TACK FIORI INTERNATIONAL GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00928)

FINAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2015

The board (the "**Board**") of directors (the "**Directors**") of Tack Fiori International Group Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 March 2015 together with comparative figures for the year ended 31 March 2014 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2015
(Amounts expressed in Hong Kong dollars)

	Notes	2015 HK$'000	2014 HK$'000
Continuing operations			
Turnover	3 & 5	**8,398**	22,469
Cost of sales and services		**(7,015)**	(13,348)
Gross profit		**1,383**	9,121
Change in fair value of held-for-trading investments		**–**	14,602
		1,383	23,723
Other income and gain	4	**1,590**	17,805
Selling and distribution costs		**(6,609)**	(39,339)
Administrative and other operating expenses		**(24,867)**	(66,589)
Impairment on inventories	6	**(14,735)**	–
Impairment on property, plant and equipment	7	**–**	(6,135)
Impairment on trademark	8	**(2,063)**	–
Loss before taxation	9	**(45,301)**	(70,535)
Income tax	10	**(32)**	(35)
Loss from continuing operations		**(45,333)**	(70,570)
Discontinued operations			
Loss from discontinued operations	11	**–**	(40,234)
Loss for the year		**(45,333)**	(110,804)
Other comprehensive (expenses)/income that may be reclassified subsequently to profit or loss:			
Exchange differences on translations		**(780)**	479
Reclassification of translation reserve to profit or loss upon disposal of subsidiaries		**–**	169
		(780)	648
Total comprehensive expense for the year		**(46,113)**	(110,156)

	Notes	**2015** *HK$'000*	2014 *HK$'000*
Loss for the year attributable to:			
Owners of the Company			
— Continuing operations		**(45,333)**	(70,570)
— Discontinued operations		**–**	(40,234)
		(45,333)	(110,804)
Total comprehensive expense for the year attributable to:			
Owners of the Company			
— Continuing operations		**(46,113)**	(69,975)
— Discontinued operations		**–**	(40,181)
		(46,113)	(110,156)
LOSS PER SHARE	*12*		
From continuing and discontinued operations			
— Basis and diluted (HK cents)		**(2.11)**	(6.50)
From continuing operations			
— Basic and diluted (HK cents)		**(2.11)**	(4.14)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015
(Amounts expressed in Hong Kong dollars)

	Notes	2015 HK$'000	2014 HK$'000
Non-current assets			
Property, plant and equipment		**1,730**	1,220
Goodwill	*14*	**3,842**	–
Trademark		**–**	2,188
Rental deposits		**–**	1,223
		5,572	4,631
Current assets			
Inventories		**5,023**	20,767
Trade and other receivables	*15*	**4,993**	6,888
Bank balances and cash		**97,670**	134,515
		107,686	162,170
Current liabilities			
Other payables and provision	*16*	**10,797**	18,227
Net current assets		**96,889**	143,943
Net assets		**102,461**	148,574
Capital and reserves			
Share capital	*17*	**21,444**	21,444
Reserves		**81,017**	127,130
Total equity attributable to owners of the Company		**102,461**	148,574

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2015

1. GENERAL AND BASIS OF PREPARATION

The Company is incorporated in the Cayman Islands with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Company is principally engaged in investment holding. The Company and its subsidiaries (the "**Group**") are principally engaged in (i) development and promotion of education software products and provision of technical support services in the People's Republic of China (the "**PRC**"); (ii) apparel retail business in the PRC; and (iii) securities trading and investments business in Hong Kong.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following amendments to HKFRSs and interpretation issued by the HKICPA.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities
Amendments to HKAS 32	Offsetting financial assets and financial liabilities
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting
HK(IFRIC)-INT 21	Levies

The application of these amendments to HKFRSs and interpretation in the current year has had no material impact on the Group's financial performance and position for the current and prior years and/or disclosures set out in these consolidated financial statements.

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that has been issued but are not yet effective:

HKFRS 9	Financial instruments[5]
HKFRS 15	Revenue from contracts with customers[4]
Amendments to HKFRSs	Annual improvements to HKFRSs 2010–2012 cycle[2]
Amendments to HKFRSs	Annual improvements to HKFRSs 2011–2013 cycle[1]
Amendments to HKFRSs	Annual improvements to HKFRSs 2012–2014 cycle[3]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception[3]
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations[3]
Amendments to HKAS 1	Disclosure initiative[3]
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation[3]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants[3]
Amendments to HKAS 19	Defined benefit plans: Employee contributions[1]
Amendments to HKAS 27	Equity method in separate financial statements[3]

[1] Effective for annual periods beginning on or after 1 July 2014.
[2] Effective for annual periods beginning on or after 1 July 2014, with limited exceptions.
[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 annual periods beginning on or after 1 January 2018.

HKFRS 9 "Financial instruments"

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' ("**FVTOCI**") measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Based on the Group's financial instruments as at 31 March 2015, the directors of the Company anticipate that the adoption of HKFRS 9 in the future will have no significant impact on the amounts reported in respect of the Group's financial assets and financial liabilities.

HKFRS 15 "Revenue from contracts with customers"

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, HKFRS 15 introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

The directors of the Company anticipate that the application of other amendments to Standards will have no material impact on the results and financial position of the Group.

3. TURNOVER

Continuing operations

Turnover represents the aggregate of the invoiced value of goods sold and services provided. It is stated after deducting trade discounts and sales taxes. Details of the turnover from continuing operations are set out below:

	2015	2014
	HK$'000	*HK$'000*
Sales of education software products	**951**	–
Provision of technical support services	**1,769**	–
Sales of goods from apparel retail business	**5,678**	22,469
	8,398	22,469

4. OTHER INCOME AND GAIN

Continuing operations

	2015	2014
	HK$'000	*HK$'000*
Interest income	**175**	7
Write-off of trade and other payables *(note)*	**–**	17,321
Others	**1,415**	477
	1,590	17,805

Note: Certain trade and other payables of approximately HK$17,321,000 due to certain creditors located in the PRC were outstanding for a long period of time and the creditors had not demand for repayment of these contractual debts since then. During the year ended 31 March 2014, the management had revisited the Group's obligation on these long outstanding trade and other payables. Based on the opinion from an independent legal adviser of the Group, the rights of the creditor to demand repayment of such long outstanding contractual debts had been expired according to the relevant law and regulation in the PRC. Accordingly, the Group's obligation in relation to these contractual debts had been expired and the management wrote off such trade and other payables and credit to the consolidated statement of profit or loss and other comprehensive income during the year ended 31 March 2014.

5. SEGMENT INFORMATION

HKFRS 8 "Operating segments" requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision makers ("**CODM**") in order to allocate resources to the segment and to assess its performance. Relevant information was reported to the executive directors of the Company, being the CODM, for the purposes of resource allocation and assessment of segment performance focusing on types of goods or services delivered or provided.

In previous years, the Group reported its segment information based on five reportable and operating segments as follows:

(i) Apparel retail business

(ii) Luxury goods and accessories retail business

(iii) Salon and beauty service business

(iv) Pharmacy and healthcare product retail business

(v) Securities trading and investments

During the year ended 31 March 2014, operations regarding (i) the luxury goods and accessories retail business; (ii) salon and beauty service business; and (iii) pharmacy and healthcare product retail business were discontinued as a result of disposal of subsidiaries (details are set out in notes 11 and 18). The segment information reported below does not include any figures for these discontinued operations.

In November 2014, the Group acquired 100% interest in China Education Media Limited and its subsidiary which are mainly engaged in the development and promotion of education software products and provision of technical support services in the PRC.

Upon the completion of the acquisition of China Education Media Limited, the Group is organised into the following three major operating segments for its continuing operations, each of which represents an operating and reportable segment of the Group:

(i) Education software products and related services business

(ii) Apparel retail business

(iii) Securities trading and investments

Segment revenues and results

The following is an analysis of the Group's turnover and results by reportable and operating segments.

For the year ended 31 March 2015

Continuing operations

	Education software products and related services business *HK$'000*	**Apparel retail business** *HK$'000*	**Securities trading and investments** *HK$'000*	**Total** *HK$'000*
Gross proceeds from disposal of held-for-trading investments	**–**	**–**	**–**	**–**
Segment revenue	**2,720**	**6,660**	**–**	**9,380**
Intra-segment revenue	**–**	**(982)**	**–**	**(982)**
Consolidated revenue	**2,720**	**5,678**	**–**	**8,398**
Change in fair value of held-for-trading investments, included in segment result	**–**	**–**	**–**	**–**
Segment result	**440**	**(26,843)**	**(3)**	**(26,406)**
Unallocated corporate expenses				**(19,070)**
Other income and gain				**175**
Loss before taxation				**(45,301)**

For the year ended 31 March 2014

Continuing operations

	Apparel retail business *HK$'000*	Securities trading and investments *HK$'000*	Total *HK$'000*
Gross proceeds from disposal of held-for-trading investments	–	94,798	94,798
Segment revenue	34,494	–	34,494
Intra-segment revenue	(12,025)	–	(12,025)
Consolidated revenue	22,469	–	22,469
Change in fair value of held-for-trading investments, included in segment result	–	14,602	14,602
Segment result	(63,867)	8,856	(55,011)
Unallocated corporate expenses			(33,329)
Other income and gain			17,805
Loss before taxation			(70,535)

Segment (loss) profit represents the loss/profit resulted in each segment without allocation of other income and gain and corporate expenses. This is the measure reporting to the Group's CODM for the purposes of resource allocation and performance assessment.

Intra-segment revenue are charged at agreed terms set out in the sales invoices or agreements entered into between group companies.

Geographical information

The Group's operations are located in Hong Kong and the PRC.

Information about the Group's turnover from external customers from continuing operations is presented based on the location at which the goods or services are delivered or provided:

	Revenue from external customers from continuing operations	
	2015 ***HK$'000***	2014 *HK$'000*
The PRC	**8,398**	22,469

Information about major customers

No individual customer has contributed over 10% of the total revenue of the Group in both years.

6. IMPAIRMENT ON INVENTORIES

At the end of the reporting period, the directors of the Company had performed a detailed review on the net realisable value of aged inventories of the Group and recognised an impairment loss of approximately HK$14,735,000 (2014: Nil) on certain aged inventories of apparel retail business.

7. IMPAIRMENT ON PROPERTY, PLANT AND EQUIPMENT

At 31 March 2014, in view of the operating loss resulted from the apparel retail business, the management of the Group had performed a detailed review of the recoverable amount of the property, plant and equipment of the apparel retail business. The recoverable amount of these property, plant and equipment determined based on discounted cash flow method is lower than their carrying amount and thus an impairment loss on property, plant and equipment of approximately HK$6,135,000 was made on the plant and equipment of the apparel retail business during the year ended 31 March 2014.

8. IMPAIRMENT ON TRADEMARK

At the end of the reporting period, in view of the operating loss resulted from the apparel retail business, the management of the Group had performed a detailed review of the trademark, which has been allocated to the cash-generating unit of the apparel retail business. As the recoverable amount of the cash-generating unit of the apparel retail business, based on discounted cash flow method is lower than their carrying amount, a full impairment loss on trademark of approximately HK$2,063,000 was made during the current year.

9. LOSS BEFORE TAXATION

	2015 ***HK$'000***	2014 *HK$'000*
Loss before taxation from continuing operations has been arrived at after charging:		
Staff costs		
Directors' emoluments		
— fees and other emoluments	**5,021**	5,622
Other staff costs		
— salaries, allowances and bonus	**10,367**	22,318
— retirement benefits scheme contributions	**1,656**	4,754
— share-based payments included in administrative expenses	**–**	4,821
	17,044	37,515
Cost of inventories recognised as expenses	**6,932**	14,118
Depreciation of property, plant and equipment	**588**	4,825
Amortisation for trademark	**125**	125
Auditor's remuneration	**2,176**	2,083
Loss on disposal of property, plant and equipment	**403**	4,199
Operating lease rental on premises	**788**	22,025
(Reversal of)/provision for onerous contracts (included in administrative and other operating expenses)	**(2,588)**	5,531
Reversal of allowance for inventories (included in cost of sales) *(note)*	**–**	(770)
Write-off of deposits	**23**	150

Note: During the year ended 31 March 2014, certain slow moving inventories of apparel retail business, which were previously written down, were sold and thus reversal of allowance for inventories was recognised in the consolidated statement of profit or loss and other comprehensive income.

10. INCOME TAX

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. For the year ended 31 March 2014, income tax from continuing operations represent underprovision of Hong Kong Profits Tax in previous year. No Hong Kong Profits Tax has been provided in the consolidated financial statements for current period as the subsidiaries in Hong Kong have no assessable profit for both years.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years. For the year ended 31 March 2015, income tax represent PRC Enterprise Income Tax provided based on the assessable profit of a PRC subsidiary.

11. DISCONTINUED OPERATIONS

During the year ended 31 March 2014, the Group disposed of its 100% equity interests in subsidiaries engaged in (i) luxury goods and accessories retail business; (ii) salon and beauty services business; and (iii) pharmacy and healthcare product retail business.

Accordingly, the Group's (i) luxury goods and accessories retail business; (ii) salon and beauty services business; and (iii) pharmacy and healthcare product retail business are treated as discontinued operations.

The results of and loss from the discontinued operations for the period from 1 April 2013 to respective dates of disposal of subsidiaries are analysed as follows:

	For the period from 1 April 2013 to respective dates of disposal of subsidiaries *HK$'000*
Revenue	9,925
Cost of sales and services	(4,798)
Other income, other gains and losses	1
Selling and distribution costs	(17,637)
Administrative expenses	(2,367)
Impairment on property, plant and equipment	(8,988)
Impairment on inventories	(15,768)
Loss before taxation	(39,632)
Income tax expense	–
Loss for the period	(39,632)
Net loss on disposal of subsidiaries *(Note 18)*	(602)
	(40,234)

Loss for the period from discontinued operations included the following:

	For the period from 1 April 2013 to respective dates of disposal of subsidiaries *HK$'000*
Other staff costs	
— salaries, allowances and bonus	3,779
— retirement benefit scheme contributions	155
	3,934
Cost of inventories recognised as expenses	1,796
Depreciation of property, plant and equipment	2,397
Auditor's remuneration	8
Loss on disposal of property, plant and equipment	3,014
Operating lease rental on premises	5,645

The carrying amount of the assets and liabilities of the discontinued operations at respective dates of disposal are disclosed in note 18.

12. LOSS PER SHARE

From continuing and discontinued operations

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	2015 *HK$'000*	2014 *HK$'000*
Loss for the purpose of basic and diluted loss per share	**45,333**	110,804

	2015 *'000*	2014 *'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share *(note)*	**2,144,421**	1,703,611

Note: The weighted average number of ordinary shares for the purpose of basic loss per share for the year ended 31 March 2014 has been adjusted for the share subdivision on 4 June 2014.

From continuing operations

Basic loss per share from continuing operations attributable to the owners of the Company is calculated based on the loss for the year attributable to owners of the Company from continuing operations of HK$45,333,000 (2014: HK$70,570,000) and the denominators detailed above for basic earnings per share.

From discontinued operations

Basic loss per share from discontinued operations is HK2.36 cents per share, based on the loss for the year ended 31 March 2014 from discontinued operations of HK$40,234,000 and the denominators detailed above for basic loss per share.

There were no share options outstanding during the year ended 31 March 2015. The computation of diluted loss per share for the year ended 31 March 2014 does not assume the exercise of the Company's share options because the exercise price of those outstanding options during the year was higher than the average market price of shares for the year ended 31 March 2014.

13. DIVIDEND

No dividend were paid, declared or proposed during both years, nor has any dividend been proposed since the end of the reporting period.

14. ACQUISITION OF SUBSIDIARIES

During the year ended 31 March 2015, the Group acquired 100% equity interest in China Education Media Limited and its subsidiary which is principally engaged in the business of development and promotion of education software products and provision of technical support services in the PRC at a cash consideration of HK$60,000,000 from a connected person of the Company, being the father of a director of the Company. Details of this are set out in the Company's circular dated 16 October 2014. The acquisition was completed on 17 November 2014.

The acquisition-related costs of HK$2,837,000 were recognised in profit or loss as administrative and other operating expenses in the current year.

Details of fair value of identifiable net assets acquired and goodwill are as follows:

	Total
	HK$'000
Cash Consideration	60,000
Less: Acquiree's fair value of identifiable net assets acquired (see below)	(31,728)
Less: Carrying value of the shareholder's loan *(Note)*	(24,430)
Goodwill arising from acquisition	3,842

Note: Being the assignment of the shareholder's loan by the vendor to a wholly-owned subsidiary of the Company upon completion of the acquisition pursuant to the sales and purchase agreement of the acquisition.

None of the goodwill arising on the acquisition is expected to be deductible for tax purposes. Goodwill arising on the acquisition effectively included amounts in relation to the benefit of revenue growth and future market development of the acquired companies.

Fair values of the identifiable net assets acquired at acquisition date are as follows:

	Total
	HK$'000
Net assets acquired:	
Property, plant and equipment	1,539
Inventories	3,623
Trade and other receivables	3,913
Bank balances and cash	47,903
Other payables and accruals	(820)
Shareholder's loan	(24,430)
	31,728

The fair value of trade and other receivables at the date of acquisition approximate their gross contractual amounts.

Net cash outflow arising on acquisition:

	Total
	HK$'000
Cash consideration paid	60,000
Less: Bank balances and cash acquired	(47,903)
	12,097

During the year, the subsidiaries acquired contributed approximately HK$2,720,000 to the Group's turnover and contributed profit of approximately HK$440,000 for the period between the respective dates of acquisition and the end of the reporting period.

15. TRADE AND OTHER RECEIVABLES

	2015	2014
	HK$'000	*HK$'000*
Trade receivables	**3,753**	2,376
Other receivables *(note)*	**1,240**	4,512
Total trade and other receivables	**4,993**	6,888

Retail sales conducted through outlet shops and e-commerce platforms are normally settled in cash or Alipay ("支付寶"), or by credit card with the settlement from corresponding banks or other financial institutions within 7 days. For receivables from retail sales conducted through shopping malls and department stores, the Group allows a credit period ranging from 30–90 days. For receivables from sales of education software products and provision of technical support services, the Group allows a credit period ranging from 30–180 days. The following is an aged analysis of trade receivables presented based on the invoice date at the end of the reporting period:

	2015	2014
	HK$'000	*HK$'000*
Within 90 days	**133**	2,019
91–180 days	**41**	197
181–365 days	**3,576**	99
Over 1 year	**3**	61
	3,753	2,376

Note: Included in other receivables at 31 March 2014 were trade deposits for purchasing apparel products amounted to HK$655,000.

16. OTHER PAYABLES AND PROVISION

	2015	2014
	HK$'000	*HK$'000*
Other payables	**10,797**	12,696
Provision *(note)*	**–**	5,531
	10,797	18,227

Note: Amount represented the provision on onerous operating lease contracts in relation to the retail shops of the apparel retail business. Management considered the unavoidable costs of meeting the obligation under such lease contracts exceed the economic benefits expected to be received under such lease contracts as at 31 March 2014.

17. SHARE CAPITAL

	Number of shares	Nominal value
	'000	*HK$'000*
Authorised:		
Ordinary shares of HK$0.1 each at 1 April 2013 and 31 March 2014	5,000,000	500,000
Share subdivision *(Note a)*	45,000,000	–
Ordinary shares of HK$0.01 each at 31 March 2015	50,000,000	500,000
Issued and fully paid:		
Ordinary shares of HK$0.1 each at 31 March 2013	114,552	11,455
Issue of shares upon exercise of share options *(Note b)*	11,455	1,145
Issue of shares under placement *(Note c)*	88,434	8,844
Ordinary shares of HK$0.1 each at 31 March 2014	214,441	21,444
Share subdivision *(Note a)*	1,929,980	–
Ordinary shares of HK$0.01 each at 31 March 2015	2,144,421	21,444

Notes:

(a) On 4 June 2014, the Company effected a share subdivision that subdivide each existing issued and authorised but unissued share of the Company of HK$0.10 each into ten shares of the Company of HK$0.01 each.

(b) On 19 April 2013, 11,455,244 shares of HK$0.1 each were issued upon the exercise of share options at exercise price of HK$ 0.644 per share.

(c) On 7 May 2013, 9 October 2013 and 20 December 2013, 22,910,489, 29,783,635 and 35,740,362 ordinary shares of HK$0.1 each were issued at placing price of HK$0.54, HK$0.59 and HK$2.16 per share through placing agents pursuant to placing agreements dated 18 April 2013, 26 September 2013 and 9 December 2013, respectively.

18. DISPOSAL OF SUBSIDIARIES

(a) Disposal of subsidiaries engaged in salon and beauty services business

On 8 November 2013, the Group entered into a conditional sale and purchase agreement with an independent third party, to dispose of 100% equity interest in Brune Blonde Limited and its subsidiary, at a cash consideration of HK$8,000,000. Upon the completion of such disposal on 29 November 2013, Brune Blonde Limited and its wholly owned subsidiary ceased to be subsidiaries of the Group.

The assets and liabilities of Brune Blonde Limited and its subsidiary at the date of disposal were as follows:

	HK$'000
Property, plant and equipment	6,985
Inventories	302
Trade and other receivables	1,532
Bank balances and cash	447
Trade and other payables	(1,490)
Net assets disposed of	7,776
Gain on disposal	224
Total consideration satisfied by cash	8,000
Net cash inflow arising on disposal:	
Cash consideration received	8,000
Bank balances and cash disposed of	(447)
	7,553

(b) Disposal of subsidiaries engaged in luxury goods and accessories retail business

(i) On 3 December 2013, the Group disposed of 100% equity interest in Sound Chamber Limited and its subsidiaries, to an independent third party at a cash consideration of HK$2,000,000. Upon the completion of such disposal, Sound Chamber Limited and its wholly owned subsidiaries ceased to be subsidiaries of the Group.

The assets and liabilities of Sound Chamber Limited and its subsidiaries at the date of disposal were as follows:

	HK$'000
Inventories	781
Trade and other receivables	1,243
Bank balances and cash	342
Trade and other payables	(158)
Net assets disposed of	2,208
Release of translation reserve upon disposal of subsidiaries	169
Loss on disposal	(377)
Total consideration satisfied by cash	2,000
Net cash inflow arising on disposal:	
Cash consideration received	2,000
Bank balances and cash disposed of	(342)
	1,658

(ii) On 12 December 2013, the Group entered into a conditional sale and purchase agreement with an independent third party, to dispose of 100% equity interest in High Rhine Limited and its subsidiaries, at a cash consideration of HK$1,500,000. Upon the completion of such disposal on 30 December 2013, High Rhine Limited and its wholly owned subsidiaries ceased to be subsidiaries of the Group. On 28 January 2014, the Group also disposed of Gilderton Limited at a cash consideration of HK$10,000 and accordingly Gilderton Limited ceased to be a subsidiary of the Group.

The assets and liabilities of High Rhine Limited and its subsidiaries and Gilderton Limited at the respective dates of disposals were as follows:

	HK$'000
Property, plant and equipment	406
Trade and other receivables	1,095
Bank balances and cash	706
Trade and other payables	(191)
Net assets disposed of	2,016
Loss on disposal	(506)
Total consideration satisfied by cash	1,510
Net cash inflow arising on disposal:	
Cash consideration received	1,510
Bank balances and cash disposed of	(706)
	804

(c) Disposal of subsidiaries engaged in pharmacy and healthcare product retail business

On 9 January 2014, the Group disposed of 100% equity interest in King Delight Limited and its wholly owned subsidiary to an independent third party at a cash consideration of HK$800,000. Upon the completion of such disposal, King Delight Limited and its wholly owned subsidiary ceased to be subsidiaries of the Group.

The assets and liabilities of King Delight Limited and its subsidiary at the date of disposal were as follows:

	HK$'000
Property, plant and equipment	148
Inventories	239
Trade and other receivables	149
Bank balances and cash	412
Trade and other payables	(205)
Net assets disposed of	743
Gain on disposal	57
Total consideration satisfied by cash	800
Net cash inflow arising on disposal:	
Cash consideration received	800
Bank balances and cash disposed of	(412)
	388

The impact of the disposed subsidiaries engaged in (i) luxury goods and accessories retail business; (ii) salon and beauty services business; and (iii) pharmacy and healthcare products retail business on the Group's results in the prior year is disclosed in note 11.

19. PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

The Group and the Company have no pledge of assets and contingent liabilities as at 31 March 2015 and 2014.

20. SHARE-BASED PAYMENTS

Equity-settled share option scheme

On 11 April 2002, the Company adopted a share option scheme (the "**Old Scheme**") for the primary purpose of providing incentives to any directors (including executive directors, non-executive directors and independent non-executive directors) and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers to the Group ("**Participants**") who the board of directors consider, in its sole discretion, have contributed or shall contribute to the Group. The Old Scheme shall be valid and effective for a period of 10 years commencing on 11 April 2002. Under the Old Scheme, the board of directors of the Company may grant options to the Participants to subscribe for shares in the Company.

On 18 September 2012, the Company adopted a new share option scheme (the "**New Scheme**") with effective periods of 10 years commencing on 18 September 2012 and the Old Scheme was expired on 10 April 2012. The principal terms of the New Scheme are similar to the Old Scheme. All other respects of the provisions of the Old Scheme shall remain in full force and holders of all options granted under the Old Scheme prior to such expiry shall be entitled to exercise the outstanding options pursuant to the terms of the Old Scheme until expiry of the said options.

Details of specific categories of options are as follows:

	Date of grant	Vesting period/date	Exercise period	Original exercise price	Adjusted exercise price after the capital reorganisation on 23 August 2012 *(Note 1)*	Adjusted exercise price after the share consolidation on 31 January 2013 *(Note 2)*
Old Scheme	16.1.2012	16.1.2012–15.7.2013	16.7.2013–15.1.2015	HK$0.1	HK$0.5	HK$5
New Scheme	14.1.2013	14.1.2013	14.1.2013–13.1.2023	HK$0.105	N/A	N/A*
	19.4.2013	19.4.2013	19.4.2013–18.4.2023	HK$0.644	N/A	N/A

* All options under New Scheme were exercised before 31 January 2013.

There were no outstanding or exercisable share option of the Company as at 31 March 2014 and 2015 nor any movement of the Company's share options during the year ended 31 March 2014 and 2015. The following table discloses movement of the Company's share options under the New Scheme and the Old Scheme during the year ended 31 March 2014:

	Number of share options				
	Outstanding at 1.4.2013	**Granted during the year**	**Exercised during the year**	**Lapsed during the year** *(Note c)*	**Outstanding at 31.3.2014 and 31.3.2015**
	'000	*'000*	*'000*	*'000*	*'000*
Old Scheme					
Directors	1,400	–	–	(1,400)	–
Consultants	4,400	–	–	(4,400)	–
Employees	200	–	–	(200)	–
	6,000	–	–	(6,000)	–
New Scheme					
Consultants	–	11,455	(11,455)	–	–
	6,000	11,455	(11,455)	(6,000)	–
Exercisable at 31 March 2014					–

Notes:

(a) On 23 August 2012, the exercise price of the share options was adjusted from HK$0.10 per share to HK$0.50 per share as a result of the capital reorganisation. Accordingly, the total number of share options granted was adjusted from 300,000,000 shares to 60,000,000 shares.

(b) On 31 January 2013, the exercise price was adjusted from HK$0.5 per share to HK$5 per share as a result of the share consolidation. Accordingly, the total number of share options granted was adjusted from 60,000,000 to 6,000,000.

(c) According to the terms of the Old Scheme, the share options were lapsed upon the resignation of directors and employees of the Group or Participants. As the directors, employees and consultants who held share options under the Old Scheme resigned from their respective position during the year ended 31 March 2014, their outstanding share options lapsed accordingly on their respective resignation dates.

In respect of share options exercised during the year ended 31 March 2014, the weighted average share price at the dates of exercise was HK$0.63 per share.

During the year ended 31 March 2014, 11,455,244 options were granted and vested on 19 April 2013. The estimated fair value of the options granted and vested on 19 April 2013 was approximately HK$2,947,000, which was fully recognised as share option expenses in the consolidated statement of profit or loss and other comprehensive income during the year ended 31 March 2014. The Group recognised the total share option expense of HK$5,390,000 for the year ended 31 March 2014 in relation to the share options granted.

The fair value of the share options granted on 19 April 2013 was calculated using the Binomial Tree Method ("**the Method**"). The inputs into the model were as follows:

Grant date stock price	HK$0.630
Exercise price	HK$0.644
Expected volatility	50.79%
Expected life	4.35 years
Risk-free rate	0.8892%
Expected dividend yield	0%

Expected volatility was determined by using historical volatility of four comparable companies with similar business at grant date. The expected life used in the Method has been adjusted, based on management's best estimate, for the effects of non transferability, exercise restrictions and behavioural considerations.

Note: The above weighted average share price and grant date share price have not adjusted by the share subdivision of the Company on 4 June 2014.

21. EVENT AFTER THE REPORTING PERIOD

Pursuant to the Company's announcement dated 30 April 2015, the Group, through its indirect wholly-owned subsidiary (the "**Distributor**"), entered into distribution agreements (the "**Distribution Agreements**") for a term from 30 April 2015 to 31 March 2017 with an independent licensor ("**Licensor**"), pursuant to which the Distributor was appointed as the exclusive authorised distributor and vested with the rights of distribution and marketing of the mobile version (including on the Android and iOS platforms) of the games "Neon Genesis Evangelion" (新世紀福音戰士) and "Sakura Wars" (櫻花大戰) (collectively referred as to the "**Games**"), and their related products in the PRC, Hong Kong, Macau and Taiwan (the "**Authorised Regions**"). Pursuant to the Distribution Agreements, the Distributor shall pay an amount equivalent to 25% of its income received from the distribution of the Games to the Licensor as license fee. The Distributor shall make a prepayment of RMB13 million under each of the Distribution Agreement (i.e. RMB26 million under both Distribution Agreements in aggregate) to the Licensor by instalments according to the stage of development and distribution of the Games, which will be used by the Licensor to deduct the licence fee payable by the Distributor after commencement of distribution of the Games.

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2015 (2014: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For year ended 31 March 2015, the Group recorded a turnover of approximately HK$8.40 million (year ended 31 March 2014: HK$22.47 million), representing a decrease of approximately 62.62% as compared to the last year. The loss attributable to owners of the Company for the year ended 31 March 2015 amounted to approximately HK$45.33 million (year ended 31 March 2014: HK$110.8 million), representing a decrease of 59.10% as compared to the last year. Loss per share from continuing and discontinued operations for the year ended 31 March 2015 was approximately HK2.11 cents as compared with loss per share of approximately HK6.50 cents for the last year. The Group's overall gross profit margin from continuing operations was 16.47% (year ended 31 March 2014: 40.59%). Such decrease was mainly due to the price-cut strategies carried out for apparel retail business during the year.

BUSINESS REVIEW

Continuing operations

Education software products and related services business

Included in the amount of turnover was HK$2.7 million generated by the education software products and related services business held by Beijing Xinzhitang Educational Technology Development Company Limited ("BJ Xinzhitang", a wholly owned subsidiary of the Group), the new business acquired during the year. Turnover from this segment accounted for 32.39% of the Group's turnover from continuing operation for the year ended 31 March 2015. This segment also recorded a profit in segment result of HK$0.4 million during the period since acquired by the Group.

Apparel retail business

Turnover of the apparel retail business amounted to HK$5.68 million (year ended 31 March 2014: HK$22.47 million), representing a decrease of 74.73% as compared with the last year and accounting for 67.61% of the Group's turnover from continuing operation for the year (year ended 31 March 2014: 100%). As for segment results, that of the apparel retail business recorded a loss of HK$26.84 million, representing a decrease of 57.97% as compared with HK$63.87 million of last year. Such decrease was primarily related to the decrease in operating cost resulted from the close down of the loss-making retail shops during the year.

Securities trading and investment

The Group had no securities trading activities during the year ended 31 March 2015.

Discontinued operations

During the year ended 31 March 2014, the Group disposed of its 100% equity interest in the subsidiaries engaged in (i) luxury goods and accessories retail business; (ii) salon and beauty services business; and (iii) pharmacy and healthcare products retail business. In view of the unsatisfactory continuing loss-making results of those discontinued operations, it is expected to further consume the financial resources of the Group for sustaining these operations as the loss-making position is expected to continue in the foreseeable future. The Directors consider that the disposals would not only enable the Group to cease financing the loss-making operations but also allow the Company, following completion of the disposals, to use the financial resources of the Group which would otherwise be required in the discontinued operations for other business purposes, which are in the interests of the Company and shareholders as a whole.

Accordingly, the operations of (i) luxury goods and accessories retail business; (ii) salon and beauty services business; and (iii) pharmacy and healthcare products retail business were treated as discontinued operations in the consolidated financial statements of the Group for the year ended 31 March 2014.

PROSPECTS

Education software products and related services business

In view of the growing prospects in the education industry of the PRC, the Directors believe that BJ Xinzhitang would be able to take advantage of such industry growth and broaden the Group's source of income. The Directors also consider that there are various competitive advantages of BJ Xinzhitang, including (i) the industry expertise and experience of its management; (ii) secured and stable strategic business partners; (iii) good customers relationship with various major distributors, universities, colleges, bookstores and education centres; (iv) low production cost for its products; and (v) its profitability for the past financial years.

Looking forward, BJ Xinzhitang will continue to broaden its customer base so as to increase the income stream of the Group, as well as updating its software products based on renewed published educational materials.

Apparel retail business

As mentioned in the Company's circular dated 16 October 2014, the Group gradually closed down existing loss-making shops and retail outlets of the Group's apparel business and develop e-commerce as other sales channel for the Group's apparel business. The Group will continue the development of the e-commerce platform as sales channel to its apparel retail business. The Board is of the view that the cost saving from close down the existing loss-making shops and retail outlets and the change in focus of sales channel of the Group's apparel business is in the best interest of the Company and shareholders as a whole.

MOBILE GAME DISTRIBUTION AGREEMENTS

Pursuant to the Company's announcement dated 30 April 2015, the Group, through its indirect wholly-owned subsidiary (the "**Distributor**"), entered into distribution agreements (the "**Distribution Agreements**") for a term from 30 April 2015 to 31 March 2017 with an independent licensor ("**Licensor**"), pursuant to which the Distributor was appointed as the exclusive authorised distributor and vested with the rights of distribution and marketing of the mobile version (including on the Android and iOS platforms) of the games "Neon Genesis Evangelion" (新世紀福音戰士) and "Sakura Wars" (櫻花大戰) (collectively referred as to the "**Games**"), and their related products in the PRC, Hong Kong, Macau and Taiwan (the "**Authorised Regions**"). Pursuant to the Distribution Agreements, the Distributor shall pay an amount equivalent to 25% of its income received from the distribution of the Games to the Licensor as license fee. The Distributor shall make a prepayment of RMB13 million under each of the Distribution Agreement (i.e. RMB26 million under both Distribution Agreements in aggregate) to the Licensor by instalments according to the stage of development and distribution of the Games, which will be used by the Licensor to deduct the licence fee payable by the Distributor after commencement of distribution of the Games.

The Directors also consider the Games have the following competitive advantages: (i) "Neon Genesis Evangelion" (新世紀福音戰士) and "Sakura Wars" (櫻花大戰) are renowned Japanese television and movie animation series and video game series; (ii) both "Neon Genesis Evangelion" (新世紀福音戰士) and "Sakura Wars" (櫻花大戰) were developed in the 1990s and have accumulated popularity in the Authorised Regions; and (iii) the Licensor has successfully released various other popular mobile games in the PRC.

The Board believes that the entering into of the Distribution Agreements would diversify the Group's business portfolio and allow the Group to enter into the mobile games industry in the PRC and broaden the Group's source of income. Having considered the above, the Board is of the view that the operation of the mobile games business and particularly the Games will contribute positively to the Group. Looking forward, the Group will actively look for a suitable strategic partner, who specialises in mobile games distribution, to distribute the Games in the Authorised Regions.

Besides, the Directors have been continuously identifying investment opportunities in order to diversify its existing business and develop new revenue streams to maximize returns to the shareholders.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The management and control of the Group's financial and capital management are centralized at its headquarters in Hong Kong. The Group adheres to the principle of prudent financial management to minimise financial and operational risks. The Group mainly relies upon internally generated funds and proceeds from fund raising activities to finance its operations and expansion.

As at 31 March 2015, the Group has no bank and other borrowings. As at 31 March 2015, the Group's current assets and current liabilities were HK$107.7 million and HK$10.8 million respectively. The Group's current ratio has been increased to 9.97 times (31 March 2014: 8.90 times).

CAPITAL EXPENDITURE COMMITMENTS

As of 31 March 2015, the Group had no material capital expenditure commitments.

PLEDGE OF ASSETS

As of 31 March 2015, the Group had no pledge of assets.

CONTINGENT LIABILITIES

As of 31 March 2015, the Group had no significant contingent liabilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2015, the Group had 57 full-time employees excluding directors (2014: 215 full-time employees).

The Group offers an attractive remuneration policy and provides training programmes which are complementary to certain job functions. Total staff cost for employees (including the directors' remuneration) was HK$17.04 million for the year (2014: HK$41.4 million). The decrease in total remuneration of the employees was mainly due to the decrease in the number of employees.

AUDIT COMMITTEE

The Audit Committee comprises of three independent non-executive directors, namely Mr. Yau Yan Ming, Raymond (Chairman of the Audit Committee), Mr. Lau Yu and Mr. Zheng Chunlei, with the chairman possessing the appropriate professional qualifications and accounting expertise.

The Company's annual results for the year ended 31 March 2015 have been reviewed by the Audit Committee.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2015 as set out in this announcement have been agreed by the Group's auditors, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the

Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2015.

CORPORATE GOVERNANCE

The Company has complied with the code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange during the financial year ended 31 March 2015, except for the following deviations:

— Under the code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual.

  During the year, Mr. Wang Liang, an executive director of the Company, is responsible for the Group's business development and day-to-day management following Mr. Chung Yuk Lun tendered his resignation as the Managing Director and Chief Executive Officer of the Company on 31 March 2014. Mr. Wang was subsequently appointed as the Chairman of the Board on 15 August 2014. The Board was of the opinion that this arrangement would provide the Group with strong and consistent leadership and allow for more effective and efficient business decision making and executive.

— Under the code provision A.4.1 of the CG Code, the non-executive directors should be appointed for a specific term, subject to re-election.

  The Independent Non-executive Directors were not appointed for specific terms. In accordance with the Provision 84 of the Articles of Association of the Company, at each annual general meeting one-third of the Directors for the time being (of, if their number is not a multiple of three, the number nearest to but not less than one-third) shall be retired from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are in line to those of the CG Code.

Details of the Company's compliance with the provisions of the CG Code during the year will be set out in the Corporate Governance Report in the Company's Annual Report 2015.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct for securities transactions by directors and employees (the "**Securities Code**") with standards no less exacting than that of the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 to the Listing Rules. Having made specific enquiries, all directors and relevant employees (as defined in the Listing Rules) of the Company confirmed that they have complied with the Securities Code and Model Code throughout the year.

PUBLICATION OF FINANCIAL INFORMATION

This results announcement is published on the web sites of the Stock Exchange (www.hkex.com.hk) and the Company (www.tackfiori.com). The Group's Annual Report 2015 will be despatched to the shareholders of the Company and available on the above web sites in due course.

By Order of the Board
TACK FIORI INTERNATIONAL GROUP LIMITED
Wang Liang
Chairman and Executive Director

Hong Kong, 22 June 2015

As at the date of this announcement, the Board comprises:

Executive Directors:
Mr. Wang Liang *(Chairman)*
Dr. Feng Xiaogang
Mr. Zhang Jack Jiyei

Non-Executive Director:
Mr. Zhang Bao Yuan

Independent Non-Executive Directors:
Mr. Yau Yan Ming, Raymond
Mr. Lau Yu
Mr. Zheng Chunlei