TTG Mobile Coupon Services Limited

ARBN 158 702 400

ANNUAL REPORT
Year ended 31 March 2013

Contents

CORPORATE DIRECTORY

PRINCIPAL PLACE OF BUSINESS IN THE PRC
2302, Block 2, Internet Industrial Park
Guo Wei Road, LuoHu District
Shenzhen, PRC

REGISTERED OFFICE, PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE
1806, Park-In Commercial Centre
56 Dundas Street
Kowloon, Hong Kong

REPRESENTATIVE OFFICE IN AUSTRALIA
Investorlink China Limited
Level 26, 56 Pitt Street
Sydney NSW 2000

BOARD OF DIRECTORS

Executive Directors
XIONG Qiang (Chairman & Chief Executive Officer)
CHOW Ki Shui Louie (Deputy Chairman & Deputy Chief Executive Officer)
KWOK Kin Kwong Gary (Chief Financial Officer)
WU Linyan (Chief Technology Officer)

Non-Executive Directors
RYAN Christopher John (Co-Chairman)
BENSON Ross Kenneth
CAI Wensheng
LAN Jun
YANG Yuchuan

COMPANY SECRETARIES
KWOK Kin Kwong Gary
GROTH Tony

AUDITORS
Crowe Horwath (HK) CPA Limited

AUDIT COMMITTEE
RYAN Christopher John (Chairman)
KWOK Kin Kwong Gary
BENSON Ross Kenneth

REMUNERATION COMMITTEE AND NOMINATION COMMITTEE
LAN Jun (Chairman)
XIONG Qiang
CHOW Ki Shui Louie
KWOK Kin Kwong Gary
WU Linyan
RYAN Christopher John
BENSON Ross Kenneth
CAI Wensheng
Yang Yuchuan

AUSTRALIA BRANCH SHARE REGISTRAR AND TRANSFER OFFICE
Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford VIC 3067

WEBSITE
http://www.ttg.hk

DIRECTORS

Mr XIONG Qiang 	
Role	Chairman Chief Executive Officer
Expertise	Mr Xiong graduated from Jiangxi University of Finance and Economics with a bachelor degree. Mr Xiong is a successful entrepreneur in the field of China mobile internet applications. He has been awarded the “Top 10 Outstanding Entrepreneurs in Brand Building in China”. He has also driven Shenzhen e-commerce (communications and wireless internet applications) businesses through which he has substantially gained a wealth of experience in this industry. Mr Xiong is responsible for the formulation of TTG’s strategic direction, expansion plans, and the management of TTG’s overall business development.
Mr CHOW Ki Shui Louie 	
Role	Deputy Chief Executive Officer Deputy-Chairman
Expertise	Mr Chow graduated from Xiamen University with a bachelor degree. He co-founded a non-profit educational foundation in China. Mr Chow has many years of experience in both domestic and international direct investment. Mr Chow is responsible for TTG’s strategic planning and corporate finance activities.
Mr KWOK Kin Kwong Gary 	
Role	Executive Director Chief Financial Officer
Expertise	Mr Kwok has a Bachelor of Business Administration (Professional Accountancy) from the Chinese University of Hong Kong. Mr. Kwok has over 13 years of experience in the Hong Kong and PRC financial services industry, with extensive knowledge and experience in asset management, corporate finance and accounting. Prior to joining TTG, Mr Kwok was the Deputy General Manager, Investment Division, of CITIC International Assets Management Limited, an investment arm of CITIC Group in Hong Kong. He had also been engaged in handling securities and corporate finance transactions in a few regional investment banks including BOCI (Asia) Limited, and served as an accountant in Deloitte Touche Tohmatsu. Mr. Kwok is now a member of the Association of Chartered Certified Accountants (ACCA), and the Hong Kong Institute of Certified Public Accountants (HKICPA).

DIRECTORS (continued)

Mr WU Linyan 	
Role	Executive Director Chief Technology Officer
Expertise	Mr Wu graduated from Yongzhou Vocational Institute of Technology. Mr Wu served in the government and various industries such as jewellery and e-commerce as a person in charge of information technology. Mr Wu has significant experience in wireless internet product planning, development, upgrading and maintenance. Mr Wu has been engaged in the development of the systems for the business operation of TTG prior to working at TTG.
Mr YANG Yuchuan 	
Role	Non-Executive Director
Expertise	Mr Yang has a Bachelor of Engineering granted from the Shanghai Jiaotong University of PRC and a Master of Business Administration (Honours) from the Mclaren Business School of University of San Francisco, USA. Mr Yang currently works for Sunshine Asset Management (HK) Ltd as CEO and responsible officer, in charge of the operation of the company and investment. Mr Yang is also a director and responsible officer of Partners Capital Securities Ltd, in charge of overseeing the operation of the company. Mr Yang has previously worked for a number of other companies, engaged in general management, investment and trading business.
Mr RYAN, Christopher John 	
Role	Non-Executive Director Co-Chairman
Expertise	Mr Ryan is an Executive Director of the Investorlink Group and has 25 years' experience in capital raisings, corporate restructuring, corporate taxation and business planning. Mr Ryan has been lead adviser in corporate acquisitions and divestments of large national and overseas companies. Mr Ryan was previously Chairman of ASX listed company Bravura Solutions Limited, is currently Chairman of Central West Gold NL and holds directorships in unlisted public companies Investorlink China Limited and Propertylink (Holdings) Limited.

DIRECTORS (continued)

Mr CAI Wensheng 	
Role	Non-Executive Director
Expertise	Mr Cai is a well-known figure in the internet industry in China. Mr Cai founded 265.com in May 2003, which was subsequently acquired by Google in 2007. Mr Cai is currently a director of cnzz.com, 4399.com, meitu.com, flashget, youhua.com, baofeng.com, Zcom magazine and other well-known websites. Mr Cai has on three occasions organised the China Internet Webmaster General Assembly.
Mr LAN Jun 	
Role	Non-Executive Director
Expertise	Mr Lan has an MBA from the University of Toronto, Canada, and a degree in Electrical Engineering, from Shanghai Jiaotong University. Mr Lan is currently the General Manager of Lan-Ji-Xing Guarantor Company, Shenzhen, China. From 2005 – 2006 Mr Lan was Director, Head of China, Dresdner Bank, Investment Banking, Hong Kong. Prior to this role, Mr Lan has held the positions of: (a) Chief Representative in Shanghai, Tradition (Asia) Limited; and (b) Director, Head of China for Credit Lyonnais, Investment Banking, Hong Kong.
Mr BENSON, Ross Kenneth 	
Role	Non-Executive Director
Expertise	Mr Benson founded Investorlink Corporate Limited in 1986 and has over 25 years of experience in the Australian financial services industry, with extensive knowledge and experience in securities, deal structuring and business strategy. Mr Benson has lead negotiations for divestment and acquisition strategies for medium to large enterprise and has a depth of experience in Replacement Prospectus and offer document preparation. Subsequent to the formation of Investorlink Corporate Limited, he has established associated business units in wealth management, private equity, property syndication and structured financial products.

CHAIRMAN'S STATEMENT

On behalf of our fellow board members, we are pleased to present the first annual report for TTG Mobile Coupon Services Limited as an ASX listed company.

TTG, its management and staff have adapted successfully to the rigours of public company status life since our buoyant IPO on 27 November 2012.

The continued development and rollout of TTG's open API platform with our exclusive partner Shenzhen Unionpay Financial Network throughout mainland China, whilst challenging has created a solid foundation for positioning the Company in creating opportunities and developing visible penetration in China of our clearing and settlement technologies and services.

TTG's main technology platform ULPOS also known as Ulian life platform has attracted an increasing number of operating partners and merchants who collectively have a new branded channel to market their goods and services in an effective authenticated environment. The benefit to TTG is being entitled to a percentage of spending for all Unionpay debit and credit card transactions made through the ULPOS platform. While recognized revenue for the year to 31 March 2013 was less than operating expenditure, TTG's entitlement to ULPOS card linked transactions is forecast to increase exponentially in the coming years. Our expansion, which is expensed as operating costs, has been sped up with an aim to have the ULPOS platform covering most first and second tier cities in China by the end of calendar 2013.

TTG's innovative technology and business model developed through our dynamic research and development team not only serves Shenzhen Unionpay Financial Network (www.chinaums.com), a group company of China UnionPay Group Co., Ltd (cn.unionpay.com), but now includes leading Chinese organizations such as ICBC (www.icbc.com.cn), Tencent (www.qq.com), Sina (www.sina.com) and Amap (www.amap.com).

TTG has obtained preliminary approval in Qianhai (commonly known in China as "Front Sea"), Shenzhen. Qianhai has been selected as the "pilot district" for free Renminbi conversion in China. Free Renminbi conversion will enhance TTG's cross-border transaction offerings when TTG expands outside China.

The coming year will solidify TTG's position in the Chinese market place. Although challenges will be encountered, management has installed procedures, structures and incentives which are designed to meet and exceed budget expectations. Further FinTech style innovations and enhancements will serve all TTG's partners, merchants and consumers initially within China but in the future globally with world leading services.

Mr XIONG Qiang
Chairman
TTG Mobile Coupon Services Limited

Mr RYAN Christopher John
Co-Chairman
TTG Mobile Coupon Services Limited

DIRECTORS REPORT

Your directors present their report on the consolidated entity consisting of TTG Mobile Coupon Services Limited ("TTG") and the entities it controlled for the year ended 31 March 2013 (hereinafter referred to as the "Group").

Directors

The following persons were directors of TTG during the year and up to the date of this report, unless otherwise disclosed below:

Executive Directors
XIONG Qiang (Chairman & Chief Executive Officer)
CHOW Ki Shui Louie (Deputy Chairman & Deputy Chief Executive Officer)
KWOK Kin Kwong Gary (Chief Financial Officer) (appointed on 12 September 2012)
WU Linyan (Chief Technology Officer) (appointed on 12 September 2012)

Non-executive Directors
RYAN Christopher John (Co-Chairman) (appointed on 12 September 2012)
BENSON Ross Kenneth (appointed on 12 September 2012)
CAI Wensheng (appointed on 12 September 2012)
LAN Jun
WANG Ming Hui (resigned on12 September 2012)
YANG Yuchuan

Refer to Directors on pages 4 to 6 for details of their experience.

Principal activities

The consolidated entity operates within the software and information services industry in the People's Republic of China. The main business of the consolidated entity is derived from the exclusive partnership between the controlled entity and Shenzhen UnionPay Financial Network Co., Ltd., an entity within the UnionPay Group. This partnership operates and maintains UnionPay's new electronic payment and settlement platform, referred to as the "ULPOS Platform". TTG is entitled to a percentage of spending for all UnionPay card transactions which are made through this ULPOS Platform.

Management Discussion and Analysis

ULPOS

During the first half of the financial year, TTG focused on the development of ULPOS with Shenzhen UnionPay Financial Network Co., Ltd. ("Shenzhen UnionPay Financial Network"), a member of China UnionPay Co., Ltd. and Shenzhen Intelligence Preferential Pay Co., Ltd. ("IPP", formerly Shenzhen Ylink Computer System Co., Ltd) to ensure the quality and stability of the platform in Shenzhen City. After the success in Shenzhen, we implemented trials in cities such as Beijing, Hangzhou, Xiamen, Chengsu, Shenyang, Hainan and successfully expanded our coverage to 15 cities in China up to date.

In the coming financial year, we aim to allow ULPOS service to be available in most of the first to second tier cities, including Hong Kong, Macau and Taiwan in China.

At the same time, we aim to sign more cooperation agreements with potential operating partners. Apart from the recently announced contract with a major telecommunications carrier in China, TTG continues to pursue agreements enabling more users and merchants to join the ULPOS platform.

In addition to the ULPOS service which allows user to enjoy discounts with their UnionPay cards (ULPOS 1.0), TTG also worked with Shenzhen UnionPay Financial Network and IPP to develop ULPOS 2.0 which allows UnionPay cardholders to redeem their reward points from other companies with the use of UnionPay cards. It also allows merchants to provide membership services with use of UnionPay cards.

DIRECTORS REPORT (continued)

TTG's board considers the Company's operations for the current financial year have met management expectations, and positions TTG to generate significant revenue from the ULPOS platform in the future. While timing is difficult to predict, the Company expects that recurring revenue will commence in the financial year ending 31 March 2014.

Cooperation with IPP

After the year end, TTG announced its further cooperation with IPP. Apart from ULPOS service, IPP also provides technical clearing services to Shenzhen Financial Electronic Settlement Centre ("Shenzhen Settlement") to support its RMB clearing service. It cooperates with Shenzhen UnionPay Financial Network in "preferential clearing services" to commercial banks in China.

In the cooperation with IPP, TTG will provide the following services:

(i) financial electronic authentication;
(ii) merchants resources expansion and management; and
(iii) data mining and consumption behavior analysis for the data provided by IPP.

In return, TTG is entitled to fees of 20% of IPP's income derived from preferential clearing services.

Currently, IPP's preferential clearing service is at an early stage and available in provinces and cities including Shenzhen, Guangzhou, Hainan and Liaoning.

In addition, IPP provides technical clearing service to Shenzhen Kuaifutong Financial Network Technology Services Company Limited ("KFT"), a subsidiary of Shenzhen Settlement, which is engaged in utility payment collections and debit card business in Shenzhen. TTG and IPP will help KFT to expand its utility payment collections nationwide. TTG has signed a framework agreement with KFT in this area.

Others

TTG has obtained preliminary approval to incorporate in Qianhai (commonly known in China as "Front Sea"), Shenzhen. Qianhai has been selected as the "pilot district" for free Renminbi conversion in China, and is expected to become the future central business district in Shenzhen. The effect is to create further opportunities for TTG to expand its business. Free Renminbi conversion will also enhance TTG's cross-border transaction offerings when TTG expands outside China.

Directors Interest in Shares/CDI

As at the date of report, the directors have the following interests in fully-paid shares/CDI in the Company.

XIONG Qiang	222,200,000
CHOW Ki Shui	132,350,000
KWOK Kin Kwong Gary	3,500,000
WU Linyan	2,500,000
RYAN, Christopher John	8,166,781
BENSON, Ross Kenneth	6,869,490
CAI, Wensheng	76,287,500
LAN, Jun	27,770,830
YANG, Yuchuan	66,599,670

None of them holds any partly-paid shares or options at the date of report.

DIRECTORS REPORT (continued)

Financial Review

Key information

	Year ended 31 March 2013 RMB '000	Period 24 December 2010 to 31 March 2012 RMB '000	% change
Revenue	1,099	1,555	(29.3)%
Loss after income tax expense	(18,114)	(1,470)	1232.2%
Loss attributable to members of the company	(18,114)	(1,470)	1232.2%

Revenue

Revenues for both the current year and the previous period were largely derived from system development projects for clients seeking connections with ULPOS. The Company has focused on the expansion of the ULPOS platform to more major cities, resulting in a decrease in system development revenue in the second half of the current year.

Costs

Costs have risen in the current year as the Group has incurred expenses in order to develop and expand the ULPOS platform in accordance with its strategic objectives.

Loss and dividend per share

The Group incurred a loss of RMB0.029 per share, compared to the loss of RMB0.0035 per share in the previous period. The Company did not propose any dividend distribution or buy back during the period.

Net current assets and net tangible asset

The Group has net current assets of RMB20.0 million as at the balance sheet date, compared to RMB2.8 million at 31 March 2012.

Net tangible assets also increased from RMB4.1 million as at end of March 2012 to RMB21.7 million as at balance sheet date.

The increase was due to the additional share capital of RMB35.7 million (net of costs of capital raised) through a series of share issues (details of which are disclosed in the audited accounts), less the operating loss incurred. Therefore, the net tangible backing per share was RMB3.4 cents per share, compared to RMB0.7 cents per share (adjusted as per Note 20 of the Financial Statements).

Significant investments and acquisitions

The Group made no significant investment nor had it made any material acquisition or disposal of subsidiaries during the financial year.

Pledge of assets

The Group has not pledged any assets.

Commitments

The Company had a capital commitment, being contribution to the subsidiary, of RMB5.0 million as at 31 March 2013.

DIRECTORS REPORT (continued)

Capital structure & IPO

During the financial year, the Company raised RMB35.7 million (net of costs of capital raised) through a series of share issues including the shares issued as a result of initial public offering on the Australian Stock Exchange on 27 November 2012. Please refer to Note 20 of the financial statements for details.

Foreign exchange exposure

The Group is exposed to currency risk primarily through cash and bank balances that are denominated in a foreign currency, i.e. a currency other than functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily Hong Kong dollars, United States Dollars ("USD") and Australia Dollars ("AUD").

The Group's revenue is denominated and settled in RMB. In addition, the Group incurred most of the expenditures for operating purposes as well as capital expenditures in RMB. Hence, the directors of the Company considered that the Group's exposure to foreign currency exchange risk arising from its operating activities is insignificant as the majority of the Group's operating activities are denominated in functional currency of the respective group entities.

At 31 March 2013, the Group had cash of RMB20.5 million denominated in foreign currency, including RMB16.6 million denominated in Australian Dollars ("AUD") (AUD2.6 million), and the rest mainly in Hong Kong Dollars ("HKD"). In April 2013, the Group converted AUD1.8 million into HKD at a rate of 1:7.92. In June, the Group has wired HKD16.2 million into China as capital contribution of the subsidiary, subject to relevant authority processing.

At the date of this report, the Group has already converted all AUD cash into HKD/USD whose fluctuation with RMB is expected to be limited. Given the Group has already converted a large portion of its AUD into HKD before its fluctuation in May, we do not expect a material loss of foreign exchange for the Group.

Employee, remuneration policies and share option scheme

At 31 March 2013, the Group had 105 full-time employees (31 March 2012:50). The salaries of the Group's employees were determined by reference to personal performance, professional qualifications, industry experience and relevant market trends. The Group ensures all levels of employees are paid competitively within the standard in the market and employees are rewarded on a performance-related basis within the framework of the Group's salary, incentives and bonus schemes. The management reviews the remuneration policy of the Group on a regular basis and evaluates the work performance of the employees. The remuneration of the employees includes salaries, allowances, year-end bonuses and social insurance.

At the date of the report, there were no unissued ordinary shares of the Company under option.

This report is made in accordance with a resolution of directors.

XIONG Qiang
Chairman
TTG Mobile Coupon Services Limited

Sydney, 28 June 2013

AUSTRALIAN STOCK EXCHANGE (ASX) DISCLOSURES

Issued capital

As at 21 June 2013, the Company had 634,911,400 ordinary fully paid shares on issue, of which 634,911,397 shares have been converted to CHESS Depositary Interests (CDI's) so that they may ultimately be traded on the ASX. Some shares/CDI's are currently under trading restrictions imposed by the ASX as part of the IPO process. A summary of all shares/CDI's showing restrictions is set out below:

Description	Number of shares/CDI's
Unrestricted	10,151,358
Restricted from trading until 27 November 2013	2,955,700
Restricted from trading until 27 November 2014	621,804,332

There is no on-market buy back currently in place.

Substantial shareholders

At 21 June 2013, CDN Nominees Pty Ltd held 634,911,397 ordinary shares on behalf of different CDI holders. The substantial CDI holders of the Company include:

Xiong Qiang & associates	222,200,000
Chow Ki Shui & associates	132,350,000
Baolink Capital (owned by Cai Wensheng's wife)	76,287,500
Yang Yuchuan & associates	55,541,670

Distribution of Shareholders/CDI holders

There were 359 Shareholders/CDI holders at 21 June 2013. Each Shareholder/CDI holder is entitled to one vote for each security held.

Range	Total holders	Units	% of Issued Capital
1 - 1,000	10	6,547	0.00
1,001 – 5,000	230	823,360	0.13
5,001 – 10,000	38	282,000	0.04
10,001 – 100,000	30	877,020	0.14
Over 100,000	51	632,922,473	99.69
Totals	**359**	**634,911,400**	**100.00**

There are 2 Shareholders/CDI holders who hold less than a marketable parcel. The top twenty holders held 94.50% of the Company capital.

AUSTRALIAN STOCK EXCHANGE (ASX) DISCLOSURES (continued)

Top twenty CDI holders as at 21 June 2013

Name		
Xiong Qiang	212,200,000	33.42%
Chow Ki Shui Louie	101,850,000	16.04%
Baolink Capital Limited	76,287,500	12.02%
Ms. Cheung Hoi Ping (Mr. Chow Ki Shui Louie's wife)	30,500,000	4.80%
Mr. Yang Yuchuan	27,770,835	4.37%
Lao Min	27,770,835	4.37%
Lan Jun	20,770,830	3.27%
Investorlink China Limited	16,250,000	2.56%
Investorlink Securities Limited	14,723,221	2.32%
Ling Fang (Mr. Xiong Qiang's wife)	10,000,000	1.58%
Wong Wing Wang	9,141,000	1.44%
Feijun Investment Limited	8,869,000	1.40%
Eagle Fly Management Company Limited	7,000,000	1.10%
Law Wing Kit	6,250,000	0.98%
Chris Ryan, Sabine Ryan and Lois Ryan as trustee for the Ryan Retirement Fund	6,250,000	0.98%
Forth Well Investments Limited	5,875,000	0.93%
Tang Xin	5,000,000	0.79%
Xiong Yangui	5,000,000	0.79%
Investorlink Super Pty Limited	5,000,000	0.79%
Kwok Kin Kwong Gary	3,500,000	0.55%
Total	600,008,218	94.50%

CORPORATE GOVERNANCE REPORT

Unless disclosed below, all the best practice recommendations of the ASX Corporate Governance Council have been applied for the Group upon listing on 27 November 2012.

Ethical Standards

All directors, office-holders, employees and consultants are expected to act with the utmost integrity and objectivity and to enhance the reputation and performance of the company.

A code of conduct has been established requiring directors and employees to act honestly and in good faith; exercise due care and diligence in fulfilling the functions of office; avoid conflicts and make full disclosure of any possible conflict of interest; comply with the law; encourage the reporting and investigating of unlawful and unethical behavior; and comply with the securities trading policy outlined below.

The Board of Directors

The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report are detailed on pages 4 to 6. At the date of this report, the board comprises 9 directors.

The board is responsible for the overall Corporate Governance of the company and its primary functions include:

- The strategic direction of the company approval of the long term goals for management and monitoring the achievement of these goals on behalf of the shareholders;
- The approval of the annual and half-yearly financial statements;
- The review and adoption of annual budgets for the financial performance of the company and monitoring the results throughout the year
- Ensuring the company has implemented adequate systems to monitor compliance activities, risk management etc.

The Company does not comply with the best practice recommendation 2.2: “The chair should be an independent director”. The board believes that having an Executive Chairman is good for the business development and decision making in China, and the company has adequate procedures to ensure the independence of the Chairman’s decisions.

Performance Evaluation

The Chairman has conducted a performance evaluation for the board and its members during the financial year using generally accepted industry practices.

Audit Committee

The Company has established an audit committee (“Audit Committee“) on 12 September 2012. At present, the Audit Committee comprises three directors, namely Mr. RYAN Christopher John, Mr. KWOK Kin Kwong Gary and Mr. BENSON Ross Kenneth. The chairman of the Audit Committee is RYAN Christopher John .

Each committee member has considerable experience in reviewing financial statements and evaluating significant internal control and financial issues. The committee possesses a wealth of management experience in the professional accounting and commerce. The Audit Committee has held one meeting during the financial year.

The main duties of the Audit Committee are as follows:

(i) to review the financial statements of the Group before they are submitted to the Board for approval;

(ii) to make recommendations to the Board on the appointment, reappointment and removal of the external auditor, to approve the remuneration and terms of engagement of the external auditor, and deal with any questions concerning the resignation or dismissal of the auditor;

(iii) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;

(iv) to review the Group's financial controls, internal controls and risk management systems and assess the effectiveness of the Group's internal control system;

(v) to review the Group's financial and accounting policies and practices;

(vi) to review the procedures available to employees for raising their concerns about possible improprieties in financial reporting, internal control or other matters; and

(viii) to review the terms and conditions of ongoing connected transactions of the Group, if any.

During the Review Period, the Audit Committee has carried out the following:

(A) Financial statements
The Audit Committee, which includes the Chief Financial Officer, met other senior management of the Group to review the annual report of the Group prior to recommending the financial statements to the Board for approval. The Audit Committee has considered and discussed the reports with the management, the Group's internal and external auditors, in order to ensure that the Group's consolidated financial statements were prepared in accordance with the International Accounting Standards and Hong Kong Financial Reporting Standards.

(B) Review of risk management and internal control
The Audit Committee assisted the Board in meeting its responsibilities for maintaining an effective system of internal control. It conducted a review of the process by which the Group evaluated its control environment and risk assessment process, and the way in which business and control risks were managed.

Remuneration Committee

The Company established a remuneration committee ("Remuneration Committee") on 12 September 2012 and has held one meeting during the financial year where all Remuneration Committee members attended to discuss remuneration related matters. At present, the Remuneration Committee comprises all nine directors of the Company. The Chairman of the Remuneration Committee is Mr. Lan Jun. Its main duties are summarised as follows:

(i) to make recommendations to the Board on the Group's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing such remuneration policies;

(ii) to determine, with delegated responsibility, the remuneration packages of all Executive Directors;

(iii) to make recommendations to the Board on the remuneration of Non-executive Directors; and

The work done by the Remuneration Committee during the year included the following:

(i) determining the policy for the remuneration of Executive Directors;

(ii) approving the terms of Executive Directors' service contracts.

Details of the amount of Directors emoluments is set out in Note 8 to the consolidated financial statements.

CORPORATE GOVERNANCE REPORT (continued)

Meetings Attendance Record

	Board	Audit Committee	Remuneration Committee
Number of meetings held for the period	6	1	1
Executive Directors:			
XIONG Qiang	6/6	N/A	1/1
CHOW Ki Shui Louie	6/6	N/A	1/1
KWOK Kin Kwong Gary (appointed on 12 Sept 2012)	2/2	1/1	1/1
WU Linyan (appointed on 12 Sept 2012)	2/2	N/A	1/1
Non-executive Directors:			
RYAN, Christopher John (appointed on 12 Sept 2012)	2/2	1/1	1/1
BENSON, Ross Kenneth (appointed on 12 Sept 2012)	2/2	1/1	1/1
CAI Wensheng (appointed on 12 Sept 2012)	2/2	N/A	1/1
LAN Jun	6/6	N/A	1/1
WANG Ming Hui (resigned on 12 Sept 2012)	4/4	N/A	N/A
YANG Yuchuan	6/6	N/A	1/1

Internal Control & Risk Management

The board is ultimately responsible for maintaining a sound and effective system of internal control and risk management of the Group and considers that the identification and management of key risk associated with the business is vital. Procedures have been designed to achieve business objectives, safeguard assets against unauthorized use or disposition, ensure proper maintenance of books and records for the provision of reliable financial information for internal use or publication, and to ensure compliance with relevant legislation and regulations. Matters of risk are regularly reviewed at board meetings and a risk management culture is encouraged amongst directors and employees.

Independent Professional Advice

Each director has the right to seek independent professional advice, in relation to matters arising in the conduct of his duties, at the economic entity's expense, subject to prior approval of the Chairman which is not to be unreasonably withheld.

Continuous Disclosure

The Company has established policies and procedures to ensure compliance with ASX Listing Rule continuous disclosure requirements. All announcements are circulated to each director for input before release to market.

Securities Trading Policy

All directors, office-holders and employees are bound by the Company's securities trading policy which prohibits trading in the Company's securities while they are in possession of price-sensitive information until it has been released to the market and adequate time has been given for this to be reflected in the security's price.

Rights of Shareholders/CDI Holders

The board aims to ensure that all shareholders/CDI holders are informed of significant developments through regular shareholders communications. These include the Annual Report and distribution of material covering major events when appropriate. Shareholders/CDI holders are entitled to vote on significant matters impacting on the business of the Company. Shareholders/CDI holders are strongly encouraged to attend and participate in the Annual General Meeting of the Company, to lodge questions to the directors and are able to appoint proxies.

Other Information

Further information relating to the Company's corporate governance practices and policies has been made publicly available on the Company's website at www.ttg.hk.

STATEMENT BY DIRECTORS

In accordance with a resolution of the Directors of TTG Mobile Coupon Services Limited (the “Company”), we state that:

(1) In the opinion of the Directors:

a. The consolidated statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the Company and its subsidiary (the “Group”) as at 31 March 2013; and
b. At the date of this statement there are reasonable grounds to believe that the Group and the Company will be able to pay its debts as and when they fall due.

(2) In the opinion of the Directors, the consolidated financial statements give a true and fair view of:

a. The loss and cash flows of the Group for the year ended 31 March 2013; and
b. The state of affairs of the Group at 31 March 2013.

On behalf of the Board

XIONG Qiang
Chairman
TTG Mobile Coupon Services Limited

Sydney, 28 June 2013

國富浩華(香港)會計師事務所有限公司
Crowe Horwath (HK) CPA Limited
Member Crowe Horwath International
香港 銅鑼灣 禮頓道77號 禮頓中心9樓
9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
TTG MOBILE COUPON SERVICES LIMITED
(Incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of TTG Mobile Coupon Services Limited (the "Company") and its subsidiary (together the "Group") set out on pages 20 to 58**,** which comprise the consolidated and company statements of financial position as at 31 March 2013, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

國富浩華 (香港) 會計師事務所有限公司
Crowe Horwath (HK) CPA Limited
Member Crowe Horwath International
香港 銅鑼灣 禮頓道77號 禮頓中心9樓
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77 Leighton Road,
Causeway Bay, Hong Kong

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
TTG MOBILE COUPON SERVICES LIMITED
(Incorporated in Hong Kong with limited liability)

(Continued)

Auditor's responsibility (Continued)

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of the Company's and the Group's affairs as at 31 March 2013, and of the Group's loss and cash flows for the year then ended in accordance with International Financial Reporting Standards and Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

Crowe Horwath (HK) CPA Limited
Certified Public Accountants
Hong Kong, 28 June 2013

Lam Cheung Shing
Practising Certificate Number P03552

TTG MOBILE COUPON SERVICES LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2013

	Note	Year ended 31/3/2013 RMB	Period from 24/12/2010 to 31/3/2012 RMB
Turnover	4	1,098,963	1,554,956
Cost of services		(653,572)	(241,315)
Gross profit		445,391	1,313,641
Other revenue	5	8,595	399
Other income	5	248,234	18,862
		702,220	1,332,902
Selling expenses		(5,341,038)	(1,548,851)
General and administrative expenses		(13,475,142)	(1,253,976)
Loss before taxation	6	(18,113,960)	(1,469,925)
Income tax	7	-	-
Loss for the year/period		(18,113,960)	(1,469,925)
Other comprehensive income for the year/period, net of nil tax		-	-
Total comprehensive loss for the year/period		(18,113,960)	(1,469,925)
Loss and total comprehensive loss for the year/period attributable to owners of the Company		(18,113,960)	(1,469,925)
Loss per share (RMB)	11		
Basic		(0.0290)	(0.0035)
Diluted		(0.0290)	(0.0035)

The notes on pages 25 to 58 form an integral part of these financial statements.

	Note	2013 RMB	2012 RMB
Non-current assets			
Property, plant and equipment	13	1,653,360	1,245,364
Intangible assets	14	-	-
		1,653,360	1,245,364
Current assets			
Trade and other receivables	16	1,445,992	1,193,924
Cash and cash equivalents	17	21,970,669	3,523,316
		23,416,661	4,717,240
Current liabilities			
Other payables	18	3,411,395	1,878,139
Net current assets		20,005,266	2,839,101
NET ASSETS		21,658,626	4,084,465
CAPITAL AND RESERVES			
Share capital	20	1,029,880	888,550
Reserves		20,628,746	3,195,915
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		21,658,626	4,084,465

Approved and authorised for issue by the directors on 28 June 2013.

Director

Director

The notes on pages 25 to 58 form an integral part of these financial statements.

	Note	2013 RMB	2012 RMB
Non-current assets			
Investment in a subsidiary	15	11,821,711	833,700
Current assets			
Other receivables	16	592,896	1,537,104
Cash and cash equivalents	17	20,571,662	3,139,690
		21,164,558	4,676,794
Current liabilities			
Other payables	18	842,444	270,872
Net current assets		20,322,114	4,405,922
NET ASSETS		32,143,825	5,239,622
CAPITAL AND RESERVES			
Share capital	20	1,029,880	888,550
Reserves	21	31,113,945	4,351,072
TOTAL EQUITY		32,143,825	5,239,622

Approved and authorised for issue by the directors on 28 June 2013.

Director

Director

The notes on pages 25 to 58 form an integral part of these financial statements.

	Note	Share capital RMB (Note 20)	Share premium RMB (Note 21)	Accumulated losses RMB	Sub-total RMB	Total equity RMB
			Attributable to owners of the Company			
At 24 December 2010		-	-	-	-	-
Loss for the period		-	-	(1,469,925)	(1,469,925)	(1,469,925)
Other comprehensive income		-	-	-	-	-
Total comprehensive income		-	-	(1,469,925)	(1,469,925)	(1,469,925)
Transaction with owners						
Issuance of shares upon incorporation	20(a)	8	-	-	-	8
Issuance of new shares	20(c)	810,852	-	-	-	810,852
Placing of new shares	20(d)	10,135	1,571,042	-	1,571,042	1,581,177
Issuance of new shares	20(e)	67,555	3,094,798	-	3,094,798	3,162,353
		888,550	4,665,840	-	4,665,840	5,554,390
At 31 March 2012 and at 1 April 2012		888,550	4,665,840	(1,469,925)	3,195,915	4,084,465
Loss for the year		-	-	(18,113,960)	(18,113,960)	(18,113,960)
Other comprehensive income		-	-	-	-	-
Total comprehensive income		888,550	4,665,840	(19,583,885)	(14,918,045)	(14,029,495)
Transaction with owners						
Issuance of new shares	20(e)	67,607	3,164,814	-	3,164,814	3,232,421
Issuance of new shares	20(h)	16,958	-	-	-	16,958
Placing of new shares	20(i)	40,718	11,075,370	-	11,075,370	11,116,088
Issuance of new shares	20(j)	9,619	11,633,585	-	11,633,585	11,643,204
Issuance of new shares	20(k)	6,428	15,550,634	-	15,550,634	15,557,062
Share issue expenses		-	(5,877,612)	-	(5,877,612)	(5,877,612)
		141,330	35,546,791	-	35,546,791	35,688,121
At 31 March 2013		1,029,880	40,212,631	(19,583,885)	20,628,746	21,658,626

The component of other comprehensive income does not have any significant tax effect for the year ended 31 March 2013 and period ended 31 March 2012.

The notes on pages 25 to 58 form an integral part of these financial statements.

TTG MOBILE COUPON SERVICES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2013

	Note	Year ended 31/3/2013 RMB	Period from 24/12/2010 to 31/3/2012 RMB
OPERATING ACTIVITIES			
Loss before taxation		(18,113,960)	(1,469,925)
Adjustments for:			
Depreciation	13	309,296	72,267
Interest income	5	(3,595)	(399)
Impairment loss on intangible asset	14	200,000	-
Waiver of amount due to a related company	18(c)	(153,220)	-
Foreign exchange loss		50,839	-
		(17,710,640)	(1,398,057)
CHANGES IN WORKING CAPITAL			
Increase in trade and other receivables		(264,432)	(1,193,924)
Increase in other payables		2,290,795	1,278,139
NET CASH USED IN OPERATIONS		(15,684,277)	(1,313,842)
Tax paid		-	-
NET CASH USED IN OPERATING ACTIVITIES		(15,684,277)	(1,313,842)
INVESTING ACTIVITIES			
Interest received	5	3,595	399
Payments for purchase of property, plant and equipment		(1,317,292)	(717,631)
Payment for purchase of an intangible asset	14	(200,000)	-
NET CASH USED IN INVESTING ACTIVITIES		(1,513,697)	(717,232)
FINANCING ACTIVITIES			
Proceeds from issuance of new shares		35,688,121	5,554,390
NET CASH GENERATED FROM FINANCING ACTIVITIES		35,688,121	5,554,390
NET INCREASE IN CASH AND CASH EQUIVALENTS		18,490,147	3,523,316
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD		3,523,316	-
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		(42,794)	-
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD			
Cash and bank balances	17	21,970,669	3,523,316

The notes on pages 25 to 58 form an integral part of these financial statements.

1. GENERAL INFORMATION

TTG Mobile Coupon Services Limited (the "Company") is a limited liability company domiciled and incorporated in Hong Kong. The address of its registered office and principal place of business is Unit 1806, 18/F., Park-In Commercial Centre, 56 Dundas Street, Mongkok, Kowloon, Hong Kong.

The Company is an investment holding company. Its subsidiary is principally engaged in provision of system development and information technology services in the People's Republic of China (the "PRC").

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards "IFRSs" (which also include International Accounting Standards ("IASs") and Interpretations) issued by the International Accounting Standards Board (the "IASB"), Hong Kong Financial Reporting Standards "HKFRSs" (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong, and the Hong Kong Companies Ordinance. A summary of the significant accounting policies adopted by the Group is set out below.

Although HKFRSs have been fully converged with IFRSs except for certain differences in transitional provisions since 1 January 2005, these financial statements are the first published financial statements in which the Group makes an explicit and an reserved statement of compliance with IFRSs. Therefore, in preparing these financial statements management has given due consideration to the requirements of HKFRS 1 (Revised) First-time Adoption of Interntional Financial Reporting Standards. For this purpose the date of the Group's transition of IFRSs was determined to be 24 December 2010, being the beginning of the earliest period for which the Group presents full comparative information in these financial statements.

With due regard to the Group's accounting policies in previous periods and the requirements of IFRS 1, management has concluded that no adjustments were required to the amounts reported under HKFRSs as at the date of transition to IFRSs, or in respect of the period ended 31 March 2012. As such, the Group makes an explicit and unreserved statement of compliance with IFRSs in the first IFRS financial statements which included these amounts as comparative. Accordingly, these financial statements continue to include a statement of compliance with HKFRSs as well including for the first time a statement of compliance with IFRSs, without adjustment to the Group's and the Company's financial position, the Group's financial performance or cash flows either at the date of transition to IFRSs or at the end of latest period presented in accordance with HKFRSs.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 March 2013 comprise the Company and its subsidiary (together referred to as the Group").

These consolidated financial statements have been prepared under the historical cost basis. The consolidated financial statements are presented in Renminbi ("RMB"), which is the same as the Company's functional currency as the majority of the Group's transactions are denominated in RMB.

The preparation of financial statements in conformity with IFRSs and HKFRSs, requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs and HKFRSs that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in note 24.

c) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Subsidiaries (Continued)

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or jointly controlled entity.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(g)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

d) Property, plant and equipment

Property, plant and equipment are stated in the statement of financial position at cost less accumulated depreciation and impairment losses (see note 2(i)).

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, on a straight-line basis over their estimated useful lives as follows:

Computer equipment	20% per annum
Leasehold improvements	Over the shorter of the term of the lease or 20% per annum

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Gain or loss arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net proceeds on disposal and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

e) Intangible assets

The Group classified the acquired trademarks as intangible assets with an indefinite life in accordance with IAS 38 and HKAS Intangible Assets. Trademarks acquired are stated at cost less any subsequent accumulated impairment losses.

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

Operating lease charges

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases. Where the Group has the use of assets under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

g) Impairment of assets

i) Impairment of receivables

Current and non-current receivables that are stated at cost or amortised cost are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Impairment of assets (Continued)

i) Impairment of receivables (Continued)

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For investments in a subsidiary, the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 2(g)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 2(g)(ii).

- For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

  If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior periods.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Impairment of assets (Continued)

ii) Impairment of other assets

Internal and external sources of information are reviewed at each end of reporting period to identify indications that the following assets may be impaired or, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment and
- intangible assets.

If any such indication exists, the asset's recoverable amount is estimated.

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

- Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

- Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior periods. Reversals of impairment losses are credited to profit or loss in the period in which the reversals are recognised.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment losses for bad and doubtful debts (see note 2(g)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment losses for bad and doubtful debts.

i) Other payables

Other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

j) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

k) Employee benefits

Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the period in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

l) Income tax

Income tax for the period comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case they are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the end of reporting period, and any adjustment to tax payable in respect of previous periods.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Income tax (Continued)

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credit.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided that those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Income tax (Continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

– in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

– in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  – the same taxable entity; or

  – different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

m) Provision and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

n) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and the costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

i) Provision of services

Revenue from the provision of system development services and information technology services are recognised when its services are rendered by reference to the stage of completion.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Revenue recognition (Continued)

ii) Interest income

Interest income is recognised as its accrues using the effective interest method.

o) Translation of foreign currency

Foreign currency transactions during the period are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities measured in terms of historical cost in foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

p) Related parties

a) A person, or a close member of that person's family, is related to the Group if that person:

i) has control or joint control over the Group;

ii) has significant influence over the Group; or

iii) is a member of the key management personnel of the Group or the Group's parent.

b) An entity is related to the Group if any of the following conditions applies:

i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

iii) both entities are joint ventures of the same third party.

iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Related parties (Continued)

b) An entity is related to the Group if any of the following conditions applies: (Continued)

vi) the entity is controlled or jointly controlled by a person identified in (a).

vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

q) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the board of directors, being the chief operating decision maker, for the purpose of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products, the nature of production process, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") AND HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following amendments to IFRSs issued by the IASB and HKFRSs issued by HKICPA that are effective for the current accounting period.

Amendments to IFRS 7 / HKFRS 7	Financial instruments: Disclosures – Transfers of financial assets
Amendments to IAS 12 / HKAS 12	Income taxes – Deferred tax: Recovery of underlying assets

The adoption of the amendments to IFRSs and HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current or prior accounting periods and/or on the disclosures set out in these financial statements.

The Group has not applied any new and revised IFRSs and HKFRSs that is not yet effective for the current accounting period.

4. TURNOVER

Turnover represents the revenue from provision of system development and information technology services. The amount of each significant category of revenue recognised in turnover during the year/period is as follows:

	Year ended 31/3/2013 RMB	Period from 24/12/2010 to 31/3/2012 RMB
Revenue from provision of system development services	1,037,073	1,455,675
Revenue from provision of information technology services	61,890	99,281
	1,098,963	1,554,956

5. OTHER REVENUE AND OTHER INCOME

	Year ended 31/3/2013 RMB	Period from 24/12/2010 to 31/3/2012 RMB
Other revenue		
Interest income on bank deposits	3,595	399
Total interest income on financial assets not at fair value through profit or loss	3,595	399
Promotion income	5,000	-
	8,595	399
Other income		
Exchange gain	37,740	18,860
Sundry income	57,274	2
Waiver of amount due to a related company	153,220	-
	248,234	18,862

6. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	Year ended 31/3/2013 RMB	Period from 24/12/2010 to 31/3/2012 RMB
Auditor's remuneration		
- audit service	259,701	256,211
- other service	110,585	-
Depreciation on property, plant and equipment	309,296	72,267
Operating lease charges in respect of properties		
- minimum lease payments	291,476	163,650
Impairment loss on intangible asset	200,000	-
Staff costs (including directors' emoluments)		
Contribution to defined contribution retirement plan	172,058	27,904
Salaries and allowances	6,821,540	1,103,452
	6,993,598	1,131,356

7. INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

No Hong Kong Profits Tax has been made in these consolidated financial statements as the Group has no estimated assessable profits arising in Hong Kong for the year/period.

The subsidiary is subject to PRC enterprise income tax at 25%. Pursuant to a notice issued by the tax authority on 5 April 2012, the subsidiary is exempted from PRC enterprise income tax for two years starting from the first year of profitable operations after offsetting prior year losses, followed by a 50% reduction for the next three years. No provision for PRC enterprise income tax has been made in these consolidated financial statements as the PRC subsidiary sustained a loss during the year/period.

Reconciliation between tax expenses and accounting loss at applicable tax rates is as follows:

	Year ended 31/3/2013 RMB	Period from 24/12/2010 to 31/3/2012 RMB
Loss before taxation	(18,113,960)	(1,469,925)
Notional tax on loss before taxation, calculated at the rates applicable to loss in the tax jurisdictions concerned	(3,781,857)	(340,726)
Tax effect of non-taxable income	(27,087)	(3,743)
Tax effect of non-deductible expenses	1,634,393	68,290
Tax effect of unrecognised temporary difference	56	47,458
Tax effect of unrecognised tax losses	2,174,495	228,721
Actual tax	-	-

8. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

	Year ended 31 March 2013			
	Directors' fees RMB	Salaries allowance and benefits in kind RMB	Retirement scheme contributions RMB	Total RMB
Executive directors				
Xiong Qiang	-	428,876	-	428,876
Chow Ki Shui Louie	-	161,980	-	161,980
Kwok Kin Kwong Gary (appointed on 12 September 2012)	-	338,686	-	338,686
Wu Lin Yan (appointed on 12 September 2012)	-	159,242	-	159,242
Non-executive directors				
Ryan, Christopher John (appointed on 12 September 2012)	-	42,181	-	42,181
Benson, Ross Kenneth (appointed on 12 September 2012)	-	42,181	-	42,181
Cai Wen Sheng (appointed on 12 September 2012)	-	42,181	-	42,181
Lan Jun	-	42,181	-	42,181
Yang Yu Chuan	-	42,181	-	42,181
Wang Ming Hui (resigned on 12 September 2012)	-	-	-	-
	-	1,299,689	-	1,299,689

	Period ended 31 March 2012			
	Directors' fees RMB	Salaries allowance and benefits in kind RMB	Retirement scheme contributions RMB	Total RMB
Executive directors				
Xiong Qiang (appointed on 20 December 2010)	-	-	-	-
Chow Ki Shui Louie (appointed on 20 December 2010)	-	-	-	-
Non-executive directors				
Cai Wen Sheng (appointed on 29 July 2011 and resigned on 15 December 2011)	-	-	-	-
Yang Yu Chuan (appointed on 15 December 2011)	-	-	-	-
Wang Ming Hui (appointed on 15 December 2011)	-	-	-	-
Lan Jun (appointed on 15 December 2011)	-	-	-	-
	-	-	-	-

9. LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

The consolidated loss attributable to owners of the Company includes a loss of RMB8,783,918 (2012: RMB314,768) which has been dealt with in the financial statements of the Company.

10. DIVIDENDS

The directors does not recommend the payment of any dividend for the year ended 31 March 2013 (2012: RMBNil).

11. LOSS PER SHARE

Basic

The calculation of basic loss per share is calculated by dividing the loss for the year/period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year/period.

	2013 RMB	2012 RMB
Loss for the year/period attributable to owners of the Company	(18,113,960)	(1,469,925)

	2013	2012
Weighted average number of ordinary shares *	624,274,878	418,631,578

* The number of ordinary shares has been adjusted to take into account the adjustment to the number of shares for the share subdivision in May 2012 and January 2011.

Diluted

Diluted loss per share equals to the basic loss per share as there are no dilutive potential ordinary shares outstanding for the year ended 31 March 2013.

Diluted loss per share equals to the basic loss per share for the period ended 31 March 2012 as the Company did not take into account for the effect of partly paid shares during the period ended 31 March 2012 since this would result in a decrease in loss per share.

12. SEGMENT INFORMATION

The Group manages its business by divisions which are organized from the services perspective.

The board of directors, being the chief operating decision maker, consider that the Group has only one single operating segment as the Group is principally engaged in provision of system development and information technology related services. Accordingly, the segment information for this sole operating segment is equivalent to the consolidated figures. No geographical information is presented as the Group's customers, operations and non-current assets are located in the PRC.

Information about major customers

An analysis of revenue from customers contributing 10% or more of the Group's total revenue is as follows:

	Year ended 31/3/2013 RMB	Period from 24/12/2010 to 31/3/2012 RMB
Customer A	941,976	270,000
Customer B	-	300,000
Customer C	-	770,000

13. PROPERTY, PLANT AND EQUIPMENT

The Group

	Computer equipment RMB	Leasehold improvements RMB	Total RMB
Cost			
Additions and at 31 March 2012	1,272,781	44,850	1,317,631
Additions	717,292	-	717,292
At 31 March 2013	1,990,073	44,850	2,034,923
Accumulated depreciation			
Charge for the period and at 31 March 2012	64,045	8,222	72,267
Charge for the year	300,325	8,971	309,296
At 31 March 2013	364,370	17,193	381,563
Carrying amount			
At 31 March 2013	1,625,703	27,657	1,653,360
At 31 March 2012	1,208,736	36,628	1,245,364

14. INTANGIBLE ASSETS

The Group

	Trade marks RMB
Carrying amount at 1 April 2012	-
Additions	200,000
Impairment loss	(200,000)
Carrying amount at 31 March 2013	-

The trademarks are with an indefinite life. On initial recognition, the directors of the Company are of the opinion that the Group has the ability to use the trademarks continuously and expected to contribute to net cash inflows of existing business indefinitely. As a result, the trademarks are considered by the management of the Group as having an indefinite useful life. The trademarks will not be amortised until its useful life is determined to be finite. Instead it will be tested for impairment annually and when ever there is an indication that it may be impaired.

On initial recognition, the trademarks were acquired for the existing business of system development and information technology services. The directors estimated the value of intangible assets based on their experience. Subsequent to the acquisition of trademarks, the directors changed their business strategy by focusing on new business development. The directors considered the recoverable amount of the trademarks was less than its carrying amount, therefore, the trademarks were fully impaired.

The impairment loss of RMB200,000 have been included in general and administrative expenses for the year ended 31 March 2013.

15. INTERESTS IN A SUBSIDIARY

	The Company	
	2013 RMB	2012 RMB
Unlisted shares, at cost	3,102,654	833,700
Amount due from a subsidiary	8,719,057	-
	11,821,711	833,700

The amount due from a subsidiary is unsecured, interest-free and not expected to be recovered within one year. In the opinion of the directors, the amount due from a subsidiary is considered as quasi-investments in the subsidiary and therefore is classified as non-current assets.

15. INTERESTS IN A SUBSIDIARY (Continued)

Details of the subsidiary as at 31 March 2013 are as follows:

Name of subsidiary	Place of establishment and operation	Principal activities	Registered and paid up capital	Proportion of ownership interest held directly by the Company
Shenzhen Tao-taogu Information Technology Co., Ltd. * (深圳市淘淘谷信息技術有限公司)	The PRC	Provision of system development and information technology services	HK$10,000,000 of which HK$3,800,000 was paid up	100%

* The English translation of the subsidiary's name is for reference only. The official name of the subsidiary is in Chinese.

Note:

深圳市淘淘谷信息技術有限公司 was incorporated as a wholly foreign owned limited liability company in the PRC on 24 March 2011 with registered capital of HK$1,000,000 (equivalent to RMB833,700). On 20 February 2012, the registered capital was increased to HK$10,000,000 (equivalent to RMB8,131,440). As at 31 March 2013, the Company contributed a total of HK$3,800,000 (equivalent to RMB3,102,654) (2012: HK$1,000,000 equivalent to RMB833,700) as the paid up capital of the subsidiary and the outstanding unpaid registered capital of HK$6,200,000 (equivalent to RMB4,958,760) (2012: HK$9,000,000 equivalent to RMB7,297,740) was disclosed as capital commitment in note 27. The remaining balance of HK$6,200,000 (equivalent to RMB4,958,760) shall be paid up within two years from 8 May 2012. Please also refer to Note 29 for the subsequent increase in registered capital.

16. TRADE AND OTHER RECEIVABLES

		The Group		The Company	
	Note	2013 RMB	2012 RMB	2013 RMB	2012 RMB
Trade receivables	(a)	480,000	180,000	-	-
Other receivables	(b)	346,374	258,161	248,333	251,521
Amount due from a subsidiary	(c)	-	-	-	630,000
Amounts due from shareholders	(c)	481,181	327,347	344,563	327,347
Amount due from a related company	(d)	30,000	-	-	-
Loans and receivables		1,337,555	765,508	592,896	1,208,868
Prepayments and deposits		108,437	428,416	-	328,236
		1,445,992	1,193,924	592,896	1,537,104

All of the trade and other receivables are expected to be recovered within one year or recognised as expense within one year.

16. TRADE AND OTHER RECEIVABLES (Continued)

Note:

a) Trade receivables are due within 60 days from the date of billing. There are no trade receivables impaired as at 31 March 2013 and 2012.

Further details of the Group's credit policy are set out in note 23(a)(i).

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired are as follows:

	The Group	
	2013 RMB	2012 RMB
Neither past due nor impaired	280,500	180,000
Past due but not impaired		
Less than 1 month past due	-	-
1 to 3 months past due	199,500	-
	480,000	180,000

Receivables that were neither past due nor impaired related to two (2012: one) customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to two (2012: one) independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

b) Included in other receivables, there was an amount of RMB248,090 (2012:RMB251,521) due from a debtor, which was subsequently settled on 25 June 2013.

c) The amounts due from a subsidiary and shareholders are unsecured, interest free and repayable on demand. Included in amounts due from shareholders, there was an amount of RMB323,937 due from a shareholder, which was subsequently settled on 25 June 2013.

d) The amount due from a related company is unsecured, interest free and repayable on 30 September 2013. The maximum outstanding balance is RMB30,000 (2012: Nil).

17. CASH AND CASH EQUIVALENTS

Included in the cash and cash equivalents of the Group as at 31 March 2013 was an amount of RMB1,399,007 (2012: RMB383,626) denominated in RMB which is not a freely convertible currency in the international money market. The exchange rate of RMB is determined by the Government of the PRC and the remittance of these funds out of the PRC is subject to exchange restrictions imposed by the Government of the PRC. The bank balances carry interest at market rates ranging from nil to 0.5% per annum (2012: 0.5% per annum).

18. OTHER PAYABLES

	Note	The Group 2013 RMB	The Group 2012 RMB	The Company 2013 RMB	The Company 2012 RMB
Other payables and accruals		2,737,847	940,290	265,629	189,741
Amounts due to directors (note 25(c))	(b)	376,863	81,131	376,863	81,131
Amount due to a related party (note 25(c))	(b)	56,700	56,700	-	-
Amount due to a related company (note 25(c))	(c)	-	169,420	-	-
Payable for purchase of computer equipment		-	600,000	-	-
Financial liabilities measured at amortised cost		3,171,410	1,847,541	642,492	270,872
Advance from a customer		199,952	-	199,952	-
Business tax and other levies payables		40,033	30,598	-	-
		3,411,395	1,878,139	842,444	270,872

Note:

a) All the other payables are expected to be settled or recognised as income within one year or repayable on demand.

b) The amounts due are unsecured, interest free and repayable on demand.

c) The amount due is unsecured, interest free and repayable on demand, except for a balance of RMB153,220 is waived on 29 April 2012.

19. DEFERRED TAX

In accordance with the accounting policy set out in note 2(l), the Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB9,612,867 (2012: RMB914,886) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses may be carried forward for five years of PRC enterprise income tax purpose.

Under the Enterprise Income Tax Law of the PRC with effect from 1 January 2008 onwards, non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business but the relevant income is not effectively connected with the establishment or a place of business in the PRC will be subject to withholding income tax at the rate of 10% on various types of passive income such as dividends derived from sources in the PRC. The Group is liable to withholding taxes on dividend distributed by its subsidiary established in the PRC with the applicable tax rate of 10%. No provision for deferred tax has been made in this aspect as the subsidiary sustained tax loss for the year/period.

20. SHARE CAPITAL

	Note	Number of ordinary shares of HK$1 per share	Number of ordinary shares of HK$0.01 per share	Number of ordinary shares of HK$0.002 per share	HK$
Authorised:					
Upon incorporation	(a)	10,000	-	-	10,000
Share subdivision	(b)	(10,000)	1,000,000	-	-
Increase in authorised share capital	(c)	-	99,000,000	-	990,000
Increase in authorised share capital	(e)	-	25,000,000	-	250,000
At 31 March 2012 and at 1 April 2012		-	125,000,000	-	1,250,000
Share subdivision	(f)	-	(125,000,000)	625,000,000	-
Increase in authorised share capital	(g)	-	-	375,000,000	750,000
At 31 March 2013		-	-	1,000,000,000	2,000,000

	Note	Number of ordinary shares of HK$1 per share	Number of ordinary shares of HK$0.01 per share	Number of ordinary shares of HK$0.002 per share	HK$	RMB equivalent
Issued:						
Fully paid up						
Upon incorporation	(a)	10	-	-	10	8
Share subdivision	(b)	(10)	1,000	-	-	-
Issuance of new shares	(c)	-	99,999,000	-	999,990	810,852
Placing of new shares	(d)	-	1,250,000	-	12,500	10,135
		-	101,250,000	-	1,012,500	820,995
Partly paid up						
Issuance of new shares	(e)	-	16,662,500	-	166,625	135,110
Amount not yet paid up	(e)	-	-	-	(83,312)	(67,555)
		-	16,662,500	-	83,313	67,555
At 31 March 2012 and 1 April 2012		-	117,912,500	-	1,095,813	888,550
Fully paid up						
Issuance of new shares	(e)	-	-	-	83,312	67,607
Issuance of new shares	(h)	-	2,087,500	-	20,875	16,958
Placing of new shares	(i)	-	5,000,000	-	50,000	40,718
Share subdivision	(f)	-	(125,000,000)	625,000,000	-	-
Issuance of new shares	(j)	-	-	5,911,400	11,823	9,619
Issuance of new shares	(k)	-	-	4,000,000	8,000	6,428
		-	(117,912,500)	634,911,400	174,010	141,330
At 31 March 2013		-	-	634,911,400	1,269,823	1,029,880

20. SHARE CAPITAL (Continued)

Note:

a) The Company was incorporated on 24 December 2010 with an authorised share capital of 10,000 ordinary shares of HK$1 each. 10 ordinary shares were taken up by the subscribers at par for cash consideration upon incorporation as the initial capital of the Company.

b) Pursuant to a written resolution passed by all the shareholders of the Company on 31 January 2011, the authorised share capital comprising 10,000 ordinary shares of HK$1 each was subdivided into 1,000,000 ordinary shares of HK$0.01 each.

c) Pursuant to a written resolution passed by all the shareholders of the Company on 19 March 2011, the authorised share capital of the Company was increased from HK$10,000 to HK$1,000,000 by the creation of 99,000,000 ordinary shares of HK$0.01 each. The ordinary shares rank pari passu with the existing ordinary shares of the Company in all respects. On the same day, the Company allotted and issued 99,999,000 ordinary shares at par value of HK$0.01 for a total cash consideration of HK$999,990 (equivalent to RMB810,852) as additional capital of the Company. All the 99,999,000 ordinary shares were fully paid up upon allotment.

d) On 17 July 2011, the Company entered into a placing agreement with Investorlink China Limited for placing of 1,250,000 ordinary shares at US$0.2 per share and 5,000,000 ordinary shares at US$0.35 per share for a total cash consideration of US$2,000,000 (equivalent to RMB12,649,416) as additional capital of the Company. On 1 February 2012, the Company allotted and issued 1,250,000 ordinary shares and received proceeds of US$250,000 (equivalent to RMB1,581,177) out of which US$248,397 (equivalent to RMB1,571,042) has been credited to share premium account. Placement of the remaining 5,000,000 ordinary shares for US$1,750,000 (equivalent to RMB11,068,239) was completed on 18 May 2012.

e) Pursuant to a written resolution passed by all the shareholders of the Company on 15 December 2011, the authorised share capital of the Company was increased from HK$1,000,000 to HK$1,250,000 by creation of 25,000,000 ordinary shares of HK$0.01 each. The ordinary shares rank pari passu with the existing ordinary shares of the Company in all respects. On the same day, the Company allotted and issued 16,662,500 ordinary shares with par value of HK$0.01 each at US$0.06 per share for a total cash consideration of US$1,000,000 of which US$500,000 (equivalent to RMB3,162,353) were paid up as at 31 March 2012 and US$489,319 (equivalent to RMB3,094,798) has been credited to share premium account. The remaining balance of US$500,000 (equivalent to RMB3,232,421) was paid up on 11 April 2012 and US$489,606 (equivalent to RMB3,164,814) has been credited to share premium account.

f) Pursuant to a written resolution passed by all the shareholders of the Company on 28 May 2012, the authorised share capital comprising 125,000,000 ordinary shares of HK$0.01 each be subdivided into 625,000,000 ordinary shares of HK$0.002 each.

20. SHARE CAPITAL (Continued)

Note: (Continued)

g) Pursuant to a written resolution passed by all the shareholders of the Company on 12 September 2012, the authorised share capital of the Company was increased from HK$1,250,000 to HK$2,000,000 by the creation of 375,000,000 ordinary shares of HK$0.002 each. The ordinary shares rank pasi passu with the existing ordinary shares of the Company in all respects.

h) Pursuant to a written resolution passed by all the directors of the Company on 23 April 2012, the Company allotted and issued 2,087,500 ordinary shares at par value of HK$0.01 for a total cash consideration of HK$20,875 (equivalent to RMB16,958) as additional capital of the Company. All the 2,087,500 ordinary shares were fully paid up upon allotment.

i) On 17 July 2011, the Company entered into a placing agreement with Investorlink China Limited for placing of 1,250,000 ordinary shares at US$0.2 per share and 5,000,000 ordinary shares at US$0.35 per share for a total cash consideration of US$2,000,000 (equivalent to RMB12,649,416) as additional capital of the Company. Placement of the 1,250,000 ordinary shares for US$250,000 (equivalent to RMB1,581,177) was completed on 1 February 2012. On 18 May 2012, the Company allotted and issued remaining 5,000,000 ordinary shares of HK$0.01 each for a cash consideration of US$1,750,000 (equivalent to RMB11,116,088) out of which US$1,743,590 (equivalent to RMB11,075,370) has been credited to share premium account. All the ordinary shares were fully paid up upon allotment.

j) Pursuant to a written resolution passed by all the directors of the Company on 25 September 2012, the Company allotted and issued 5,911,400 ordinary shares of HK$0.002 each for a total cash consideration of HK$14,310,081 (equivalent to RMB11,643,204) as additional capital of the Company. The premium of RMB11,633,585 upon issuance of the ordinary shares was credited to the share premium account. All the 5,911,400 ordinary shares were fully paid up upon allotment.

k) Pursuant to a written resolution passed by all the directors of the Company on 19 November 2012, the Company allotted and issued 4,000,000 ordinary shares of HK$0.002 each for a total cash consideration of HK$19,362,319 (equivalent to RMB15,557,062) as additional capital of the Company. The premium of RMB15,550,634 upon issuance of the ordinary shares new credited to the share premium account. All the 4,000,000 ordinary shares were fully paid up upon allotment.

21. RESERVES

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of changes in the Company's individual components of equity between the beginning and the end of the year/period are set out below:

The Company

	Note	Share premium RMB	Accumulated losses RMB	Total RMB
At 24 December 2010		-	-	-
Loss for the period		-	(314,768)	(314,768)
Other comprehensive income		-	-	-
Total comprehensive loss		-	(314,768)	(314,768)
Transaction with owners				
Issued and fully paid up				
Placing of new shares	20(d)	1,571,042	-	1,571,042
Issued and partly paid up				
Issuance of new shares	20(e)	3,094,798	-	3,094,798
At 31 March 2012 and 1 April 2012		4,665,840	(314,768)	4,351,072
Loss for the year		-	(8,783,918)	(8,783,918)
Other comprehensive income		-	-	-
Total comprehensive loss		4,665,840	(9,098,686)	(4,432,846)
Transaction with owners				
Issued and fully paid up				
Issuance of new shares	20(e)	3,164,814	-	3,164,814
Issuance of new shares	20(h)	-	-	-
Placing of new shares	20(i)	11,075,370	-	11,075,370
Issuance of new shares	20(j)	11,633,585	-	11,633,585
Issuance of new shares	20(k)	15,550,634	-	15,550,634
Share issue expenses		(5,877,612)	-	(5,877,612)
		35,546,791	-	35,546,791
At 31 March 2013		40,212,631	(9,098,686)	31,113,945

21. RESERVES (Continued)

Nature and purpose of reserves

Share premium

The share premium represents the difference between the par value of the shares of the Company and proceeds received from the issuance of the shares of the Company.

The application of the share premium account is governed by Section 48B of the Hong Kong Companies Ordinance.

22. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern while maximising the return to owners through the optimisation of the debt and equity balance. The management reviews the capital structure by considering the cost of capital and these risks associated with each class of capital. In view of this, the Company will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt as it sees fit and appropriate.

The capital structure of the Group consists of debt, which includes amount due to directors disclosed in note 18 and equity attributable to owners of the Company, comprising issued share capital and reserves.

Neither the Company nor its subsidiary are subject to externally imposed capital requirements.

23. FINANCIAL RISK MANAGEMENT

a) Financial risk factors

The Group's major financial instruments include trade and other receivables, cash and bank balances, and other payables. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include credit risk, liquidity risk and currency risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

23. FINANCIAL RISK MANAGEMENT (Continued)

a) Financial risk factors (Continued)

i) Credit risk

The Group's and the Company's credit risk is primarily attributable to trade receivables, other receivables and cash at banks. Management has a credit policy in place and the exposures to this credit risk is monitored on an ongoing basis.

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current liability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operate. Trade receivables are normally due within 60 days from date of billing. Normally, the Group does not obtain collateral from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, the amount of trade receivable of RMB475,000 (2012: RMB180,000) was due from one customer.

Amounts due from shareholders, a subsidiary and a related company are regularly reviewed and settled unless the amounts are specifically intended to be long-term in nature.

In respect of cash at banks, the credit risk on liquid funds is limited because the counter-parties are banks with high credit ratings assigned by international credit rating agencies.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowance.

ii) Liquidity risk

The Company's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirement.

To manage the liquidity risk, the Group held cash and cash equivalents amounted to RMB21,970,669 (2012: RMB3,523,316) as at 31 March 2013.

The table below analyses the Group's and the Company's financial liabilities into relevant maturity groups based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal to their carrying balances, as the impact of discounting is not significant.

23. FINANCIAL RISK MANAGEMENT (Continued)

a) Financial risk factors (Continued)

ii) Liquidity risk (Continued)

	2013					
	The Group			The Company		
	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand
	RMB	RMB	RMB	RMB	RMB	RMB
Other payables	3,171,410	3,171,410	3,171,410	642,492	642,492	642,492

	2012					
	The Group			The Company		
	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand
	RMB	RMB	RMB	RMB	RMB	RMB
Other payables	1,847,541	1,847,541	1,847,541	270,872	270,872	270,872

iii) Currency risk

The Group is exposed to currency risk primarily through trade and other receivables and other payables, cash and cash equivalents that are denominated in a foreign currency, i.e. a currency other than functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily Hong Kong dollars ("HK$"), United States Dollars ("USD") and Australia Dollars ("AUD").

The carrying amounts of the Group's and Company's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

The Group and the Company

Exposure to foreign currencies (expressed in RMB)

	2013			2012	
	AUD	US$	HK$	USD	HK$
Trade and other receivables	-	-	592,896	-	907,104
Cash and cash equivalents	16,624,341	63,005	3,884,316	611,960	2,527,730
Other payables	-	-	(642,492)	-	(270,872)
Overall net exposure	16,624,341	63,005	3,834,720	611,960	3,163,962

23. FINANCIAL RISK MANAGEMENT (Continued)

a) Financial risk factors (Continued)

iii) Currency risk (Continued)

The Group and the Company currently do not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

Sensitivity analysis

The following table details of the Group's and Company's sensitivity to a 5% increase and decrease in HK$, USD and AUD against the functional currency of the relevant group entities. 5% is the sensitivity rate used that represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the reporting date for a 5% change in foreign currency rates. A positive number below indicates an decrease in post-tax loss for the period where relevant currencies strengthen 5% against the functional currency of the relevant group entities. For a 5% weakening of relevant currencies against the functional currency of the relevant group entities, there would be an equal and opposite impact on the result and the balances below would be negative.

The Group and the Company

	2013			2012		
	Increase/ (decrease) in foreign exchange rates	Effect on loss after tax RMB	Effect on equity RMB	Increase/ (decrease) in foreign exchange rates	Effect on loss after tax RMB	Effect on equity RMB
USD	5%	2,630	2,630	5%	30,598	30,598
	(5%)	(2,630)	(2,630)	(5%)	(30,598)	(30,598)
HK$	5%	160,100	160,100	5%	158,198	158,198
	(5%)	(160,100)	(160,100)	(5%)	(158,198)	(158,198)
AUD	5%	694,066	694,066	-	-	-
	(5%)	(694,066)	(694,066)	-	-	-

b) Fair values

The fair values of cash and cash equivalents, trade and other receivables and other payables are not materially different from their carrying amounts because of the immediate or short term maturity of these financial instruments.

24. ACCOUNTING ESTIMATES AND JUDGEMENTS

a) Key sources of estimation uncertainty

In the process of applying the Group's accounting policies which are described in note 2, management has made certain key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, as discussed below.

i) Impairment of property, plant and equipment

The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, which requires significant judgement relating to level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of revenue and operating costs. Changes in these estimates could have a significant impact on the carrying value of the assets and could result in impairment charge in future periods. Carrying amount of property, plant and equipment as at 31 March 2013 was RMB1,653,360 (2012: RMB1,245,364).

ii) Impairment of receivables

The Group maintains impairment allowance for doubtful accounts based upon evaluation of the recoverability of the trade and other receivables, where applicable, at the end of each reporting period. The estimates are based on the ageing of receivables balances and the historical write-off experience, net of recoveries. If the financial condition of the debtors were to deteriorate, impairment allowance may be required. Carrying amount of trade and other receivables as at 31 March 2013 was RMB1,337,555 (2012: RMB765,508).

b) Critical accounting judgements in applying the Company's accounting policies

In determining the carrying amounts of some assets and liabilities, the Group makes assumptions for the effects of uncertain future events on those assets and liabilities at the end of the reporting period. The Group's estimates and assumptions are based on historical experience and expectations of future events and are reviewed periodically. In addition to assumptions and estimations of future events, judgements are also made during the process of applying the Group's accounting policies.

24. ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

b) Critical accounting judgements in applying the Company's accounting policies (Continued)

Provisions and contingent liabilities

The Group recognises provisions for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as contingent liability. As at 31 March 2013, the directors considered that it had no provision made as there were not probable to result in material outflow of economic benefits to the Group.

25. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed in notes 16 and 18 in these financial statements, the Group has entered into the following material related party transactions during the year/period.

a) Transactions with key management personnel

All members of key management personnel are the directors of the Company. The remuneration paid to them during the year/period was disclosed in note 8 to the consolidated financial statements:

	The Group	
	2013 RMB	2012 RMB
Short-term employee benefits	1,299,689	-

b) Transactions with other related parties

During the year/period, the Group entered into the following material related party transactions:

			The Group	
Name of related party	Nature of transaction	Note	Year ended 31/3/2013 RMB	Period from 24/12/2010 to 31/3/2012 RMB
Shenzhen Bozhong Communication Technology Company Limited * ("Shenzhen Bozhong") (深圳市伯仲通信技術有限公司)	Provision of information technology services and service income received	i	-	150,000

25. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

b) Transactions with other related parties (Continued)

			The Group	
Name of related party	Nature of transaction	Note	Year ended 31/3/2013 RMB	Period from 24/12/2010 to 31/3/2012 RMB
Shenzhen Matrix Cube Network Technology Company Limited * ("Shenzhen Matrix") (深圳市矩陣魔方網絡科技有限公司)	Provision of information technology services and service income received	ii	-	270,000
Shenzhen Bobo Information Technology Company Limited * ("Shenzhen Bobo") (深圳市播播信息技術有限公司)	Waiver of debt by a related company	iii	153,220	-
	Purchase of trademarks from a related company	iv	200,000	-
Investorlink Corporate Limited	Legal and professional fees	v	259,240	-

* The English translation of the companies' names are for reference only. The official names of these companies are in Chinese.

Note:

i) Ms. Ling Fong, an ex-director of the subsidiary and the wife of Mr. Xiong Qiang, a director and a shareholder of the Company is the director and major shareholder of Shenzhen Bozhong.

ii) Mr. Xiong Qiang, a director and a shareholder of the Company, and Ms. Ling Fong, the wife of Mr. Xiong Qiang and an ex-director of the subsidiary, are the directors and shareholders of Shenzhen Matrix.

iii) On 29 April 2012, Shenzhen Bobo entered into an agreement with the subsidiary, pursuant to which Shenzhen Bobo waived the amount of RMB153,220 due by the subsidiary. Mr. Xiong Qiang, a director and a shareholder of the Company, is a director and major shareholder of Shenzhen Bobo.

iv) On 26 April 2012, the subsidiary entered into an agreement to acquire trademarks from Shenzhen Bobo for a consideration of RMB200,000.

v) Mr. Benson Ross and Mr. Ryan Christopher, the directors of the Company, are also the directors of Investorlink Corporate Limited.

25. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

c) The Group had the following material balances with related parties:

Name of related party	Note	The Group 2013 RMB	The Group 2012 RMB
Amount due to a related party			
- Ms. Ling Fong	(i)	(56,700)	(56,700)
Amounts due to directors	(i)		
- Chow Ki Shui Louie		(100,020)	(81,131)
- Xiong Qiang		(23,993)	-
- Kwok Kin Kwong Gary		(39,990)	-
- Wu Lin Yau		(4,580)	-
- Yang Yu Chuan		(41,656)	-
- Lan Jun		(41,656)	-
- Ryan, Christopher John		(41,656)	-
- Benson Ross, Kenneth		(41,656)	-
- Cai Wensheng		(41,656)	-
		(376,863)	(81,131)
Amount due from/(to) a related company			
- Shenzhen Bobo	(ii)	30,000	(169,420)

Note:

i) The balances with Ms. Ling Fong, the wife of Mr. Xiong Qiang and an ex-director of the subsidiary, and the amounts due to directors are unsecured, interest free and repayable on demand.

ii) The amount was unsecured, interest free and repayable on demand. On 29 April 2012, the related company waived an amount of RMB153,220 due by the Company. Therefore, the amount of RMB153,220 was credited to the consolidated statement of comprehensive income. The maximum outstanding balance is RMB30,000 (2012: Nil).

26. OPERATING LEASE COMMITMENT

The Group

The Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of properties which fall due as follows:

	2013 RMB	2012 RMB
Within 1 year	122,898	145,268

The lease typically run for an initial period of 1 year, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

The Company

The Company had no operating lease commitment as at the end of the reporting period.

27. CAPITAL COMMITMENT

The capital commitments as at 31 March 2013 not provided for in the consolidated financial statements were as follows:

	The Company	
	2013	2012
	RMB	RMB
Contracted but not provided for		
- Capital contribution to the subsidiary	4,958,760	7,297,740

28. CONTINGENT LIABILITIES

As mentioned in note 20(e) to the financial statements, the Company allotted and issued 16,662,500 ordinary shares on 15 December 2011. On the same date, the Company submitted a Return of Allotments ("Form SC1") to the Hong Kong Companies Registry (the "HKCR") in relation to the allotment. In April 2012, the directors discovered that the share premium was omitted and the issued shares were mistakenly stated as fully paid up as at 15 December 2011 in the Form SC1 . Therefore, the Company submitted an amended return of allotments ("First Amended Form") to the HKCR on 25 April 2012. However, the directors discovered that the issued shares were also mistakenly stated as fully paid up as at 15 December 2011 in the First Amended Form. In fact only HK$38,452 (equivalent to RMB31,146) out of the total consideration of HK$166,625 (equivalent to RMB135,110) was paid up during the period from 15 December 2011 to 20 December 2011. The Company filed another amended return of allotments ("Second Amended Form") to correct this error on 28 May 2012.

According to the legal opinion from the Company's legal adviser issued in 2012, Section 45(1)(a) of the Hong Kong Companies Ordinance ("Companies Ordinance") provides that, whenever a company limited by shares or a company limited by guarantee and having a share capital makes any allotment of its shares, the company shall within 1 month thereafter deliver to the HKCR for registration a return of the allotments in the specified form, in English or Chinese, stating the number and nominal amount of the shares comprised in the allotment, the names and addresses of the allottees, and the amount, if any, paid or due and payable on each share whether on account of the nominal value of the share or by way of premium. Section 45(3) of the Companies Ordinance provides that, if default is made in complying with this section (i.e. Section 45 of the Companies Ordinance), the company and every officer of the company who is in default shall be liable to a default fine and, for continued default, to a daily default fine. Since certain of the information contained in the First Amended Form was incorrect, such errors could be regarded as non-compliance with Section 45(1)(a) of the Companies Ordinance and if that is the case, the Company and every officer of the Company who is in default may be liable to a default fine of HK$50,000 (equivalent to RMB40,543) and, for continued default, to a daily default fine of HK$700 (equivalent RMB568) under Section 45(3) of the Companies Ordinance. Having taken into account the legal opinion, the directors estimate that the total fine calculated up to 31 March 2012was approximately HK$103,000 (equivalent to RMB83,519)) and the directors considered that the possibility for the Company to pay the aforesaid default fine and daily default fine is remote and therefore no provision is made in the financial statements for period ended 31 March 2012. Since the date of approval of the financial statements for the period ended 31 March 2012, the Company has contacted the HKCR and understand that no actions would be taken by the HKCR against the Company and the Second Amended Form was accepted by the HKCR.

29. EVENTS AFTER THE REPORTING PERIOD

On 15 April 2013, the Company resolved to increase the registered capital of the subsidiary to HK$30,000,000 (equivalent to RMB23,994,000). On 14 May 2013, the local government has approved the increase the registered capital. On 24 May 2013, the Company contributed HK$16,200,000 as capital contribution to the subsidiary of which HK$6,200,000 (equivalent to RMB4,958,760) was relating to the remaining balance as mentioned in note 15.

30 ULTIMATE CONTROLLING PARTY

At 31 March 2013, the directors of the Company consider the ultimate controlling party of the Company to be Mr. Xiong Qiang.

31. POSSIBLE IMPACT OF AMENDMENTS AND NEW STANDARDS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2013

Up to the date of issuance of these financial statements, the IASB and HKICPA has issued the following amendments and new standards which are not yet effective for the year ended 31 March 2013.

Amendments to IAS 1 / HKAS 1	Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income[1]
Amendments to IAS 32 / HKAS 32	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities[3]
Amendments to IFRS 7 / HKFRS 7	Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities[2]
IAS 19 / HKAS 19 (2011)	Employee Benefits[2]
IAS 27 / HKAS 27 (2011)	Separate Financial Statements[2]
IAS 28 / HKAS 28 (2011)	Investments in Associates and Joint Ventures[2]
IFRS 9 / HKFRS 9	Financial Instruments[4]
IFRS 10 / HKFRS 10	Consolidated Financial Statements[2]
IFRS 11 / HKFRS 11	Joint Arrangements[2]
IFRS 12 / HKFRS 12	Disclosure of Interests in Other Entities[2]
IFRS 13 / HKFRS 13	Fair Value Measurements[2]
Annual Improvements to IFRSs / HKFRSs 2009-2011 Cycle[2]	
IFRIC 21 / HKFRIC 21	Levies[3]

1 Effective for annual periods beginning on or after 1 July 2012.
2 Effective for annual periods beginning on or after 1 January 2013.
3 Effective for annual periods beginning on or after 1 January 2014.
4 Effective for annual periods beginning on or after 1 January 2015.

The Group is in the process of making an assessment of what the impact of these new IFRSs and HKFRSs and amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.