ARMARDA GROUP LIMITED

Full Year Financial Statement And Dividend Announcement

Financial statements on combined results of the Group for the twelve months ended 31 March 2014 ("12M2014"). These figures have not been audited.

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

ARMARDA GROUP LIMITED
CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2014
(Expressed in Hong Kong thousand dollars)

	Twelve Months Ended 31.3.2014	Twelve Months Ended 31.3.2013
Revenue	16,963	14,438
Other income	3,147	560
Staff costs	(18,773)	(8,116)
Depreciation	(407)	(665)
Amortisation of intangible assets	(744)	(744)
Impairment of other investment	-	(2,831)
Impairment of goodwill in associate	(2,923)	-
Cost of goods sold	(13,643)	(9,875)
Subcontracting fees	(743)	(2,073)
Other expenses	(49,001)	(29,539)
Finance costs	(373)	(639)
Share of (loss) / profit of associate	(20,566)	1,211
Loss before taxation	(87,063)	(38,273)
Income tax expense	(1,704)	(3,079)
Loss for the year	**(88,767)**	**(41,352)**
Attributable to:		
Equity shareholders of the Company	(88,767)	(41,352)
Loss for the year	**(88,767)**	**(41,352)**

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

ARMARDA GROUP LIMITED
CONSOLIDATED COMPREHENSIVE INCOME STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2014
(Expressed in Hong Kong thousand dollars)

	Twelve Months Ended 31.3.2014	**Twelve Months Ended** 31.3.2013
Loss for the year	**(88,767)**	**(41,352)**
Other comprehensive income		
Currency translation difference arising from consolidation	397	(38)
Share of translation reserve of associates	466	207
Reversal of revaluation gain on property, plant and equipment	2,005	-
Total comprehensive loss for the year	**(85,899)**	**(41,183)**
Total comprehensive loss attributable to		
Equity shareholders of the Company	(85,899)	(41,183)
Total comprehensive loss for the year	**(85,899)**	**(41,183)**

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

ARMARDA GROUP LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014
(Expressed in Hong Kong thousand dollars)

	The Group		The Company	
	As at 31.3.2014	As at 31.3.2013	As at 31.3.2014	As at 31.3.2013
Non-current assets				
Interest in an associate - CSMCG	159,264	156,112	169,430	156,834
Interest in an associate - Fesco E-HR	16,059	29,636	-	-
Subsidiaries	-	-	-	-
Property, plant and equipment	1,434	575	-	-
Intangible assets	2,790	3,534	-	-
Due from subsidiaries (non-trade)	-	-	-	92,732
Other assets	998	17,513	-	-
	180,545	207,370	169,430	249,566
Current assets				
Trade and other receivables	118,224	17,588	75,031	198
Cash and cash equivalents	10,178	30,008	4	4
Due from associate	1,572	1,704	-	-
	129,974	49,300	75,035	202
Non-current assets held for sale	-	8,474	-	-
Total assets	310,519	265,144	244,465	249,768
Current liabilities				
Obligations under finance lease	156	251	-	-
Trade and other payables	13,025	27,329	3,446	8,054
Due to a subsidiary (non-trade)	-	-	33,951	30,441
Short-term loan	6,000	-	6,000	-
Income tax payable	2,897	2,843	-	-
	22,078	30,423	43,397	38,495
Non-current liability				
Deferred tax liabilities	3,237	2,037	-	-
Total liabilities	25,315	32,460	43,397	38,495
Net Assets	**285,204**	**232,684**	**201,068**	**211,273**
Equity				
Capital and reserves attributable to equity holders of the Company				
Share capital	191,476	126,191	191,476	126,191
Reserves	93,728	106,493	9,592	85,082
Total Equity	**285,204**	**232,684**	**201,068**	**211,273**

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

	As at 31.3.2014 In HK$'000		As at 31.3.2013 In HK$'000	
	Secured	Unsecured	Secured	Unsecured
Hire Purchase	156	-	251	-
Short-term loan	-	6,000	-	-

Amount repayable after one year

	As at 31.3.2014 In HK$'000		As at 31.3.2013 In HK$'000	
	Secured	Unsecured	Secured	Unsecured
Hire Purchase	-	-	-	-

Details of any collateral

The hire purchase loan is secured by the Group's motor vehicles.

The short-term loan is guaranteed by a director of the Company.

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

ARMARDA GROUP LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2014
(Expressed in Hong Kong thousand dollars)

	Twelve Months Ended 31.3.2014	Twelve Months Ended 31.3.2013
Cash flows from operating activities		
Loss before taxation	(87,063)	(38,273)
Adjustment for :		
Interest income	(18)	(15)
Share of loss / (profit) of associates	20,566	(1,211)
Impairment on goodwill in associate	2,923	-
(Gain)/loss on disposal of property, plant and equipment	(23)	85
Gain on disposal of non-current assets held for sale	(2,858)	-
Finance costs	373	639
Fair value adjustment of investment property	-	267
Depreciation of property, plant and equipment	407	665
Amortisation of intangible assets	744	744
Share-based payment expenses	9,028	1,120
Impairment loss of other investment	-	2,831
Share based payment on professional expenses	650	-
Operating loss before working capital changes	(55,271)	(33,148)
(Increase) / decrease in trade and other receivables	(9,171)	10,266
(Decrease) / increase in other payables and accruals	(4,900)	9,627
Decrease / (increase) in amount due from an associate	132	(1,704)
Cash used in operations	(69,210)	(14,959)
Interest income received	18	15
Interest paid	(193)	(639)
Net cash used in operating activities	(69,385)	(15,583)
Cash flows from investing activities		
Prepayment for software development fee	-	(7,965)
Purchase of property, plant and equipment	(1,356)	(22)
Proceeds from disposal of property, plant and equipment	115	33
Proceeds from disposal of non-current assets held for sale	1,622	-
Acquisition of an associate	-	(15,558)
Capital injection in an associate	(12,600)	-
Loan to the vendors of CSMCG	(24,700)	-
Convertible loan	(50,050)	-
Net cash used in investing activities	(86,969)	(23,512)
Cash flows from financing activities		
Repayment of finance lease obligations	(94)	(185)
Repayment of bank term loans	-	(5,506)
Share issue expenses	(9,291)	(5,736)
Net proceeds from issuance of new shares, net of issue costs	139,495	67,242
Short-term loan from unrelated third party	6,000	-
Net cash generated from financing activities	136,110	55,815
Net (decrease)/increase in cash and cash equivalents	**(20,244)**	**16,720**
Cash and cash equivalents at beginning of the year	30,008	13,089
Effect of exchange rate fluctuations in cash and cash equivalent	414	199
Cash and cash equivalents at end of the year	**10,178**	**30,008**
An analysis of cash and cash equivalents as follows :		
Cash at bank and in hand	**10,178**	**30,008**

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

The Group	Share Capital	Share Premium	Foreign Exchange Translation Reserve	Share-Based Capital Reserve	PRC Statutory Reserve	Re-Valuation Reserve	Other Deficit	Contributed Surplus	Accum. Losses	Total Equity
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2013	**126,191**	**271,548**	**31,975**	**-**	**5,863**	**1,561**	**(49,466)**	**43,348**	**(198,336)**	**232,684**
Issuance of 715,700,000 new ordinary shares for placement	35,785	62,285	-	-	-	-	-	-	-	98,070
Issuance of 13,000,000 new professional fees shares	650	1,122	-	-	-	-	-	-	-	1,772
Issuance of 577,000,000 new ordinary shares for placement	28,850	11,453	-	-	-	-	-	-	-	40,303
Performance share plan expenses	-	-	-	9,028	-	-	-	-	-	9,028
Share issuance expense	-	(9,291)	-	-	-	-	-	-	-	(9,291)
Net loss for the period from 1.4.2013 to 31.3.2014	-	-	-	-	-	-	-	-	(88,767)	(88,767)
Other comprehensive loss, net of tax	-	-	863	-	-	(1,463)	-	-	2,005	1,405
At 31 March 2014	**191,476**	**337,117**	**32,838**	**9,028**	**5,863**	**98**	**(49,466)**	**43,348**	**(285,098)**	**285,204**

The Group	Share Capital	Share Premium	Foreign Exchange Translation Reserve	Share-Based Capital Reserve	PRC Statutory Reserve	Re-Valuation Reserve	Other Deficit	Contributed Surplus	Accum. Losses	Total Equity
At 1 April 2012	**56,432**	**159,991**	**31,806**	**20,174**	**5,863**	**1,561**	**(49,466)**	**43,348**	**(169,317)**	**100,392**
Issuance of 166,000,000 new ordinary shares for placement	8,300	23,272	-	-	-	-	-	-	-	31,572
Issuance of 10,683,000 new professional fees shares	534	584	-	-	-	-	-	-	-	1,118
Issuance of 263,500,000 new ordinary shares for placement	13,175	22,495	-	-	-	-	-	-	-	35,670
Issuance of 35,000,000 new professional fees shares	1,750	6,093	-	(7,841)	-	-	-	-	-	2
Issuance of 920,000,000 new ordinary shares for 45% CSMCG	46,000	64,849	-	-	-	-	-	-	-	110,849
Share issue expense	-	(5,736)	-	-	-	-	-	-	-	(5,736)
Other comprehensive income, net of tax	-	-	169	-	-	-	-	-	-	169
Lapse of employee share options				(12,333)					12,333	-
Net loss for the period from 1.4.2012 to 31.3.2013	-	-	-	-	-	-	-	-	(41,352)	(41,352)
At 31 March 2013	**126,191**	**271,548**	**31,975**	**-**	**5,863**	**1,561**	**(49,466)**	**43,348**	**(198,336)**	**232,684**

The Company	Share Capital	Share Premium	Share-Based Capital Reserve	Contributed Surplus	Accum. Losses	Total Equity
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2013	**126,191**	**271,548**	**-**	**43,348**	**(229,814)**	**211,273**
Issuance of 715,700,000 new ordinary shares for placement	35,785	62,285	-	-	-	98,070
Issuance of 13,000,000 new professional fees shares	650	1,122	-	-	-	1,772
Issuance of 577,000,000 new ordinary shares for placement	28,850	11,453	-	-	-	40,303
Share issuance expense	-	(9,291)	-	-	-	(9,291)
Performance share plan expenses	-	-	9,028	-	-	9,028
Net loss for the period from 1.4.2013 to 31.3.2014	-	-	-	-	(150,087)	(150,087)
At 31 March 2014	**191,476**	**337,117**	**9,028**	**43,348**	**(379,901)**	**201,068**

The Company	Share Capital	Share Premium	Share-Based Capital Reserve	Contributed Surplus	Accum. Losses	Total Equity
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2012	**56,432**	**159,991**	**20,174**	**43,348**	**(222,252)**	57,693
Issuance of 166,000,000 new ordinary shares for placement	8,300	23,272	-	-	-	31,572
Issuance of 10,683,000 new professional fees shares	534	584	-	-	-	1,118
Issuance of 263,500,000 new ordinary shares for placement	13,175	22,495	-	-	-	35,670
Issuance of 35,000,000 new professional fees shares	1,750	6,093	(7,841)	-	-	2
Issuance of 920,000,000 new ordinary shares for 45% CSMCG	46,000	64,849	-	-	-	110,849
Share issue expense	-	(5,736)	-	-	-	(5,736)
Lapse of employee share options			(12,333)		12,333	-
Net loss for the period from 1.4.2012 to 31.3.2013	-	-	-	-	(19,895)	(19,895)
At 31 March 2013	**126,191**	**271,548**	**-**	**43,348**	**(229,814)**	**211,273**

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 also the number of shares that may be issued on conversion of all the outstanding convertibles 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.

The Company has on 30 April 2013 entered into a placement agreement with UOBKH (the "Placement Agent") and a subscription agreement with eight independent investors for the issuance of 410,000,000 and 305,700,000 new ordinary shares respectively of HK$0.05 each in the capital at an issue price of S$0.0217 (equivalent of approximately HK$0.136276). The SGX-ST had on 6 May 2013 issued a notice for the listing and quotation of 715,700,000 placement shares, and such shares have been alloted on 13 May 2013.

In connection with the professional work and services rendered by Asian Corporate Advisors Pte Ltd ("ACA") for placement and subscription of up to an aggregate of 715,700,000 new ordinary shares, the company issued 13,000,000 professional fee shares to ACA on 23 July 2013.

There is no outstanding convertibles for the shares to be issued on conversion as at 31 December 2013 (31 March 2013 : Nil). The Company has established an employee share option scheme on 12 April 2004. The scheme became operative upon the Company granting options to subscribe for 25,000,000 ordinary shares of the Company on 2 November 2007. All outstanding options are expired on 2 November 2012. The Company proposed to terminate the scheme and obtained the approval from shareholders in a special general meeting ("SGM") which was conducted on 26 July 2013.

During the SGM, the Company obtained the approval of introducing the performance share plan (the "PSP") for the directors/employees of the Company and its subsidiaries (collectively the "grantees"). On 24 December 2013, the SGX-ST issued a notice for the listing and quotation of up to 487,878,521 PSP Shares. On 27 December 2013, conditional share awards have been granted to the grantees in aggregate of 150,000,000 PSP shares pursuant to certain performance target or conditions to be fulfilled within the vesting period ended 31 March 2014. As at the date of this result announcement, no PSP share has been alloted.

The Company has on 8 January 2014 entered into a placement agreement with seven independent investors for the issuance of 577,000,000 new ordinary shares ("Placement Shares") of HK$0.05 each in the capital at an issue price of S$0.01145 (equivalent of approximately HK$0.07) (the "2014 Jan Proposed Placement"). The SGX-ST had on 15 January 2014 issued a notice for the listing and quotation of 577,000,000 placement shares, and such shares have been alloted on 27 January 2014.

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 2014 was 3,829,523,474 (31 March 2013 : 2,523,823,474).

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

For financial year ended 31 March 2014, the Company does not have any sales, transfers, disposals, cancellation, and/or use of treasury shares.

There are no treasury shares as at 31 March 2014.

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 an 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 prior period ended 31 March 2013. The adoption of the new and revised International Financial Reporting Standards (IFRS) and Interpretations of IFRS (INT IFRS) that are mandatory for financial year beginning on or after 1 April 2013 has no significant impact on the Group.

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

The Group

Loss per ordinary share for the year after deducting any provision for preference dividends:				
		12 Months Ended 31.3.2014		**12 Months Ended 31.3.2013**
Based on weighted average number of Ordinary shares in Issue (Please see note below)		**(2.70) HK cents**		**(2.54) HK cents**
On a fully diluted basis (Please see note below)		**(2.58) HK cents**		**(2.52) HK cents**

Note 6a : Basic loss per share

The calculation of basic loss per share is based on the Group's loss attributable to ordinary shareholders of approximately HK$88,767,000 for the 12M 31 March 2014 (12M 31 March 2013 : loss of approximately HK$41,352,000) and the weighted average number of ordinary shares of 3,290,847,000 for the 12M 31 March 2014 (12M 31 March 2013 : 1,630,691,000) in issue during the period.

Note 6b : Diluted loss per share

For 12M 31 March 2014, there is dilutive effect on the conditional share awards of 150,000,000 PSP shares which may be alloted subsequent to the financial year ended 31 March 2014.

The outstanding 23,300,000 share options of the Company which will have dilutive potential in prior period was lapsed as at 2 November 2012. The placement shares of 715,700,000 which are alloted on 13 May 2013 has no dilutive effect where both the placement and subscription agreement have been entered into subsequent to the financial year ended 31 March 2013. The professional fees shares of 13,000,000 issuable has dilutive effect as the obligation has been established before the financial year ended 31 March 2013.

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**

	As at 31.3.2014	As at 31.3.2013
Net asset value of the Company per ordinary share based on existing issue share capital	**HK$0.053 per share**	**HK$ 0.084 per share**
Net asset value of the Group per ordinary share based on existing issue share capital	**HK$0.074 per share**	**HK$ 0.092 per share**

The calculation of net asset value per share of the Company as at 31 March 2014 is based on the Company's net asset value of HK$201,068,000 (31 March 2013 : HK$211,273,000) and 3,829,523,474 ordinary shares in issue as at 31 March 2014 (2,523,823,474 ordinary shares in issue as at 31 March 2013).

The calculation of net asset value per share of the Group as at 31 March 2014 is based on the Group's net asset value of HK$285,204,000 (31 March 2013 : HK$232,684,000) and 3,829,523,474 ordinary shares in issue as at 31 March 2014 (2,523,823,474 ordinary shares in issue as at 31 March 2013).

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**

Revenue

The Group's revenue generated in the 12M 31 March 2014 increased by approximately HK$2.6 million to approximately HK$17 million from approximately HK$14.4 million in the 12M 31 March 2013. The increase in revenue was mainly caused by the sales of RFID chips during the 12M 31 March 2014.

The following is a breakdown of the Group's revenue generated for the 12M 31 March 2014 and the 12M 31 March 2013 respectively :

	12M2014 HK$'000	12M2013 HK$'000
Revenue from provision of IT services	1,238	2,872
Revenue from trading of IT equipment	11,045	11,566
Revenue from trading of RFID chips	4,680	-
	16,963	**14,438**

Cost of goods sold

Cost of goods sold increased by approximately HK$3.7 million from approximately HK$9.9 million in the 12M 31 March 2013 to approximately HK$13.6 million in the 12M 31 March 2014. It was primarily due to the corresponding new addition revenue from trading of RFID chips during the 12M 31 March 2014.

Subcontracting fees

Subcontracting fees decreased by approximately HK$1.3 million from approximately HK$2.0 million in the 12M 31 March 2013 to approximately HK$0.7 million in the 12M 31 March 2014 which is mainly caused by the decrease in the corresponding provision of IT services.

Other income

Other income in the 12M 31 March 2014 consists mainly of (i) gain on disposal of assets held for sales of approximately HK$2.9 million represent gain on the sales of two PRC properties, and (ii) miscellaneous income of approximately HK$0.2 million.

Other income in the 12M 31 March 2013 consists mainly of (i) the rental income of approximately HK$172 thousand generated from the lease of PRC property which has been classified from investment property to non-current assets held for sale, (ii) interest income of approximately HK$15 thousand which is the interest income earned from cash and cash equivalents, and (iii) the foreign exchange gain of approximately HK$373 thousand.

Operating expenses

The Group's total operating expenses (including staff costs, share-based payment expenses, depreciation and other expenses but excluding cost of goods sold, subcontracting fees, amortisation and impairment) increased by approximately HK$29.9 million from approximately HK$38.3 million in the 12M 31 March 2013 to approximately HK$68.2 million in the 12M 31 March 2014.

The staff cost increased by approximately HK$10.7 million to approximately HK$18.8 million in the 12M 31 March 2014 from approximately HK$8.1 million in the 12M 31 March 2013. The increase in staff cost of approximately HK$9.0 million in 12M 31 March 2014 representing share-based payment expenses of the PSP, the remaining balance of the increase of approximately HK$1.7 million is due to increase in headcount. The entire amount of approximately HK$9.0 million is expensed for the 12M 31 March 2014 with a corresponding increase in share-based payment reserve.

Depreciation charges decreased by approximately HK$258 thousand from approximately HK$665 thousand in the 12M 31 March 2013 to approximately HK$407 thousand in the 12M 31 March 2014, which is mainly caused by the disposal of property, plant and equipment.

Amortisation of intangible assets in relation to customer relationship of approximately HK$0.7 million was provided in both the 12M 31 March 2014 and the 12M 31 March 2013 resulting from business combination.

Other expenses increased by approximately HK$19.5 million to approximately HK$49.0 million in the 12M 31 March 2014 from approximately HK$29.5 million in the 12M 31 March 2013. Details of breakdown of other expenses as follows:

	12M2014 **HK$'000**	**12M2013** **HK$'000**
Cancellation fees	6,523	-
Travelling and entertainment expenses	7,017	8,467
Legal, professional and marketing expenses	25,805	15,023
Operating lease expenses	2,524	1,267
Other operating expenses	7,132	4,782
	49,001	**29,539**

Cancellation fees represent a termination of acquisition of equipment for customer calling support centre in the PRC, software development for client account management system and compensation for an application which are no longer required due to the collaboration with various business partners in the PRC for providing the similar support service. Upon termination, the Company is able to recover HK$18.8 million prepaid development fees.

Legal, professional and marketing expenses increased by approximately HK$10.8 million from approximately HK$15 million in the 12M 31 March 2013 to approximately HK$25.8 million in the 12M 31 March 2014, which are mainly attributed by the development of mobile satellite services as well as other potential telecommunication services.

Finance costs decreased by approximately HK$266 thousand to approximately HK$373 thousand in the 12M 31 March 2014 from approximately HK$639 thousand in the 12M 31 March 2013, which is the interest expense arising from a short-term loan and obligation under finance lease.

Impairment of goodwill in associate of approximately HK$2.9 million representing goodwill written off on investment in associate Fesco E-HR as the carrying amount of the investment is lower than the recoverable amount after the reassessment of operating cash flow forecast of the associate.

Share of loss of associates of approximately HK$20.6 million representing the share of loss of associate Fesco E-HR of approximately HK$11.1 million and the share of loss of associate CSMCG of approximately HK$9.5 million for the 12M 31 March 2014. Please refer to the below section of interest in an associate for details.

Net loss after taxation

The Group's net loss after taxation attributable to shareholders of the Group in the 12M 31 March 2014 is approximately HK$88.8 million or an increase of approximately HK$47.4 million as compared to the 12M 31 March 2013. The loss was mainly attributable by (i) the increase in staff costs of approximately HK$10.7 million, (ii) the increase in costs of goods sold of approximately HK$3.8 million, (iii) the increase in other expenses of approximately HK$19.5 million, (iv) the impairment of goodwill in an associate of approximately HK$2.9 million, and (v) the share of loss of associates of HK$20.6 million. This was partially offset by (i) the increase in revenue of approximately HK$2.5 million, (ii) the increase in other income of approximately HK$2.6 million, (iii) the decrease in finance costs of approximately HK$266 thousand, and (iv) the decrease in subcontracting fees of approximately HK$1.3 million.

Income tax

The Company was 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 2016.

The Group's profits derived from Hong Kong are subject to Hong Kong profits tax at 16.5% (FY2013: 16.5%). No provision for Hong Kong profits tax was made, as there was no assessable profit derived from Hong Kong for the 12M 31 March 2014.

As a foreign invested enterprise with a paid-up capital of over US$5 million and engaging in the provision of high technology business services in the Zhuhai Special Economic Zone, the Group's operating subsidiary in the PRC, Armarda Technology (Zhuhai) Limited ("ATZH") was fully exempted from PRC income tax for the first two profitable years in FY2004 and FY2005 and it would be entitled to 50% exemption from the applicable standard income tax rate for the another three years in FY2006, FY2007 and FY2008 provided that its production-oriented revenue exceeded 50% of its total revenue in each year (the "50% Criteria").

On 16 March 2007, the Fifth Plenary Session of the Tenth National People's Congress passed the new Corporate Income Tax Law of the People's Republic of China ("new tax law") which has taken effect on 1 January 2008. Pursuant to the notice on the Implementation Rules of the Grandfather Relief under the new tax law, Guofa (2007) No. 39, issued on 26 December 2007 by the State Council, the income tax rate applicable to the subsidiary of the Company in the PRC which had enjoyed preferential tax rates before 1 January 2008 will be gradually increased from the ex-preferential income tax rates to 25% over a five-year transition period commencing from 1 January 2008. The applicable income tax rate is 18%, 20%, 22%, 24% and 25% for 2008, 2009, 2010, 2011 and 2012, respectively. ATZH was subject to PRC income tax at 25% for both 2014 and 2013 respectively.

Pursuant to the new tax law passed on 16 March 2007, a 10% withholding tax is levied on dividends declared to foreign investors from a PRC entity effective from 1 January 2008. A lower withholding tax rate may be applied if there is a tax treaty arrangement between the PRC and the jurisdiction of the foreign investors. Since ATZH is wholly owned by Armarda Technology (Hong Kong) Limited, a Hong Kong registered company, the applicable withholding tax rate is 5%. On 22 February 2008, Caishui (2008) No.1 was promulgated by the tax authorities specifying that dividends from the retained earnings as at 31 December 2007 are exempted from the withholding tax. ATZH has been recording accumulated losses for the financial year ended 31 December 2008 onwards and there are no deferred withholding tax as at 31 March 2014.

No Singapore income tax was payable in respect of the Group's operations in Singapore, as such operations sustained losses for tax purposes in 2014 and 2013.

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

The Group reported an income tax expenses of approximately HK$1.7 million in the 12M 31 March 2014 which was caused by the decrease in deferred tax liabilities of approximately HK$1.7 million attributable to tax effect of non-deductible expenses arising from disposal of PRC premises and temporary difference in trade receivables. Whereas an income tax expenses of approximately HK$3.1 million was reported in the 12M 31 March 2013 resulted from an increase in deferred tax liabilities attributable mainly to the taxable temporary differences arising from the premises in PRC classified as non-current assets held for sale and additional provision for enterprise income tax of a PRC subsidiary.

Interest in an associate – Fesco E-HR

The Group entered into a joint venture agreement with the Fesco Group to subscribe 90% of the newly issued share capital to the amount of RMB20 million of Fesco E-HR Service (Beijing) Co., Ltd. (Fesco E-HR) at a total capital contribution amount of RMB18 million with effect from 1 April 2007, and the whole contribution process was completed in 2008.

Management reassessed the operating performance, cash flow forecast, expected growth rate and net assets status, resulting in an impairment of goodwill in the associate amounting to approximately HK$2.9 million where the recoverable amount lower than the carrying amount has been reflected as an impairment.

The 45% share of loss from Fesco E-HR amounting to approximately HK$11.1 million in the 12M 31 March 2014 was primarily due to higher operating expenses incurred during the year as well as allowance for doubtful debt provision.

Interest in an associate – CSMCG

The Company entered into a sale and purchase agreement on 28 March 2011 to acquire 45% equity interest ("Acquisition") in China Satellite Mobile Communications Group Limited ("CSMCG") at a purchase consideration, determined on a willing-buyer, willing-seller basis, comprising of the following:

a) loan notes of HK$45 million ("Loan Notes"); and
b) 920,000,000 fully paid-up ordinary shares at the prevailing market price ("Consideration Shares").

The Acquisition was approved by shareholders in a general meeting held on 21 December 2011. Accordingly, the aggregate purchase consideration is estimated to be approximately HK$454.5 million, representing Loan Notes of HK$45 million and HK$409.5 million at an issue price of S$0.075 (equivalent to HK$0.445).

Subsequently, the shareholders approved the allotment of Consideration Shares during the shareholders' meeting held on 16 November 2012 and the Consideration Shares were allotted on 28 November 2012 at the prevailing market price of S$0.019 (equivalent to HK$0.120), amounting to approximately HK$110.8 million.

Accordingly, the Board of Directors has assessed that the Company has significant influence over CMSCG upon the issuance of the Consideration Shares on 28 November 2012. The Board of Directors has concluded to account for the investment in CMSCG amounting to approximately HK$155.8 million (comprising Loan Notes of HK$45 million and Consideration Shares of HK$110.8 million based on market price) as an associate using the equity method.

The share of losses for this associate amounted to approximately HK$9.5 million and approximately HK$0.7 million in 12M 31 March 2014 and 12M 31 March 2013 respectively. CSMCG, which commenced its operation in April 2013, recorded a loss after tax of approximately HK$21.0 million in 12M 31 March 2014 due to, *inter alia*, marketing and operating expenses, and loss on unutilised air-time.

The Company had on 29 October 2013 entered into a deed of capital contribution with 11 shareholders of CSMCG for the injection of working capital into CMSCG, a wholly-owned subsidiary of CSMCG, in light of increase in business activities and the required procurement for a successful rollout and development of the Thuraya “1349” MSS services in the PRC. Correspondingly, the Company contributed capital in cash of HK$12.6 million in CMSCG in accordance with its 45% equity interest in CSMCG and it was recorded as cost of investment in the third quarter of FY2014.

The interest in the associate reported as at 31 March 2014 amounting to approximately HK$159.2 million is calculated on the basis of audited number as at 31 March 2013 amounting to approximately HK$156.1 million with share of loss in 12M 31 March 2014 amounting to approximately HK$9.5 million and by adding capital contribution in cash amounting to HK$12.6 million in CMSCG.

Property, plant and equipment

The total net book value of the Group’s property, plant and equipment of approximately HK$1.4 million as at 31 March 2014 is mainly comprised of furniture, fixtures, computer and other equipment of approximately HK$0.3 million, and motor vehicles of approximately HK$1.1 million. The net book value increased by HK$0.9 million from approximately HK$0.6 million as at 31 March 2013 to approximately HK$1.4 million as at 31 March 2014, representing the purchase of motor vehicles and offset by depreciation expense provided.

Intangible assets

	31.3.2014 HK$'000	31.3.2013 HK$'000
Intangible assets - customer relationship	2,790	3,534

The intangible assets of approximately HK$2.8 million as at 31 March 2014 (as at 31 March 2013 : HK$3.5 million) is arisen from the acquisition of Brilliant Time Limited (“BTL”). The difference in the carrying amount is due to amortisation expenses amounting to approximately HK$0.744 million.

Pursuant to an announcement made on 6 February 2006 and a subsequent shareholders’ resolution passed on the 22 April 2006 at the Company’s annual general meeting held in Singapore, the Company had completed the acquisition of 250 shares from Mr. Lee Man Lung, Vincent (the “Vendor”), representing 25% of the total issued capital of BTL on 18 June 2006. BTL was considered an associate of the Group and the share of its profit after tax had been equity accounted for since 18 June 2006.

Subsequently on 21 November 2007, one of our subsidiaries, Armarda Holdings Limited, entered into a sales and purchase agreement with the Vendor, to acquire from the Vendor an additional 55% equity interests in BTL for a net consideration of HK$72.9 million (“Proposed Acquisition”).

The above transaction was subsequently approved by the shareholders of the Company in a special general meeting held on 19 January 2008 in Singapore. Upon completion of the transaction, BTL had become an 80% owned subsidiary of the Group and full consolidation of BTL’s financial statements into the Group’s financial statements was commenced from the first quarter of 2008.

Subsequently on 23 December 2008, one of our subsidiaries, Armarda Holdings Limited, entered into a sales and purchase agreement with the Vendor, to acquire from the Vendor the remaining 20% equity interests in BTL for a net consideration of HK$27.2 million. The transaction was completed on 8 January 2009 and BTL had become an 100% owned subsidiary of the Group. Since the Group early adopted IFRS3 Business Combinations (2008) and IAS27 Consolidated and Separate Financial Statements (2008) for acquisitions of non-controlling interests occurring in the financial year starting 1 January 2009, acquistions of non-controlling interests (20% of BTL) was accounted for as transactions with equity holders and therefore no goodwill nor intangible assets was recognised. The carrying amount of BTL's net assets in the consolidated financial statements on the date of acquisition was approximately HK$40.9 million. The Group recognised a decrease in non-controlling interest of approximately HK$8.2 million and the excess of the consideration over the carrying amount of the interest in the net assets acquired was recognised directly in equity as other reserves of approximately HK$19.0 million in FY2009. Considering the slow down of IT spending in PRC market, the management conducted an impairment review in FY2009 by comparing the recoverable amount and the carrying amount, as a result, HK$9.0 million impairment loss was provided in 2009.

Due to the continuous decline of the sales and loss of some major customers which will affect BTL's revenue, contract award and profit margin, the management is seeking advice from professional parties and reassessed its revenue, operating cash flow forecast and customer retention rate under a prudent approach, with an after-tax discount rate of 18.34%, resulting in an impairment where the amounts which exceeds will be reflected as a loss from impairment. As such, an impairment of goodwill and customer relationship of approximately HK$52.0 million and approximately HK$25.1 million respectively were provided in FY2010.

Other assets

The following is a breakdown of the other assets of the Group as at 31 March 2014 and 31 March 2013 :

	31.3.2014 **HK$'000**	**31.3.2013** **HK$'000**
Golf club membership	998	983
Deposit for acquisition of equipment	-	8,565
Prepayment for software development	-	7,965
	998	**17,513**

Other assets – golf club membership remains closely the same of approximately HK$1 million as at 31 March 2014 and 31 March 2013 respectively, representing the costs of transferable life membership of a golf club.

Other assets – deposit for acquisition of equipment is the equipment to be procured for the establishment of a customer service calling support centre in the PRC. The development plan was terminated and the deposit of approximately HK$9.6 million will be refunded to the Company, and accordingly, classified as other receivable.

Other assets – prepayment for software development is the software for the development of a prepaid card top-up and client account management system. The development plan was terminated and the prepayment of approximately HK$9.2 million will be refunded to the Company, and accordingly, classified as other receivable.

Trade and other receivables

The following is a breakdown of the total trade and other receivables of the Group as at 31 March 2014 and 31 March 2013 :

	31.3.2014 **HK$'000**	**31.3.2013** **HK$'000**
Trade receivables	5,742	7,199
Other receivables, deposits and prepayments	112,482	10,389
	118,224	**17,588**

Trade receivables

The Group's trade receivables decreased by approximately HK$1.5 million to approximately HK$5.7 million as at 31 March 2014 from approximately HK$7.2 million as at 31 March 2013. The balance as at 31 March 2014 is mainly due to sales generated during 3M 31 March 2014 which have not been settled, which are current and the amount is within the credit period.

Based on historical default rates, the executive directors believe that no impairment allowance is necessary in respect of trade receivables. All the trade and other receivables are expected to be recovered. Currently, all receivables are all within the normal credit terms.

Other receivables, deposits and prepayments

The following is a breakdown of other prepayments and receivables of the Group as at 31 March 2014 and 31 March 2013 :

	31.3.2014	**31.3.2013**
	HK$'000	**HK$'000**
Convertible loan	50,050	-
Loan to the vendors of CSMCG	24,700	-
Prepayment of purchase of RFID chips	5,288	9,500
Receivables arising from termination of agreement	18,800	-
Short term advances	11,890	-
Other deposits and receivables	1,754	889
	112,482	**10,389**

Convertible loan

During the year, the Company granted a loan to its business partner to acquire 44% in a PRC company ("PRC Company") to operate in the PRC telecommunication industry. The loan is secured by 94.5% equity shares of a Zhuhai holding company ("Zhuhai Entity") of the PRC Company and a conversion option, at the Company's discretion, to convert the loan into equity shares in the Zhuhai Entity, subject to approval from relevant PRC authorities and laws and regulations.

Please refer to the Company's announcement dated 29 May 2014 for further details.

Loan to the vendors of CSMCG

A loan amounting to HK$24.7 million was provided to certain vendors of CSMCG as at 31 March 2014.

Please refer to the Company's announcement dated 29 May 2014 for further details.

Prepayment of purchase of RFID chips

China RFID Limited ("**CRL**"), a wholly owned subsidiary of the Company, entered into an exclusive distributor agreement ("**Exclusive Distributor's Agreement**") with Smart Asia Technology Limited ("**SMART**") on 18 January 2013 to renew the distributorship of RFID chips and agreed , *inter alia,* that CRL has the exclusive right to distribute NXP RFID Chips on the terms and subject to conditions set out in the Exclusive Distributor's Agreement. On the same date, CRL also entered into an exclusive supply agreement ("**Exclusive Supply Agreement**") with China Vision Intelligent Card Reader Co., Ltd. ("**China Vision**") to renew the exclusive supply agreement with China Vision and agreed, *inter alia,* that CRL shall supply NXP RFID Chips to China Vision on the terms and subject to the conditions set out in the Exclusive Supply Agreement. Both Exclusive Distributor's Agreement and Exclusive Supply Agreement are in the Group's normal course of business.

Pursuant to the Distributor's Agreement above, CRL has made a deposit of HK$2 million for the initial order of RFID chips which was recognised as cost of goods sold during 3M 30 June 2013. In addition, pursuant to the Distributor's Agreement, CRL has made a prepayment of HK$7.5 million, which is the refundable deposit for future orders from SMART and sufficient for the procurement at the best possible price per unit from SMART.

CRL will be able to utilise the refundable deposit for any future order within the duration of Exclusive Distributor's Agreement without making further payment. Such arrangement allows CRL to enjoy a better discount in procuring the RFID chips. If at the expiry of the term of the agreement, the refundable deposit is not utilised, SMART is committed to refund the available balance to CRL. During 12M 31 March 2014, approximately HK$4.2 million has been utilised for RFID chips purchase. The prepayment reduced to approximately HK$5.3 million as at 31 March 2014.

Receivables arising from termination of agreement

The receivables arising from termination of agreement represent funds to be received due to the termination of the acquisition of equipment for the establishment of a customer service calling support centre in the PRC and software development of a client account mangement system which have been classified as non-current assets in the prior years amounting to approximately HK$9.6 million and approximately HK$9.2 million respectively. Due to the collaboration with various PRC business partners for providing similar services, the equipment for the establishment of a customer service calling support centre in the PRC and software development are no longer required. Hence they have been terminated and the Company incurred a cancellation loss of approximately HK$5.5 million in this respect.

Short-term advances

The short term advances represent the advances provided to the long term business partners to facilitate the Company in the operation of mobile satellite services and other IT related services. Based on historical records and given the long term relationship with and the track record of the business partners, the executive directors are confident that the advances are able to be recovered.

Other deposits and receivables

Other deposits and receivables increased by approximately HK$0.9 million from approximately HK$0.9 million as at 31 March 2013 to approximately HK$1.8 million as at 31 March 2014, mainly representing the deposit for the office utilities and office rental in both Hong Kong and PRC.

Due from associate

Pursuant to an agreement between the Company and CSMCG dated 1 December 2012, CSMCG has appointed the Company as a procurement agent for *inter-alia* the purchase of the satellite phones, airtime, and other professional service which is deemed necessary and appropriate. As at 31 March 2014, the amount due from CSMCG in relation to the procurement of satellite phones, airtime and arrangement of marketing activities amounted to approximately HK$1.6 million, which is decreased by approximately HK$0.1 million from approximately HK$1.7 million as at 31 March 2013. It is trade in nature and does not constitute an IPT pursuant to Chapter 9 of the Catalist Rules.

Cash and cash equivalents

The following is a breakdown of cash and cash equivalents of the Group as at 31 March 2014 and 31 March 2013 :

	31.3.2014 HK$'000	31.3.2013 HK$'000
Cash at banks and in hand	10,178	30,008
Total cash and cash equivalents	**10,178**	**30,008**

Please refer to pages 19 and 20 on "Cashflows" on the decrease in cash and cash equivalents.

Trade and other payables

The following is a breakdown of the trade and other payables of the Group as at 31 March 2014 and 31 March 2013:

	31.3.2014 HK$'000	31.3.2013 HK$'000
Trade payables	1,968	2,392
Deposit for the disposal of leasehold property in PRC	-	9,864
Other deposits and accruals	11,057	14,374
Due to directors (non-trade)	-	699
	13,025	**27,329**

Trade payables represent mainly the outstanding support charges due to independent subcontractors for services rendered to the Group's customers in the PRC. It decreased by approximately HK$0.4 million from approximately HK$2.4 million as at 31 March 2013 to approximately HK$2 million as at 31 March 2014 which is primarily due to the reduction in corresponding revenue from provision of IT services.

The wholly owned subsidiary Armarda Technology (Zhuhai) Limited has entered into sales and purchase agreements with two parties for the sale of the leasehold properties in PRC which have been originally classified under investment property and property, plant and equipment and now reclassified to non-current assets held for sale. The transfer of legal titles of the Floor 18 and Floor 19 are completed on 3 April 2013 and 8 May 2013 respectively.

The other deposits and accruals represent other outstanding operating expenses payable. It decreased by approximately HK$3.3 million from approximately HK$14.4 million as at 31 March 2013 to approximately HK$11.1 million as at 31 March 2014 which represents the settlement of the accrued expenses in 12M 31 March 2014.

Amounts due to directors of approximately HK$0.7 million represents the directors' fees and reimbursement of travelling and entertainment expenses payable to the directors as at 31 March 2013. The amounts due were fully settled with the directors during 12M 31 March 2014.

Short-term loan

Short term loan of HK$6 million represents the funds being financed by an unrelated third party to the Company carrying 1% interest per month. The loan is repayable within 1 year and is guaranteed by a director of the Company. The short term loan was used to support the Company and the borrower for participating in the PRC Project.

None of Directors or substantial shareholders of the Company has any interest, direct or indirect, in the PRC Project, other than through their respective shareholding in the Company or their involvement as director of the Company.

Obligations under finance lease

The Group has obligations under a finance lease that are repayable within one year of approximately HK$0.16 million and approximately HK$0.25 million as at 31 March 2014 and 31 March 2013 respectively and no outstanding balance is repayable after 1 year.

Deferred tax liabilities

Deferred tax liabilities amounting to approximately HK$3.2 million and HK$2.0 million as at 31 March 2014 and 31 March 2013, is derived from the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts reported for taxation purposes.

Reserves

The following is a breakdown of the Reserves of the Group as at 31 March 2014 and 31 March 2013 :

	31.3.2014 HK$'000	31.3.2013 HK$'000
Share premium	**337,117**	**271,548**
Foreign exchange translation reserve	**32,838**	**31,975**
PRC statutory reserve	**5,863**	**5,863**
Revaluation reserve	**98**	**1,561**
Other deficit	**(49,466)**	**(49,466)**
Contributed surplus	**43,348**	**43,348**
Share-based payment reserve	**9,028**	**-**
Accumulated loss	**(285,098)**	**(198,336)**
	93,728	**106,493**

- In accordance with the relevant PRC laws applicable to enterprises with foreign investment, Armarda Zhuhai is required to transfer at least 10% of its annual net profit determined under PRC accounting regulations to the PRC statutory reserve. This reserve can be used to convert into paid-in capital and offset to reduce prior years' losses, if any.

- The foreign exchange translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign entities that are not integral to the operation of the Company.

- Revaluation reserve relates to the revaluation gain on property, plant and equipment upon tranfer as investment property at fair value.

- The other deficit of approximately HK$49.5 million arise from the acquisition of non-controlling interest of CRL completed on 22 June 2011 (HK$19.5 million) and BTL completed on 8 January 2009 (HK$30.4 million). The Group has recognised any premiums or discounts on purchase of equity instruments from non-controlling interest subsequent to the obtaining control.

- Contributed surplus relates to the capital reorganisation exercise for the reduction of the par value from HK$0.20 each to HK$0.05 each. After the capital reduction taking effect on 30 April 2010, the credit amount of HK$84,696,071 was credited to the contributed surplus account of the Company, of which HK$41,348,347 was utilised to set off the accumulated losses of the Company in its entirety.

- Share-based payment reserve represented the fair value of the conditional performance shares award granted to the grantees as at the grant date. The reserve will be reduced by the physical issuance of the performance shares if the performance targets have been fulifilled or satisfied after the vesting period.

Cashflows

The Group used approximately HK$69.4 million and approximately HK$15.6 million in its operating activities for the 12M 31 March 2014 and 12M 31 March 2013 respectively. This is mainly due to cash used in operating activities before changes in working capital of approximately HK$55.3 million, the decrease in amount due from associate of approximately HK$0.1 million, the increase in trade and other receivables of approximately HK$9.2 million, and the decrease in other payables and accruals of approximately HK$4.9 million for the 12M 31 March 2014.

The Group used approximately HK$87.0 million in its investing activities for the 12M 31 March 2014 are primarily due to purchase of property, plant and equipment of approximately HK$1.4 million, capital injection in an associate, CSMCG, of HK$12.6 million, loan to the vendors of CSMCG of HK$24.7 million and convertible loan of approximately HK$50 million which were partially offset by proceeds from disposal of property, plant and equipment and PRC properties of HK$115 thousand and HK$1.6 million respectively. The Group used approximately HK$23.5 million in its investing activities for the 12M 31 March 2013 which are primarily for the acquisition of an associate of approximately HK$15.6 million, prepayment of software development fee of approximately HK$8.0 million and purchase of property, plant and equipment of approximately HK$22 thousand which were partially offset by proceeds from disposal of property, plant and equipment of approximately HK$33 thousand for the 12M 31 March 2013.

The Group generated net cash inflow from financing activities of approximately HK$136.1 million for the 12M 31 March 2014, mainly the net proceeds from issuance of new ordinary shares of approximately HK$130.2 million (net of expenses) and loan from an unrelated third party of HK$6 million which was partially offset by (i) the repayment of finance lease of approximately HK$94 thousand. The Group generated net cash inflow from financing activities of approximately HK$55.8 million for the 12M 31 March 2013, mainly the net proceeds from issuance of new ordinary shares of approximately HK$61.5 million (net of expenses) which was partially offset by (i) the repayment of finance lease of approximately HK$185 thousand, and (ii) the repayment of bank loan of approximately HK$5.5 million.

As a whole, the Group used and generated approximately HK$20.2 million and approximately HK$16.7 million in the 12M 31 March 2014 and 12M 31 March 2013 respectively. The cash and cash equivalents as at 31 March 2014 is approximately HK$10.2 million.

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

Not applicable.

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

The overall market condition of the PRC IT industry where the Group operates in has remained difficult, with intense competition from the continuous entrance of both local and international market players and the continuous decrease in IT related spending by existing clients. The management of the Company expects that such market condition will not improve in the near future. On the other hand, the management of the Company will continue to explore and develop other new business initiatives, including but not limited to, the Thuraya mobile satellite communication services in the PRC, in the upcoming reporting periods.

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 (FY2013 : 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 in the financial year ended 31 March 2014.

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 shareholders. There was no interested person transaction for the period under review.

14. 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).

Save for Mr Luk Siu Fung Mark who is the son of the executive director, deputy chairman and chief executive officer Mr Luk Chung Po Terence, being appointed as project manager of the Company with effect on 1 June 2013, there is no other person occupying managerial positions in the Company or its principal subsidiaries who are related to a director or chief executive officer or substantial shareholder of the Company.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Luk Siu Fung, Mark	25	Son of Luk Chung Po, Terence Executive Director	Project manager, being responsible for mobile satellite and communication project management and development, has been first appointed in 2013	Not applicable

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

15. 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

The Group comprises two reportable segments (i) provision of IT services (ii) trading of equipment. Other business operations includes investment holding 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. The Group's CEO reviews internal management reports of each strategic business unit on at least a quarterly basis.

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

	12 Months Ended 31.3.2014 HK$'000	12 Months Ended 31.3.2013 HK$'000
Revenue (including other operating income)		
Provision of IT services	1,238	2,872
Trading of equipment	15,725	11,566
All other segments	3,147	560
	20,110	**14,998**
Segment results		
Provision of IT services	43	(3,486)
Trading of equipment	(11,465)	(12,990)
All other segments	(72,345)	(21,158)
Segment loss	**(83,767)**	**(37,634)**
Finance costs	(373)	(639)
Impairment of goodwill in associate	(2,923)	-
Income tax expenses	(1,704)	(3,079)
Loss for the year	**(88,767)**	**(41,352)**
Segment Assets		
Provision of IT services	755	27,553
Trading of equipment	21,103	71,709
All other segments	288,662	164,882
	310,520	**264,144**
Segment Liabilities		
Provision of IT services	260	8,253
Trading of equipment	2,488	11,213
All other segments	16,434	8,114
Unallocated	6,134	4,880
	25,316	**32,460**
Capital expenditure		
Provision of IT services	-	1
Trading of equipment	774	21
All other segments	583	-
	1,357	**22**

	12 Months Ended 31.3.2014 HK$'000	12 Months Ended 31.3.2013 HK$'000
Depreciation		
Provision of IT services	-	200
Trading of equipment	248	465
All other segments	496	-
	744	**665**
Amortisation		
Provision of IT services	531	531
Trading of equipment	213	213
All other segments	-	-
	744	**744**
Impairment		
Provision of IT services	2,923	-
All other segments	-	2,831
	2,923	**2,831**

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, capital expenditure and assets is as follows:

	12 Months Ended 31.3.2014 HK$'000	12 Months Ended 31.3.2013 HK$'000
Revenue		
PRC	15,252	10,240
Hong Kong	4,858	4,758
	20,110	**14,998**
Capital expenditure		
PRC	583	2
Hong Kong	774	20
	1,357	**22**
Segment assets		
PRC	35,276	49,233
Hong Kong	275,005	214,851
Singapore	239	60
	310,520	**264,144**

16. 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.

17. A breakdown of sales

	12 Months Ended 31.3.2014 HK$'000	12 Months Ended 31.3.2013 HK$'000
First Half Year		
Revenue from provision of IT services	643	764
Revenue from trading of equipment	12,228	7,283
Other income	13	412
Amortisation of intangible assets	(372)	(372)
Share of profit / (loss) of associate	(3,647)	568
Loss after tax	**(20,943)**	**(21,393)**
Second Half Year		
Revenue from provision of IT services	595	2,108
Revenue from trading of equipment	3,497	4,283
Other income	3,134	148
Amortisation of intangible assets	(372)	(372)
Impairment of goodwill in associate	(2,923)	-
Share of profit of associates	(16,919)	643
Loss after tax	**(67,819)**	**(19,959)**
Full Year		
Revenue from provision of IT services	1,238	2,872
Revenue from trading of equipment	15,725	11,566
Other income	3,147	560
Amortisation of intangible assets	(744)	(744)
Impairment of goodwill in associate	(2,923)	-
Share of profit of associates	(20,566)	1,211
Loss after tax	**(88,762)**	**(41,352)**

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

(a) Ordinary
Nil (FY2013 : Nil)

(b) Preference
Nil (FY2013 : Nil)

(c) Total
Nil (FY2013 : Nil)

19. Use of proceeds

Use of proceeds for the remaining balance of S$1.7 million from the placement of 715.7 million shares and for the balance of S$6.34 million from the placement of 577 million shares have been announced via SGXNET on 30 May 2014.

BY ORDER OF THE BOARD

Luk Chung Po, Terence
Executive Director

30 May 2014

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**Exchange**"). The Company's Sponsor has not independently verified the contents of this announcement including the correctness of any of the figures used, statements or opinions made.*

This announcement has not been examined or approved by the Exchange and the Exchange 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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