,057**	1,871	**–**	–
RMB	**41,264**	52,221	**13,939**	1,350
EUR	**26**	3,821	**–**	–

Sensitivity analysis

The Group is mainly exposed to the AUD, RMB and EUR. The Group does not have significant foreign currency exposure in relation to monetary items that are denominated in USD and MOP as HK$ is pegged to USD and MOP. The following table details the Group's sensitivity to a 5% (2013: 5%) increase and decrease in the entity's respective functional currency against its relevant foreign currencies. 5% (2013: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents the directors of the Company's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% (2013: 5%) change in foreign currency rates. A negative number below indicates an increase in loss for the year where HK$ strengthen against the relevant currency. For a 5% (2013: 5%) weakening of HK$ against the relevant currency, there would be an equal and opposite impact on the loss for the year, and the balances negative below would be positive.

6. FINANCIAL INSTRUMENTS (Continued)

6b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

Sensitivity analysis (Continued)

	AUD Impact		RMB Impact		EUR Impact	
	2014	2013	**2014**	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Loss after tax	**(44)**	(78)	**(1,141)**	(2,124)	**(1)**	(160)

In directors of the Company's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing bank balances and fair value interest rate risk in relation to fixed-rate loan to an associate. The directors of the Company have considered the Group's exposure to cash flow interest rate risk in relation to variable-rate bank balances (note 27) to be limited because the current market interest rates on general deposits are relatively low and stable.

Other price risk

The Group is exposed to equity price risk through its investment in listed equity securities which are classified as held for trading investments. The directors manage this exposure by maintaining a portfolio of investments with different risk and return profiles and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risk at the reporting date.

If the equity prices had been 15% higher/lower (2013: 15%), post-tax loss (2013: post-tax loss) for the year ended 31 March 2014 would decrease/increase (2013: decrease/increase) by HK$2,413,000 (2013: HK$3,721,000). This is mainly due to the changes in fair value of the held for trading investments.

6. FINANCIAL INSTRUMENTS (Continued)

6b. Financial risk management objectives and policies (Continued)

Credit risk

As at 31 March 2014, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the Group's consolidated statement of financial position.

In order to minimise the credit risk, the Group reviews the recoverable amount of each individual trade debt periodically to ensure that adequate impairment losses are made for irrecoverable amounts. Each major operating business has a policy of credit control in place under which credit evaluations of customers are performed on all customers requiring credit.

The directors of the Company of the Group also have monitoring procedures to ensure the follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of its financial assets including trade and other receivables at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Credit risk on bank balances is limited because the counterparties are reputable banks in the Hong Kong, Macau and the People of Republic of China.

The Group has concentration of credit risk on the loans to an associate with HK$24,823,000 due in April 2015 and HK$6,428,000 due within 12 months after the end of reporting period. In order to minimise the credit risk, the Group reviews the financial statements of the associate on a regular basis to ensure that adequate impairment losses are made for irrecoverable amounts. As at 31 March 2014, the directors of the Company determined that the recoverability is remote, impairment loss of HK$26,801,000 on loans to an associate is recognised.

6. FINANCIAL INSTRUMENTS (Continued)

6b. Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The Group has concentration of credit risk as 52% of the total trade receivables was due from one customer from publishing segment with credit terms of 30 days (2013: 70% due from one customer from publishing segment). 60% of the total trade receivables was due from the Group's top three customers within the retailing and wholesales and publishing segments with credit terms of 30 to 90 days (2013: 93% within publishing and crude oil exploration service business segments). These customers have good credit and repayment history and settled the amount within credit period. In order to minimise the credit risk, the directors of the Company continuously monitor the level of exposure to ensure that follow-up actions and/or corrective actions are taken promptly to lower the risk exposure or to recover overdue balances.

Liquidity risk

In the management of the liquidity risk, the Group monitor and maintain a level of cash and cash equivalents by the directors of the Company to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

As at 31 March 2014, the Group had net current assets of HK$289,185,000 (2013: HK$473,726,000) and bank balances and cash of HK$182,802,000 (2013: HK$300,461,000). The directors of the Company considered the liquidity risk is minimal.

The directors of the Company regularly monitor current and expected liquidity requirements to ensure it maintains sufficient reserves of cash and bank balances and adequate funding from its shareholders to meet with its liquidity requirements.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment term. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate as at the end of the reporting period.

6. FINANCIAL INSTRUMENTS (Continued)

6b. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity table

	Weighted average interest rate %	Repayable on demand HK$'000	Within one year HK$'000	Total undiscounted cash flows HK$'000	Carrying amount HK$'000
2014					
Non-derivative financial liabilities					
Trade and other payables	**-**	**661**	**17,161**	**17,822**	**17,822**

	Weighted average interest rate %	Repayable on demand HK$'000	Within one year HK$'000	Total undiscounted cash flows HK$'000	Carrying amount HK$'000
2013					
Non-derivative financial liabilities					
Trade and other payables	-	661	7,603	8,264	8,264

6. FINANCIAL INSTRUMENTS (Continued)

6c. Fair value measurements of financial instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

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

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

Financial assets/ financial (liabilities)	Fair value as at 31 March 2014	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of unobservable inputs to fair value
1) Listed equity securities classified as equity investments designated as held for trading investment in the consolidated statement of financial position	Assets – HK$19,267,000	Level 1	Quoted bid prices in an active market	N/A	N/A

Fair value of the Group's financial assets that are not measured at fair value on a recurring basis

The Directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair value which is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

7. REVENUE

Revenue on continuing operations, which is also the Group's turnover, represents the net amount received and receivable for goods sold by the Group, less returns, trade discounts and allowances, and is analysed as follows:

	2014 HK$'000	2013 HK$'000
Revenue on continuing operations		
Publishing	**11,080**	17,324
Retailing and wholesales	**12,984**	8,968
Chinese information infrastructure and online social music gaming platform	**4,324**	–
Catering	**2,828**	521
	31,216	26,813

8. OTHER INCOME AND OTHER GAIN AND LOSS

	2014 HK$'000	2013 HK$'000
Continuing operations		
Impairment loss on interests in associates (note 19)	**–**	(160)
Impairment losses on other receivables and deposit (Note i and ii)	**(14,197)**	(623)
Recovery of impairment loss on trade receivables	**–**	235
Interest income	**670**	1,429
Dividend received from listed equity securities	**115**	103
Net foreign exchange loss	**(574)**	(261)
Impairment loss on prepayments (Note iii)	**–**	(7,450)
Loss on disposal of property, plant and equipment	**(53)**	–
Sundry income	**1,287**	934
	(12,752)	(5,793)

8. OTHER INCOME AND OTHER GAIN AND LOSS/OTHER EXPENSES (Continued)

Note:

(i) During the year ended 31 March 2014, impairment losses of HK$8,144,000 on other receivables had been recognised in profit or loss. The directors of the Company determined that the recoverability of these receivables is remote since the amount was long outstanding for more than one year and hence full impairment loss had been recognised.

(ii) During the year ended 31 March 2014, an impairment loss of HK$5,000,000 on deposit paid for a proposed acquisition transaction amounting to HK$5,000,000 to an independent third party has been recognised in profit or loss. The directors of the Company determined that the recoverability is remote and hence full impairment loss had been recognised as at 31 March 2014.

(iii) During the year ended 31 March 2013, an impairment loss on prepayments has been recognised in profit or loss mainly related to the prepayment for services of TV drama projects and games production projects. No progress had been noted and the projects were subsequently terminated during the year ended 31 March 2014. The directors of the Company determined that the recoverability is remote and hence full impairment loss had been recognised.

9. SEGMENT INFORMATION

Information reported to the executive directors, being the Group's chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. This is also the basis upon which the Group is organised and specifically focuses on the Group's operating divisions. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments from continuing operations under HKFRS 8 *Operating Segments* are as follows:

Continuing operations

- Publishing: publication of comic books and royalty income from licensing comic books.

- Chinese information infrastructure and online social music gaming platform: provision of server management, data warehousing services, provision of online social music gaming and online shopping via an online platform and operation of cinema (Note b).

- Retailing and wholesales: retailing of red wine and mobile phones in Hong Kong and Macau and wholesales of insulation materials in Japan.

- Catering: catering services in Macau

No material changes in the composition of the Group's reportable and operating segments for the year ended 31 March 2014.

9. SEGMENT INFORMATION (CONTINUED)

Discontinued operations

- Crude oil exploration services: crude oil exploration services in the People's Republic of China (the "PRC") (Note c).

Notes:

(a) All transactions between different operating segments are charged at prevailing market rates.

(b) Target customers are mainly in the PRC, Hong Kong and Taiwan for this segment. The operation of this segment has started during the year ended 31 March 2014.

(c) On 6 February 2013, the Group has entered into a sales and purchase agreement to dispose of 100% equity interest in Raise Beauty Investments Limited and its subsidiaries to an independent third party. In accordance with HKFRS 5, the Group's business of crude oil exploration services is regarded as discontinued operations. The transaction was completed in October 2013 and the subsidiary had been fully disposed of as at 31 March 2014.

The segment information reported below does not include any amounts from these discontinued operations, which are described in more detail in note 14.

9. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable and operating segments.

For the year ended 31 March 2014

Continuing operations

	Publishing HK$'000	Chinese information infrastructure and online social music gaming platform HK$'000	Retailing and wholesales HK$'000	Catering HK$'000	Consolidated HK$'000
Revenue	11,080	4,324	12,984	2,828	31,216
Segment results	(3,776)	(82,510)	(24,205)	(3,133)	(113,624)
Unallocated expenses					(64,998)
Unallocated incomes					16
Loss before tax from continuing operations					(178,606)

9. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (Continued)

For the year ended 31 March 2013

Continuing operations

	Publishing HK$'000	Chinese information infrastructure and online social music gaming platform HK$'000	Retailing and wholesales HK$'000	Catering HK$'000	Consolidated HK$'000
Revenue	17,324	-	8,968	521	26,813
Segment results	806	(161,118)	(1,870)	(1,886)	(164,068)
Unallocated expenses					(55,317)
Unallocated incomes					1,346
Finance costs					(9)
Loss before tax from continuing operations					(218,048)

Segment result represents the loss before tax incurred by each segment without the allocation of incomes or expenses resulted from loss on fair value change of held for trading investments, impairment on available-for-sale financial assets, share of losses of associates, unallocated corporate expenses and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

As the Group's assets and liabilities are only reviewed by the CODM as a whole and hence no analysis of the Group's assets and liabilities by operating segments is disclosed.

9. SEGMENT INFORMATION (CONTINUED)

Other segment information

For the year ended 31 March 2014

Continuing operations

	Publishing HK$'000	Chinese information infrastructure and online social music gaming platform HK$'000	Retailing and wholesales HK$'000	Catering HK$'000	Unallocated HK$'000	Consolidated HK$'000
Amounts regularly provided to the CODM:						
Addition to non-current assets (Note)	113	10,983	225	376	337	12,034
Amounts included in the measure of segment profit or loss:						
Depreciation of property, plant and equipment	192	2,288	305	773	604	4,162
Allowance for inventories	-	-	11,833	-	-	11,833
Amortisation of intangible assets	-	2,874	-	-	-	2,874

9. SEGMENT INFORMATION (CONTINUED)

Other segment information (Continued)

For the year ended 31 March 2013

Continuing operations

	Publishing HK$'000	Chinese information Infrastructure and online social music gaming platform HK$'000	Retailing and wholesales HK$'000	Catering HK$'000	Unallocated HK$'000	Consolidated HK$'000
Amounts regularly provided to the CODM:						
Addition to non-current assets (Note)	32	6,798	171	350	712	8,063
Amounts included in the measure of segment profit or loss:						
Depreciation of property, plant and equipment	159	1,240	273	818	601	3,091

Note: Non-current assets excluded those relating to discontinued operations and excluded interests in associates, deferred tax asset, loan to an associate and goodwill.

9. SEGMENT INFORMATION (CONTINUED)

Geographic information

The Group's operations are located in Hong Kong, the PRC, Macau and Japan.

Information about the Group's revenue from continuing operations from external customers is presented based on the location of goods physically delivered to or location of services provided to the customers and information about its non-current assets is based on geographical location of the assets.

	Revenue from external customers		Non-current assets (Note)	
	2014 HK$'000	2013 HK$'000	**2014 HK$'000**	2013 HK$'000
Hong Kong (place of domicile)	**15,469**	17,829	**24,815**	23,993
The PRC	**3,754**	–	**6,374**	372
Macau	**2,828**	506	**818**	2,361
Japan	**9,165**	8,478	**159**	199
	31,216	26,813	**32,166**	26,925

Note: Non-current assets excluded loan to an associate and deferred tax assets.

Information about major customers

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

	2014 HK$'000	2013 HK$'000
Customer A[1]	**7,166**	5,949
Customer B[1]	**6,139**	6,318
Customer C[2]	**3,472**	N/A[3]

1 Revenue from publishing segment.

2 Revenue from retailing and wholesales segment.

3 The corresponding revenue does not contribute over 10% of the total sales of the Group.

10. COST INCURRED TO DEVELOP ONLINE BUSINESS

During the year ended 31 March 2013, the Group started to invest in a new business-development of an online social platform called Ucan.com that aims to provide virtual-reality social gaming platform to users who could interact with others in an online city. During the year ended 31 March 2013, expenditures incurred for development of the platform amounting approximately HK$118,877,000 that were expensed when they were incurred.

During the year ended 31 March 2014, the online social platform is at the final development stage. The Group focuses on developing games that could be downloaded by mobile devices. As at 31 March 2014, except for expenditures of HK$4,394,000 (2013: HK$nil) that relate to the development of the platform are capitalised as intangible assets. All other expenditures incurred during the current year that mainly include platform improvement, advertising, and promotion amounting to approximately HK$29,899,000 in aggregate are expensed when they are incurred.

11. FINANCE COSTS

	2014 **HK$'000**	2013 HK$'000
Continuing operations		
Interest charges on finance leases	**-**	9

12. LOSS BEFORE TAX

	2014 HK$'000	2013 HK$'000
Continuing operations		
Loss before income tax has been arrived at after charging (crediting):		
Staff costs		
Directors' emoluments (note 17)	**5,022**	5,113
Other staff costs:		
– Retirement benefits schemes contributions	**699**	357
– Salaries and other benefits	**31,518**	12,796
	37,239	18,266
Auditor's remuneration	**2,459**	1,009
Depreciation of property, plant and equipment		
– Owned assets	**4,154**	3,059
– Assets held under finance leases	**8**	32
	4,162	3,091
Consultancy and professional fee (included in administrative expenses)	**11,902**	9,058
Cost of inventories recognised as expenses	**11,739**	14,258
Allowance for inventories (included in cost of sales)	**11,833**	–
Loss on disposal of property, plant and equipment (note 8)	**53**	–
Recovery of impairment loss on trade receivables (note 8)	**–**	(235)
Net foreign exchange loss (note 8)	**574**	261

13. INCOME TAX (CREDIT) EXPENSE

Pursuant to the rules and regulations of Bermuda, the Company is not subject to any income tax in Bermuda for both years.

Hong Kong Profits Tax is calculated at 16.5% (2013: 16.5%) on the estimated assessable profits for both years. Under the Law of the People's Republic of China 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. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

	2014	2013
	HK$'000	HK$'000
Continuing operations		
Income tax expense comprises:		
Current tax		
– Hong Kong	**–**	–
– PRC EIT	**130**	–
Underprovision in prior years		
– Hong Kong	**–**	284
Deferred tax		
– Deferred tax (credit) expense	**(140)**	388
Income tax (credit) expense	**(10)**	672

Details of deferred tax are set out in note 33.

13. INCOME TAX (CREDIT) EXPENSE (CONTINUED)

Reconciliation between income tax credit and accounting loss at applicable tax rates:

	2014 HK$'000	2013 HK$'000
Loss before income tax from continuing operations	**(178,606)**	(218,048)
Tax at Hong Kong Profits Tax rate of 16.5%	**(29,470)**	(35,978)
Tax effect of income not taxable for tax purpose	**(710)**	(384)
Tax effect of expense not deductible for tax purpose	**20,575**	33,428
Tax effect of unused tax losses not recognised	**8,533**	6,204
Utilisation of tax losses previously not recognised	**–**	(284)
Underprovision for current tax in prior years	**–**	284
Effect of different tax rates of subsidiaries operating in other jurisdictions	**1,289**	(1,798)
Others	**(227)**	(800)
Total income tax (credit) expenses	**(10)**	672

14. DISCONTINUED OPERATIONS/DISPOSAL OF A SUBSIDIARY

Profit (loss) for the year of the discontinued operations for the years ended 31 March 2014 and 2013 are as follow:

	2014 HK$'000	2013 HK$'000
Loss for the year of discontinued operation on the crude oil exploration services business (note a)	**(10,468)**	(79,276)
Gain on disposal of the crude oil exploration services business (note a)	**31,744**	–
	21,276	(79,276)

14. DISCONTINUED OPERATIONS/DISPOSAL OF A SUBSIDIARY (CONTINUED)

(a) Discontinued operation on the crude oil exploration services business

On 6 February 2013, the Group has entered into a sales and purchase agreement (the "Agreement") regarding the disposal of 100% equity interest of Raise Beauty Investments Limited ("Raise Beauty" or the "Disposal Group"), the subsidiaries of the Group, which is engaged in crude oil exploration services business in the PRC (the "Disposal") at the total consideration of RMB80 million as stated in the Agreement (approximately equivalent to HK$100,137,000, of which HK$80,000,000 is used to settle the amount due from Raise Beauty to the Group and HK$3,027,000 is used to pay for the professional fee regarding to this transaction), to an independent third party, Waveon Holdings Limited (the "Buyer") which the professional fee is borne by the Group.

On 6 February 2013, 40% of the equity interest of Raise Beauty and the respective 40% of shareholder's right were transferred to the Buyer and the Group received 40% of the consideration of RMB32 million as stated in the Agreement (approximately equivalent to HK$39,250,000, of which HK$32,000,000 is used to settle the amount due from Raise Beauty to the Group and HK$406,000 is used to pay for the professional fee regarding to this transaction on a pro rata basis). For the year ended 31 March 2013, the disposal of the 40% equity interest of Raise Beauty was treated as a transaction that does not give rise to the Group losing control over Raise Beauty and hence the 40% equity interest disposed of to the Buyer was recognised as non-controlling interest of the Group as at 31 March 2013.

The assets and liabilities attributable to the crude oil exploration services business, which was expected to be disposed of within twelve months from 31 March 2013, was classified as the disposal group held for sale as at 31 March 2013. The crude oil exploration services business is presented as a discontinued operation in the consolidated statement of profit or loss and other comprehensive income and the respective disclosure notes for the year ended 31 March 2013.

14. DISCONTINUED OPERATIONS/DISPOSAL OF A SUBSIDIARY (CONTINUED)

(a) Discontinued operation on the crude oil exploration services business (Continued)

All conditions precedent under the sale and purchase agreement had been fulfilled and the disposal of remaining 60% equity interest of Raise Beauty was completed on 22 October 2013. The remaining proceeds of RMB48 million as stated in the Agreement (approximately equivalent to HK$60,887,000, of which HK$47,994,000 is used to settle the amount due from Raise Beauty to the Group and HK$2,621,000 is used to pay for the professional fee regarding to this transaction on a pro rata basis) were received in cash. Upon completion, Raise Beauty ceased to be a subsidiary of the Group and its operating results were not consolidated into the Group's consolidated financial statements starting from the completion date.

The disposal of equity interest of Raise Beauty for 40% on 6 February 2013 and 60% on 22 October 2013, respectively are not conditional to each other. Hence, the disposals are treated separately.

The crude oil exploration services business is a cash generating unit ("CGU") for the purpose of impairment testing of the tangible assets and exploration and production services rights. A CGU is considered to be impaired when its recoverable amount declines below its carrying amount.

The directors of the Company conducted an impairment assessment of the Group's crude oil exploration services business during the year ended 31 March 2013 and at the date of disposal and determined that the recoverable amount of the CGU that is determined by reference to the sales consideration set out in the Agreement. Accordingly, impairment losses on property, plant and equipment and exploration and production services right of approximately HK$2,249,000 (31 March 2013: HK$25,926,000) and HK$5,550,000 (31 March 2013: HK$51,054,000), respectively had been recognised in profit or loss, on a pro-rata basis based on the carrying amounts of the assets in the unit for the impairment loss allocation.

14. DISCONTINUED OPERATIONS/DISPOSAL OF A SUBSIDIARY (CONTINUED)

(a) Discontinued operation on the crude oil exploration services business (Continued)

The result of the crude oil exploration services business for the period from 1 April 2013 to 22 October 2013 (date of disposal), which have been included in the consolidated statement of profit or loss and other comprehensive income, were as follows:

	2014 HK$'000	2013 HK$'000
Revenue	185	2,033
Cost of sales	(792)	(1,413)
Other income	1	7
Administrative expenses	(3,362)	(18,089)
Impairment on property, plant and equipment	(2,249)	(25,926)
Impairment on intangible asset	(5,550)	(51,054)
Recovery of impairment loss on other receivables	189	–
Loss before tax	(11,578)	(94,442)
Income tax credit	1,110	15,166
Loss for the period/year from discontinued operation	(10,468)	(79,276)
Loss for the period/year for discontinued operation		
– attributable to the owners of the Company	(6,281)	(84,073)
– attributable to non-controlling interests	(4,187)	4,797
	(10,468)	(79,276)

14. DISCONTINUED OPERATIONS/DISPOSAL OF A SUBSIDIARY (CONTINUED)

(a) Discontinued operation on the crude oil exploration services business (Continued)

Loss for the year from the discontinued operation included follows:

	2014	2013
	HK$'000	HK$'000
Staff costs	**730**	1,113
Auditor's remuneration	**299**	240
Amortisation of intangible asset	**–**	9,689
Depreciation of property, plant and equipment	**–**	4,200
Operating lease rentals in respect of rental premises	**221**	375

Cash flows for the year from the discontinued operation were as follows:

	2014	2013
	HK$'000	HK$'000
Net cash outflows from operating activities	**(5,428)**	(7,035)
Net cash outflows from investing activities	**–**	(5)
Net cash inflows from financing activities	**3,684**	5,022
Net cash outflows	**(1,744)**	(2,018)

14. DISCONTINUED OPERATIONS/DISPOSAL OF A SUBSIDIARY (Continued)

(a) Discontinued operation on the crude oil exploration services business (Continued)

The major classes of assets and liabilities of the crude oil exploration services business as at 31 March 2013, which have been presented separately in the consolidated statement of financial position, are as follows:

	HK$'000
Property, plant and equipment, net of impairment	34,259
Intangible asset, net of impairment	69,384
Trade receivables	20,638
Other receivable	5,284
Bank balances and cash	989
Total assets classified as held for sale	130,554
Trade payables	(3,182)
Other payables and accrued charges	(5,041)
Deferred tax liability	(17,402)
Total liabilities associated with assets classified as held for sale	(25,625)

Ageing analysis of trade receivables of the discontinued operation presented based on invoice dates as at 31 March 2013 was as follows:

	HK$'000
0 – 60 days	2,845
61 – 90 days	7,300
91 – 180 days	–
Over 180 days	10,493
	20,638

14. DISCONTINUED OPERATIONS/DISPOSAL OF A SUBSIDIARY (Continued)

(a) Discontinued operation on the crude oil exploration services business (Continued)

Ageing analysis of trade payables of the discontinued operation presented based on invoice dates as at 31 March 2013 was as follows:

	HK$'000
0 – 60 days	1,503
61 – 90 days	–
Over 90 days	1,679
	3,182

An analysis of the net assets of Raise Beauty at the date of disposal (i.e. 22 October 2013) were as follows:

	HK$'000
Consideration received:	
Cash received (that does not include HK$80,000,000 for the settlement of the amount due from Raise Beauty to the Group and net of the transaction costs borne by the Group)	10,266
Analysis of assets and liabilities over which control was lost:	
Property, plant and equipment	33,125
Intangible assets	63,834
Trade receivables	21,233
Other receivables	5,053
Bank balances and cash	98
Trade payables	(2,456)
Other payables and accrued liabilities	(2,264)
Tax payable	(1,891)
Deferred tax liability	(16,291)
Net assets disposal of a subsidiary	100,441

14. DISCONTINUED OPERATIONS/DISPOSAL OF A SUBSIDIARY (Continued)

(a) Discontinued operation on the crude oil exploration services business (Continued)

	HK$'000
Gain on disposal of a subsidiary:	
Total consideration (net of transaction costs of HK$2,621,000 borne by the Group)	10,266
Net assets disposal of	(100,441)
Non-controlling interests	41,364
Repayment of amount due from a subsidiary upon disposal	47,994
Cumulative exchange differences in respect of the net assets of the subsidiary reclassified from equity to profit or loss on loss of control of the subsidiary	32,561
	31,744
Net cash inflow arising on disposal:	
Cash received	10,266
Less: bank balances and cash disposal of	(98)
	10,168

15. DIVIDENDS

No dividend was paid or proposed during the year of 2013 and 2014, nor has any dividend been proposed since the end of reporting period.

16. LOSS PER SHARE

From continuing and discontinued operations

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

Loss

	2014 **HK$'000**	2013 HK$'000
Loss for the year attributable to owners of the Company and loss for the purposes of basic and diluted loss per share	**(147,229)**	(297,629)

	2014 **'000**	2013 '000
Number of shares		
Weighted average number of shares for the purposes of basic and diluted loss per share	**1,164,543**	1,051,676

From continuing operations

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

	2014 **HK$'000**	2013 HK$'000
Figures are calculated as follows:		
Loss for the year attributable to owners of the Company	**(147,229)**	(297,629)
Less: Profit (loss) for the year from discontinued operations	**25,463**	(84,073)
Loss for the purposes of basic and diluted loss per share from continuing operations	**(172,692)**	(213,556)

16. LOSS PER SHARE (Continued)

From continuing operations (Continued)

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

The computation of diluted loss per share does not assume the conversion of the Company's outstanding warrants and share options since their exercise would result in a decrease in loss per share from continuing operations.

From discontinued operations

For the year ended 31 March 2014, basic earning per share for the discontinued operations were HK2.2 cents per share (2013: basic loss per share from discontinued operation was HK8.0 cents per share), based on profit for the year attributable to owners of the Company from the discontinued operations HK$25,463,000 (2013: loss for the year of HK$84,073,000) and the denominators detailed above for basic and diluted loss per share.

17. DIRECTORS', CHIEF EXECUTIVE'S AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' and chief executive's emoluments

The emoluments of each of the directors and chief executive of the Company are set out below:

	Fees HK$'000	Salaries and other benefits HK$'000	Retirement benefits scheme contributions HK$'000	Total HK$'000
2014				
Non-executive director				
Chu Bong Foo	-	184	-	184
Executive directors				
Chow Lai Wah Livia	120	276	15	411
Kwan Kin Chung	120	725	15	860
Chung Billy	120	682	15	817
Tang U Fai	120	142	-	262
Tang Kwing Chuen Kenneth	120	196	6	322
Chen Man Lung	120	660	15	795
Wan Xiaolin	120	636	15	771
Independent non-executive directors				
Tsang Wai Wa	120	-	-	120
Joseph Lee Chennault	240	-	-	240
Lai Qiang	120	-	-	120
Ng Ying	120	-	-	120
	1,440	3,501	81	5,022
Chief executive officer				
Yu Huaguo	-	350	9	359
Total	1,440	3,851	90	5,381

17. DIRECTORS', CHIEF EXECUTIVE'S AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

(a) Directors' and chief executive's emoluments (Continued)

	Fees HK$'000	Salaries and other benefits HK$'000	Retirement benefits scheme contributions HK$'000	Total HK$'000
2013				
Non-executive director				
Chu Bong Foo	–	519	–	519
Executive directors				
Chow Lai Wah Livia	120	276	15	411
Kwan Kin Chung	120	725	15	860
Chung Billy	120	684	15	819
Tang U Fai	120	341	–	461
Tang Kwing Chuen Kenneth	120	195	6	321
Chen Man Lung	120	312	10	442
Wan Xiaolin	120	636	14	770
Independent non-executive directors				
Tsang Wai Wa	120	–	–	120
Joseph Lee Chennault	240	–	–	240
Lai Qiang	120	–	–	120
Ng Ying	30	–	–	30
	1,350	3,688	75	5,113
Chief executive officer				
Yu Huaguo	–	600	14	614
Total	1,350	4,288	89	5,727

During the year, no emoluments were paid by the Group to the directors as a discretionary bonus or an inducement to join or upon joining the Group or as a compensation for loss of office.

There was no arrangement under which a director had waived or agreed to waive any remuneration.

17. DIRECTORS', CHIEF EXECUTIVE'S AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

(b) Employee's emoluments

Of the five individuals with the highest emoluments in the Group two (2013: four) were the directors and the chief executive of the Company whose emoluments are included in the disclosure in note 17(a) above. Emoluments of the remaining three (2013: one) individual were as follows:

	2014 HK$'000	2013 HK$'000
Salaries and other benefits	**2,985**	600
Retirement benefits scheme contributions	**30**	15
	3,015	615

Their emoluments were with the following bands:

	2014 Number of employees	2013 Number of employees
HK$nil to HK$1,000,000	**3**	5
HK$1,000,000 to HK$1,500,000	**2**	–
	5	5

18. PROPERTY, PLANT AND EQUIPMENT

	Crude oil exploration and production equipment HK$'000	Leasehold improvements HK$'000	Plant and machinery HK$'000	Vehicles, furniture and equipment HK$'000	Total HK$'000
COST					
At 1 April 2012	71,253	8,000	1,572	38,833	119,658
Additions	2,692	1,374	77	6,217	10,360
Disposals	–	–	–	(860)	(860)
Impairment losses recognised in profit or loss	(25,926)	–	–	–	(25,926)
Classified as held for sale (Note)	(49,741)	–	(1,311)	(1,465)	(52,517)
Exchange realignment	1,722	–	31	224	1,977
At 31 March 2013	–	9,374	369	42,949	52,692
Additions	–	2,697	42	4,901	7,640
Acquired on acquisition of a subsidiary	–	–	–	29	29
Disposals	–	–	–	(214)	(214)
Write-off	–	(2,417)	–	(8,426)	(10,843)
Exchange realignment	–	(35)	(17)	(80)	(132)
At 31 March 2014	–	9,619	394	39,159	49,172
ACCUMULATED DEPRECIATION					
At 1 April 2012	12,365	7,792	614	30,844	51,615
Provided for the year	3,767	647	162	2,715	7,291
Elimination on disposal	–	–	–	(642)	(642)
Eliminated on amount classified as held for sale (Note)	(16,246)	–	(599)	(1,413)	(18,258)
Exchange realignment	114	–	14	46	174
At 31 March 2013	–	8,439	191	31,550	40,180
Provided for the year	–	836	55	3,271	4,162
Elimination on disposal	–	–	–	(161)	(161)
Write-off	–	(2,417)	–	(8,426)	(10,843)
Exchange realignment	–	(4)	(8)	(8)	(20)
At 31 March 2014	**–**	**6,854**	**238**	**26,226**	**33,318**
CARRYING VALUES					
At 31 March 2014	**–**	**2,765**	**156**	**12,933**	**15,854**
At 31 March 2013	–	935	178	11,399	12,512

18. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation is provided to write off the cost over their estimated useful lives, using the straight-line method, at the following rates per annum:

Leasehold improvements	Shorter of the lease term or 10%
Plant and machinery	7% to 20%
Vehicles, furniture and equipment	15% to 20%
Crude oil exploration and production equipment	5%

Note: As at 31 March 2013, all the assets and liabilities from the crude oil exploration services business has been classified as assets/liabilities held for sale in accordance to HKFRS 5 (note 14).

At the reporting date, included in vehicles, furniture and equipment are assets held under finance leases with an aggregate net carrying amount of HK$54,000 (2013: HK$62,000).

19. INTERESTS IN ASSOCIATES AND A JOINT VENTURE/LOANS TO AN ASSOCIATE/AMOUNTS DUE FROM ASSOCIATES

(a) Interests in associates

	2014 **HK$'000**	2013 HK$'000
Cost of investments in associates		
Listed in Hong Kong	**75,493**	75,493
Unlisted	**3,163**	162
Share of post-acquisition losses	**(38,311)**	(32,893)
	40,345	42,762
Less: accumulated impairment losses	**(29,734)**	(29,734)
	10,611	13,028
Fair value of listed investments	**76,070**	94,432

19. INTERESTS IN ASSOCIATES AND A JOINT VENTURE/LOANS TO AN ASSOCIATE/AMOUNTS DUE FROM ASSOCIATES (CONTINUED)

(a) Interests in associates (Continued)

For impairment assessment, the Group had estimated the value in use of the interests in associates for impairment purpose, based on the present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal. For the year ended 31 March 2014, after directors of the Group's considerations in the recoverable amount of investments in three dormant associates of which no cash inflows was generated, an impairment loss of HK$nil (2013: HK$160,000) was recognised in profit and loss.

Particulars of the Group's principal associates as at 31 March 2014 and 2013 are as follows:

Name	Form of business structure	Place of incorporation/ operation	Class of shares held	Proportion of nominal value of issued share capital held by the Group %	Principal activities
Chinese 2 Linux (Holdings) Limited ("C2L")	Incorporated	British Virgin Islands ("BVI")/ Hong Kong	Ordinary	41% (2013: 41%)	Development of Chinese language computer operating system
China Bio Cassava Holdings Limited ("Bio Cassava") (Note)	Incorporated	Cayman Islands/ Hong Kong	Ordinary	21.15% (2013: 21.15%)	Development, packing and retailing of Chinese language encryption software
Ucan Moblile Limited	Incorporated	Hong Kong/ Hong Kong	Ordinary	27.51% (2013: 27.51%)	Development of music and mobile game application
Find My Song Corporation Limited	Incorporated	Hong Kong/ Hong Kong	Ordinary	27.51%	Development of music platform

Note: The shares of Bio Cassava are listed on the Growth Enterprise Market of the Stock Exchange.

19. INTERESTS IN ASSOCIATES AND A JOINT VENTURE/LOANS TO AN ASSOCIATE/AMOUNTS DUE FROM ASSOCIATES (CONTINUED)

(a) Interests in associates (Continued)

The above table lists the major associates of the Group which, in the opinion of the directors of the Group, principally affected the results of the year or form a substantial portion of the net assets of Group.

The financial year end date for Bio Cassava is 31 December.

Summarised financial information in respect of the Group's material associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with HKFRSs. The associate is accounted for using the equity method in the consolidated financial statements.

	2014 **HK$'000**	2013 HK$'000
Bio Cassava		
Current assets	**7,581**	48,622
Non-current assets	**33,887**	142
Current liabilities	**(2,569)**	(1,662)
Revenue	**7,270**	4,071
Loss for the year	**(25,599)**	(8,578)

19. INTERESTS IN ASSOCIATES AND A JOINT VENTURE/LOANS TO AN ASSOCIATE/AMOUNTS DUE FROM ASSOCIATES (CONTINUED)

(a) Interests in associates (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	2014 **HK$'000**	2013 HK$'000
Net asset of Bio Cassava	**38,899**	47,102
Proportion of the Group's ownership interest in Bio Cassava	**21.15%**	21.15%
	8,227	9,962
Other adjustments	**(613)**	3,066
Carrying amount of the Groups interest in Bio Cassava	**7,614**	13,028
Group's share of loss of Bio Cassava for the year	**(5,414)**	(1,814)

Aggregate information of associates that are not individually material:

	2014 **HK$'000**	2013 HK$'000
Aggregate carrying amount of the Group's interest in these associates	**2,997**	–
Group's share of losses of these associates for the year	**(3)**	(2)

19. INTERESTS IN ASSOCIATES AND A JOINT VENTURE/LOANS TO AN ASSOCIATE/AMOUNTS DUE FROM ASSOCIATES (CONTINUED)

(a) Interests in associates (Continued)

The Group has discontinued recognition of its share of losses of certain associates. The amounts of unrecognised share of losses of those associates, extracted from the relevant management accounts of associates, both for the year and cumulatively, are as follows:

	2014 **HK$'000**	2013 HK$'000
Unrecognised share of losses of associates for the year	**237**	38
Accumulated unrecognised share of losses of associates	**46,366**	46,129

(b) Interest in a joint venture

Details of the Group's investment in a joint venture is as follow:

	2014 **HK$'000**	2013 HK$'000
Cost of investment in a joint venture		
Unlisted	**1**	–
Share of post- acquisition profits and other comprehensive income	**(1)**	–
	–	–

19. INTERESTS IN ASSOCIATES AND A JOINT VENTURE/LOANS TO AN ASSOCIATE/AMOUNTS DUE FROM ASSOCIATES (CONTINUED)

(b) Interest in a joint venture (Continued)

Particular of the Group's joint venture as at 31 March 2014 and 2013 are as follows:

Name	Form of business structure	Place of incorporation/ operation	Class of shares held	Proportion of nominal value of issued share capital held by the Group %	Principal activities
Ucan Star Limited	Incorporated	Hong Kong/ Hong Kong	Ordinary	50%	Joint development of mobile game applications

	2014 HK$'000	2013 HK$'000
The Group's share of loss from continuing operation	(1)	–

(c) Loans to an associate/amounts due from associates

As at 31 March 2014, the Group has an interest-free loan of HK$24,823,000 (approximately equivalent to RMB20,000,000) that is repayable in April 2015 and a 3.5% fixed interest bearing loan of HK$6,428,000 (approximately equivalent to RMB5,000,000) to an associate that is repayable within 12 months after the end of reporting period. The directors of the Company determined that the recoverability is remote after considering the financial performance of this associate and conclude that it is unable to repay the loan. Hence, impairment loss on loans to an associate of HK$26,801,000 (2013: HK$ nil) is recognised during the year ended 31 March 2014.

Amounts due from associates are interest free, unsecured and repayable on demand. Included in the carrying amount of amounts due from associates as at 31 March 2014 is accumulated impairment loss of HK$5,687,000 (2013: HK$5,687,000).

20. GOODWILL

	2014 HK$'000	2013 HK$'000
Net carrying amount at 1 April	–	–
Arising on acquisition of a subsidiary (note 34)	2,796	–
Net carrying amount at 31 March	2,796	–

21. INTANGIBLE ASSETS

	Crude oil exploration and production services right HK$'000 (Note b)	Club memberships HK$'000 (Note a)	Computer software HK$'000 (Note c)	Licence HK$'000 (Note c)	Customer relationship HK$'000 (Note c)	Retailer contracts HK$'000 (Note c)	Development cost HK$'000 (Note d)	Total HK$'000
COST								
At 1 April 2012	237,452	1,385	1,556	1,175	451	2,573	-	244,592
Classified as held-for-sale (note 14)	(242,889)	-	-	-	-	-	-	(242,889)
Exchange realignment	5,437	-	36	27	10	59	-	5,569
At 31 March 2013	-	1,385	1,592	1,202	461	2,632	-	7,272
Additions	-	-	-	-	-	-	4,394	4,394
At 31 March 2014	**-**	**1,385**	**1,592**	**1,202**	**461**	**2,632**	**4,394**	**11,666**
ACCUMULATED AMORTISATION								
At 1 April 2012	108,580	-	1,556	1,175	451	2,573	-	114,335
Amortisation	9,689	-	-	-	-	-	-	9,689
Impairment loss recognised for the year	51,054	-	-	-	-	-	-	51,054
Classified as held-for-sale (note 14)	(173,505)	-	-	-	-	-	-	(173,505)
Exchange realignment	4,182	-	36	27	10	59	-	4,314
At 31 March 2013	-	-	1,592	1,202	461	2,632	-	5,887
Amortisation	-	-	-	-	-	-	2,874	2,874
At 31 March 2014	**-**	**-**	**1,592**	**1,202**	**461**	**2,632**	**2,874**	**8,761**
CARRY VALUES								
At 31 March 2014	**-**	**1,385**	**-**	**-**	**-**	**-**	**1,520**	**2,905**
At 31 March 2013	-	1,385	-	-	-	-	-	1,385

21. INTANGIBLE ASSETS (Continued)

Notes:

(a) Club memberships are life corporate club memberships in recreational clubs. As the club memberships are considered by the directors of the Company as having an indefinite useful life, the membership are not amortised until their useful lives are determined to be finite. After considering the prices quoted in the second hand market, no impairment of the club memberships is made during both years.

(b) Crude oil exploration and production services rights (the "Crude Oil Exploration Right") are the right of crude oil extraction of the Group, in respect of the extraction and exploration of oil resources within the area of Yi Dong Oilfield in Shangdong Province, PRC.

The amortisation period of the Crude Oil Exploration Right was 20 years. As at 31 March 2012, the remaining amortisation period of the Crude Oil Exploration Right was 14.25 years.

As at 31 March 2013, all the assets and liabilities from the crude oil exploration services business has been classified as held for sale (note 14).

(c) The computer software, licence, customer relationship and retailer contracts are intangible assets acquired on 31 May 2009 through the acquisition of one subsidiary, 上海旅聯信息服務有限公司. The fair values of these intangible assets were carried out by Ascent Partners, an independent qualified professional valuer, not connected with the Group and with appropriate qualification and experience in the valuation of similar assets in the relevant industry.

They were recognised at fair value on business combination and were amortised on straight-line method over their estimated useful lives of 4 years.

(d) Being development cost of mobile phone game applications, which is able to demonstrate the ability to generate probable future economic benefits to the Group and is amortised on straight-line method over their estimated useful lives of 1.5 years.

22. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2014 HK$'000	2013 HK$'000
Unlisted equity shares: Overseas, at cost	**-**	20,000
Less: accumulated impairment loss	**-**	(20,000)
	-	–

The only investee of the available-for-sale investment engaged in electric car production has ceased its operations and production activities since May 2012. The directors estimated no future economic benefit would be generated from the investment. As at 31 March 2013, an impairment loss amounting to HK$15,000,000 was recognised.

23. INVENTORIES

	2014 HK$'000	2013 HK$'000
Finished goods	**51,365**	36,757

During the current year, inventories of HK$11,833,000 (2013: HK$ nil) in relation to mobile products were impaired because the costs of certain inventories were higher than their net realisable values.

24. TRADE RECEIVABLES

	2014 HK$'000	2013 HK$'000
Trade receivables	**3,317**	6,505
Less: allowance for doubtful debts	**(385)**	(385)
	2,932	6,120

24. TRADE RECEIVABLES (CONTINUED)

The Group allows the general credit period of ranges from 0 to 90 days to customers of publishing and retailing and wholesales segments and 180 to 360 days to customers of crude oil exploration services segment, respectively. The following is the aged analysis of trade receivables net of allowance for doubtful debts presented based on invoice date at the end of reporting period, which approximated the respective revenue recognition dates. As at 31 March 2013, the analysis does not include the crude oil exploration segment which is classified as part of disposal group held for sale.

	2014 **HK$'000**	2013 HK$'000
0 – 60 days	**1,386**	2,354
61 – 90 days	**58**	66
91 – 180 days	**153**	54
Over 180 days	**1,335**	3,646
	2,932	6,120

Ageing analysis of trade receivables, based on the due dates, that are neither individually nor collectively considered to be impaired as at the reporting date is as follows:

	2014 **HK$'000**	2013 HK$'000
Past due but not impaired		
0 – 60 days	**374**	429
61 – 90 days	**71**	41
91 – 180 days	**53**	–
over 180 days	**1,308**	3,646
	1,806	4,116

Trade receivables that were not yet past due relate to a wide range of customers for whom there was no recent history of default. Trade receivables that were past due but not impaired related to a number of independent customers that have good relationship with the Group.

24. TRADE RECEIVABLES (CONTINUED)

Trade receivables that were past due over 180 days but not impaired related to five (2013: two) different customers and amounting to approximately HK$1,308,000 and HK$3,646,000 as at 31 March 2014 and 2013, respectively. These two customers have long business relationship with the Group and have settled the overdue balance according to the repayment agreements, with the whole amount to be settled within 2014, signed with the Group. With the exception of the above, and based on past experience, the directors of the Company believes that no additional impairment allowance 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. The Group does not hold any collateral over these balances.

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly. Movements in the allowance for doubtful debts are as follows:

	2014 **HK$'000**	2013 HK$'000
At 1 April	**385**	1,292
Recovery of allowance for doubtful debts	**-**	(235)
Amounts written off as uncollectible	**-**	(672)
At 31 March	**385**	385

At the end of each reporting date, the Group assesses whether objective evidence of impairment exists individually for trade receivables that are individually significant, and individually or collectively for trade receivables that are not individually significant. The Group also assesses collectively for trade receivables with similar credit risk characteristics for impairment. As at 31 March 2014, included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of HK$385,000 (2013: HK$385,000) which have delayed payments with poor settlement record. The Group does not hold any collateral over these balances.

Trade receivables are interest-free and unsecured. The directors consider that the carrying amounts of trade receivables approximate to their fair values.

25. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2014	2013
	HK$'000	HK$'000
Other receivables	**4,535**	11,711
Deposits and prepayments:	**62,267**	17,437
Prepayment for the purchase of red wine	**26,047**	–
Deposit for the acquisition placed in an escrow account (note 41)	**21,112**	–
Others	**15,108**	17,437
	66,802	29,148

Movement in the allowance for doubtful debts on other receivables

	2014	2013
	HK$'000	HK$'000
At 1 April	**623**	–
Impairment losses recognised on other receivables	**9,197**	623
At 31 March	**9,820**	623

Included in the allowance for doubtful debts on other receivables are individually impaired other receivables due from non-trade debtors with an aggregate balance of HK$9,820,000 (2013: HK$623,000) which have delayed payments with poor settlement record.

26. HELD FOR TRADING INVESTMENTS

	2014 HK$'000	2013 HK$'000
Listed equity shares, at fair value:		
Hong Kong	**16,149**	27,839
Overseas	**3,118**	1,871
	19,267	29,710

The fair values of the listed equity shares are determined based on the quoted market bid prices available on the relevant stock exchanges.

27. BANK BALANCES AND CASH

Bank balances carrying interest at market rate ranges from of 0.1% to 1.0% (2013: from 0.1% to 1.0%) per annum.

28. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED CHARGES

The following is an aged analysis of trade payables presented based on the invoice dates at the end of the reporting period. As at 31 March 2013, the analysis does not include the crude oil exploration segment which is classified as part of disposal group held for sale.

	2014 HK$'000	2013 HK$'000
0 – 60 days	**337**	1,584
61 – 90 days	**–**	6
Over 90 days	**24**	790
	361	2,380

The average credit period on purchases of goods ranges from 30 to 90 days except for those over 360 days for the crude oil exploration service business which are based on agreed contract terms. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

Other payables and accrued charges mainly represent the payable balance of expenses and cost incurred to develop the online business for the years ended 31 March 2014 and 2013.

29. OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	2014	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000
Amounts payable under finance leases:				
Within one year	**-**	8	**-**	7
In the second to fifth years inclusive	**-**	–		
	-	8	**-**	7
Less: Future finance charges	**-**	–	**-**	–
Present value of lease obligations	**-**	8	**-**	7
Less: Amounts due within one year			**-**	(7)
Amounts due after one year			**-**	–

The balances are secured by the lessor's charge over the leased assets. The lease terms in respect of assets held under finance leases are 5 years. During the year, average effective borrowing rate was 4.2% (2013: 4.2%) per annum. Interest rate is fixed at the contract date.

All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

30. SHARE CAPITAL

	Number of shares '000	Share capital HK$'000
Ordinary shares of HK$ 0.01 each		
Authorised		
At 1 April 2012, 31 March 2013 and 31 March 2014	200,000,000	2,000,000

	Number of shares		Share capital	
	2014 **'000**	2013 '000	**2014** **HK$'000**	2013 HK$'000
Issued and fully paid				
At beginning of year	**1,092,774**	1,039,594	**10,928**	10,396
Exercise of warrant subscription rights (note 31)	**78,840**	53,180	**788**	532
At end of year	**1,171,614**	1,092,774	**11,716**	10,928

During the year ended 31 March 2014, registered holders of 78,840,000 units (2013: 53,180,000 units) of 2013 Warrants exercised their rights to subscribe for 78,840,000 new shares (2013: 53,180,000 shares) of the Company at HK$0.28 per share disclosed in note 31. The new shares subscribed by exercising the warrants rank pari passu in all respects with the issued shares.

31. WARRANTS

On 7 March 2011, the Company entered into a placing agreement with an independent placing agent in relation to the private placing of up to 137,850,000 warrants (the "2013 Warrants"), with subscription price of HK$0.2, conferring rights to subscribe for up to 137,850,000 new ordinary shares of the Company at an exercise price of HK$0.28 per share, to not less than 300 placees who are independent third parties, which are exercisable during the two years period from 3 May 2011 to 2 May 2013, both days inclusive. The placing of the 2013 Warrants was completed on 29 April 2011 and was classified as equity instruments.

31. WARRANTS (Continued)

The proceeds from the placing of approximately HK$26,552,000, net of expenses incurred on warrants issue amounting HK$1,018,000, were used as general working capital of the Company.

For the year ended 31 March 2014, registered holders of 78,840,000 units (2013: 53,180,000 units) of the 2013 Warrants exercised their right to subscribe for 78,840,000 shares (2013: 53,180,000 shares) in the Company at exercise price of HK$0.28 per share. As at 31 March 2014, 137,730,000 units of the 2013 Warrants was exercised and 120,000 units of the 2013 Warrants was expired.

On 20 July 2012, the Company proposed to enter into a placing agreement with an independent placing agent in relation to the private placing of up to 76,790,000 warrants (the "2017 Warrants"), with subscription price of HK$0.1, conferring rights to subscribe up to 76,790,000 new ordinary shares of the Company at an exercise price of HK$1.20 per share, to not less than 6 warrant subscribers who are independent individual and/or corporate investor, which are exercisable during the 5 years period from 2 August 2012 to 1 August 2017, both days inclusive. The 2017 Warrants are classified as equity instruments. The placement is completed on 2 August 2012.

The net proceeds from the warrant subscription were used as general working capital of the Group. The net proceeds from the full exercise of 2017 Warrants of approximately HK$92,148,000 will be applied as development and launching of the Group's "Ucan portal" – an online social platform being developed by the Group for gamers, animators, shoppers, developers, and music lovers to share their creative ideas to anyone worldwide.

32. SHARE OPTION SCHEMES

Pursuant to an ordinary resolution passed on 21 August 2002, the Company adopted a share option scheme (the "2002 Scheme"). The life of the 2002 Scheme is effective for 10 years from the date of adoption until 20 August 2012. The 2002 Scheme has been expired. Subsequent to the expiration of the 2002 Scheme, no further share options can be granted thereunder but in all other respects, the provisions of the 2002 Scheme shall remain in force and all share options granted prior to such expiration shall continue to be valid and exercisable in accordance therewith.

Pursuant to an ordinary resolution passed on 12 August 2013, the Company adopted a new share option scheme (the "2013 Scheme"). The life of the 2013 Scheme is effective for 10 years from the date of adoption until 11 August 2023.

32. SHARE OPTION SCHEMES (Continued)

Major terms for the 2002 Scheme and the 2013 Scheme (the "Share Option Schemes) are summarised as follows:

(i) The purpose is to provide incentives to:

- award the participants who have made contributions to the Group and/or any entity in which the Group holds any equity interest ("Invested Entity"); and

- recruit and retain high-calibre employees and attract human resources that are valuable to the Group.

(ii) The participants include any employee, director, supplier, agent, consultant, adviser strategist, contractor, subcontractor, expert or customer of the Group and/or Invested Entity.

(iii) The maximum number of shares of the Company in respect of which share options might be granted under the Share Option Schemes must not exceed 10% of the issued share capital of the Company as at the date of approval of the Share Option Schemes, however this limit might be refreshed by shareholders in a general meeting. However, total maximum number of shares of the Company which might be issued upon exercise of all outstanding share options granted and yet to be exercised under the Share Option Schemes and any other share option scheme must not exceed 30% of the shares of the Company in issue from time to time.

(iv) The maximum number of shares of the Company in respect of which share options might be granted to a participant, when aggregated with shares issued and issuable (including exercised and outstanding share options and the options cancelled) under any share option granted to the same participant under the Share Option Schemes or any other share option scheme within any 12 months period, must not exceed 1% of the shares of the Company in issue from time to time.

32. SHARE OPTION SCHEMES (Continued)

(v) There was no requirement for a grantee to hold the share option for a certain period before exercising the share option save as determined by the board of directors and provided in the offer of grant of share option.

(vi) The exercise period should be any period fixed by the board of directors upon grant of the share option but in any event the share option period should not go beyond 10 years from the date of offer for grant.

(vii) The acceptance of a share option, if accepted, must be made within 28 days from the date of grant with a non-refundable payment of HK$1 from the grantee to the Company.

(viii) The exercise price of a share option must be the highest of:

- the closing price of a share of the Company on the date of grant which must be a trading day;
- the average closing price of a share of the Company for the 5 trading days immediately preceding the date of grant; and
- the nominal value of a share of the Company.

(ix) All the share options are vested on the grant date.

32. SHARE OPTION SCHEMES (Continued)

The following table discloses details of the Company's share options granted under the Share Option Schemes and movements in such holdings:

2014

Category participants	Name of scheme	Date of grant	Number of share options: Share option as at 1 April 2013	Transfer from (to) other category during the year	Granted during the year	Lapsed during the year (Note)	Balance as at 31 March 2014	Exercise price per share HK$	Exercisable period
Directors	2002 Scheme	19.12.2003	438,800	-	-	(438,800)	-	2.42	19.12.2003 - 18.12.2013
		24.3.2005	3,181,300	-	-	-	3,181,300	2.69	24.3.2005 - 23.3.2015
		7.7.2006	2,303,700	-	-	-	2,303,700	0.92	7.7.2006 - 6.7.2016
		29.6.2007	1,316,400	4,388,000	-	-	5,704,400	2.16	29.6.2007 - 28.6.2017
		6.11.2007	2,523,100	-	-	-	2,523,100	1.42	6.11.2007 - 5.11.2017
			9,763,300	4,388,000	-	(438,800)	13,712,500		
Employees	2002 Scheme	19.12.2003	3,554,280	-	-	(3,554,280)	-	2.42	19.12.2003 - 18.12.2013
		24.3.2005	4,388,000	-	-	-	4,388,000	2.69	24.3.2005 - 23.3.2015
		7.7.2006	329,100	-	-	-	329,100	0.92	7.7.2006 - 6.7.2016
		29.6.2007	10,476,350	-	-	-	10,476,350	2.16	29.6.2007 - 28.6.2017
		6.11.2007	12,286,400	-	-	-	12,286,400	1.42	6.11.2007 - 5.11.2017
	2013 Scheme	25.10.2013	-	-	5,000,000	-	5,000,000	1.40	25.10.2013 - 24.10.2016
			31,034,130	-	5,000,000	(3,554,280)	32,479,850		
Others	2002 Scheme	19.12.2003	2,490,190	-	-	(2,490,190)	-	2.42	19.12.2003 - 18.12.2013
		24.3.2005	21,994,850	-	-	-	21,994,850	2.69	24.3.2005 - 23.3.2015
		3.10.2005	3,291,000	-	-	-	3,291,000	1.93	3.10.2005 - 2.10.2015
		7.7.2006	12,275,430	-	-	-	12,275,430	0.92	7.7.2006 - 6.7.2016
		29.6.2007	32,087,250	(4,388,000)	-	-	27,699,250	2.16	29.6.2007 - 28.6.2017
		6.11.2007	45,744,900	-	-	-	45,744,900	1.42	6.11.2007 - 5.11.2017
	2013 Scheme	5.11.2013	-	-	5,000,000	-	5,000,000	1.42	5.11.2013 - 4.11.2016
			117,883,620	(4,388,000)	5,000,000	(2,490,190)	116,005,430		
	Total		158,681,050	-	10,000,000	(6,483,270)	162,197,780		

Note: Being share options granted after 7 November 2002 and vested before 1 January 2005, the financial impact of share options granted is not recorded in the consolidated financial statements until such time as the options are exercised, and no charge is recognised in profit or loss in respect of the value of options granted. Options which lapse or are cancelled prior to their exercise date are deleted from the register of outstanding options.

32. SHARE OPTION SCHEMES (CONTINUED)

No option was exercised during the year. The weighted average remaining contractual life is 2.8 years (2013: 4 years). The weighted average exercise price is HK$1.815 (2013: HK$1.866).

2013

Category participants	Name of scheme	Date of grant	Number of share options: Share option as at 1 April 2012	Number of share options: Transfer from (to) other category during the year	Number of share options: Balance as at 31 March 2013	Exercise price per share HK$	Exercisable period
Directors	2002 Scheme	19.12.2003	438,800	-	438,800	2.42	19.12.2003 - 18.12.2013
		24.3.2005	3,181,300	-	3,181,300	2.69	24.3.2005 - 23.3.2015
		7.7.2006	2,303,700	-	2,303,700	0.92	7.7.2006 - 6.7.2016
		29.6.2007	1,316,400	-	1,316,400	2.16	29.6.2007 - 28.6.2017
		6.11.2007	2,523,100	-	2,523,100	1.42	6.11.2007 - 5.11.2017
			9,763,300	-	9,763,300		
Employees	2002 Scheme	19.12.2003	3,554,280	-	3,554,280	2.42	19.12.2003 - 18.12.2013
		24.3.2005	4,388,000	-	4,388,000	2.69	24.3.2005 - 23.3.2015
		7.7.2006	329,100	-	329,100	0.92	7.7.2006 - 6.7.2016
		29.6.2007	10,476,350	-	10,476,350	2.16	29.6.2007 - 28.6.2017
		6.11.2007	12,286,400	-	12,286,400	1.42	6.11.2007 - 5.11.2017
			31,034,130	-	31,034,130		
Others	2002 Scheme	19.12.2003	2,490,190	-	2,490,190	2.42	19.12.2003 - 18.12.2013
		24.3.2005	21,994,850	-	21,994,850	2.69	24.3.2005 - 23.3.2015
		3.10.2005	3,291,000	-	3,291,000	1.93	3.10.2005 - 2.10.2015
		7.7.2006	12,275,430	-	12,275,430	0.92	7.7.2006 - 6.7.2016
		29.6.2007	32,087,250	-	32,087,250	2.16	29.6.2007 - 28.6.2017
		6.11.2007	45,744,900	-	45,744,900	1.42	6.11.2007 - 5.11.2017
			117,883,620	-	117,883,620		
	Total		158,681,050	-	158,681,050		

32. SHARE OPTION SCHEMES (CONTINUED)

No option was granted, exercised, cancelled or lapsed for the year ended 31 March 2013.

During the year ended 31 March 2014, options were granted under the 2013 Scheme on 25 October 2013 and 5 November 2013 to Mr. Guan Huanfei, a director of a subsidiary of the Company and Mr. Hui Chuen Kin Daniel, a consultant of a subsidiary of the Company, who provides similar services as an employee. The estimated fair values of the options granted on those dates are HK$2,216,000 and HK$2,289,000 respectively.

These fair values were calculated using the Binomial model. The inputs into the model were as follows:

Grant date	25 October 2013	5 November 2013
Expected life of share option	3 Years	3 Years
Closing price as at grant date (per share)	HK$1.380	HK$1.420
Exercise price (per share)	HK$1.398	HK$1.420
Number of share option granted	5,000,000	5,000,000
Expected dividend yield	0.000%	0.000%
Risk-free rate	0.424%	0.434%
Expected volatility	47.851%	47.380%

Risk-free rate was based on 3-year Hong Kong Exchange Fund Bills yield as at the respective valuation date provided by Bloomberg. Expected dividend yield was based on historical dividend trend and expected future dividend policy determined by the Company. Expected volatility was based on 56-week historical volatility of the Company's share prices as provided by Bloomberg.

The Group recognised the total expense of HK$4,505,000 for the year ended 31 March 2014 (2013: HK$nil) in relation to share options granted by the Company.

At 31 March 2014, the number of shares in respect of which options had been granted and remained outstanding under the schemes is 162,197,780 (2013: 158,681,050) shares, representing 13.84% (2013: 14.52%) of the issued share capital of the Company at that date.

33. DEFERRED TAX (ASSETS) LIABILITIES

Deferred taxation is calculated in full on temporary differences under the liability method using the applicable tax rates prevailing in the jurisdictions in which the Group operates. Movements of deferred tax liabilities and assets of the Group during the year are as follows:

	Accelerated tax depreciation	Fair value adjustments of business combination on intangible assets	Estimated tax losses	Total
	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2012	1,060	32,273	(3,910)	29,423
Reclassification	-	(284)	284	-
Exchange realignment	-	579	-	579
Charged (credited) to profit or loss for the year	388	(2,403)	-	(2,015)
Release upon impairment on intangible asset	-	(12,763)	-	(12,763)
Classified as liabilities associated with assets classified as held for sale	-	(17,402)	-	(17,402)
At 31 March 2013 and 1 April 2013	1,448	-	(3,626)	(2,178)
Credited to profit or loss for the year	(140)	-	-	(140)
At 31 March 2014	**1,308**	**-**	**(3,626)**	**(2,318)**

The Group offsets the deferred tax assets and deferred tax liabilities as the subsidiary of the Company has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

33. DEFERRED TAX (ASSETS) LIABILITIES (CONTINUED)

At 31 March 2014, the Group estimated unused tax losses of approximately HK$740,431,000 (2013: HK$688,714,000) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK$21,976,000 (2013: HK$21,976,000) of such losses. No deferred tax asset has been recognised in respect of remaining tax losses of approximately HK$718,455,000 (2013: HK$666,738,000) due to the unpredictability of future profit streams. The estimated tax losses may be carried forward indefinitely.

34. ACQUISITION OF A SUBSIDIARY

In November 2013, the Group completed the acquisition of 51% equity interest in THE ONE Comics Publishing Limited ("THE ONE"), which became subsidiary of the Company, for total cash consideration of HK$3,213,000. THE ONE is principally engaged in the comic publishing and licensing businesses. It was acquired to continue the expansion of the Group's Publishing operations.

	HK$'000
Consideration transferred	
Cash	3,213

Assets acquired and liabilities recognised at the date of acquisition are as follows:

	HK$'000
Property, plant and equipment	29
Inventories	444
Trade and other receivables	190
Bank balances and cash	1,637
Intangible assets, net	–
Trade and other payable	(1,483)
	817

34. ACQUISITION OF A SUBSIDIARY (CONTINUED)

The fair value of trade and other receivables at the date of acquisition amounted to HK$190,000.

	HK$'000
Goodwill arising on acquisition:	
Consideration transferred	3,213
Plus: non-controlling interests (49% in THE ONE) (Note)	400
Less: net assets acquired	(817)
Goodwill arising on acquisition	2,796

	HK$'000
Net cash outflow on acquisition of THE ONE	
Cash consideration paid	3,213
Less: cash and cash equivalent balances acquired	(1,637)
	1,576

Included in the loss for the year is HK$228,000 attributable to the additional business generated by THE ONE. Revenue for the year includes HK$911,000 generated from THE ONE.

Note: Non-controlling interests are measured at their proportionate share of net assets acquired.

35. RETIREMENT BENEFITS SCHEMES

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group in Funds under the control of trustees.

The Group's and the employees' contributions to the MPF Scheme are each set at 5% of the employees' salaries up to a maximum of HK$1,250 (2013: HK$1,250) per employee per month. The Group's contributions to the MPF Scheme are fully and immediately vested to the employees once they are paid.

Total cost charged to profit or loss of HK$780,000 (2013: HK$432,000) for the continuing operations and HK$87,000 (2013: HK$77,000) for discontinued operation represents the contributions payable to these schemes by the Group during the year.

36. RELATED PARTY TRANSACTIONS/BALANCES

Details of related party transactions/balances are as follows:

(a) Compensation of key management personnel

The remuneration of directors, chief executive and other members of key management during the year was as follows:

	2014 **HK$'000**	2013 HK$'000
Short-term benefits	**8,276**	6,238
Retirement benefits scheme contribution	**120**	104
	8,396	6,342

36. RELATED PARTY TRANSACTIONS/BALANCES (CONTINUED)

(b) Related party transactions/balances

For the years ended 31 March 2014 and 2013, the Group had transactions with the following related parties during the year:

Nature of transaction	Name of related company/person	2014 HK$'000	2013 HK$'000
Associate			
Webpage design service fee expenses	Q9 Technology Company Limited	160	240
Loan interest expenses	Ucan Mobile Limited	147	–
Development cost	Ucan Mobile Limited	2,909	–
Sales of mobile phone accessories	Ucan Mobile Limited	-	(5)
Director/Spouse of a director			
Sales of red wine	Mr. Kwan Kin Chung	-	(4)
Rental expenses	Dizon Basilio	327	226

At 31 March 2014, amounts due from associates amounting HK$48,000 (2013: HK$41,000) and loans to an associate amounting HK$31,251,000 (2013: HK$24,823,000) is disclosed in note 19.

At 31 March 2014, the Group, as a lessee, had commitment to Mr. Dizon Basilio, spouse of a director, for future minimum lease payments in respect of rented premises which fall due within one year amounting HK$95,000 (2013: HK$101,000) which is included in the operating lease commitments disclosed in note 37.

37. OPERATING LEASE ARRANGEMENTS AND COMMITMENTS

THE GROUP AS LESSEES

	2014 HK$'000	2013 HK$'000
Minimum lease payments paid under operating leases during the period:		
Premises	**7,695**	6,074
	7,695	6,074

At 31 March 2014, the Group had commitments for future minimum lease payments in respect of rented premises which fall due as follows:

	2014 HK$'000	2013 HK$'000
Within one year	**5,522**	3,447
In the second to fifth year inclusive	**872**	2,670
	6,394	6,117

Operating lease payments represent rentals payable by the Group for their office premise. Lease is negotiated for an average term of two to three years and rentals are fixed for an average of two to three years.

38. COMMITMENTS

The Group had the following other commitments at the reporting date:

	2014 **HK$'000**	2013 HK$'000
Other commitment in respect of capital contributions to a joint development:		
– Contracted for but not provided in the consolidated financial statements	**7,500**	–
Other commitment in respect of business development		
– Contracted for but not provided in the consolidated financial statements (Note)	**1,883**	2,986

The Company did not have any capital commitments as at 31 March 2014.

Note: Being commitment for the development of online social music gaming platform, "Ucan.com", which has launched during the year ended 31 March 2014.

39. PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the Company's principal subsidiaries as at 31 March 2014 and 2013 are as follows:

Name	Place/country of incorporation or registration/ operation	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued share capital indirectly held by the Company 2014 %	2013 %	Principal activities
Citicomics Limited	Hong Kong	Ordinary HK$2	**100**	100	Publishing
Culturecom Centre Limited	Hong Kong	Ordinary HK$2	**100**	100	Property holding
Culturecom Enterprises Limited	Hong Kong	Ordinary HK$2	**100**	100	Provision of management services to group companies
Culturecom Limited	Hong Kong	Ordinary HK$1,000	**100**	100	Investment holding and publishing
Culturecom Investments Limited	Hong Kong	Ordinary HK$2	**100**	100	Investment holding and securities trading
Culturecom Media Limited	Hong Kong	Ordinary HK$2	**100**	100	Provision for multimedia service
Culture.com Technology Limited	Hong Kong	Ordinary HK$2	**100**	100	Investment holding
Culturekid i-shop (HK) Limited	Hong Kong	Ordinary HK$2	**100**	100	Trading of wine
Etown Online (Macau) Limited	Macau	Ordinary MOP$5,000,000	**100**	100	Trading of wine
Raise Beauty Investments Limited	BVI	Ordinary US$6	**-**	60	Investment holding (Note a)
Success Dynasty Limited	BVI	Ordinary US$1	**100**	100	Investment holding

39. PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Name	Place/country of incorporation or registration/ operation	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued share capital indirectly held by the Company 2014 %	2013 %	Principal activities
Winway H.K. Investments Limited	Hong Kong	Ordinary HK$2	**100**	100	Investment holding and securities trading
Ucan Technology Holdings Limited (formerly known as Ucan Technology (Macau) Company Limited)	Macau	Ordinary MOP$100,000	**91.7**	91.7	Development of online social music gaming platform
Ucan.com Group Limited (formerly known as Comics Daily Publication Limited)	Hong Kong	Ordinary HK$10,000	**100**	100	Investment holding and development of online social music gaming platform
東營健宏石油技術服務有限公司	PRC	Registered US$12,280,000	**-**	60	Provision of petroleum technology related services (Note a)
上海旅聯信息服務有限公司	PRC	Registered RMB10,000,000	**53**	53	Sales of smart cards (Note b)
西灣會所管理服務有限公司	PRC	Registered MOP25,000	**100**	100	Catering
廣州東一動漫影視製作有限公司	PRC	Registered RMB3,010,000	**100**	100	Operation of cinema
珠海文化傳信科技有限公司	PRC	Registered US$9,000,000	**100**	100	Development of online social music gaming platform

39. PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Name	Place/country of incorporation or registration/ operation	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued share capital indirectly held by the Company 2014 %	2013 %	Principal activities
THE ONE Comics Publishing Limited	Hong Kong	Ordinary HK$10,000	**51**	-	Publishing
Ucan Commercial Limited	Hong Kong	Ordinary HK$100	**100**	-	Trading of mobile phone and development of mobile phone application

Note:

(a) The subsidiaries were disposed of by the Group during the year ended 31 March 2014.

(b) The subsidiary ceased its business and became dormant during the year ended 31 March 2013.

None of the subsidiaries had any debt securities outstanding during the year or at the end of the year.

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. A majority of these subsidiaries operate in Hong Kong and BVI. The principal activities of these subsidiaries are summarised as follows:

Principal activities	Principal place of business	Number of subsidiaries 2014	2013
Investment Holding	BVI, Hong Kong,	**8**	8
Dormant	BVI, Hong Kong, PRC, Macau	**26**	20

The directors are of the opinion that a complete list of the particulars of all subsidiaries would be of excessive length and therefore the above list contains only the subsidiaries which principally affect the results or assets or liabilities of the Group.

40. INFORMATION ABOUT FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period includes:

	2014 HK$'000	2013 HK$'000
Assets		
Unlisted investments in subsidiaries	**112,246**	58,472
Amounts due from subsidiaries	**282,604**	114,170
Other receivables, deposits and prepayments	**26,590**	624
Bank balances	**70,268**	183,033
	491,708	356,299
Liabilities	**659**	554
	491,049	355,745
Capital and reserves		
Share capital (note 30)	**11,716**	10,928
Reserves	**479,333**	344,817
	491,049	355,745

Note:

Movement in reserves

	Share premium HK$'000	Contribution surplus HK$'000	Warrant reserve HK$'000	Capital redemption reserve HK$'000	Share option reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
THE COMPANY							
At 1 April 2012	1,730,979	262,143	25,452	446	63,619	(1,356,153)	726,486
Loss for the year	-	-	-	-	-	(403,519)	(403,519)
Issue of warrants	-	-	7,679	-	-	-	7,679
Exercise of warrants	14,358	-	-	-	-	-	14,358
Expenses incurred on warrants issue	-	-	(187)	-	-	-	(187)
Transfer from warrant reserve to share premium due to exercise of warrants	10,243	-	(10,243)	-	-	-	-
At 31 March 2013	1,755,580	262,143	22,701	446	63,619	(1,759,672)	344,817
Recognition of share-based payment expenses in respect of share option	-	-	-	-	4,505	-	4,505
Profit for the year	-	-	-	-	-	108,724	108,724
Lapse of warrants	-	-	(151)	-	-	151	-
Exercise of warrants	36,473	-	(15,186)	-	-	-	21,287
At 31 March 2014	1,792,053	262,143	7,364	446	68,124	(1,650,797)	479,333

41. EVENTS AFTER THE END OF THE REPORTING PERIOD

In November 2013, the Group entered into a sales and purchase agreement in the amount of HK$78,336,000 with an independent individual 揭洋, also known as Jie Yang and Aaron Jie (the "Vendor"), to purchase 51% of the issued share capital of Tianhe Union Holding Group Limited ("Tianhe") (the "Acquisition") and the Vendor will have the remaining 49% shareholding. Deposit amounting HK$26,112,000 has been paid upon the signing of agreement which HK$21,112,000 was deposited into an escrow account held by an independent lawyer. Tianhe is principally engaged in a computer system known as "Max-Trip", which is an e-commerce platform for travel related products including plane tickets, hotels, tour reservations and car hire. Tianhe has 2,100 franchisees using the system for travel services, through a national service number granted by the Ministry of Industry and Information Technology of the PRC government.

After due diligence review of the Tianhe, the Group has determined to terminate the Acquisition. On 9 May 2014, the Group and Tianhe agreed to terminate the sales and purchase agreement with immediate effect. For the deposit paid, HK$21,112,000 held in the escrow account is subsequently refunded. An impairment loss on the remaining balance of HK$5,000,000 has been recognised in profit or loss. The directors of the Company determined that the recoverability is remote and hence full impairment loss had been recognised as at 31 March 2014.

42. COMPARATIVE INFORMATION

Expenses that were previously included in administrative expenses incurred for the year ended 31 March 2013 have been reclassified to "other advertising and promotion expenses" in order to conform to the current year's presentation.

The consolidated results and assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements are as follows:

	Year ended 31 March				
	2010 HK$'000	2011 HK$'000	2012 HK$'000	2013 HK$'000	**2014** **HK$'000**
RESULTS					
Continuing operations:					
Revenue	36,624	38,333	29,061	26,813	**31,216**
Loss before tax	(27,875)	(81,013)	(88,985)	(218,048)	**(178,606)**
Income tax credit (expense)	10,881	8,937	(48)	(672)	**10**
Loss after income tax from continuing operations	(16,994)	(72,076)	(89,033)	(218,720)	**(178,596)**
Discontinued operation:					
(Loss) profit for the year	27,555	78,406	39,103	(79,276)	**21,276**
(Loss) profit for the year	10,561	6,330	(49,930)	(297,996)	**(157,320)**
Attributable to:					
Owners of the Company	11,731	9,006	(49,107)	(297,629)	**(147,229)**
Non-controlling interests	(1,170)	(2,676)	(823)	(367)	**(10,091)**
	10,561	6,330	(49,930)	(297,996)	**(157,320)**

	As at 31 March				
	2010 HK$'000	2011 HK$'000	2012 HK$'000	2013 HK$'000	**2014** **HK$'000**
ASSETS AND LIABILITIES					
Property, plant and equipment	91,107	73,324	68,043	12,512	**15,854**
Investment property	151,236	–	–	–	**–**
Long term deposits	2,284	2,375	2,441	–	**–**
Loan to an associate	–	–	–	24,823	**4,450**
Interests in associates	23,718	22,222	15,004	13,028	**10,611**
Goodwill	2,617	–	–	–	**2,796**
Intangible assets	167,870	138,385	130,257	1,385	**2,905**
Available-for-sale financial assets	10,000	20,000	15,000	–	**–**
Deferred tax asset	–	–	–	2,178	**2,318**
Net current assets	253,283	554,309	557,621	473,726	**289,185**
	702,115	810,615	788,366	527,652	**328,119**
Non – current liabilities	(56,215)	(31,465)	(29,430)	–	**–**
	645,900	779,150	758,936	527,652	**328,119**
Share capital	689,256	10,339	10,396	10,928	**11,716**
Reserves	(46,855)	767,988	748,540	479,198	**329,589**
Equity attributable to owners of the Company	642,401	778,327	758,936	490,126	**341,305**
Non-controlling interest	3,499	823	–	37,526	**(13,186)**
	645,900	779,150	758,936	527,652	**328,119**