

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 Period Ended 31 March 2016

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

SINOCLOUD GROUP LIMITED			
CONSOLIDATED INCOME STATEMENT			
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016			
(Expressed in Hong Kong thousand dollars)			
	Twelve Months Ended	Twelve Months Ended	
	31.3.2016	31.3.2015	%
	(Unaudited)	(Audited)	+ / (-)
		(Re-presented)	
Continuing operations			
Revenue	19,267	10,250	88
Other income	4,407	3,389	30
Personnel expenses	(9,371)	(3,502)	NM
Depreciation of property, plant and equipment	(5,227)	-	NM
Amortisation of intangible assets	(4,825)	(558)	NM
Impairment of:			
- intangible assets	-	(2,232)	NM
- investment in an associate	(81,231)	-	NM
- convertible loan	(42,084)	-	NM
Cost of purchases	(5,971)	(8,294)	(28)
Subcontracting fees	-	(515)	NM
Other expenses	(16,242)	(16,337)	(1)
Finance costs	(4,628)	(720)	NM
Loss on disposal of subsidiaries	(343)	-	NM
Loss on liquidation of subsidiaries	(5,933)	-	NM
Share of loss of associates	(6,474)	(6,376)	2
Loss before tax from continuing operations	(158,655)	(24,895)	NM
Income tax	(29)	-	NM
Loss after tax from continuing operations	(158,684)	(24,895)	NM
Discontinued operation			
Profit / (Loss) from discontinued operations	46,163	(17,616)	NM
Total loss	(112,521)	(42,511)	NM
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss			
Currency translation differences arising from consolidation			
- Gains/ (losses)	1,757	(193)	NM
- Reclassification adjustment, net of tax	(37,563)	-	NM
Share of translation reserve of associates	-	69	NM
Other comprehensive loss, net of tax	(35,806)	(124)	NM
Total comprehensive loss	(148,327)	(42,635)	NM

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

SINOCLOUD GROUP LIMITED					
CONSOLIDATED COMPREHENSIVE INCOME STATEMENT					
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016					
(Expressed in Hong Kong thousand dollars)					
	Twelve Months Ended		Twelve Months Ended		%
	31.3.2016		31.3.2015		
	(Unaudited)		(Audited)		+ / (-)
Loss for the financial year	(112,521)		(42,511)		NM
Other comprehensive loss					
Equity shareholders of the Company	(36,397)		(124)		NM
Non-controlling interest	591		-		NM
Total comprehensive loss for the financial year	(148,327)		(42,635)		NM
Loss attributable to:					
Equity holders of the Company	(111,615)		(42,511)		NM
Non-controlling interests	(906)		-		NM
	(112,521)		(42,511)		NM
Loss attributable to equity holders of the Company relates to:					
Loss from continuing operations	(157,778)		(24,895)		NM
Profit/ (loss) from discontinued operations	46,163		(17,616)		NM
	(111,615)		(42,511)		NM
Total comprehensive loss attributable to					
Equity shareholders of the Company	(148,012)		(42,635)		NM
Non-controlling interests	(315)		-		NM
	(148,327)		(42,635)		NM

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 2016						
(Expressed in Hong Kong thousand dollars)						
	The Group		The Company			
	As at	As at	As at	As at		
	31.3.2016	31.3.2015	31.3.2016	31.3.2015		
	(Unaudited)	(Audited)	(Unaudited)	(Audited)		
ASSETS						
Non-current assets						
Property, plant and equipment	65,899	589	-	-		
Intangible assets	170,915	-	-	-		
Investment in associates	108,981	164,108	132,001	169,432		
Other assets	-	83,003	-	-		
	<u>345,795</u>	<u>247,700</u>	<u>132,001</u>	<u>169,432</u>		
Current assets						
Trade and other receivables	52,794	128,754	36,233	119,143		
Due from associate	22,544	15,460	-	11,700		
Due from subsidiaries	-	-	33,756	-		
Cash and bank balances	12,037	7,914	-	-		
	<u>87,375</u>	<u>152,128</u>	<u>69,989</u>	<u>130,843</u>		
TOTAL ASSETS	<u>433,170</u>	<u>399,828</u>	<u>201,990</u>	<u>300,275</u>		
LIABILITIES						
Current liabilities						
Trade and other payables	40,999	22,984	3,472	17,452		
Due to a subsidiary	-	-	-	28,816		
Due to an associate	-	695	-	-		
Lease obligations	17,260	-	-	-		
Short-term borrowing	-	6,000	-	6,000		
Income tax payable	-	2,911	-	-		
	<u>58,259</u>	<u>32,590</u>	<u>3,472</u>	<u>52,268</u>		
Non Current liabilities						
Convertible bond	13,220	-	13,220	-		
Lease obligations	36,680	-	-	-		
Deferred tax liabilities	-	3,252	-	-		
	<u>49,900</u>	<u>3,252</u>	<u>13,220</u>	<u>-</u>		
TOTAL LIABILITY	<u>108,159</u>	<u>35,842</u>	<u>16,692</u>	<u>52,268</u>		
NET ASSETS	<u>325,011</u>	<u>363,986</u>	<u>185,298</u>	<u>248,007</u>		
EQUITY						
Capital and reserves attributable to equity holders of the Company						
Share capital	10,918	7,541	10,918	7,541		
Share premium	438,396	393,291	438,396	393,291		
Contributed surplus	16,456	16,456	16,456	16,456		
Translation reserve	(3,683)	32,714	-	-		
Statutory reserve	5,863	5,863	-	-		
Revaluation reserve	98	98	-	-		
Other deficit	(49,466)	(49,466)	-	-		
Accumulated losses	(154,126)	(42,511)	(280,472)	(169,281)		
	<u>264,456</u>	<u>363,986</u>	<u>185,298</u>	<u>248,007</u>		
Non- Controlling interest	<u>60,555</u>	<u>-</u>	<u>-</u>	<u>-</u>		
TOTAL EQUITY	<u>325,011</u>	<u>363,986</u>	<u>185,298</u>	<u>248,007</u>		

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

Amount repayable in one year or less, or on demand

	As at 31.3.2016 In HK\$'000		As at 31.3.2015 In HK\$'000	
	Secured	Unsecured	Secured	Unsecured
Lease obligations	-	17,260	-	-
Short-term loan	-	-	-	6,000

Amount repayable after one year

	As at 31.3.2016 In HK\$'000		As at 31.3.2015 In HK\$'000	
	Secured	Unsecured	Secured	Unsecured
Lease obligations	-	36,680	-	-
Convertible bonds	-	13,220	-	-

Details of any collateral

The lease obligations amounting to HK\$17.3 million and HK\$36.7 million under current liabilities and non-current liabilities respectively, represents a lease to facilitate equipment purchase. The finance lease was used to purchase relevant equipment for the operation of internet data centre business in the Group's subsidiary, Guiyang Zhongdian Gaoxin Digital Technologies Limited.

The convertible bonds relate to the 12% Convertible Bonds Due 2017 (defined in section 1(d)(ii) below), for an aggregate amount of S\$2,256,000 (equivalent to HK\$13.2 million), with an interest rate of 12% per annum at a conversion price of S\$0.006 for each Share.

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

SINOCLOUD GROUP LIMITED			
CONSOLIDATED STATEMENT OF CASH FLOWS			
FOR THE PERIOD ENDED 31 March 2016			
(Expressed in Hong Kong thousand dollars)			
	Twelve Months Ended	Twelve Months Ended	
	31.3.2016	31.3.2015	
Cash flow from operating activities			
Loss from continuing operations before tax	(158,655)	(24,895)	
Profit/(Loss) from discontinued operation before tax	46,163	(17,616)	
Loss before tax	(112,492)	(42,511)	
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	5,227	364	
Amortisation of intangible assets	4,825	558	
Government grant	(733)	-	
Share of loss of associates	6,474	8,039	
Impairment loss on convertible loan	42,084	-	
Impairment of investment in associates	81,231	3,245	
Impairment loss of intangible assets	-	2,232	
Loss on disposal of subsidiaries	343	-	
Loss on disposal of property, plant and equipment	-	121	
Interest expenses	4,629	739	
Interest income	(1)	(3,067)	
Property, plant and equipment written off	-	26	
Operating profit / (loss) before working capital changes	31,587	(30,254)	
Increase in trade and other receivables	(37,415)	(10,368)	
Decrease in trade and other payables	(4,018)	(2,486)	
Increase in due from an associate	(7,779)	(2,188)	
Cash used in operating activities	(17,625)	(45,296)	
Income tax paid	(2,913)	-	
Interest paid	(4,629)	(19)	
Interest received	1	7	
Net cash used in operating activities	(25,166)	(45,308)	
Cash flow from investing activities			
Proceeds from disposal of property, plant and equipment	-	379	
Purchase of property, plant and equipment	(5,744)	(44)	
Net cash inflow on acquisition of subsidiaries	221	-	
Disposal of subsidiaries	3,475	-	
Government grant	733	-	
Deposit paid for a proposed acquisition	-	(45,000)	
Refund of deposit for acquisition of equipment	-	9,614	
Refund of prepayment for software development	-	9,186	
Earnest deposits to shareholders of an associate (unsecured)	-	(1,000)	
Net cash used in investing activities	(1,315)	(26,865)	
Cash flow from financing activities			
Proceeds from issuance of new shares	26,933	71,842	
Proceeds from issuance of convertible bond	13,220	-	
Share issue expenses paid	(120)	(2,476)	
Repayment of short term borrowing	(6,000)	-	
Repayment of lease obligations	(3,425)	(156)	
Advance from an associates (non-trade)	-	695	
Net cash generated from financing activities	30,608	69,905	
Net increase/ (decrease) in cash and cash equivalents	4,127	(2,267)	
Cash and bank balances at beginning of financial year	7,914	10,178	
Effect of exchange rate changes in cash and cash equivalents	(4)	3	
Cash and bank balances at end of financial year	12,037	7,914	

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

2016	Attributable to equity holders of the Company										
Group	Share Capital	Share Premium	Contributed Surplus	Translation Reserve	Statutory Reserve	Revaluation Reserve	Share-Based Capital Reserve	Other Deficit	Non-Controlling Interest	Accum. Losses	Total Equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance as ar 1 April 2015	7,541	393,291	16,456	32,714	5,863	98	-	(49,466)	-	(42,511)	363,986
Loss for the year	-	-	-	-	-	-	-	-	(906)	(111,615)	(112,521)
Other comprehensive loss, net of tax	-	-	-	(36,397)	-	-	-	-	591	-	(35,806)
Total comprehensive loss	-	-	-	(36,397)	-	-	-	-	(315)	(111,615)	(148,327)
Contribution by and distributions to owners											
Issuance of shares	3,377	45,281	-	-	-	-	-	-	-	-	48,658
Share issue expense	-	(176)	-	-	-	-	-	-	-	-	(176)
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	60,870	-	60,870
Total contribution by and distributions to owners	3,377	45,105	-	-	-	-	-	-	60,870	-	109,352
Balance as at 31 March 2016	10,918	438,396	16,456	(3,683)	5,863	98	-	(49,466)	60,555	(154,126)	325,011
2015	Attributable to equity holders of the Company										
Group	Share Capital	Share Premium	Contributed Surplus	Translation Reserve	Statutory Reserve	Revaluation Reserve	Share-Based Capital Reserve	Other Deficit	Non-Controlling Interest	Accum. Losses	Total Equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance as ar 1 April 2014	191,476	337,117	43,348	32,838	5,863	98	9,028	(49,466)	-	(285,098)	285,204
Loss for the year	-	-	-	-	-	-	-	-	-	(42,511)	(42,511)
Other comprehensive loss, net of tax	-	-	-	(124)	-	-	-	-	-	-	(124)
Total comprehensive loss	-	-	-	(124)	-	-	-	-	-	(42,511)	(42,635)
Contribution by and distributions to owners											
Issuance of shares	74,121	58,561	-	-	-	-	-	-	-	-	132,682
Performance shares allotted	150	8,878	-	-	-	-	(9,028)	-	-	-	-
Share issue expense	-	(11,265)	-	-	-	-	-	-	-	-	(11,265)
Capital reorganisation	(258,206)	-	258,206	-	-	-	-	-	-	-	-
Write off of accumulated losses	-	-	(285,098)	-	-	-	-	-	-	285,098	-
Total contribution by and distributions to owners	(183,935)	56,174	(26,892)	-	-	-	(9,028)	-	-	285,098	121,417
Balance as at 31 March 2015	7,541	393,291	16,456	32,714	5,863	98	-	(49,466)	-	(42,511)	363,986

2016							
Company	Attributable to equity holders of the Company						
				Share- Based			
	Share	Share	Contributed	Capital	Accum.	Total	
	Capital	Premium	Surplus	Reserve	Losses	Equity	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Balance as at 1 April 2015	7,541	393,291	16,456	-	(169,281)	248,007	
Loss for the year	-	-	-	-	(111,192)	(111,192)	
Other comprehensive loss, net of tax	-	-	-	-	-	-	
Total comprehensive loss	-	-	-	-	(111,192)	(111,192)	
<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	-	-	-	-	-	-	
Total contribution by and distributions to owners	3,377	45,105	-	-	-	48,482	
Balance as at 31 March 2016	10,918	438,396	16,456	-	(280,473)	185,297	
2015							
Company	Attributable to equity holders of the Company						
				Share- Based			
	Share	Share	Contributed	Capital	Accum.	Total	
	Capital	Premium	Surplus	Reserve	Losses	Equity	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Balance as at 1 April 2014	191,476	337,117	43,348	9,028	(379,901)	201,068	
Loss for the year	-	-	-	-	(74,478)	(74,478)	
Other comprehensive loss, net of tax	-	-	-	-	-	-	
Total comprehensive loss	-	-	-	-	(74,478)	(74,478)	
<u>Contribution by and distributions to owners</u>							
Issuance of shares	74,121	58,561	-	-	-	132,682	
Performance shares allotted	150	8,878	-	(9,028)	-	-	
Share issue expense	-	(11,265)	-	-	-	(11,265)	
Capital reorganisation	(258,206)	-	258,206	-	-	-	
Write off of accumulated losses	-	-	(285,098)	-	285,098	-	
Total contribution by and distributions to owners	(183,935)	56,174	(26,892)	(9,028)	285,098	121,417	
Balance as at 31 March 2015	7,541	393,291	16,456	-	(169,281)	248,007	

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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

	Issued and fully paid ordinary shares	Share capital HK\$'000
Balance as at 1 April 2015	7,540,813,474	7,541
Add:		
Issuance of 2,000,000,000 new Shares on 1 October 2015, pursuant to the Acquisition (defined below) (Note 1)	2,000,000,000	2,000
Issuance of 1,377,000,000 new Shares on 3 November 2015, pursuant to the Placement (defined below) (Note 2)	1,377,000,000	1,377
Balance as at 31 March 2016	10,917,813,474	10,918

Note 1: The Company entered into a sale and purchase agreement on 13 March 2015 and two supplemental sale and purchase agreements on 14 July 2015 and 29 July 2015 respectively, with Zhang Dai, Xu Yong, Bi Wei Na and Xu Yu Chi (each a "Vendor" and collectively, the "Vendors") for the proposed acquisition of up to 63% of the equity interest in SinoCloud 01 Limited (the "Acquisition"). The Acquisition was completed on 1 October 2015 and 2,000,000,000 new ordinary shares in the capital of the Company ("Shares") were allotted and issued to the Vendors as part of the purchase consideration for the Acquisition.

Note 2: On 16 October 2015, the Company entered into a placement agreement (the "Placement Agreement") with Huang Min, Cou Tzi Meng, Chui Keung Wah, Alexander and Alternus Capital Holdings Limited for the placement of an aggregate of 1,377,000,000 new Shares (the "Placement Shares") at an issue price of S\$0.0035 for each Placement Share.

On 30 April 2015, the Company entered into convertible bond agreements with Mr Lam Cho Ying Terence Joe and Mr Soo Kok Beng Peter, for aggregate subscription amounting to S\$2,256,000 of convertible bonds ("12% Convertible Bonds Due 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 2016 and as at the date of this announcement, no conversion has taken place.

Save for the 12% Convertible Bonds Due 2017, there were no outstanding convertibles as at 31 March 2016 (31 December 2014: Awards granted for 150,000,000 performance shares to be issued under the Armarda Group Limited Performance Share Plan ("PSP"), and subsequently in February 2015, 150,000,000 new Shares were allotted and issued thereof).

There were no treasury shares as at 31 March 2016 and 31 March 2015.

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 2016 was 10,917,813,474 (31 March 2015 : 7,540,813,474).

There were no treasury shares as at 31 March 2016 and 31 March 2015.

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 2016, the Company does not have any sales, transfers, disposals, cancellation, and/or use of treasury shares.

There were no treasury shares as at 31 March 2016.

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 financial year ended 31 March 2015. 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 2015 does not result in substantial changes to 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

	12 Months Ended 31.3.2016	12 Months Ended 31.3.2015
Loss attributable to equity shareholders of the Company (HK\$'000)	111,615	42,511
Weighted average number of shares in issue	9,105,157,736	5,083,401,474
Loss per ordinary share (after deducting any provision for preference dividends) (HK cents)		
- Based on weighted average number of ordinary shares in issue	1.23	0.84
- On a fully diluted basis (Please see note below)	1.23	0.84

Note:

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

The conditional share awards of 150,000,000 PSP shares as at 31 December 2014 have no dilutive effect for the respective periods as their 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**

	As at 31.3.2016	As at 31.3.2015
Net asset value of the Company per ordinary share	HK\$ 0.017	HK\$ 0.033
Net asset value of the Group per ordinary share	HK\$0.024	HK\$ 0.048

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 Acquisition of the 63% interest in SinoCloud 01 Limited on 1 October 2015, SinoCloud 01 Limited and its subsidiaries (including SinoCloud 01 (HK) Limited, SinoCloud Data (Guiyang) Limited and Guiyang Zhongdian Gaoxin Digital Technologies Limited ("GYZD")) are treated as subsidiaries of the Group (being the Company and its subsidiaries). The

Group has consolidated the profit or loss and financial position of SinoCloud 01 Limited and its subsidiaries into the Group's financial statements as at 1 October 2015. The remaining stake of 37% 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.

(A) REVIEW OF FINANCIAL RESULTS

Continuing Operations

Revenue

Revenue generated in the 12 months ended 31 March 2016 ("**12M 31 March 2016**") increased by HK\$9.0 million, from HK\$10.3 million in the 12 months ended 31 March 2015 ("**12M 31 March 2015**") to HK\$19.3 million in 12M 31 March 2016. The increase in revenue in 12M 31 March 2016 was mainly attributable to the data center related business of SinoCloud 01 Limited in Guiyang, China, and partially offset by decrease in revenue from the provision of IT services and trading of IT equipment business segments. No revenue being generated under the Group's subsidiary in Hong Kong during 12M 31 March 2016.

Other income

Other income amounted to HK\$4.4 million in the 12M 31 March 2016, which mainly comprised HK\$3.0 million interest income in respect of the convertible loan receivable by the Group of HK\$72 million and HK\$0.7 million of government subsidy for GYZD. Other income amounted to HK\$3.4 million in the 12M 31 March 2015, which comprised HK\$3.1 million of interest income and gain on foreign exchange of approximately HK\$0.3 million.

Cost of purchases

Cost of purchases decreased by HK\$2.3 million from HK\$8.3 million in the 12M 31 March 2015 (in relation to purchase of IT equipment) to HK\$6.0 million in the 12M 31 March 2016 (in relation to the business of SinoCloud 01 Limited in Guiyang). There was no purchase of IT equipment in 12M 31 March 2016.

Subcontracting fees

No subcontracting fee was incurred in the 12M 31 March 2016 as there were no subcontract service income during the period, whereas HK\$0.5 million were incurred in the 12M 31 March 2015 for the provision of subcontracting services.

Operating expenses

Personnel expenses increased by HK\$5.9 million, from HK\$3.5 million in the 12M 31 March 2015 to HK\$9.4 million in the 12M 31 March 2016, due to the increase in headcount from the acquisition of SinoCloud 01 Limited.

Depreciation of property, plant and equipment in the 12M March 2016 was HK\$5.2 million and nil amount recorded in the 12M 31 March 2015. The depreciation recorded in the 12M 31 March 2016 was due to the acquisition of SinoCloud 01 Limited.

Amortisation of intangible assets increased by HK\$4.2 million, from HK\$0.6 million in the 12M 31 March 2015 to HK\$4.8 million in the 12M 31 March 2016. The amortisation of HK\$4.8 million in the 12M 31 March 2016 represents the amortisation of intangible assets of customer contract and favorable lease arising from the acquisition of SinoCloud 01 Limited. The amortisation of

intangible assets of HK\$0.6 million in the 12M 31 March 2015 represents the amortisation of intangible assets of customer relationship arising from the acquisition of Brilliant Time Limited which was disposed during 12M 31 March 2016.

No impairment of intangible asset was provided in the 12M 31 March 2016, whereas HK\$2.2 million was provided in the 12M 31 March 2015 due to further decline in customer base and order receipt under China RFID Limited where the carrying amount is uncertain. Such subsidiary has been wound up during 12M 31 March 2016.

Impairment of investment in associate in relation to China Satellite Mobile Communications Group Limited ("**CSMCG**") amounting to HK\$81.2 million was provided 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's new 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 and development opportunity were considered in order to assess the investment value. The valuation was carried out using the income approach based on the discounted cash flow method. In the opinion of the valuer, the investment value of 100% CSMCG as of 31 March 2016 amounted to HK\$196 million. As such, 45% of CSMCG would represent HK\$88.2 million. The impairment of HK\$81.2 million is calculated by deducting the recoverable amount of HK\$88.2 million from the investment cost of the Company of HK\$169.4 million.

The Group provided an impairment of HK\$42.1 million for the convertible loan in the 12M 31 March 2016, in connection with a proposed settlement plan with Mr Lu Zhen Dong ("**Mr Lu**") which is currently in the final stage of negotiations. Pursuant to the proposed settlement plan, Mr Lu will repay HK\$36 million to the Company in phases and the balance amount of HK\$42.1 million is expected to be unrecoverable. The convertible loan was provided to Mr Lu in 2014 to enable the Company to participate in a restricted PRC telecommunication project ("**PRC Project**"). Please refer to the Company's announcements dated 29 May 2014, 19 June 2014, 14 August 2014 and 15 March 2015 for further details on the convertible loan. The Company would like to clarify that the extension of convertible loan to Mr Lu was investment in nature. Mr Lu, Mr Richard Gao (former executive director of the Company) and the the Zhuhai Entity are acting on the Company's behalf to hold the investment in the PRC Project on trust for the Company. Due to the failure of pre-IPO fund raising and subsequently the IPO plan of the PRC Project, further capital call is required in order to sustain the business operations of the PRC Project. The Board is of the view that there is no other alternative exit plan at this juncture due to the failure of IPO plan and the Board is of the view that the discontinuation of the Company's investment in the PRC Project and the impairment of HK \$42.1 million in connection therewith, is in the best interest of the Company and its shareholders. The funds which are expected to be recovered from Mr Lu pursuant to the proposed plan is intended to be invested into other businesses including but not limited to internet data center business. The best available option currently is a repayment of HK\$36 million to the Company, which is currently in the final stage of negotiations and no definitive agreement has been entered into as at the date of this announcement. In addition, the Company is currently working with the Sponsor (as defined below) to provide further clarifications on the convertible loan, and the Company will update its shareholders on any material information or developments as appropriate.

Finance costs increased by approximately HK\$3.9 million to approximately HK\$4.6 million in the 12M 31 March 2016 from approximately HK\$0.7 million in the 12M 31 March 2015. The finance cost in the 12M 31 March 2016 was in relation to a finance lease of SinoCloud 01 Limited and the 12% Convertible Bond Due 2017.

The Group incurred a loss on disposal of subsidiaries of HK\$0.3 million in the 12M 31 March 2016, in connection with the disposal of Armarda Technology Services Limited (“**ATSL**”) to an unrelated third party for a cash consideration of HK\$3.54 million. Please refer to the Company’s announcement dated 24 December 2015 for further details on the aforementioned disposal.

The Group incurred a loss on liquidation of subsidiaries of HK\$5.9 million in the 12M 31 March 2016, in connection with the winding up or liquidation of the Company’s subsidiaries, namely Armarda eAccess Technology Limited, China RFID Limited, Brilliant Time Limited and Armarda Techonlogy (Singapore) Pte Limited in order to save unnecessary operating costs for maintaining dormant entities.

The share of loss of associates of HK\$6.5 million and HK\$6.4 million in 12M 31 March 2016 and 12M 31 March 2015 respectively represented the Company’s share of loss in CSMCG.

The decrease in other expenses between 12M 31 March 2016 and 12M 31 March 2015 was negligible.

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 2035.

The Group’s profits derived from Hong Kong are subject to Hong Kong profits tax at 16.5% (FY2015: 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 2016.

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 January to March 2016, no tax provision was made, as SCDG and GYZD have been recording accumulated losses since their incorporation as setup costs are incurred without revenue generated during the initial stage of the project.

No Singapore income tax was payable in respect of the Group’s operations in Singapore, as such operations sustained losses for tax purposes in 2016 and 2015.

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

Discontinued operation

The Company’s wholly-owned subsidiary, SinoCloud Investment Holdings Limited (“**SIHL**”) had, on 28 December 2015 completed the disposal of its wholly-owned subsidiary, Armarda Technology Services Limited (“**ATSL**”). Following the completion of the disposal, ATSL ceased to be a subsidiary of SIHL. As required under IFRS5 discontinued operations, a separate line of business or geographical area of operations that has been disposed of, a single amount of such should be disclosed in the consolidated income statement. As such, profit or loss in relation to the discontinued operation has been presented separately in the consolidated statement for FY2015. Notwithstanding the change in the presentation of the consolidated income statement due to the aforesaid IFRS5 requirement, the audited figures of FY2015 remain unchanged.

Discontinued operations	Audited amount before reclassification	Audited amount being reclassified to discontinued operations	Audited amount after reclassification
	FY2015 \$'000	FY2015 \$'000	FY2015 \$'000
Revenue	13,050	2,800	10,250
Other income	3,398	9	3,389
Personnel expenses	(9,325)	(5,823)	(3,502)
Depreciation of plant and equipment	(364)	(364)	-
Impairment of investment in an associates	(3,245)	(3,245)	-
Cost of purchases	(10,746)	(2,452)	(8,294)
Other expenses	(23,196)	(6,859)	(16,337)
Finance costs	(739)	(19)	(720)
Share of loss of associates	(8,039)	(1,663)	(6,376)

Profit from discontinued operation in 12M 31 March 2016 amounted to HK\$46.2 million, of which HK\$37.7 million relates to the derecognition of foreign exchange translation reserve under statement of financial position, and the remaining HK\$9.8 million profit is due to the derecognition of the accounting entries for all the disposed subsidiaries and associate from the consolidated group accounts after the completion of the disposal. The discontinued operations had incurred an operating loss in 12M 31 March 2016. Discontinued operations incurred a loss of HK\$ 17.6 million in 12M 31 March 2015.

Net loss after taxation

The Group's net loss after taxation attributable to shareholders of the Company in the 12M 31 March 2016 amounted to HK\$111.6 million, reflecting an increase of HK\$69.1 million as compared to a net loss after taxation attributable to shareholders of the Company of HK\$42.5 million in the 12M 31 March 2015.

(B) REVIEW OF FINANCIAL POSITION

Non-Current Assets

Non-current assets increased by HK\$98.1 million, from HK\$247.7 million as at 31 March 2015 to HK\$345.8 million as at 31 March 2016. Non-current assets comprised (i) plant and equipment; (ii) intangible assets; (iii) other assets; and (iv) investment in associated companies.

(i) Plant and equipment

The net book value of plant and equipment increased by HK\$65.3 million, from HK\$0.6 million as at 31 March 2015 to HK\$65.9 million as at 31 March 2016. The increase was due to the acquisition of SinoCloud 01 Limited.

(ii) Intangible assets

Intangible assets amounted to HK\$170.9 million as at 31 March 2016 (nil as at 31 March 2015) after the completion of the purchase price allocation exercise in respect of the business combination of SinoCloud 01 Limited. The intangible assets comprised (i) goodwill of HK\$124.1 million, representing the excess of the total purchase consideration over the fair value of the net identifiable assets; (ii) the customer contract of HK\$36.3 million; and (iii) favorable lease of HK\$15.3 million, which are the value on the date of Acquisition of SinoCloud 01 Limited, after deducting the accumulated amortisation of HK\$4.8 million in the 12M 31 March 2016.

(iii) Other assets

Other assets of HK\$83.0 million as at 31 March 2015 represent a transferable life golf club membership amount of HK\$ 1.0 million owned by Armarda Technology (Zhuhai) Limited which was disposed by the Group in the 12M 31 March 2016; and a deposit to vendors of Guiyang IDC of HK\$82.0 million, which the Company paid a deposit of HK\$82.0 million (of which HK\$45.0 million was satisfied by cash and the remaining HK\$37.0 million was satisfied by assignment of receivables in favour of the Vendors) for the Acquisition of 63% equity interest in SinoCloud 01 Limited before 31 March 2015. The Acquisition was completed on 1 October 2015 and the deposit which had been accounted as part of the Company's cost of investment, was eliminated under the consolidated financial statement.

(iv) Investment in associates

Investment in associates decreased by HK\$55.1 million, from HK\$164.1 million as at 31 March 2015 to HK\$109.0 million as at 31 March 2016. Investment in associated companies comprised CSMCG and Fesco E-HR:

a) Interest in CSMCG

Interest in CSMCG decreased by HK\$87.6 million, from HK\$152.8 million as at 31 March 2015 to HK\$65.2 million as at 31 March 2016. The decrease is attributable to share of losses of HK\$6.5 million incurred by CSMCG in the 12M 31 March 2016 and impairment of interest in associate of HK\$81.2 million. An amount of HK\$43.8 million was reclassified from current asset of loan and deposit to CSMCG vendors to non-current asset investment in an associate, as the underlying interest and reason for providing the loan and deposit was for further investment in CSMCG. Notwithstanding the aforementioned accounting treatment and reclassification, the proposed settlement of HK\$43.8 million due and owing to the Company in respect of the aforementioned loans and goodwill deposits, via the acquisition of pledged shares in CSMCG amounting to 25.19% of the total issued shares in CSMCG, is subject to the approval of the Company's shareholders at a special general meeting to be convened in due course. Please refer to the Company's announcement dated 9 Dec 2015 for further details on the aforementioned loan to vendors of CSMCG.

b) Interest in Fesco E-HR

Interest in Fesco E-HR decreased from HK\$11.3 million as at 31 March 2015 to nil as at 31 March 2016, as the Group's interest in Fesco E-HR (held through ATSL) was disposed by the Group in the 12M 31 March 2016.

Current Assets

Current assets decreased by HK\$64.0 million, from HK\$152.1 million as at 31 March 2015 to HK\$88.1 million as at 31 March 2016. Current assets comprised (i) trade and other receivables; (ii) amount due from an associate; and (iii) cash and bank balances.

(i) Trade and other receivables

Trade and other receivables decreased by HK\$76.0 million, from HK\$128.8 million as at 31 March 2015 to HK\$52.8 million as at 31 March 2016. The decrease was mainly due to (i) a decrease of HK\$42.1 million arising from the impairment of convertible loan to Mr Lu; (ii) a decrease in loan to vendors of CSMCG of HK\$43.8 million which was reclassified to

investment in associates; and (iii) partially offset by an increase of HK\$8.9 million arising from the acquisition of SinoCloud 01 Limited.

(ii) Amount due from an associate

Amount due from an associate increased by HK\$7.0 million, from HK\$15.5 million as at 31 March 2015 to HK\$22.5 million as at 31 March 2016. The increase was due to (i) Company's payment on behalf of CSMCG for service fees incurred of HK\$2.5 million in the 12M 31 March 2016, and (ii) reclassification from other receivable to amount due from an associate of HK\$4.5 million due to an advance being made by the Company to a third party previously in order to obtain marketing support by the third party to CSMCG.

(iii) Cash and bank balances

Cash and cash equivalents increased by HK\$4.1 million, from HK\$7.9 million as at 31 March 2015 to HK\$12.0 million as at 31 March 2016. Please refer to "Cashflows" on the movement in cash and cash equivalents.

Current Liabilities

Current liabilities increased by HK\$26.4 million, from HK\$32.6 million as at 31 March 2015 to HK\$59.0 million as at 31 March 2016. Current liabilities comprised mainly (i) trade and other payables; (ii) amount due to an associate; (iii) payable obligations under finance lease; (iv) short term loan; and (v) income tax;

(i) Trade and other payables

Trade and other payables increased by HK\$18.0 million, from HK\$23.0 million as at 31 March 2015 to HK\$41.0 million as at 31 March 2016. The increase was mainly due to an increase in trade and other payables of HK\$33.3 million resulting from the acquisition of SinoCloud 01 Limited (mainly comprising trade payable of HK\$14.8 million and other payables of HK\$18.5 million), partly offset by (a) decrease in other payables due to settlement of financial liability amounting to HK\$11.7 million in respect of the financial guarantee provided by the Group to the Service Provider of CSMCG; and (b) settlement of other payables of HK\$3.5 million in the 12M 31 March 2016.

(ii) Amount due to an associate

Amount due to an associate was nil as at 31 March 2016 (HK\$0.7 million as at 31 March 2015) following the Group's disposal of ATSL in the 12M 31 March 2016.

(iii) Lease obligations – current portion

The current portion of the obligations under finance lease of HK\$17.3 million as at 31 March 2016 represents a lease to facilitate the equipment purchase. The finance lease was used to purchase relevant equipment for the operation of internet data center ("IDC") business in GYZD.

(iv) Short-term borrowing

The short term borrowing of HK\$6.0 million was fully repaid in 12M 31 March 2016.

(v) Income tax payable

Income tax payable decreased by HK\$2.9 million, from HK\$2.9 million as at 31 March 2015 to nil as at 31 March 2016. This was mainly due to a decrease in the accrued income tax payable by Armarda Technology (Zhuhai) Limited (held through ATSL), which was disposed by the Group in the 12M 31 March 2016. Following the disposal, the income tax payable is no longer applicable.

Non-current Liabilities

Non-current liabilities increased by HK\$46.6 million, from HK\$3.3 million as at 31 March 2015 to HK\$49.9 million as at 31 March 2016. Non-current liabilities comprised (i) convertible bonds; (ii) obligations under finance lease; and (iii) deferred tax liabilities.

(i) Convertible bond

The convertible bond amounting to HK\$13.2 million as at 31 March 2016 (nil as at 31 March 2015), relates to the 12% Convertible Bonds Due 2017, for 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.

(ii) Lease obligations – non-current portion

The non-current portion of the obligations under finance lease of HK\$36.7 million as at 31 March 2016 represents a lease to facilitate the equipment purchased by GYZD. The finance lease was used to purchase relevant equipment for the operation of internet data centre business in GYZD.

(iii) Deferred tax liabilities

Deferred tax liabilities of HK\$3.3 million as at 31 March 2015 were derived from the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts report for taxation purposes of ATSL. The amount was nil as at 31 March 2016 as ATSL was disposed by the Group during 12M March 2016.

Non-controlling interest

Non-controlling interest of approximately HK\$60.6 million represents the 37% minority interest attributable in the net assets of SinoCloud 01 Limited and its subsidiaries as at 31 March 2016.

(C) CASH FLOWS

Net cash used in operating activities for the 12M 31 March 2016 amounted to HK\$25.2 million. This was due to (i) an operating profit before changes in working capital of HK\$31.6 million; and (ii) working capital changes of HK\$49.2 million due to a decrease in other payables and accruals, an increase in amount due from an associate and an increase in trade and other receivables.

Net cash flow used in investing activities was HK\$1.3 million in the 12M 31 March 2016, which relates to purchase of property, plant and equipment arising from the acquisition of SinoCloud 01 Limited of HK\$5.7 million, which was offset by (i) cash and bank balance arising from the acquisition of SinoCloud 01 Limited of HK\$0.2 million; (ii) consideration from disposal of ATSL of HK\$3.5 million; and (iii) government's grant arising from the acquisition of SinoCloud 01 Limited of HK\$0.7 million.

Net cash flow generated from financing activities was HK\$30.6 million in the 12M 31 March 2016, which relates to (i) net proceeds from the issuance of the 12% Convertible Bonds Due 2017 of HK\$13.2 million and (ii) net proceeds from the issuance of 1,377,000,000 new ordinary shares of HK\$26.9 million, which were partially offset by (i) repayment of short term borrowing of HK\$6.0 million; and (ii) repayment of lease obligation of HK\$3.4 million.

As a whole, the Group generated HK\$4.1 million in the 12M 31 March 2016. The cash and bank balances amounted to HK\$12.0 million as at 31 March 2016.

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

Following the completion of the acquisition of 63% equity interest in SinoCloud 01 Limited on 1 October 2015 through a VIE arrangement to invest in GYZD, a Tier 4 data centre located in the city of Guiyang, the PRC, the Group was able to expand into the internet data centre, cloud computing and big data service industry in the PRC. The Company will continue to look for investment opportunity in IDC assets.

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 2015: 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 2016.

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 and deputy chairman Mr Luk Chung Po Terence, being appointed as project manager of the Company with effect from 1 June 2013 to 31 August 2015, 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	26	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	Mr Mark Luk has resigned as Project manager with effect from 1 September 2015

**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 five reportable segments (i) trading of equipment; (ii) provision of IT services; (iii) mobile satellite services; (iv) internet data center services; and (v) 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.

2016	Continuing operations					Discontinued operations				
	Mobile satellite services \$'000	Provision of IT services \$'000	Trading of IT equipment \$'000	Internet Data Center Services \$'000	All other segments \$'000	Provision of IT services \$'000	Trading of IT equipment \$'000	All other segments \$'000	Adjustment \$'000	Continuing Operations \$'000
Revenue (including other income)	-	-	-	20,000	3,674	-	49,385	-	(49,385)	23,674
Segment loss	(6,516)	-	-	(2,389)	(148,389)	-	46,163	-	(46,163)	(157,294)
Finance costs									-	(1,361)
Loss before tax									(46,163)	(158,655)
Income tax									-	(29)
Loss for the financial year									(46,163)	(158,684)
Segment assets	131,526	-	-	250,150	51,494	-	-	-	-	433,170
Segment liabilities	-	-	-	89,138	19,021	-	-	-	-	108,159
Unallocated liabilities										
- Income tax payable									-	-
- Deferred tax liabilities									-	-
Consolidated total liabilities									-	108,878
Capital expenditure	-	-	-	5,621	123	-	-	-	-	5,744
Depreciation of property, plant and equipment	-	-	-	5,216	11	-	148	-	(148)	5,227
Amortisation of intangible assets	-	-	-	4,825	-	-	-	-	-	4,825
Impairment of intangible assets	-	-	-	-	-	-	-	-	-	-
Impairment of investment in an associate	81,231	-	-	-	-	-	-	-	-	81,231
Impairment of convertible loan	-	-	-	-	42,084	-	-	-	-	42,084
Share of loss of associates	6,474	-	-	-	-	-	126	-	(126)	6,474

2015	Continuing operations					Discontinued operations				
	Mobile satellite services	Provision of IT services	Trading of IT equipment	Internet Data Center Services	All other segments	Provision of IT services	Trading of IT equipment	All other segments	Adjustment	Continuing Operations
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	(Re-presented)	(Re-presented)	(Re-presented)	(Re-presented)	(Re-presented)	(Re-presented)	(Re-presented)	(Re-presented)	(Re-presented)	(Re-presented)
Revenue (including other income)	-	775	9,475	-	3,389	-	2,800	9	(2,809)	13,639
Segment loss	(16,593)	(1,965)	1,154	-	(6,771)	(4,908)	(7,621)	(5,068)	17,597	(24,175)
Finance costs									-	(720)
Loss before tax									17,597	(24,895)
Income tax									-	-
Loss for the financial year									17,597	(24,895)
Segment assets	217,587	4	14,750	-	167,487	-	-	-	-	399,828
Segment liabilities	12,395	-	506	-	16,778	-	-	-	-	29,679
Unallocated liabilities										
- Income tax payable									-	2,911
- Deferred tax liabilities									-	3,252
									-	-
									-	6,163
Consolidated total liabilities									-	35,842
Other segment items									-	-
Capital expenditure	-	-	-	-	7	-	36	-	(36)	7
equipment	-	-	-	-	-	-	232	-	(232)	-
Amortisation of intangible assets	-	-	-	-	558	-	-	-	-	558
Impairment of intangible assets	-	2,232	-	-	-	-	-	-	-	2,232
Impairment of investment in an associate	-	-	-	-	-	3,245	-	-	(3,245)	-
Share of loss of associates	6,376	-	-	-	-	1,663	-	-	(1,663)	6,376

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	
	31.3.2016		31.3.2015	
	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue (including other income)				
PRC	19,267	-	5,600	9
Hong Kong	4,407	944	8,039	2,800
	23,674	944	13,639	2,809
Non-current assets				
PRC	65,787	-	1,044	-
Hong Kong	280,008	-	246,656	-
	345,795	-	247,700	-

2016	Continuing Operations	Discontinued operations	Adjustment	Continuing Operations
	\$'000	\$'000	\$'000	\$'000
Provision of IT services	-	-	-	-
Trading of IT equipment:				
- IT equipment	-	944	(944)	-
- RFID chips	-	-	-	-
- Internet data center services	19,267	-	-	19,267
Government grant	733	-	-	733
Interest income	3,674	-	-	3,674
Other income	-	48,441	(48,441)	-
	23,674	49,385	(49,385)	23,674
2015				
	Continuing Operations	Discontinued operations	Adjustment	Continuing Operations
	\$'000	\$'000	\$'000	\$'000
	(Re-presented)	(Re-presented)	(Re-presented)	(Re-presented)
Provision of IT services	775	-	-	775
Trading of IT equipment:				
- IT equipment	3,875	2,800	(2,800)	3,875
- RFID chips	5,600	-	-	5,600
- Internet data center services	-	-	-	-
Government grant	-	-	-	-
Interest income	3,060	7	(7)	3,060
Other income	329	2	(2)	329
	13,639	2,809	(2,809)	13,639

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

	12M 31 March 2016	12M 31 March 2015
	\$'000	\$'000
Sales reported for first half year	927	8,013
Operating profit after tax before deducting non-controlling interests reported for first half year	(8,199)	(23,179)
Sales reported for second half year	18,340	2,237
Operating profit after tax before deducting non-controlling interests reported for second half year	(140,128)	(19,456)

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 (12M 31 March 2015: nil).

(b) Preference

Nil (12M 31 March 2015: nil).

(c) Total

Nil (12M 31 March 2015: nil).

19. Use of proceeds

Use of proceeds for the remaining balance of HK\$12.7 million from the Placement completed in October 2015 has been announced via SGXNET on 26 May 2016.

20. 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 in the format set out in Appendix 7H of the Catalist Rules. As of the date of this announcement, the Company does not have any executive officers.

BY ORDER OF THE BOARD

Chan Andrew Wai Men
Chairman and Chief Executive Officer

30 May 2016

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Canaccord Genuity Singapore Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). 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.

The contact person for the Sponsor is Ms Soo Hsin Yu, Director, Corporate Finance, Canaccord Genuity Singapore Pte. Ltd. at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.