



TTG FINTECH LIMITED

ARBN 158 702 400

INTERIM REPORT

Six months ended 30 September 2014

This interim financial report does not include all of the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the Annual Report for the year ended 31 March 2014 and any public announcements and prospectus made by TTG FINTECH LIMITED in accordance with the continuing disclosure requirements of the Corporation Acts 2001.

The financial statements are presented in Renminbi, the official currency of the People's Republic of China, unless otherwise stated.

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RESULTS FOR ANNOUNCEMENT TO THE MARKET

HALF-YEAR ENDED 30 SEPTEMBER 2014

(Previous corresponding period half-year ended 30 September 2013)

RMB'000

Revenue from ordinary activities	up	846.2%	to	1,037.6
Loss after tax attributable to members	down	22.5%	to	7,342.8
Loss for the period attributable to members	down	22.5%	to	7,342.8

Dividends

No dividends were paid or declared during the six months ended 30 September 2014 (2013: Nil)

Explanation of Revenue

Revenue for the last corresponding period was largely derived from system development projects for client's connecting to ULPOS. As our FEA solutions are more recognized, revenue for the current period extends to system development projects for FEA with different partners.

Comments on above figures

Net loss after tax attributable to members is RMB7.3 million, a decrease of 22.5% over the last corresponding period.

The decrease in the net loss was primarily driven by

1. increase in revenue of RMB0.9 million as discussed above;
2. decrease in staff and operating expenses as a result of improved cost control.

The Company's business plan remains on track and the result for the six months ended 30 September 2014 is in line management's expectations.

Please refer to the Directors' Report for a detailed description of the Company's ULPOS expansion and other business developments.

NTA Backing	30 September 2014	30 September 2013
Net tangible asset backing per ordinary share	4.7 cents	4.0 cents

Controlled entities acquired or disposed of

The Company did not acquire or dispose of any controlled entities during the period.

Additional dividend information

The Company has not declared any dividend during both periods.

Dividend reinvestment plans

The Company does not have any dividend reinvestment plans on hand.



RESULTS FOR ANNOUNCEMENT TO THE MARKET (continued)

Associates and joint venture entities

TTG invested RMB0.46 million for a 36% equity stake in 深圳市大售后信息技术有限公司,(translated name: Shenzhen After-sales Data Technology Company Limited), a company engaged in data mining. The investment was completed in September 2014.

Foreign entities

The reports have been prepared under both Hong Kong Financial Reporting Standards and International Financial Reporting Standards, and further details can be obtained by referring to Note 2 in the half year report attached.

Audit qualification or review

The accounts were subject to a review by the auditors and the review report is attached.

DIRECTORS REPORT

Your directors present their report on the consolidated entity consisting of TTG FINTECH LIMITED (“TTG”) and its controlled entities for the six months ended 30 September 2014 (hereinafter referred to as the “Group”).

Directors

The following persons were directors of TTG during the period and up to the date of this report:

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 (resigned on 12 September 2014)
CAI Wensheng
LAN Jun
YANG Yuchuan

Principal activities

TTG operates within the software and information services industry in the People’s Republic of China. The Group’s main business is based on its Financial Electronic Authentication (“FEA”) applicable in ULPOS and other electronic payment and settlement platform. TTG is entitled to different types of income stream, including system development fee, service fee and/or a percentage of spending on card or non-card transactions which go through our FEA in the electronic and settlement platforms.

Review of operations

TTG recorded a loss of RMB7,342,770 for the six months ended 30 September 2014, which was in line with the consolidated entity’s expectations at this stage of its development.

Financial Electronic Authentication (FEA)

FEA provides value added services to different platforms, including ULPOS, through the upgrade of conventional POS machines. FEA adds enhanced functionality to POS machines including;

1. Non-card transaction clearing and settlement (please refer below)
2. Accurate data analysis for financial institutions;
3. Other value added services for oil services companies, insurance companies, education training companies, etc.

FEA is being wildly promoted through selected partners in China.

ULPOS

During the first half of the financial year, TTG continued to pursue agreements enabling more users and merchants to join the ULPOS platform. At the same time, further ULPOS development work was carried out with potential business partners. ULPOS will remain one of the important platforms for use of FEA in generating revenue for TTG in the future.



DIRECTORS REPORT (Continued)

T-Link

In August 2014, TTG signed a contract for RMB 12 million with 北京市矩阵魔方网络科技有限公司 (translated name: Beijing JuZhenMoFang Network Technology Co., Ltd., or “Beijing JZMF”), providing Beijing JZMF a sole distributorship of its T-Link system from the date of signing to 31 December 2015. Beijing JZMF is an education training company that assists China small entrepreneurs to learn how to embrace online businesses. TTG will continue to maintain and support its self-developed T-Link servicing platform.

TTG Shenzhen has/will receive the following payments totalling RMB 12 million:

RMB 500,000 within five business days of the contract signing.

RMB 500,000 per month between October and December 2014.

RMB 800,000 per month between January and October 2015.

RMB 1,000,000 per month between November and December 2015.

In addition to this, TTG Shenzhen will earn commission based on online education training courses provided by Beijing JZMF and the use of TTG’s FEA technology.

IPP

深圳市智慧付信息技術有限公司(Translated name: Shenzhen Intelligent Preferential Pay Co., Ltd., or “IPP”), our 37.5% associate since August 2013, achieved strong growth in its preferential clearing business during the current period. IPP became profitable in October 2014. Profits are forecast to increase substantially over calendar 2015. Profit guidance will be provided when internal forecasting due diligence is complete.

TTG is the single largest shareholder of IPP. In order to support the growth of IPP, TTG has agreed to waive its existing 20% fee on preferential clearing. TTG’s equity holding in IPP entitles it to compensation for its relinquishment of the 20% direct fee so TTG is not disadvantaged financially. The termination agreement was signed on 18 November 2014.

In addition to preferential clearing, IPP continues its development and enhancement of technology and safety standards in clearing and settlement of non-card transactions in conjunction with TTG and the relevant governmental body. As non-card transactions, through the use of mobile interfaces has and, will become a popular payment methodology the achievement of a national standard is of paramount importance

Other Matters

In July 2014, TTG raised additional share capital of RMB18.3 million, details of which are disclosed in the financial statements below.



DIRECTORS REPORT (Continued)

Outlook

TTG's board considers TTG's operations for the current period have not only met but exceeded management expectations. Internal forecasts disclose TTG will generate significant revenue from the FEA in the future. The board expects recurring revenue to commence from, the current quarter Q4 2014 for T-Link and be enhanced by increasing contributions from IPP.

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



Mr. XIONG Qiang
Chairman
TTG FINTECH LIMITED



Mr RYAN Christopher John
Co-Chairman
TTG FINTECH LIMITED

Shenzhen, 26 November 2014

STATEMENT BY DIRECTORS

In accordance with a resolution of the Directors of TTG FINTECH 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 30 September 2014; 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 30 September 2014; and
- b. The state of affairs of the Group at 30 September 2014.

On behalf of the Board



Mr XIONG Qiang
Chairman
TTG FINTECH LIMITED



Mr RYAN Christopher John
Co-Chairman
TTG FINTECH LIMITED

Shenzhen, 26 November 2014

**INDEPENDENT REPORT ON REVIEW OF
INTERIM FINANCIAL INFORMATION
TO THE BOARD OF DIRECTORS OF
TTG FINTECH LIMITED**
(Incorporated in Hong Kong with limited liability)

INTRODUCTION

We have reviewed the consolidated interim financial information of TTG FinTech Limited (the “Company”) and its subsidiaries (together the “Group”) set out on pages 10 to 28, which comprise the consolidated statement of financial position as of 30 September 2014 and the related consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six months ended 30 September 2014, and other explanatory notes. As the annual financial statements of the Group are prepared in accordance with both International Financial Reporting Standards and Hong Kong Financial Reporting Standards, the directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with both International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting” and Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

Crowe Horwath (HK) CPA Limited
Certified Public Accountants
Hong Kong, 26 November 2014

Lam Cheung Shing
Practising Certificate Number P03552



TTG FINTECH LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

	Note	Six months ended 30 September	
		2014 RMB (unaudited)	2013 RMB (unaudited)
Revenue	3	1,037,623	109,657
Cost of sales		<u>(739,480)</u>	<u>(85,096)</u>
Gross profit		298,143	24,561
Other revenue	5	85,210	76,968
Other income	5	610,100	697,156
		695,310	774,124
Selling expenses		(2,340,672)	(3,382,119)
General and administrative expenses		(5,538,092)	(6,851,137)
Share of loss of associates	12	(457,459)	(52,023)
		<u>(8,336,223)</u>	<u>(10,285,279)</u>
Loss before taxation	6	(7,342,770)	(9,486,594)
Income tax	7	-	-
Loss for the period		(7,342,770)	(9,486,594)
Other comprehensive loss for the period, net of nil tax		-	-
Total comprehensive loss for the period		<u>(7,342,770)</u>	<u>(9,486,594)</u>
Loss and total comprehensive loss for the period attributable to owners of the Company		<u>(7,342,770)</u>	<u>(9,486,594)</u>
Loss per share (RMB)	8		
Basic		<u>(0.0115)</u>	<u>(0.0149)</u>
Diluted		<u>(0.0115)</u>	<u>(0.0149)</u>

The notes on pages 14 to 28 form an integral part of this unaudited consolidated interim financial information.

TTG FINTECH LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2014

	Note	As at 30 September 2014 RMB (unaudited)	As at 31 March 2014 RMB (audited)	As at 30 September 2013 RMB (unaudited)
Non-current assets				
Property, plant and equipment	10	1,757,720	1,596,919	1,715,961
Intangible assets	11	23,978	47,957	95,913
Interests in associates	12	4,327,250	4,324,709	4,947,977
		6,108,948	5,969,585	6,759,851
Current assets				
Inventories	13	83,940	-	-
Trade and other receivables	14	872,513	772,387	717,300
Cash and bank balances		25,952,819	14,506,557	21,370,917
		26,909,272	15,278,944	22,088,217
Current liabilities				
Other payables and accruals	15	3,220,536	2,411,108	3,478,084
Net current assets		<u>23,688,736</u>	<u>12,867,836</u>	<u>18,610,133</u>
NET ASSETS		<u>29,797,684</u>	<u>18,837,421</u>	<u>25,369,984</u>
CAPITAL AND RESERVES				
Share capital	16	72,743,496	54,440,463	1,032,679
Reserves		(42,945,812)	(35,603,042)	24,337,305
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>29,797,684</u>	<u>18,837,421</u>	<u>25,369,984</u>

Approved and authorised for issue by the directors on 26 November 2014.



Director



Director

The notes on pages 14 to 28 form an integral part of this unaudited consolidated interim financial information.

TTG FINTECH LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - UNAUDITED
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

	Note	Attributable to owners of the Company			Total equity RMB	
		Share capital RMB	Share premium RMB	Accumulated losses RMB		
At 1 April 2013 (audited)		1,029,880	40,212,631	(19,583,885)	20,628,746	21,658,626
Loss for the period		-	-	(9,486,594)	(9,486,594)	(9,486,594)
Other comprehensive income		-	-	-	-	-
Total comprehensive loss for the period		-	-	(9,486,594)	(9,486,594)	(9,486,594)
Issuance of new shares	16(b)	2,799	14,738,864	-	14,738,864	14,741,663
Share issue expenses		-	(1,543,711)	-	(1,543,711)	(1,543,711)
At 30 September 2013 (unaudited)		<u>1,032,679</u>	<u>53,407,784</u>	<u>(29,070,479)</u>	<u>24,337,305</u>	<u>25,369,984</u>
At 1 April 2014 (audited)		54,440,463	-	(35,603,042)	(35,603,042)	18,837,421
Loss for the period		-	-	(7,342,770)	(7,342,770)	(7,342,770)
Other comprehensive income		-	-	-	-	-
Total comprehensive loss for the period		-	-	(7,342,770)	(7,342,770)	(7,342,770)
Issuance of new shares	16(c)	18,554,514	-	-	-	18,554,514
Share issue expenses		(251,481)	-	-	-	(251,481)
At 30 September 2014 (unaudited)		<u>72,743,496</u>	<u>-</u>	<u>(42,945,812)</u>	<u>(42,945,812)</u>	<u>29,797,684</u>

The notes on pages 14 to 28 form an integral part of this unaudited consolidated interim financial information.



TTG FINTECH LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

	Six months ended 30 September	
	2014 RMB (unaudited)	2013 RMB (unaudited)
NET CASH USED IN OPERATING ACTIVITIES	(5,977,232)	(8,262,273)
INVESTING ACTIVITIES		
Interest received	14,516	7,582
Payments for purchase of property, plant and equipment	(390,785)	(251,728)
Proceeds from disposal of property, plant and equipment	60	335
Net cash inflow for acquisition of subsidiaries, net of cash acquired	-	11,524
Payments for acquisition of an associate	-	(5,000,000)
Payments for investment in an associate	(460,000)	-
NET CASH USED IN INVESTING ACTIVITIES	(836,209)	(5,232,287)
FINANCING ACTIVITIES		
Net proceeds from issuance of new shares	18,303,033	13,197,952
NET CASH GENERATED FROM FINANCING ACTIVITIES	<u>18,303,033</u>	<u>13,197,952</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	11,489,592	(296,608)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	14,506,557	21,970,669
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	<u>(43,330)</u>	<u>(303,144)</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		
Cash and bank balances	<u>25,952,819</u>	<u>21,370,917</u>

The notes on pages 14 to 28 form an integral part of this unaudited consolidated interim financial information.

1. GENERAL INFORMATION

TTG FinTech 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 and its shares are listed on Australian Securities Exchange. Its subsidiaries are principally engaged in provision of system development and information technology services in the People’s Republic of China (the “PRC”).

The unaudited consolidated interim financial information was approved for issue by the Board of Directors on 26 November 2014.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The directors are responsible for preparing the unaudited consolidated interim financial information in accordance with applicable law and regulations. The unaudited consolidated interim financial information has been prepared in accordance with International Accounting Standards (“IAS”) 34, “Interim Financial Reporting”, issued by the International Accounting Standard Board (“IASB”) (“IAS 34”). IAS 34 is consistent with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) (“HKAS 34”) and accordingly this unaudited consolidated interim financial information is also prepared in accordance with HKAS 34. The consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2014, which have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) and Hong Kong Financial Reporting Standards (“HKFRS”).

The consolidated interim financial information has been prepared under the historical cost convention.

The preparation of the unaudited consolidated interim financial information in conformity with IAS 34 and HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the unaudited consolidated interim financial information, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty and critical accounting judgements were the same as those that applied to the consolidated financial statements for the year ended 31 March 2014, as set out on pages 68 to 69 of the 2014 annual report.

Except as described below, the accounting policies adopted in the preparation of the unaudited consolidated interim financial information are consistent with those used in the preparation of the Group’s annual financial statements for the year ended 31 March 2014.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

Inventories are carried at the lower of cost and net realisable value. Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The following new interpretation and amendments to existing standards are mandatory for the first time for the financial year beginning 1 April 2014 but either have no significant impact to the Group's results and financial position or are not currently relevant to the Group.

IAS 32/HKAS 32 (Amendments)	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
IAS 36/HKAS 36 (Amendments)	Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets
IAS 39/HKAS 39 (Amendments)	Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting
IFRS 10/HKFRS 10, IFRS 12/HKFRS 12 and IAS 27/HKAS 27 (Amendments)	Investment Entities
IFRIC/HK(IFRIC) – Int 21	Levies

The following new standards and amendments to existing standards have been issued but are not effective for the financial year beginning 1 April 2014 and have not been early adopted:

IFRS 9/HKFRS 9	Financial Instruments ²
IFRS 10/HKFRS 10 and IAS 28/HKAS 28 (Amendments)	Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture ³
IFRS 14/HKFRS 14	Regulatory Deferral Accounts ⁵
IFRS 15/HKFRS 15	Revenue from Contracts with Customers ⁴
IFRS 11/ HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations ³
IAS 16/HKAS 16 and IAS 38/HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation ³
IAS 16/HKAS 16 and IAS 41/HKAS 41 (Amendments)	Agriculture: Bearer Plants ³
IAS 19/HKAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions ¹
IAS 27/HKAS 27 (Amendments)	Equity Method in Separate Financial Statements ³

TTG FINTECH LIMITED
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

IFRSs/HKFRSs (Amendments)	Annual Improvements to IFRSs/HKFRSs 2010-2012 Cycle ⁶
IFRSs/HKFRSs (Amendments)	Annual Improvements to IFRSs/HKFRSs 2011-2013 Cycle ¹

- ¹ Effective for annual periods beginning on or after 1 July 2014.
² Effective for annual periods beginning on or after 1 January 2018.
³ Effective for annual periods beginning on or after 1 January 2016.
⁴ Effective for annual periods beginning on or after 1 January 2017.
⁵ Effective for first annual IFRS/HKFRS financial statements beginning on or after 1 January 2016.
⁶ Effective for annual periods beginning on or after 1 July 2014 with limited exceptions.

The directors of the Company anticipate that the application of the above new standards and amendments to the existing standards will have no material impact on the results and the financial position of the Group.

3. REVENUE

The revenue from provision of system development and information technology services and sale of point-of-sale machines recognised during the periods is as follows:

	Six months ended 30 September	
	2014	2013
	RMB	RMB
	(unaudited)	(unaudited)
Revenue from provision of system development services	815,359	97,087
Revenue from provision of information technology services	205,445	12,570
Revenue from sale of point-of-sale machines	16,819	-
	<u>1,037,623</u>	<u>109,657</u>

4. 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. The operation of the Group constitutes one single operating and reportable segment under IFRS 8/HKFRS 8 "Operating Segments" and accordingly no separate segment information is prepared. No geographical information is presented as the Group's customers, operations and non-current assets are located in the PRC.

TTG FINTECH LIMITED
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

4. SEGMENT INFORMATION (Continued)

Information about major customers

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

	Six months ended 30 September	
	2014 RMB (unaudited)	2013 RMB (unaudited)
Customer A	-	97,087
Customer B	<u>500,000</u>	<u>-</u>

5. OTHER REVENUE AND OTHER INCOME

	Six months ended 30 September	
	2014 RMB (unaudited)	2013 RMB (unaudited)
Other revenue		
Interest income on bank deposits	<u>14,516</u>	<u>7,582</u>
Total interest income on financial assets not at fair value through profit or loss	14,516	7,582
Promotion services income	15,197	25,000
Management fee income	-	28,852
Income from sub-letting of computer equipment	<u>55,497</u>	<u>15,534</u>
	<u>85,210</u>	<u>76,968</u>
Other income		
Government grants	600,000	585,098
Sundry income	<u>10,100</u>	<u>112,058</u>
	<u>610,100</u>	<u>697,156</u>

TTG FINTECH LIMITED
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

6. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	Six months ended 30 September	
	2014	2013
	RMB	RMB
	(unaudited)	(unaudited)
Depreciation	229,277	197,412
Amortisation of intangible assets	23,979	-
Operating lease charges in respect of properties		
- minimum lease payments	692,444	483,706
Loss on disposal of property, plant and equipment	647	389
Cost of services rendered	723,915	85,096
Cost of inventories sold	15,565	-
Staff costs (including directors' emoluments)		
- Salaries and allowances	3,665,237	4,484,565
- Contribution to defined contribution retirement plan	150,841	159,935
	<u>3,816,078</u>	<u>4,644,500</u>

7. INCOME TAX

No Hong Kong Profits Tax has been made as the Group has no estimated assessable profits arising in Hong Kong for the six months ended 30 September 2014 (2013: Nil).

Except for Shenzhen Tao-taogu Information Technology Co., Ltd. ("STIT"), the other PRC subsidiaries are subject to PRC enterprise income tax at 25%. Pursuant to a notice issued by the tax authority on 5 April 2012, STIT is exempted from PRC enterprise income tax for the first 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 the PRC enterprise income tax has been made in the unaudited consolidated interim financial information as the PRC subsidiaries sustained a loss during the period.

8. LOSS PER SHARE

Basic loss per share

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

	Six months ended 30 September	
	2014	2013
	RMB	RMB
	(unaudited)	(unaudited)
Loss for the period attributable to owners of the Company	<u>(7,342,770)</u>	<u>(9,486,594)</u>
Weighted average number of ordinary shares	<u>637,334,294</u>	<u>635,042,775</u>



TTG FINTECH LIMITED
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

8. LOSS PER SHARE (Continued)

Diluted loss per share

Diluted loss per share is equal to the basic loss per share as there are no dilutive potential ordinary shares outstanding during both periods.

9. DIVIDEND

The directors do not recommend the payment of any interim dividend for the six months ended 30 September 2014 (2013: Nil).

10. PROPERTY, PLANT AND EQUIPMENT

	<u>RMB</u>
Carrying amount at 1 April 2014 (audited)	<u>1,596,919</u>
Cost	
Additions	390,785
Disposals	<u>(2,458)</u>
	<u>388,327</u>
Depreciation	
- charge for the period	229,277
- written back on disposals	<u>(1,751)</u>
	<u>227,526</u>
Carrying amount at 30 September 2014 (unaudited)	<u><u>1,757,720</u></u>

11. INTANGIBLE ASSETS

	Trademarks <u>RMB</u>
Carrying amount at 1 April 2014 (audited)	47,957
Amortisation	<u>(23,979)</u>
Carrying amount at 30 September 2014 (unaudited)	<u>23,978</u>

The trademark has a finite useful life and is thereafter carried at cost less accumulated amortisation.

Amortisation has been provided on a straight-line method over the expected life of trademark of 2 years. The amortisation charge of RMB23,979 is included in "general and administrative expenses" in the unaudited consolidated statement of profit or loss and other comprehensive income for the period ended 30 September 2014.



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12. INTERESTS IN ASSOCIATES

	As at 30 September 2014 RMB (unaudited)	As at 31 March 2014 RMB (audited)	As at 30 September 2013 RMB (unaudited)
Share of net assets	<u>4,327,250</u>	<u>4,324,709</u>	<u>4,947,977</u>

On 22 September 2014, the Group formed a new associate, namely, Shenzhen Dashouhou Information Technology Company Limited ("DIT") and injected capital of RMB460,000 for 46% equity interest. The particulars of the associates of the Group, which are unlisted corporate entities. The Group's share of their results and aggregated assets and liabilities as at 30 September 2014, are as follows:

Name of associates	Place of in establishment and business	Form of business structure	Particulars of registered capital	Proportion of ownership interest held directly	Principal activities
Shenzhen Intelligent Preferential Pay Company Limited* ("IPP") (深圳市智惠付資訊技術有限公司)	The PRC	Incorporated	RMB2,000,000	37.5%	Provision of e-commerce, information technology consultancy services, electronic promotion services and electronic messaging information services.
Shenzhen Dashouhou Information Technology Company Limited* ("DIT") (深圳市大售後資訊技術有限公司)	The PRC	Incorporated	RMB1,000,000	46%	Not yet commenced business

* The English translation of the company name is for reference only. The official name of this company is in Chinese.

Summarised financial information of associates is set out below:

	As at 30 September 2014 RMB (unaudited)	As at 31 March 2014 RMB (audited)	As at 30 September 2013 RMB (unaudited)
Assets	11,586,776	11,678,411	13,214,741
Liabilities	<u>(268,171)</u>	<u>(145,854)</u>	<u>(20,135)</u>
Equity	<u>11,318,605</u>	<u>11,532,557</u>	<u>13,194,606</u>

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12. INTERESTS IN ASSOCIATES (Continued)

	As at 30 September 2014 RMB (unaudited)	As at 31 March 2014 RMB (audited)	As at 30 September 2013 RMB (unaudited)
Group's effective interest			
- Assets	4,430,732	4,379,404	4,955,528
- Liabilities	<u>(103,482)</u>	<u>(54,695)</u>	<u>(7,551)</u>
- Equity	<u>4,327,250</u>	<u>4,324,709</u>	<u>4,947,977</u>
		Six months ended 30 September 2014 RMB (unaudited)	Six months ended 30 September 2013 RMB (unaudited)
Revenue		868,048	181,669
Loss for the period		<u>(1,187,750)</u>	<u>(138,728)</u>
Group's effective interest			
- Revenue		325,518	68,126
- Loss for the period		<u>(457,459)</u>	<u>(52,023)</u>

13. INVENTORIES

Inventories comprise the point-of-sale machines held for sale.

14. TRADE AND OTHER RECEIVABLES

	Note	As at 30 September 2014 RMB (unaudited)	As at 31 March 2014 RMB (audited)	As at 30 September 2013 RMB (unaudited)
Trade receivables	(a)	4,569	195,000	213,938
Other receivables		154,272	100,219	170,582
Amounts due from shareholders	(b)	-	-	20,323
Amounts due from related companies	17(c)	<u>47,108</u>	<u>327,894</u>	<u>163,253</u>
Loans and receivables		205,949	623,113	568,096
Prepayments and deposits		<u>666,564</u>	<u>149,274</u>	<u>149,204</u>
		<u>872,513</u>	<u>772,387</u>	<u>717,300</u>

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14. TRADE AND OTHER RECEIVABLES (Continued)

Note:

- a) Trade receivable is due within 60 days from the date of billing. There are no trade receivables impaired for the periods. The Group does not hold any collateral over these balances. The ageing analysis of trade receivables presented based on invoice date at the end of the reporting period that are neither nor collectively considered to be impaired are as follows:

	As at 30 September 2014 RMB (unaudited)	As at 31 March 2014 RMB (audited)	As at 30 September 2013 RMB (unaudited)
Neither past due nor impairment	4,569	5,000	23,938
Past due but not impairment			
Less than 1 month past due	-	-	-
1 to 3 months past due	-	-	-
4 to 12 months past due	-	-	190,000
Over 1 year past due	-	190,000	-
	<u>4,569</u>	<u>195,000</u>	<u>213,938</u>

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

15. OTHER PAYABLES AND ACCRUALS

	As at 30 September 2014 RMB (unaudited)	As at 31 March 2014 RMB (audited)	As at 30 September 2013 RMB (unaudited)
Other payables and accruals	1,062,736	1,337,276	2,774,975
Amounts due to directors	(a) and 17(c) 301,726	487,858	367,631
Amount due to a related party	(a) and 17(c) 56,700	56,700	105,700
Financial liabilities measured at amortised cost	1,421,162	1,881,834	3,248,306
Advance from a customer	1,727,783	497,730	199,606
Business tax and other levies payables	71,591	31,544	30,172
	<u>3,220,536</u>	<u>2,411,108</u>	<u>3,478,084</u>

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15. OTHER PAYABLES AND ACCRUALS (Continued)

Note:

- a) The amounts due to directors and a related party include an amount of RMB51,000 and RMB49,000 consideration payable for acquisition of a subsidiary respectively. Details are set out in note 17(c) to the unaudited consolidated interim financial information.

16. SHARE CAPITAL

	<u>Note</u>	<u>Number of ordinary shares</u>	<u>HK\$</u>	<u>RMB equivalent</u>
Issued and fully paid:				
At 1 April 2013 (audited)		634,911,400	1,269,823	1,029,880
Issuance of new shares	(b)	<u>1,776,000</u>	<u>3,552</u>	<u>2,799</u>
At 30 September 2013 (unaudited)		<u>636,687,400</u>	<u>1,273,375</u>	<u>1,032,679</u>
At 1 April 2013 (audited)		634,911,400	1,269,823	1,029,880
Issuance of new shares	(b)	1,776,000	3,552	2,799
Transfer from share premium	(a)	<u>-</u>	<u>65,394,953</u>	<u>53,407,784</u>
At 31 March 2014 (audited)		<u>636,687,400</u>	<u>66,668,328</u>	<u>54,440,463</u>
At 1 April 2014 (audited)		636,687,400	66,668,328	54,440,463
Issuance of new shares	(c)	1,060,000	23,444,636	18,554,514
Share issue expenses		<u>-</u>	<u>(317,759)</u>	<u>(251,481)</u>
At 30 September 2014 (unaudited)		<u>637,747,400</u>	<u>89,795,205</u>	<u>72,743,496</u>

Note:

- a) An entirely new Companies ordinance (Cap. 622) ("new CO") that came into effect on 3 March 2014. The authorised share capital of the Company at 31 March 2013 was HK\$2,000,000, representing 1,000,000,000 ordinary shares, which become the maximum number of shares that can be issued under the new CO. The limit may be removed by shareholders of the Company passing an ordinary resolution. The new CO abolishes authorised share capital, par value, share premium, and share redemption reserve, in respect of the share capital of Hong Kong companies. As a result, the amount of share premium of the Company is transferred to the share capital.
- b) Pursuant to a written resolution passed by all the directors of the Company on 3 September 2013, the Company allotted and issued 1,776,000 ordinary shares of HK\$0.002 each for a total cash consideration of HK\$18,707,170 (equivalent to RMB14,741,663) as additional capital of the Company. The premium of RMB14,738,864 upon issuance of the ordinary shares was credited to the share premium account. All the 1,776,000 ordinary shares were fully paid up upon allotment.

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16. SHARE CAPITAL (Continued)

- c) Pursuant to a written resolution passed by all the directors of the Company on 3 July 2014, the Company allotted and issued 1,060,000 ordinary shares for a total cash consideration of HK\$23,444,636 (equivalent to RMB18,554,514) as additional capital of the Company. All the 1,060,000 ordinary shares were fully paid up upon allotment.

17. MATERIAL RELATED PARTY TRANSACTIONS

The Group has entered into the following material related party transactions during the 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 period was as follows:

	Six months ended 30 September	
	2014	2013
	RMB	RMB
	(unaudited)	(unaudited)
Short-term employee benefits	890,943	877,636
Post-employment benefits	15,356	-
	<u>906,299</u>	<u>877,636</u>

- b) Transactions with other related parties

		Note	Six months ended	
			30 September	
			2014	2013
			RMB	RMB
<u>Name of related party</u>	<u>Nature of transaction</u>		(unaudited)	(unaudited)
Shenzhen Bozhong Communication Technology Company Limited * ("Shenzhen Bozhong") (深圳市伯仲通信技術有限公司)	System improvement expenses	(i)	-	568,000

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

Note:

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

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17. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

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

<u>Name of related party</u>	<u>Note</u>	As at 30 September 2014 RMB (unaudited)	As at 31 March 2014 RMB (audited)	As at 30 September 2013 RMB (unaudited)
Amount due to a related party				
- Ling Fang	(i)	<u>56,700</u>	<u>56,700</u>	<u>105,700</u>
Amounts due to directors				
- Chow Ki Shui Louie	(i)	95,138	96,121	98,546
- Xiong Qiang		23,773	24,019	74,640
- Kwong Kin Kwong Gary		35,663	36,332	39,401
- Wu Lin Yan		4,428	4,474	4,728
- Yang Yuchuan		34,482	34,838	-
- Lan Jun		34,482	34,838	-
- Ryan, Christopher John		39,278	111,199	75,158
- Benson Ross, Kenneth		-	111,199	75,158
- Cai Wensheng		34,482	34,838	-
		<u>301,726</u>	<u>487,858</u>	<u>367,631</u>

<u>Name of related party</u>	<u>Note</u>	As at 30 September 2014 RMB (unaudited)	As at 31 March 2014 RMB (audited)	As at 30 September 2013 RMB (unaudited)
Amounts due from related companies				
- Shenzhen Bobo Information Technology Company Limited ("Shenzhen Bobo")	(ii)	-	300,000	-
- Shenzhen Bozhong Communication Technology Company Limited	(ii)	-	-	40,000
- Investorlink Securities Limited	(iii)	<u>47,108</u>	<u>27,894</u>	<u>123,253</u>

Note:

- i) The balances with Ms. Ling Fang, the wife of Mr. Xiong Qiang and the amounts due to directors were unsecured, interest free and repayable on demand.
- ii) The amount was unsecured, interest free and repayable on demand.
- iii) The amount was unsecured, interest free and repayable on demand. Mr. Christopher Ryan, the director of the Company, is also the director of Investorlink Securities Limited.

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18. OPERATING LEASE COMMITMENT

a) As lessor

The Group had total future minimum lease receivables under the non-cancellable operating leases in respect of computer equipment which falling due as follows:

	As at 30 September 2014 RMB (unaudited)	As at 31 March 2014 RMB (audited)	As at 30 September 2013 RMB (unaudited)
Within 1 year	<u>5,381</u>	<u>2,466</u>	<u>-</u>

b) As lessee

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

	As at 30 September 2014 RMB (unaudited)	As at 31 March 2014 RMB (audited)	As at 30 September 2013 RMB (unaudited)
Within 1 year	<u>431,970</u>	<u>302,721</u>	<u>273,190</u>

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.

19. CAPITAL COMMITMENT

At 30 September 2014, the Company had capital commitments not provided for in the unaudited consolidated interim financial information were as follows:

	As at 30 September 2014 RMB (unaudited)	As at 31 March 2014 RMB (audited)	As at 30 September 2013 RMB (unaudited)
Contracted but not provided for - Capital contribution to the subsidiary	<u>6,343,760</u>	<u>-</u>	<u>7,880,000</u>



20. ACQUISITION OF ASSETS AND LIABILITIES THROUGH ACQUISITION OF A SUBSIDIARY

On 2 July 2013, STIT, a wholly-owned subsidiary of the Company, entered into an agreement (the "Agreement") with Mr. Xiong Qiang, a director and a shareholder of the Company and Ms. Ling Fang, the wife of Xiong Qiang to obtain control in Shenzhen Tao-taogu E-commerce Co., Limited ("Tao-taogu E-commerce"), a company established in the PRC, at a total consideration of RMB100,000.

The Group does not hold any ownership interests in Tao-taogu E-commerce. However, based on the terms of Agreement under which Tao-taogu E-commerce was acquired, the Group receives substantially all of the returns related to its operations and net assets and has the current ability to direct Tao-taogu E-commerce's activities that most significantly affect these returns. The acquisition was completed on 2 July 2013. Pursuant to the Agreement, the consideration for arrangement shall be paid in cash within 90 days upon signing of the Agreement.

The Group takes the view that the acquisition of Tao-taogu E-Commerce allows the Group to use the trademarks, which enable the Group to have a solid reputation in information technology sector to further expand its business in the PRC.

Assets and liabilities acquired

	<u>RMB</u>
Non-current assets	
Intangible assets	95,913
Property, plant and equipment	<u>9,009</u>
	104,922
Current assets	
Other receivables	70
Cash and bank balances	<u>11,524</u>
	11,594
Current liabilities	
Other payables	<u>(16,516)</u>
	<u><u>100,000</u></u>

The financial information as disclosed above represent the financial information of Tao-taogu E-commerce as of 2 July 2013.

	<u>RMB</u>
Total purchase consideration satisfied by:	
Payable for acquisition of a subsidiary	<u>(100,000)</u>
Cash and cash equivalents in a subsidiary acquired	<u>11,524</u>
Net cash inflow of cash and cash equivalents in respect of acquisition of the subsidiary	<u><u>11,524</u></u>

21. EVENTS AFTER THE REPORTING PERIOD

On 22 August 2014, the Group resolved to increase the registered capital of Shenzhen Tao-taogu Information Technology Co., Ltd. ("Shenzhen Tao-taogu"), a subsidiary of the Company, from HK\$30,000,000 (equivalent to RMB23,873,422) to HK\$38,000,000 (equivalent to RMB30,217,182). On 2 September 2014, the local government has approved the increase in registered capital. On 13 October 2014, the Group contributed HK\$8,000,000 as capital contribution to Shenzhen Tao-taogu.

22. ULTIMATE CONTROLLING PARTY

At 30 September 2014, the directors of the Company consider that the ultimate controlling party of the Company to be Mr. Xiong Qiang.

CORPORATE DIRECTORY

PRINCIPAL PLACE OF BUSINESS IN THE PRC

2302, Block 2, Internet Industrial Park
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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 Group 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)
CAI Wensheng
LAN Jun
YANG Yuchuan

COMPANY SECRETARIES

KWOK Kin Kwong Gary
BARTROP Nathan

AUDITORS

Crowe Horwath (HK) CPA Limited

AUDIT COMMITTEE

RYAN Christopher John (Chairman)
KWOK Kin Kwong Gary

REMUNERATION COMMITTEE AND NOMINATION COMMITTEE

LAN Jun (Chairman)
XIONG Qiang
CHOW Ki Shui Louie
KWOK Kin Kwong Gary
WU Linyan
RYAN Christopher John
CAI Wensheng
Yang Yuchuan

AUSTRALIA BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
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