

**SINOCLOUD GROUP LIMITED**  
**(Incorporated in Bermuda on 13 August 2003)**  
**(Company Registration No.: 34050)**

**Unaudited Full Year Financial Statement And Dividend Announcement for the Financial Year Ended 31 March 2017**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

**1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

<b>CONSOLIDATED INCOME STATEMENT</b>			
<b>FOR THE YEAR ENDED 31 MARCH 2017</b>			
<b>(Expressed in Hong Kong thousand dollars)</b>			
	<b>Twelve Months Ended</b>	<b>Twelve Months Ended</b>	
	31.3.2017	31.3.2016	%
	<b>(Unaudited)</b>	<b>(Audited)</b>	+ / (-)
<b>Continuing operations</b>			
Revenue	50,168	19,267	NM
Other income	3,341	9,096	(63)
Employee benefits expense	(10,222)	(10,021)	2
Depreciation of property, plant and equipment	(11,317)	(5,227)	NM
Amortisation of intangible assets	(9,649)	(4,825)	100
Impairment of:			
- investment in associate	(34,650)	(81,232)	(57)
- convertible loan	-	(42,084)	100
- trade receivable	(692)	-	NM
Operating lease expenses	(5,946)	(5,216)	14
Other expenses	(12,852)	(12,275)	5
Finance costs	(7,026)	(4,628)	52
Loss on liquidation of subsidiaries	-	(5,933)	100
Share of loss of associates	(2,842)	(6,474)	(56)
<b>Loss before tax from continuing operations</b>	<b>(41,687)</b>	<b>(149,552)</b>	<b>(72)</b>
Income tax expense	(431)	(29)	NM
<b>Loss after tax from continuing operations</b>	<b>(42,118)</b>	<b>(149,581)</b>	<b>(72)</b>
<b>Discontinuing operations</b>			
Profit from discontinued operation, net of tax	-	37,060	(100)
<b>Loss for the financial year</b>	<b>(42,118)</b>	<b>(112,521)</b>	<b>(63)</b>
<b>Other comprehensive loss:</b>			
Items that may be reclassified subsequently to profit or loss			
Currency translation differences arising from consolidation			
- Gains/ (losses)	(117)	1,757	NM
- Reclassification adjustment, net of tax	-	(37,563)	100
Other comprehensive loss for the financial year, net of tax	(117)	(35,806)	NM
<b>Total comprehensive loss for the financial year</b>	<b>(42,235)</b>	<b>(148,327)</b>	<b>(72)</b>

NM: Not meaningful

**1(a)(ii) A consolidated statement (for the group) of comprehensive income together with a comparative statement for the corresponding period of the immediately preceding financial year**

<b>SINOCLOUD GROUP LIMITED</b>					
<b>CONSOLIDATED COMPREHENSIVE INCOME STATEMENT</b>					
<b>FOR THE YEAR ENDED 31 MARCH 2017</b>					
<b>(Expressed in Hong Kong thousand dollars)</b>					
	<b>Twelve Months Ended</b>		<b>Twelve Months Ended</b>		
	31.3.2017		31.3.2016		%
	<b>(Unaudited)</b>		<b>(Audited)</b>		+ / (-)
<b>Loss for the financial year</b>	<b>(42,118)</b>		<b>(112,521)</b>		(63)
<b>Loss attributable to:</b>					
Equity holders of the company	(45,846)		(111,615)		(59)
Non-controlling interest	3,728		(906)		NM
	<u><b>(42,118)</b></u>		<u><b>(112,521)</b></u>		(63)
<b>Total comprehensive loss attributable to</b>					
Equity holders of the company	(45,948)		(148,012)		(69)
Non-controlling interest	3,713		(315)		NM
	<u><b>(42,235)</b></u>		<u><b>(148,327)</b></u>		(72)

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

SINOCLOUD GROUP LIMITED				
STATEMENT OF FINANCIAL POSITION				
AS AT 31 MARCH 2017				
(Expressed in Hong Kong thousand dollars)				
	The Group		The Company	
	As at 31.3.2017 (Unaudited)	As at 31.3.2016 (Audited)	As at 31.3.2017 (Unaudited)	As at 31.3.2016 (Audited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	59,705	65,899	-	-
Intangible assets	161,266	170,915	-	-
Investment in an associate	27,690	108,980	53,550	132,000
Amount due from subsidiaries (non-trade)	-	-	-	33,757
	<u>248,661</u>	<u>345,794</u>	<u>53,550</u>	<u>165,757</u>
<b>Current assets</b>				
Trade and other receivables	89,848	52,794	102,627	36,233
Amount due from an associate (non-trade)	22,719	22,545	-	-
Cash and bank balances	1,081	12,037	-	-
	<u>113,648</u>	<u>87,376</u>	<u>102,627</u>	<u>36,233</u>
<b>TOTAL ASSETS</b>	<u>362,309</u>	<u>433,170</u>	<u>156,177</u>	<u>201,990</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	58,210	40,999	2,931	3,472
Short term loan from bank	7,622	-	-	-
Convertible bonds	13,220	-	13,220	-
Lease obligations	14,229	17,260	-	-
	<u>93,281</u>	<u>58,259</u>	<u>16,151</u>	<u>3,472</u>
<b>Non-current liabilities</b>				
Lease obligations	20,252	36,680	-	-
Loan from a shareholder of the Company	2,000	-	-	-
Convertible bonds	-	13,220	-	13,220
	<u>22,252</u>	<u>49,900</u>	<u>-</u>	<u>13,220</u>
<b>TOTAL LIABILITIES</b>	<u>115,533</u>	<u>108,159</u>	<u>16,151</u>	<u>16,692</u>
<b>NET ASSETS</b>	<u>246,776</u>	<u>325,011</u>	<u>140,026</u>	<u>185,298</u>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	10,918	10,918	10,918	10,918
Share premium	438,396	438,396	438,396	438,396
Contributed surplus	16,456	16,456	16,456	16,456
Translation reserve	(3,785)	(3,683)	-	-
Statutory reserve	5,863	5,863	-	-
Revaluation reserve	98	98	-	-
Other deficit	(52,475)	(49,466)	-	-
Accumulated losses	(199,972)	(154,126)	(325,744)	(280,472)
	<u>215,499</u>	<u>264,456</u>	<u>140,026</u>	<u>185,298</u>
<b>Non-controlling interest</b>	31,277	60,555	-	-
<b>TOTAL EQUITY</b>	<u>246,776</u>	<u>325,011</u>	<u>140,026</u>	<u>185,298</u>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities****Amount repayable in one year or less, or on demand**

	<b>As at 31.3.2017 In HK\$'000</b>		<b>As at 31.3.2016 In HK\$'000</b>	
	<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
Lease obligations	-	14,229	-	17,260
Convertible bonds	-	13,220	-	-
Short term loan from bank	-	7,622	-	-
Amount due to directors of the Company	-	1,299	-	799
Short term loan from director of a subsidiary	-	801	-	483
Short term loan from an unrelated third party	-	5,001	-	-

**Amount repayable after one year**

	<b>As at 31.3.2017 In HK\$'000</b>		<b>As at 31.3.2016 In HK\$'000</b>	
	<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
Lease obligations	-	20,252	-	36,680
Loan from a shareholder of the Company	-	2,000	-	-
Convertible bonds	-	-	-	13,220

**Details of any collateral**

Not applicable as there are no collateral on the Group's borrowings and debt securities.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

<b>SINOCLOUD GROUP LIMITED</b>		
<b>CONSOLIDATED STATEMENT OF CASH FLOWS</b>		
<b>FOR THE YEAR ENDED 31 March 2017</b>		
(Expressed in Hong Kong thousand dollars)		
	<b>Twelve Months Ended 31.3.2017</b>	<b>Twelve Months Ended 31.3.2016</b>
	(Unaudited)	(Audited)
<b>Cash flow from operating activities</b>		
Loss from continuing operation	(41,687)	(149,552)
Profit from discontinuing operation	-	37,060
Loss for the year	(41,687)	(112,492)
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	11,317	5,227
Amortisation of intangible assets	9,649	4,825
Share of loss of associates	2,842	6,474
Impairment loss on convertible loan	-	42,084
Impairment of investment in associates	34,650	81,232
Impairment of trade receivable	692	-
Gain on disposal of subsidiaries	-	(37,361)
Interest expenses	7,026	4,629
Interest income	(7)	(1)
<b>Operating profit/ (loss) before working capital changes</b>	24,482	(5,383)
Trade and other receivables	(25,620)	1,149
Trade and other payables	10,671	(4,878)
<b>Cash generated from/ (used in) operating activities</b>	9,533	(9,112)
Income tax paid	(431)	(2,913)
Interest paid	(7,026)	(4,629)
Interest income received	7	1
<b>Net cash generated from / (used in) operating activities</b>	2,083	(16,653)
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(8,798)	(5,744)
Net cash inflow on acquisition of subsidiaries	-	221
Disposal of subsidiaries	-	3,475
Amount due from an associate	(174)	(7,780)
<b>Net cash used in investing activities</b>	(8,972)	(9,828)
<b>Cash flow from financing activities</b>		
Proceeds from issuance of new shares	-	26,989
Proceeds from issuance of convertible bond	-	13,220
Share issue expenses paid	-	(176)
Proceeds of loan borrowing	7,622	-
Proceeds of loan from director of the Company	500	-
Proceeds of loan from director of a subsidiary	318	-
Proceeds of loan from a shareholder of the Company	2,000	-
Proceeds of loan from third party	5,001	-
Repayment of short term borrowing	-	(6,000)
Repayment of lease obligations	(19,499)	(3,425)
<b>Net cash (used in)/ generated from financing activities</b>	(4,058)	30,608
<b>Net increase/ (decrease) in cash and cash equivalents</b>	(10,947)	4,127
Cash and cash equivalents at beginning of the financial year	12,037	7,914
Effect of exchange rate changes in cash and cash equivalents	(9)	(4)
<b>Cash and cash equivalents at end of financial year</b>	1,081	12,037

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

<i>Group</i>	Attributable to equity holders of the Company									Non-Controlling Interest HK\$'000	Total Equity HK\$'000
	Share Capital HK\$'000	Share Premium HK\$'000	Contributed Surplus HK\$'000	Translation Reserve HK\$'000	Statutory Reserve HK\$'000	Revaluation Reserve HK\$'000	Other Deficit HK\$'000	Accum. Losses HK\$'000			
<b>Balance as at 1 April 2016</b>	<b>10,918</b>	<b>438,396</b>	<b>16,456</b>	<b>(3,683)</b>	<b>5,863</b>	<b>98</b>	<b>(49,466)</b>	<b>(154,126)</b>	<b>60,555</b>	<b>325,011</b>	
Loss for the year	-	-	-	-	-	-	-	(45,846)	3,728	(42,118)	
Other comprehensive loss, net of tax	-	-	-	(102)	-	-	-	-	(15)	(117)	
Total comprehensive loss	-	-	-	(102)	-	-	-	(45,846)	3,713	(42,235)	
<u>Contribution by and distributions to owners</u>											
Issuance of shares	-	-	-	-	-	-	-	-	-	-	
Share issue expense	-	-	-	-	-	-	-	-	-	-	
Acquisition of additional shares in a subsidiary	-	-	-	-	-	-	(3,009)	-	(32,991)	(36,000)	
<b>Total contribution by and distributions to owners</b>	-	-	-	-	-	-	(3,009)	-	(32,991)	(36,000)	
<b>Balance as at 31 March 2017</b>	<b>10,918</b>	<b>438,396</b>	<b>16,456</b>	<b>(3,785)</b>	<b>5,863</b>	<b>98</b>	<b>(52,475)</b>	<b>(199,972)</b>	<b>31,277</b>	<b>246,776</b>	

Group	Attributable to equity holders of the Company									
	Share	Share	Contributed	Translation	Statutory	Revaluation	Other	Accum.	Non-	Total
	Capital	Premium	Surplus	Reserve	Reserve	Reserve	Deficit	Losses	Controlling	Equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Balance as ar 1 April 2015</b>	<b>7,541</b>	<b>393,291</b>	<b>16,456</b>	<b>32,714</b>	<b>5,863</b>	<b>98</b>	<b>(49,466)</b>	<b>(42,511)</b>	<b>-</b>	<b>363,986</b>
Loss for the year	-	-	-	-	-	-	-	(111,615)	(906)	(112,521)
Other comprehensive loss, net of tax	-	-	-	(36,397)	-	-	-	-	591	(35,806)
<b>Total comprehensive loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(36,397)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(111,615)</b>	<b>(315)</b>	<b>(148,327)</b>
<u>Contribution by and distributions to owners</u>										
Issuance of shares	3,377	45,281	-	-	-	-	-	-	-	48,658
Share issue expense	-	(176)	-	-	-	-	-	-	-	(176)
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	60,870	60,870
<b>Total contribution by and distributions to owners</b>	<b>3,377</b>	<b>45,105</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60,870</b>	<b>109,352</b>
<b>Balance as at 31 March 2016</b>	<b>10,918</b>	<b>438,396</b>	<b>16,456</b>	<b>(3,683)</b>	<b>5,863</b>	<b>98</b>	<b>(49,466)</b>	<b>(154,126)</b>	<b>60,555</b>	<b>325,011</b>

<i>Company</i>	Attributable to equity holders of the Company				
	<b>Share Capital</b>	<b>Share Premium</b>	<b>Contributed Surplus</b>	<b>Accum. Losses</b>	<b>Total Equity</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Balance as ar 1 April 2016</b>	<b>10,918</b>	<b>438,396</b>	<b>16,456</b>	<b>(280,473)</b>	<b>185,297</b>
Loss for the year	-	-	-	(45,271)	(45,271)
Other comprehensive loss, net of tax	-	-	-	-	-
<b>Total comprehensive loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(45,271)</b>	<b>(45,271)</b>
<u>Contribution by and distributions to owners</u>					
Issuance of shares	-	-	-	-	-
Share issue expense	-	-	-	-	-
Acquisition of a subsidiary	-	-	-	-	-
<b>Total contribution by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at 31 March 2017</b>	<b>10,918</b>	<b>438,396</b>	<b>16,456</b>	<b>(325,744)</b>	<b>140,026</b>
<i>Company</i>					
Attributable to equity holders of the Company					
	<b>Share Capital</b>	<b>Share Premium</b>	<b>Contributed Surplus</b>	<b>Accum. Losses</b>	<b>Total Equity</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Balance as ar 1 April 2015</b>	<b>7,541</b>	<b>393,291</b>	<b>16,456</b>	<b>(169,281)</b>	<b>248,007</b>
Loss for the year	-	-	-	(111,192)	(111,192)
Other comprehensive loss, net of tax	-	-	-	-	-
<b>Total comprehensive loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(111,192)</b>	<b>(111,192)</b>
<u>Contribution by and distributions to owners</u>					
Issuance of shares	3,377	45,281	-	-	48,658
Share issue expense	-	(176)	-	-	(176)
Acquisition of a subsidiary	-	-	-	-	-
<b>Total contribution by and distributions to owners</b>	<b>3,377</b>	<b>45,105</b>	<b>-</b>	<b>-</b>	<b>48,482</b>
<b>Balance as at 31 March 2016</b>	<b>10,918</b>	<b>438,396</b>	<b>16,456</b>	<b>(280,473)</b>	<b>185,297</b>



**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	<b>Issued and fully paid-up ordinary shares</b>	<b>Share capital HK\$'000</b>
<b>Balance as at 31 December 2016 and 31 March 2017</b>	<b>10,917,813,474</b>	<b>10,918</b>

On 30 April 2015, the Company entered into convertible bond agreements with Mr Lam Cho Ying Terence Joe and Mr Soo Kok Beng Peter ("**Subscribers**"), for an aggregate subscription amounting to S\$2,256,000 of convertible bonds, due on 26 May 2017 ("**12% Convertible Bonds Due May 2017**"), at a conversion price of S\$0.006 for each Share ("**Bond Issuance**"), and upon conversion, 376,000,000 new Shares will have to be allotted and issued thereof. As at 31 March 2017 and as at the date of this announcement, no conversion has taken place. The Company is currently in negotiations with the Subscribers as it intends to renew these convertible bonds with the Subscribers and. The Company will provide an update to shareholders should there be any further development.

Save for the 12% Convertible Bonds Due May 2017, there were no outstanding convertibles as at 31 March 2016 and 31 March 2017.

There were no treasury shares and subsidiary holdings as at 31 March 2016 and 31 March 2017.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares excluding treasury shares as at 31 March 2017 was 10,917,813,474 (31 March 2016: 10,917,813,474).

There were no treasury shares as at 31 March 2016 and 31 March 2017.

**1(d)(iv) A statement showing all sales, transfers, cancellation, and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial reported on.

**1(d)(v) A statement showing all sales, transfers, disposals, cancellation, and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial reported on.

2. **Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The figures have not been audited nor reviewed by the Group's auditors.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the financial year ended 31 March 2016. The adoption of the new and amended International Financial Reporting Standards (IFRS) and Interpretations of IFRS (INT IFRS) that are mandatory for financial year beginning on or after 1 April 2016 does not result in substantial changes to the Group's financial statements.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Not applicable.

6. **Loss per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	<b>12 Months Ended 31.3.2017</b>	<b>12 Months Ended 31.3.2016</b>
Loss attributable to equity holders of the Company (HK\$'000)	45,846	111,615
Weighted average number of ordinary shares in issue	10,917,813,474	9,105,157,736
<b>Loss per ordinary share (HK cents)</b>		
- Based on weighted average number of ordinary shares in issue	<b>0.42</b>	<b>1.23</b>
- On a fully diluted basis (Please see note below)	<b>0.42</b>	<b>1.23</b>

**Note:**

The 12% Convertible Bond Due May 2017 has no dilutive effect for the twelve months ended 31 March 2016 and 31 March 2017, as its conversion to ordinary shares would decrease loss per share, as a result, they are not treated as dilutive potential ordinary shares.

**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year**

	<b>As at 31.3.2017</b>	<b>As at 31.3.2016</b>
Net asset value of the Company per ordinary share	<b>HK\$ 0.012</b>	<b>HK\$ 0.017</b>
Net asset value of the Group per ordinary share	<b>HK\$0.020</b>	<b>HK\$ 0.024</b>

Net asset value of the Company and the Group per ordinary share are calculated based on 10,917,813,474 shares in issue as at 31 March 2017 (31 March 2016: 10,917,813,474 shares in issue).

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Following the completion of the Group's acquisition of 63% interest in SinoCloud 01 Limited on 1 October 2015, SinoCloud 01 Limited ("**SC01**") and together with its subsidiaries comprising SinoCloud 01 Limited, SinoCloud 01 (HK) Limited, SinoCloud Data (Guiyang) Limited and Guiyang Zhongdian Gaoxin Digital Technologies Limited ("**GYZD**"), collectively, the "**S01 Group**") are treated as subsidiaries of the Group. The Group has consolidated the profit or loss and financial position of the S01 Group into the Group's financial statements as at 1 October 2015. Subsequently, on 7 March 2017, the Group acquired additional 18% interest in SC01 and the S01 Group became a 81% subsidiary of the Group. The remaining stake of 19% in SinoCloud 01 Limited not held by the Group will be treated as non-controlling interest and will be reported separately in the Group's financial statements. As such, the consolidated financial statements of the Group for the twelve months ended ("**12M**") 31 March 2017 and 31 March 2016 included that of the S01 Group. As for the Group's consolidated financial statements for the financial year ended 31 March 2017, the 12M 31 March 2017 included that of the S01 Group for the full twelve (12) months (i.e. 1 April 2016 to 31 March 2017), whereas the 12M 31 March 2016 included that of the S01 Group for only 6 months (i.e. 1 October 2015 to 31 March 2016).

**(A) REVIEW OF FINANCIAL RESULTS**

**Revenue**

Revenue generated in the 12M 31 March 2017 increased by HK\$30.9 million, from HK\$19.3 million in the 12M 31 March 2016 to HK\$50.2 million in 12M 31 March 2017. The increase in revenue was mainly attributable to the increase in revenue contribution from the S01 Group for the full twelve months in 12M 31 March 2017, as compared to that for six months in the 12M 31 March 2016.

**Other income**

Other income of HK\$3.3 million in the 12M 31 March 2017 related to a government subsidy received by GYZD. Other income of HK\$9.1 million in the 12M 31 March 2016 comprised (i) HK\$3.0 million interest income in respect of the HK\$72.0 million convertible loan receivable

(“Convertible Loan”) (please refer to “impairment of convertible loan” below for further details on the Convertible Loan); (ii) HK\$0.7 million government subsidy received by GYZD; and (iii) HK\$4.7 million from foreign exchange gain.

### **Operating expenses**

Employee benefits expenses increased slightly by HK\$0.2 million, from HK\$10.0 million in the 12M 31 March 2016 to HK\$10.2 million in the 12M 31 March 2017, mainly due to the increase in headcount arising from the acquisition of SC01 in October 2015.

Depreciation of property, plant and equipment increased by HK\$6.1million, from HK\$5.2 million in the 12M 31 March 2016 to HK\$11.3 million in the 12M 31 March 2017. The increases in depreciation expenses were due to the increase in property, plant and equipment of the S01 Group in the 12M 31 March 2017.

Amortisation of intangible assets increased by HK\$4.8 million, from HK\$4.8 million in the 12M 31 March 2016 to HK\$9.6 million in the 12M 31 March 2017. The increase was mainly due to amortisation expense incurred from the S01 Group for the full 12M 31 March 2017 as compared to only six months in the 12M 31 March 2016.

Impairment of investment in associate, China Satellite Mobile Communications Group Limited (“CSMCG”), amounting to HK\$34.7 was provided in the 12M March 2017 and HK\$81.2 million in the 12M 31 March 2016. The Company has engaged a professional valuer, to carry out a business valuation of CSMCG, on the basis of CSMCG expected business model with Thuraya Telecommunications Company for the provision of services including voice, data and sales of equipment. Latest available information of the satellite communication business in China including business environment, PRC statistics report, market competition, development opportunity and the delay in Thuraya agreement execution have been taken into consideration in order to assess the value-in-use. The valuation was carried out using the income approach based on the discounted cash flow method. In the opinion of the valuer, the value-in-use of 100% CSMCG as of 31 March 2017 amounted to HK\$119 million. As such, 45% of CSMCG would represent HK\$53.6 million. The impairment of HK\$34.7 million is calculated by deducting the recoverable amount of HK\$53.6 million from the book value of the investment in associate of HK\$88.2 million.

Impairment of convertible loan amounting to HK\$42.1 million in the 12M 31 March 2016 relates to the impairment of the Convertible Loan extended to Mr Lu Zhen Dong and a Zhuhai Entity by the Company in March 2015. The settlement of the Convertible Loan was completed on 7 March 2017 by way of assignment of receivable to the vendors of SC01 (“Assignment of Receivable”), to satisfy in full the purchase consideration for the acquisition of 18.0% equity interests in SC01. As such, the Company did not recognise any impairment loss in relation to the Convertible Loan in the 12M 31 March 2017. Please refer to the Company’s announcements dated 12 December 2016 and 7 March 2017, as well as the circular to Shareholders dated 16 December 2016, in relation to the proposed settlement of the Convertible Loan and the Assignment of Receivable.

Impairment of trade receivable amounting to HK\$0.7 million in the 12M 31 March 2017 was due to the impairment of a long overdue receivable from a customer of GYZD.

Operating lease expenses increased by HK\$0.7 million, from HK\$5.2 million in the 12M 31 March 2016 to HK\$5.9 million in the 12M 31 March 2017. The increase was mainly due to rental expenses incurred by the S01 Group for the full 12M 31 March 2017 as compared to only six months in the 12M 31 March 2016.

Other expenses, comprising primarily office overhead as well as legal and professional fees and subcontracting fees, increased by HK\$0.6 million, from HK\$12.3 million in the 12M 31 March 2016 to HK\$12.9 million in the 12M 31 March 2017. This was mainly due to an increase in the cost of outsource contracts of the IDC business.

Finance costs increased by HK\$2.4 million to HK\$7.0 million in the 12M 31 March 2017 from HK\$4.6 million in the 12M 31 March 2016. The increase was mainly due to finance costs incurred by the S01 Group for the full 12M 31 March 2017 as compared to only six months in the 12M 31 March 2016.

Loss on liquidation of subsidiaries of HK\$5.9 million in the 12M 31 March 2016 relates to the liquidation of the Company's subsidiaries, namely Armarda eAccess Technology Limited, China RFID Limited, Brilliant Time Limited and Armarda Technology (Singapore) Pte Limited. There were no such items in the 12M 31 March 2017.

The share of loss of associates of HK\$2.8 million and HK\$6.5 million in the 12M 31 March 2017 and 12M 31 March 2016, respectively, represented the Company's share of loss in CSMCG. The loss in the 12M 31 March 2016 was mainly caused by the loss on disposal of a subsidiary of CSMCG and operating expenses incurred by CSMCG, whereas the loss in the 12M 31 March 2017 was mainly due to the operating expenses incurred by CSMCG.

#### **Income tax**

The Company is incorporated under the laws of Bermuda and has received an undertaking from the Ministry of Finance in Bermuda pursuant to the provisions of the Exempted Undertakings Tax Protection Act, 1996, which exempts the Company and its shareholders, other than shareholders ordinarily residing in Bermuda, from any Bermuda taxes computed on profit, income or any capital asset gain or appreciation, or any tax in the nature of estate duty or inheritance tax, until the year of 2035.

The Group's profits derived from Hong Kong are subject to Hong Kong profits tax at 16.5% (12M 31 March 2016 : 16.5%). No provision for Hong Kong profits tax was made, as there was no assessable profit derived from Hong Kong during 12M 31 March 2017.

The Group's subsidiaries in the PRC, SinoCloud Data (Guiyang) Limited ("SCDG") and GYZD, are subject to PRC income tax of 25% and withholding tax of 5%. Notwithstanding that GYZD generated net profits in 12M 31 March 2017, no tax provision was made, as SCDG and GYZD have been recording accumulated losses since their incorporation due to setup costs being incurred and no revenue was generated during the initial stage of the project.

No Singapore income tax was payable in respect of the Group's operations in Singapore, as the Singapore operations sustained losses for tax purposes in 2017 and 2016.

Subsidiaries incorporated under the laws of BVI are exempted from income tax.

#### **Net loss after taxation**

The Group's net loss after taxation attributable to shareholders of the Company in the 12M 31 March 2017 amounted to HK\$45.9 million, reflecting a decrease of HK\$65.7 million as compared to a net loss after taxation attributable to shareholders of the Company of HK\$111.6 million in the 12M 31 March 2016.

## **(B) REVIEW OF FINANCIAL POSITION**

### **Non-current Assets**

Non-current assets decreased by HK\$97.1 million, from HK\$345.8 million as at 31 March 2016 to HK\$248.7 million as at 31 March 2017. Non-current assets comprised (i) property, plant and equipment; (ii) intangible assets; and (iii) investment in an associate.

#### (i) Property, plant and equipment

The net book value of property, plant and equipment decreased by HK\$6.2 million, from HK\$65.9 million as at 31 March 2016 to HK\$59.7 million as at 31 March 2017. The decrease was due to depreciation charge of HK\$10.8 million during the period, which was offset by the increase in leasehold improvement of HK\$4.6 million.

#### (ii) Intangible assets

Intangible assets decreased by HK\$9.6 million, from HK\$170.9 million as at 31 March 2016 to HK\$161.3 million as at 31 March 2017, being the amortisation expense during the year. The intangible assets relate to the business combination of SC01, which comprised (i) goodwill of HK\$124.1 million, representing the excess value of total purchase consideration over the fair value of the net identifiable assets; (ii) customer contract of HK\$23.1 million; and (iii) favorable lease of HK\$14.1 million as at 31 March 2017.

#### (iii) Investment in an associate

Investment in an associate – CSMCG, decreased by HK\$81.3 million, from HK\$109.0 million as at 31 March 2016 to HK\$27.7 million as at 31 March 2017. The decrease was attributable to share of losses of HK\$2.8 million incurred by CSMCG in the 12M 31 March 2017, impairment of interest in associate of HK\$34.7 million and reclassification of HK\$43.8 million to current assets. The carrying amount of the investment in CSMCG as at 31 March 2016 included the loan and deposit to CSMCG vendors of HK\$43.8 million (pledged against 25.19% of the total issued shares in CSMCG in favour of the Company (the “**Share Pledge**”)), which was reclassified from non-current assets to current assets as at 31 March 2017 as the Company does not intend to acquire the Share Pledge. Please refer to the section “Current Assets” for further details on the Share Pledge.

### **Current Assets**

Current assets increased by HK\$26.2 million, from HK\$87.4 million as at 31 March 2016 to HK\$113.6 million as at 31 March 2017. Current assets comprised (i) trade and other receivables; (ii) amount due from an associate (non-trade); and (iii) cash and bank balances.

#### (i) Trade and other receivables

Trade and other receivables increased by HK\$37.0 million, from HK\$52.8 million as at 31 March 2016 to HK\$89.8 million as at 31 March 2017.

Trade and other receivables as at 31 March 2017 comprised (i) trade receivables of HK\$34.6 million; (ii) other receivables and prepayment of HK\$10.6 million; (iii) loan and deposit from vendors of CSMCG of HK\$43.8 million; and (iv) amount due from a director of a subsidiary of HK\$0.8 million.

Trade receivable increased by HK\$24.4 million, from HK\$10.2 million as at 31 March 2016 to HK\$34.6 million as at 31 March 2017. The increase was in line with the increase in revenue in 12M 31 March 2017, which was contributed by the IDC business.

Other receivables and prepayment increased by HK\$4.8 million, from HK\$5.8 million as at 31 March 2016 to HK\$10.6 million as at 31 March 2017, comprising (i) an early settlement of HK\$6.2 million to the finance lease provider, pending documentation to offset against the finance lease obligations; and (ii) aggregate deposits and prepayments of HK\$3.8 million in relation to the IDC business.

Convertible loan receivables amounted to HK\$36.0 million as at 31 March 2016, due from Mr Lu Zhen Dong (“**Mr Lu**”), has been fully settled on 7 March 2017. Please refer to the section “Operating expenses – Impairment of Convertible Loan” above for further details on the Convertible Loan.

An amount of HK\$43.8 million was reclassified from “investment in an associate” under non-current assets to “other receivable” under current assets, which relates to the loan and deposit to CSMCG vendors. As the Company does not intend to acquire the Share Pledge, the Company is currently in discussion with the CSMCG vendors to agree on a repayment schedule. The Company will update its shareholders from time to time should there be any material development.

Amount due from a director of a subsidiary amounted to HK\$0.8 million as at 31 March 2016 and 31 March 2017.

(ii) Amount due from an associate (non-trade)

Amount due from an associate (non-trade) increased by HK\$0.2 million, from HK\$22.5 million as at 31 March 2016 to HK\$22.7 million as at 31 March 2017. The increase was due to the Company’s payment on behalf of CSMCG for operational expenses of HK\$0.2 million in the 12M 31 March 2017.

(iii) Cash and bank balances

Cash and cash equivalents decreased by HK\$10.9 million, from HK\$12.0 million as at 31 March 2016 to HK\$1.1 million as at 31 March 2017. Please refer to “Cashflows” on the movement in cash and cash equivalents.

**Current Liabilities**

Current liabilities increased by HK\$35.0 million, from HK\$58.3 million as at 31 March 2016 to HK\$93.3 million as at 31 March 2017. Current liabilities comprised (i) trade and other payables; (ii) convertible bonds; and (iii) lease obligations.

(i) Trade and other payables

Trade and other payables increased by HK\$17.2 million, from HK\$41.0 million as at 31 March 2016 to HK\$58.2 million as at 31 March 2017. Trade and other payables as at 31 March 2017 comprised (i) trade payables of HK\$19.4 million; (ii) other payables of HK\$25.2 million; (iii) customer deposits of HK\$6.5 million; (iv) amount due to directors of the Company of HK\$1.3 million; (v) short term loan from director of a subsidiary of HK\$0.8 million; and (vi) short term loan from unrelated third party of HK\$5.0 million.

Trade payables increased by HK\$4.6 million, from HK\$14.8 million as at 31 March 2016 to HK\$19.4 million as at 31 March 2017, mainly due to unsettled rental and utility expenses incurred by GYZD.

Other payables increased by HK\$4.5 million, from HK\$20.7 million as at 31 March 2016 to HK\$25.2 million as at 31 March 2017, mainly due to leasehold improvement and operating expenses incurred by GYZD and other operating expenses incurred by the Company's subsidiary in Hong Kong.

Customer deposits increased by HK\$2.4 million, from HK\$4.1 million as at 31 March 2016 to HK\$6.5 million as at 31 March 2017, mainly due to receipt of deposits from customers of GYZD, where the service has yet been provided.

Amount due to directors of the Company increased by HK\$0.5 million, from HK\$0.8 million as at 31 March 2016 to HK\$1.3 million as at 31 March 2017. The loan is interest-free, unsecured and repayable on or before 3 January 2018.

Short term loan from director of a subsidiary of the Company increased by HK\$0.3 million, from HK\$0.5 million as at 31 March 2016 to HK\$0.8 million as at 31 March 2017. The loan is interest-free, unsecured and repayable on or before 30 June 2017. The loan is used for an early repayment of finance lease as described in sub-paragraph (iii) below, and settlement of payables under GYZD.

Short term loan from an unrelated third party amounted to HK\$5.0 million as at 31 March 2017. The loan is interest-bearing at 10% per annum, unsecured and repayable on demand on or before 30 September 2017. The loan is used for the repayment of finance lease as described in sub-paragraph (iii) below, and settlement of payables under GYZD.

- (ii) The short term loan from bank bears an interest rate of 8.28% per annum and is repayable on or before 9 March 2018. The loan is guaranteed by Shenzhen Zhongdian Lechu Data Technology Co., Limited ("**Shenzhen Lechu**"), the holding company of Guiyang Zhongdian Gaoxin Digital Technologies Limited (being the the Group's subsidiary in Guiyang, the PRC, held via a VIE arrangement).

(iii) Convertible bonds – current portion

The convertible bonds relate to the 12% Convertible Bonds Due May 2017 of an aggregate amount of S\$2.26 million (equivalent to HK\$13.2 million), which bear interest rate at 12% per annum at a conversion price of S\$0.006 for each Share. It had been reclassified from non-current liabilities as at 31 March 2016 to current liabilities as at 31 March 2017 as the liabilities fall due within 12 months from 31 March 2017.

(iv) Lease obligations – current portion

The current portion of the finance lease obligations decreased by HK\$3.1 million, from HK\$17.3 million as at 31 March 2016 to HK\$14.2 million as at 31 March 2017. This was attributable to a partial repayment of the current portion of the finance lease obligations. The lease obligations represent a lease to facilitate the equipment purchase for the operation of the IDC business. An early settlement of HK\$6.2 million to the finance lease provider was made during 12M 31 March 2017, which is currently pending documentation to offset against the finance lease obligations.



## **Non-current Liabilities**

Non-current liabilities decreased by HK\$27.6 million, from HK\$49.9 million as at 31 March 2016 to HK\$22.3 million as at 31 March 2017. Non-current liabilities comprised (i) lease obligations; (ii) loan from unrelated third parties; and (iii) convertible bonds.

### (i) Lease obligations – non-current portion

The non-current portion of the finance lease obligations decreased by HK\$16.4 million, from HK\$36.7 million as at 31 March 2016 to HK\$20.3 million as at 31 March 2017 due to an early repayment of finance lease obligations in 12M 31 March 2017. As discussed above under “Lease Obligations – Current Portion”, the lease obligations represent a lease to facilitate the equipment purchase for the operation of the IDC business.

### (ii) Loan from a shareholder of the Company

Loan from a shareholder of the Company amounted to HK\$2.0 million as at 31 March 2017. The loan is interest-bearing at 6% per annum, unsecured and repayable on demand on or before 6 March 2019.

### (iii) Convertible bonds – non-current portion

As discussed above under “Convertible Bonds – Current Portion”, the convertible bonds relate to the 12% Convertible Bonds Due May 2017. It had been reclassified from non-current liabilities as at 31 March 2016 to current liabilities as at 31 March 2017 as the liabilities fall due within 12 months from 31 March 2017.

## **Non-controlling interest**

Non-controlling interest (the “NCI”) decreased by HK\$29.3 million, from HK\$60.6 million as at 31 March 2016 to HK\$31.3 million as at 31 March 2017. The decrease of NCI was due to the Group’s further acquisition of 18% equity interest in S01 Group on 7 March 2017.

## **(C) CASH FLOWS**

Net cash generated from operating activities for the 12M 31 March 2017 amounted to HK\$2.1 million. This was due to (i) an operating profit before changes in working capital of HK\$24.5 million; and (ii) working capital changes of HK\$14.9 million due to an increase in other payables and accruals and a decrease in trade and other receivables.

Net cash flow used in investing activities was HK\$9.0 million in the 12M 31 March 2017, which relates to purchase of property, plant and equipment of HK\$8.8 million and an increase in amount due from an associate of HK\$0.2 million.

Net cash flow used in financing activities was HK\$4.1 million in the 12M 31 March 2017, which relates to (i) a short term loan from bank of HK\$7.6 million, (ii) amount due to directors of the Company of HK\$0.5 million, (iii) short term loan from director of a subsidiary of HK\$0.3 million, (iv) short term loan from a shareholder of the Company of HK\$2.0 million, (v) loan from third party of HK\$5.0 million; and (vi) repayment of lease obligation of HK\$19.5 million.

As a whole, the Group used HK\$10.9 million in the 12M 31 March 2017. The cash and cash equivalents as at 31 March 2017 amounted to HK\$1.1 million.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

The Company had previously announced a profit guidance on 12 May 2017. No variance was noted and save for the aforementioned announcement, no forecast or prospect statement was previously disclosed.

**10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

Following the acquisition of SinoCloud 01 Limited which holds effective interests in GYZD, a Tier 4 data centre located in the city of Guiyang, the PRC, the Group was able to expand into the IDC, cloud computing and big data service industry in the PRC. The Group generates its revenue primarily from GYZD, which has been generating positive returns to the Group since early 2016. For the twelve months ended 31 March 2017, based on GYZD's financial statements which are prepared in accordance with the Group's accounting policies, GYZD reported revenue and net profit after interest, taxes and depreciation of HK\$50.2 million and HK\$19.7 million respectively.

On 16 May 2017, the Company announced that GYZD had, together with Shenzhen Lechu, being the holding company of GYZD, entered into an investment agreement with Guiyang Gaoxin Big Data Fund Company (the "**Guiyang Fund**"), whereby the Guiyang Fund has agreed to invest an aggregate of RMB54 million in cash in GYZD for a 18% equity interest in GYZD. The Group's effective interest in GYZD was diluted by 18%, from the existing 81.0% to 66.4%. With Guiyang Fund's participation, GYZD will be able to enhance its business network and further develop its IDC business in the PRC.

The performance of the Group's associate company, namely CSMCG, which is in the provision of satellite telecommunication services in the PRC, is highly dependent on the roll-out performance of the new data communication services after the execution of satellite service provider agreement with Thuraya Telecommunications Company. As at the date of this announcement, the satellite service provider agreement has yet to be executed. The Company is currently in negotiation and discussion with the CSMCG vendors to explore options for the settlement of the outstanding loan due to the Company of HK\$43.8 million and will provide an update to shareholders should there be any further development.

The Company will focus its resources on IDC related business and do not preclude the possibility of disposing CSMCG in the future.

**11. Dividend**

**If a decision regarding dividend has been made :-**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended)**

None.

**(b)(i) and (b)(ii) Amount of dividend per share of the current reporting financial period and of the previous corresponding period.**

Nil (12M 31 March 2016: nil).

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

**(d) The date the dividend is payable**

Not applicable.

**(e) The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

**12. If no dividend has been declared/recommended, a statement to that effect**

No dividend is declared/recommended.

**13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

No IPT general mandate has been obtained by the Group from the Company's shareholders. There is no IPT during the 12M 31 March 2017.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT  
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

**14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

For the 12M 31 March 2017, the Group has 2 reportable segments (i) mobile satellite services; and (iv) internet data centre services. Other business operations includes investment holding and is categorised as "all other segments". The strategic business units offer different products and services, and are operated independently in view of their different technological requirements and marketing strategies. For each strategic business units, the Group's CEO (the chief operating decision maker) reviews internal management reports of each strategic business unit on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

Performance is measured in terms of segment profit before income tax, which is provided in the internal management reports reviewed by the Group's CEO. The management believes that segment profit is applicable for measuring performance as such information is the most relevant in evaluating the results of certain segments as compared to other entities operating within these industries.

2017	Continuing operations			Discontinued operations			
	Mobile satellite services	Internet Data Center Services	All other segments	Trading of IT equipment	Subtotal for Discontinued Operations	Adjustment	Continuing Operations
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue (including other income)	-	53,458	51	-	-	-	53,509
Segment Profit/ (loss)	(2,842)	25,502	(57,320)	-	-	-	(34,660)
Finance costs					-	-	(7,026)
Loss before tax					-	-	(41,687)
Income tax					-	-	(431)
Loss for the financial year					-	-	(42,118)
Segment assets	50,409	220,893	91,007	-	-	-	362,309
Segment liabilities	-	92,831	22,702	-	-	-	115,533
Consolidated total liabilities					-	-	115,533
Capital expenditure	-	8,800	-	-	-	-	8,800
Depreciation of property, plant and equipment	-	11,283	34	-	-	-	11,317
Amortisation of intangible assets	-	9,649	-	-	-	-	9,649
Impairment of trade receivable	-	-	692	-	-	-	692
Impairment of investment in an associate	34,650	-	-	-	-	-	34,650
Impairment of convertible loan	-	-	-	-	-	-	-
Share of loss of associates	2,842	-	-	-	-	-	2,842

2016	Continuing operations				Discontinued operations		
	Mobile satellite services	Internet Data Center Services	All other segments	Trading of IT equipment	Subtotal for Discontinued Operations	Adjustment	Continuing Operations
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue (including other income)	-	20,000	8,363	40,282	40,282	(40,282)	28,363
Segment loss	(6,516)	878	(139,286)	37,060	37,060	(37,060)	(144,924)
Finance costs					-	-	(4,628)
Loss before tax					37,060	(37,060)	(149,552)
Income tax					-	-	(29)
Loss for the financial year					37,060	(37,060)	(149,581)
Segment assets	131,526	250,150	51,494	-	-	-	433,170
Segment liabilities	-	89,138	19,021	-	-	-	108,159
Consolidated total liabilities					-	-	108,159
Capital expenditure	-	5,621	123	-	-	-	5,744
Depreciation of property, plant and equipment	-	5,216	11	148	148	(148)	5,227
Amortisation of intangible assets	-	4,825	-	-	-	-	4,825
Impairment of intangible assets	-	-	-	-	-	-	-
Impairment of investment in an associate	81,232	-	-	-	-	-	81,232
Impairment of convertible loan	-	-	42,084	-	-	-	42,084
Share of loss of associates	6,474	-	-	126	126	(126)	6,474

## Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical presence of the customers. Segment capital expenditure and assets are based on the geographical location of the assets. Geographical information about the Group's revenue and assets is as follows:

	12 Months Ended	12 Months Ended
	31.3.2017	31.3.2016
	HK\$'000	HK\$'000
<b>Revenue (including other income)</b>		
PRC	53,458	20,000
Hong Kong	51	8,363
	<b>53,509</b>	<b>28,363</b>
<b>Non-current assets</b>		
PRC	59,705	65,787
Hong Kong	188,956	280,008
	<b>248,661</b>	<b>345,795</b>

<b>2017</b>	Continuing Operations	Discontinued operations	Adjustment	Continuing Operations
	\$'000	\$'000	\$'000	\$'000
Trading of IT equipment:				
- IT equipment	-	-	-	-
- Internet data center services	50,168	-	-	50,168
Government grant	3,298	-	-	3,298
Interest income	-	-	-	-
Other income	43	-	-	43
	<b>53,509</b>	<b>-</b>	<b>-</b>	<b>53,509</b>
<b>2016</b>	Continuing Operations	Discontinued operations	Adjustment	Continuing Operations
	\$'000	\$'000	\$'000	\$'000
Trading of IT equipment:				
- IT equipment	-	944	(944)	-
- Internet data center services	19,267	-	-	19,267
Government grant	733	-	-	733
Interest income	3,674	-	-	3,674
Other income	4,689	39,338	(39,338)	4,689
	<b>28,363</b>	<b>40,282</b>	<b>(40,282)</b>	<b>28,363</b>

**15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Please refer to the aforesaid section 8 for details.

**16. A breakdown of sales**

	12M 31 March 2016	12M 31 March 2016
	\$'000	\$'000
Sales reported for first half year	26,301	927
Operating profit after tax before deducting non-controlling interests reported for first half year	(4,407)	(8,199)
Sales reported for second half year	23,867	18,340
Operating profit after tax before deducting non-controlling interests reported for second half year	(37,828)	(140,128)

**17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-**

S\$000	FY2016	FY2017
Ordinary	-	-
Preference	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**18. If any person is occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10).**

There is no person occupying a managerial position in the Group who is a relative of a director, chief executive officer, or substantial shareholder of the Company pursuant to Rule 704 (10) of the Catalist Rules.

**19. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)**

The Company confirms that all the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

**BY ORDER OF THE BOARD**

**Chan Andrew Wai Men**  
**Chairman and Chief Executive Officer**

**26 May 2017**

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this announcement.*

*This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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