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Goldenmars Technology Holdings Limited
晶芯科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8036)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2015

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the “Directors”) of Goldenmars Technology Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting. This announcement will also be posted on the website of the Company at www.goldenmars.com.

HIGHLIGHTS

Revenue for the year ended 31 March 2015 was approximately HK\$920.3 million, representing a 16.8% increase from that of the Last Corresponding Year.

Profit attributable to equity holders of the Company for the year ended 31 March 2015 was approximately HK\$25.3 million, representing a 51.0% increase from that of the Last Corresponding Year.

Basic and diluted earnings per share attributable to the equity holders of the Company for the year ended 31 March 2015 and the Last Corresponding Year were approximately HK9.97 cents and HK7.68 cents, respectively.

No final dividend in respect of the year ended 31 March 2015 was proposed (2014: special dividend of HK\$14.8 million).

The Board of Directors (the “Board”) of Goldenmars Technology Holdings Limited (the “Company”) presents the audited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 March 2015 (“Current Year”) together with the comparative audited figures of the corresponding year ended 31 March 2014 (“Last Corresponding Year”).

A summary of the results and of the financial position of the Group for the last four financial years is set out as follows:

FINANCIAL SUMMARY

	Year ended 31 March			
	2015	2014	2013	2012
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Results				
Revenue	920,269	787,650	511,799	461,715
Gross profit	56,130	52,530	49,809	45,799
Profit before income tax	32,649	24,243	23,891	83,504
Profit for the year attributable to equity holders of the Company	25,347	16,790	17,876	76,500
Financial position				
Total assets	478,012	391,846	287,664	264,039
Total liabilities	270,730	223,671	176,046	170,449
Total equity	207,282	168,175	111,618	93,590

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2015

		Year ended 31 March	
		2015	2014
	Note	HK\$'000	HK\$'000
Revenue	3	920,269	787,650
Cost of sales	4	<u>(864,139)</u>	<u>(735,120)</u>
Gross profit		56,130	52,530
Selling expenses	4	(2,422)	(3,740)
General and administrative expenses	4	(15,523)	(19,766)
Other income/(loss)	5	<u>1,883</u>	<u>(1,079)</u>
Operating profit		40,068	27,945
Gain on deemed partial disposal of interest in a joint venture	10	633	–
Share of loss of a joint venture	10	(3,665)	(228)
Finance costs	6	<u>(4,387)</u>	<u>(3,474)</u>
Profit before income tax		32,649	24,243
Income tax expense	7	<u>(7,302)</u>	<u>(7,453)</u>
Profit for the year attributable to equity holders of the Company		<u>25,347</u>	<u>16,790</u>
Earnings per share attributable to the equity holders of the Company			
Basic and diluted	8	<u>HK9.97 cents</u>	<u>HK7.68 cents</u>
Dividends	9	<u>–</u>	<u>14,830</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2015

	Year ended 31 March	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Comprehensive income		
Profit for the year	25,347	16,790
Other comprehensive income		
<i>Items that may be subsequently reclassified to profit or loss</i>		
Currency translation differences	<u>83</u>	<u>401</u>
Total comprehensive income for the year attributable to equity holders of the Company	<u><u>25,430</u></u>	<u><u>17,191</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

		As at 31 March	
		2015	2014
	Note	HK\$'000	HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		50,915	52,169
Investment in a joint venture	10	21,078	24,010
Non-current deposits	11	196	196
Deferred tax assets		–	36
		<hr/>	<hr/>
		72,189	76,411
		<hr/>	<hr/>
Current assets			
Inventories		31,836	86,736
Trade receivables	11	140,579	48,231
Deposits, prepayments and other receivables	11	2,255	12,243
Amount due from a joint venture		–	3,683
Pledged deposits at bank		15,790	15,298
Bank deposits with original maturity over three months		–	29,510
Cash and cash equivalents		215,363	119,734
		<hr/>	<hr/>
		405,823	315,435
		<hr/>	<hr/>
Total assets		478,012	391,846
		<hr/>	<hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 March 2015

		As at 31 March	
	<i>Note</i>	2015	2014
		HK\$'000	HK\$'000
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital	12	2,640	2,490
Other reserves		123,013	109,403
Retained earnings		81,629	56,282
		<hr/>	<hr/>
Total equity		207,282	168,175
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LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		68	–
		<hr/>	<hr/>
		68	–
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Current liabilities			
Trade payables	13	31,206	41,667
Other payables and accrued expenses		6,950	2,576
Borrowings		231,131	177,210
Current income tax liabilities		1,375	2,218
		<hr/>	<hr/>
		270,662	223,671
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Total liabilities		270,730	223,671
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Total equity and liabilities		478,012	391,846
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
Net current assets		135,161	91,764
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
Total assets less current liabilities		207,350	168,175
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2015

	Attributable to equity holders of the Company								
	Share capital	Share premium	Other reserves				Sub total	Retained earnings	Total
			Merger reserve	Capital reserve	Statutory reserve	Exchange reserve			
Note	HK\$'000	HK\$'000	Note (a) HK\$'000	Note (b) HK\$'000	Note (c) HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
For the year ended 31 March 2014									
Balance at 1 April 2013	100	–	50,374	2,480	1,042	3,300	57,196	54,322	111,618
Comprehensive income									
Profit for the year	–	–	–	–	–	–	–	16,790	16,790
Other comprehensive income									
Currency translation differences	–	–	–	–	–	401	401	–	401
Total comprehensive income	–	–	–	–	–	401	401	16,790	17,191
Transaction with owners									
Issuance of shares by placing	690	61,410	–	–	–	–	61,410	–	62,100
Capitalisation issue	1,700	(1,700)	–	–	–	–	(1,700)	–	–
Listing and share issuance expenses	–	(7,904)	–	–	–	–	(7,904)	–	(7,904)
Special dividend declared on 21 August 2013	–	–	–	–	–	–	–	(14,830)	(14,830)
Balance at 31 March 2014	<u>2,490</u>	<u>51,806</u>	<u>50,374</u>	<u>2,480</u>	<u>1,042</u>	<u>3,701</u>	<u>109,403</u>	<u>56,282</u>	<u>168,175</u>
For the year ended 31 March 2015									
Balance at 1 April 2014	2,490	51,806	50,374	2,480	1,042	3,701	109,403	56,282	168,175
Comprehensive income									
Profit for the year	–	–	–	–	–	–	–	25,347	25,347
Other comprehensive income									
Currency translation differences	–	–	–	–	–	83	83	–	83
Total comprehensive income	–	–	–	–	–	83	83	25,347	25,430
Transaction with owners									
Issuance of shares by placing	12	150	13,950	–	–	–	–	13,950	14,100
Share issuance expenses	–	–	(423)	–	–	–	–	(423)	(423)
Balance at 31 March 2015	<u>2,640</u>	<u>65,333</u>	<u>50,374</u>	<u>2,480</u>	<u>1,042</u>	<u>3,784</u>	<u>123,013</u>	<u>81,629</u>	<u>207,282</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the year ended 31 March 2015

Notes:

(a) Merger reserve

The Group's merger reserve represents the difference between the share capital of the Company and the aggregate amount of share capital of other companies comprising the Group, after elimination of intra-group investments.

(b) Capital reserve

The Group's capital reserve represents deemed contribution by the Controlling Shareholders as a shareholder acquired the remaining non-controlling interests of a subsidiary and contributed to the Group at no cost prior to 1 April 2011.

(c) Statutory reserve

The Company's subsidiary in the People's Republic of China (the "PRC") is required to transfer 10% of its profit after income tax calculated in accordance with the PRC accounting standards and regulations to the statutory reserve until the balance reaches 50% of its respective registered capital, where further transfers will be at their directors' discretion. The statutory reserve can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to equity holders of the PRC subsidiary in proportion to their existing shareholding or by increasing the par value of the shares currently held by them, provided that the remaining balance of the statutory reserve after such issue is no less than 25% of share capital of the PRC subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 23 February 2011 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands and the principal place of business is 29th Floor, Enterprise Square Two, 3 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong.

The Company is an investment holding company. Its subsidiaries are principally engaged in (i) manufacturing and sales of dynamic random-access memory (“DRAM”) modules, USB flash drives and other data memory products, and (ii) trading of DRAM chips, DRAM modules, NAND flash chips and CPU chips (the “Business”).

The directors considered Mr. George Lu and Ms. Shen Wei, spouse of Mr. Lu, to be the ultimate controlling shareholders.

The Company’s shares have been listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 9 September 2013.

These consolidated financial information are presented in Hong Kong dollars (“HK\$”), unless otherwise stated.

2. SUMMARY OF ACCOUNTING POLICIES

Basis of preparation

The consolidated financial information have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). They have been prepared under the historical cost convention.

The preparation of the consolidated financial information in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial information will be disclosed in the Group’s annual report.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

2. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Basis of preparation (Continued)

- (a) New standards, amendments and interpretations which are relevant to the Group's operations and are mandatory for the financial year beginning on or after 1 April 2014:

Amendment to HKAS 32, "Financial instruments: Presentation" on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the consolidated financial information.

Amendments to HKAS 36, "Impairment of assets", on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in HKAS 36 by the issue of HKFRS 13. It also enhanced the disclosures of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The adoption of the amendments does not have an impact on the consolidated financial information because the Group has no impairment of assets which is subject to the disclosures of HKAS 36 during the years presented.

Amendment to HKAS 39, "Financial instruments: Recognition and measurement" on the novation of derivatives and the continuation of hedge accounting. This amendment considers legislative changes to "over-the-counter" derivatives and the establishment of central counterparties. Under HKAS 39 novation of derivatives to central counterparties would result in discontinuance of hedge accounting. The amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument meets specified criteria. The Group is not currently subjected to hedge accounting so the impact on the Group is minimal.

HK(IFRIC)-Int 21, "Levies", sets out the accounting for an obligation to pay a levy if that liability is within the scope of HKAS 37 "Provisions". The interpretation addresses what the obligating event is that gives rise to the payment a levy and when a liability should be recognised. The Group is not currently subjected to significant levies so the impact on the Group is minimal.

There are no other new standards that are effective for the first time for the financial year beginning on or after 1 April 2014 that are expected to have a material impact on the Group.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

2. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Basis of preparation (Continued)

- (b) The following new standards, amendments and interpretations are relevant to the Group, but not yet effective for accounting periods beginning on 1 April 2014 and have not been early adopted:

		Accounting periods beginning on or after
Annual Improvements Project	Annual Improvements 2010-2012 Cycle	1 July 2014
Annual Improvements Project	Annual Improvements 2011-2013 Cycle	1 July 2014
Annual Improvements Project	Annual Improvements 2012-2014 Cycle	1 January 2016
HKFRS 14	Regulatory Deferral Accounts	1 January 2016
HKFRS 10 and HKAS 28 (Amendment)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
HKFRS 11 Amendment	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
HKAS 1 Amendment	Disclosure Initiative	1 January 2016
HKAS 16 and HKAS 38 Amendment	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
HKAS 27 Amendment	Equity Method in Separate Financial Statements	1 January 2016
HKFRS 15	Revenue from Contracts with Customers	1 January 2017
HKFRS 9 (2014)	Financial Instruments	1 January 2018

Management is in the process of making an assessment of the impact of these new standards, amendments and interpretations but has considered on a preliminary basis that these standards will not have a significant impact on the Group's financial information in the coming year.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

3. REVENUE AND SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive directors of the Company (“CODM”). The CODM reviews the Group’s internal reporting in order to assess performance and allocate resources. Management has determined the operating segment based on these reports.

The CODM considers that the Group has a single operating and reporting segment which is the manufacturing and sales of DRAM chips, DRAM modules, NAND flash chips, CPU chips, USB flash drives and related products. CODM assesses the performance of this single segment based on revenue and operating result.

Revenue of the Group is analysed as follows:

	Year ended 31 March	
	2015	2014
	HK\$’000	HK\$’000
Sales of DRAM chips	166,670	354,782
Sales of DRAM modules	222,822	195,201
Sales of NAND flash chips	119,867	165,470
Sales of CPU chips	397,338	50,824
Sales of USB flash drives	10,104	20,154
Provision of assembly services	1,638	505
Others	1,830	714
	<u>920,269</u>	<u>787,650</u>

Most of the Group’s sales were carried out by a subsidiary in Hong Kong.

Revenue from top five customers is as follows:

	Year ended 31 March	
	2015	2014
	HK\$’000	HK\$’000
Revenue from top five customers	752,187	471,796
Total revenue	920,269	787,650
Percentage	<u>82%</u>	<u>60%</u>
Number of customers that individually accounted for more than 10% of the Group’s revenue	<u>3</u>	<u>3</u>

For the year ended 31 March 2015, there were three customers that individually accounted for approximately 46%, 15% and 15% (2014: 19%, 14% and 13%) of the Group’s revenue respectively.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

The Group's total non-current assets (excluding investment in a joint venture) are located in the following regions:

	As at 31 March	
	2015	2014
	HK\$'000	HK\$'000
Hong Kong	49,140	49,524
The PRC	1,869	2,744
Others	102	133
	<u>51,111</u>	<u>52,401</u>

4. EXPENSES BY NATURE

Expenses included in cost of sales, selling expenses, and general and administrative expenses are analysed as follows:

	Year ended 31 March	
	2015	2014
	HK\$'000	HK\$'000
Cost of inventories sold	861,908	724,642
(Reversal of)/provision for impairment of inventories	(1,203)	3,576
Auditor's remuneration	1,126	1,000
Depreciation of property, plant and equipment	3,214	3,729
Advertising expenses	42	557
Freight and transportation expense	374	934
Listing expenses	–	3,660
Other legal and professional fees	1,175	1,348
Employee benefit expenses	10,723	12,532
Commission expense	83	213
Operating lease rentals of premises	683	1,127
Utilities expense	414	629
Others	3,545	4,679
Total	<u>882,084</u>	<u>758,626</u>

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

5. OTHER INCOME/(LOSS)

	Year ended 31 March	
	2015	2014
	HK\$'000	HK\$'000
Freight income	3	54
Finance income	679	392
Exchange gains/(losses)	165	(1,237)
Repair and testing income	1,520	622
Loss on disposal of property, plant and equipment	(2)	(1,078)
Others	(482)	168
	<u>1,883</u>	<u>(1,079)</u>
Total	<u>1,883</u>	<u>(1,079)</u>

6. FINANCE COSTS

	Year ended 31 March	
	2015	2014
	HK\$'000	HK\$'000
Finance costs		
– Interest expense on bank borrowings	4,387	3,455
– Interest expense on finance lease liabilities	–	19
	<u>4,387</u>	<u>3,474</u>
	<u>4,387</u>	<u>3,474</u>

7. INCOME TAX EXPENSE

	Year ended 31 March	
	2015	2014
	HK\$'000	HK\$'000
Current income tax:		
– Hong Kong profits tax	7,017	7,332
– PRC corporate income tax	–	–
Under-provision in prior years	181	172
Deferred income tax		
– Hong Kong profits tax	104	(51)
	<u>7,302</u>	<u>7,453</u>
	<u>7,302</u>	<u>7,453</u>

The Group is subject to both Hong Kong profits tax and PRC corporate income tax.

Hong Kong profits tax has been provided for at a rate of 16.5% (2014: 16.5%) on the estimated assessable profits arising in or derived from Hong Kong. The subsidiary in the PRC is subjected to PRC corporate income tax at the rate of 25% (2014: 25%).

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

8. EARNINGS PER SHARE

(a) Basic

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 March	
	2015	2014
Profit attributable to equity holders of the Company (HK\$'000)	<u>25,347</u>	<u>16,790</u>
Weighted average number of ordinary shares in issue (Note 12)	<u>254,178,082</u>	<u>218,564,384</u>
Basic earnings per share	<u>HK9.97 cents</u>	<u>HK7.68 cents</u>

(b) Diluted

There were no potential dilutive ordinary shares outstanding during the year ended 31 March 2015 and hence the diluted earnings per share is the same as basic earnings per share (2014: same).

9. DIVIDENDS

	Year ended 31 March	
	2015	2014
	HK\$'000	HK\$'000
Dividends paid (Note (a))	<u>–</u>	<u>14,830</u>
	<u>–</u>	<u>14,830</u>

(a) Dividends paid

On 21 August 2013, the Company declared a special dividend of HK\$14,830,000 to its then shareholders. Dividends of approximately HK\$14,800,000 were settled through current accounts with shareholders prior to the Company's listing in August 2013 and the remaining amount of approximately HK\$30,000 was paid during the year ended 31 March 2014.

(b) Proposed final dividends

No final dividend for the years ended 31 March 2015 and 2014 were proposed.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

10. INVESTMENT IN A JOINT VENTURE

	As at 31 March	
	2015 HK\$'000	2014 HK\$'000
At beginning of the year	24,010	–
Unlisted investment at cost	–	24,238
Gain on deemed partial disposal of interest in a joint venture	633	–
Share of loss for the year	(3,665)	(228)
Exchange realignment	100	–
	<u>21,078</u>	<u>24,010</u>
At end of the year	<u>21,078</u>	<u>24,010</u>

Details of the joint venture is as follows:

Name of entity	Place of incorporation	Principal activities	Registered capital as at 31 March		Interest held by the Group as at 31 March	
			2015	2014	2015	2014
Bozhou Botong Information Technology Company Limited (the "Joint Venture")	The PRC	Manufacturing and sales of smartphone and computer peripheral products	RMB 115,000,000	RMB 55,000,000	16.74%	35%

During the year, the Joint Venture effected an increase in registered capital whereby the other joint venture partners and a new investor injected additional capital to the Joint Venture amounting to RMB60,000,000 in aggregate. As a result of such increase in registered capital, the Group's equity interest in the Joint Venture was diluted from 35% to 16.74% and a dilution gain of HK\$633,000 (2014: Nil) was recognised. Despite the dilution in equity interest, under the revised joint venture agreement, the Group was still able to exert joint control over the financial and operating activities of the Joint Venture. Accordingly, the Group continues to account for such investment as a joint venture.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

11. TRADE RECEIVABLES AND DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	As at 31 March	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current		
Non-current deposits	<u>196</u>	<u>196</u>
Current		
Trade receivables	140,579	48,231
Less: provision for impairment	<u>–</u>	<u>–</u>
Trade receivables	<u>140,579</u>	<u>48,231</u>
Deposits	110	110
Prepayments	2,095	11,680
Value added tax receivables	44	60
Other receivables	<u>6</u>	<u>393</u>
Deposits, prepayments and other receivables	<u>2,255</u>	<u>12,243</u>
Total trade receivables and deposits, prepayments and other receivables	<u>143,030</u>	<u>60,670</u>

As at 31 March 2015 and 2014, the directors consider that the carrying amounts of trade receivables and deposits, prepayments and other receivables approximate their fair value.

The Group grants credit period ranges from 5 days to 85 days (2014: 5 days to 70 days) to certain customers. The aging analysis of trade receivables (mostly denominated in US\$) at the date of the statement of financial position is as follows:

	As at 31 March	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
1 – 30 days	74,852	40,062
31 – 60 days	47,580	8,110
61 – 90 days	18,145	–
Over 90 days	<u>2</u>	<u>59</u>
	<u>140,579</u>	<u>48,231</u>

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

12. SHARE CAPITAL

The Group and the Company

Authorised shares:

The total authorised number of ordinary shares is 8,000 million shares (2014: 8,000 million shares) with a par value of HK\$0.01 per share (2014: HK\$0.01 per share).

Issued shares:

	Number of shares issued and fully paid	Share capital HK\$'000
As at 31 March 2013	10,000,000	100
Issuance of shares by placing	69,000,000	690
Capitalisation issue	170,000,000	1,700
	<hr/>	<hr/>
As at 31 March 2014	249,000,000	2,490
	<hr/> <hr/>	<hr/> <hr/>
As at 31 March 2014	249,000,000	2,490
Issuance of shares by placing (<i>Note</i>)	15,000,000	150
	<hr/>	<hr/>
As at 31 March 2015	264,000,000	2,640
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Note:

Placing of shares under general mandate

The Company had completed a placing of 15,000,000 ordinary shares under general mandate on 26 November 2014. The net proceeds, after deducting the placing commission and other related expense payable by the Company, were approximately HK\$13.7 million. The Company intends to use such net proceeds as general working capital (reference to the announcement of the Company dated 26 November 2014).

13. TRADE PAYABLES

The aging analysis of the trade payables based on invoice dates is as follows:

	As at 31 March	
	2015	2014
	HK\$'000	HK\$'000
1 – 30 days	30,748	40,242
31 – 60 days	171	414
61 – 90 days	119	720
Over 90 days	168	291
	<hr/>	<hr/>
	31,206	41,667
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

14. COMMITMENTS

(a) Operating lease commitments

The Group leases warehouses, production plant and office premise in the PRC and Taiwan under non-cancellable operating lease agreements. The lease terms are two years and the majority of lease agreements are renewable at the end of the period at market rate.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Year ended 31 March	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Not later than 1 year	291	641
Later than 1 year and not later than 5 years	—	1,120
	<u>291</u>	<u>1,761</u>

(b) Capital commitments

As at 31 March 2015 and 2014, there is no significant capital commitment.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECT

Business Review

Amid the overall flat demand environment in the Current Year, the Group maintained prudent business strategies and inventory planning. Coupled with strict risk control, our profits increased steadily in a challenging and rapidly changing market in the past year. In terms of product mix, CPU business was launched in early 2014 to further expand our product range while increasing our market share, consolidating the development of our core business, maintaining market competitiveness and helping our revenues to increased steadily in the Current Year.

On the overseas expansion front, the Group has captured more Taiwan-based customers, which significantly improved the market penetration of the Group.

The Joint Venture resolved on 29 July 2014 to increase its registered capital (“Capital Increase”, please refer to the announcement of the Company dated 30 July 2014). To balance the financial resources of the Group with the amount of business risk of the Joint Venture, the Group did not contribute to the Capital Increase of the Joint Venture. The Capital Increase was completed on 31 October 2014 (please refer to the announcement of the Company dated 6 November 2014). Upon completion of the Capital Increase, the equity interests of the Group in the Joint Venture were diluted from 35% to 16.74%. The Joint Venture would continue to be accounted for under the equity method as the Group’s management considered that the Group is still able to exert joint control over the Joint Venture.

The Joint Venture officially commenced production in December 2014 and is expected to deliver steady revenue in the second half of 2015.

Outlook

Looking ahead, the Group looks forward to its development in 2015. With the high demand for data centres and the trend of constant upgrade in the specifications of handheld mobile devices, coupled with the expected launch of new products by manufacturers in the second half of 2015, it is expected that the supply of and demand for DRAM will remain steady in the long term. To achieve its long term target of sustained profitability, the Group will continue to actively expand its market share, strictly control costs and enhance capital functioning, with the view of further improving profitability of the Group and continuing to generate better returns and long term values for shareholders.

FINANCIAL REVIEW

Revenue and Gross Profit Margin

The Group's revenue increased by approximately 16.8% from approximately HK\$787.7 million for the Last Corresponding Year to approximately HK\$920.3 million for the Current Year.

Increase in revenue was mainly resulted from (i) increase in trading orders of CPU chips, a product introduced in early 2014; (ii) more sales made to Taiwan customers; and (iii) was partially offset by the decrease in trading orders of DRAM chips due to the reduced market demand.

Gross profit margin of approximately 6.1% for the Current Year remained fairly stable when compared with the approximately 6.7% recorded for the Last Corresponding Year.

Selling Expenses

The decrease in selling expenses by approximately HK\$1.3 million was mainly due to the fact that less promotion activities were arranged and more logistics were organised by customers in the Current Year which led to the drop in freight and transportation expenses.

General and Administrative Expenses

The decrease in general and administrative expenses by approximately HK\$4.2 million from the Last Corresponding Year was mainly due to the decrease in listing expenses and staff costs following the enhancement of organisational structure.

Other Income/(Loss)

It mainly represented repair and testing income earned during the Current Year. The loss in the Last Corresponding Year mainly represented loss on disposal of two Surface-Mount Technology production lines to the Joint Venture at a fair price agreed by the relevant parties with reference to a valuation report.

Income Tax Expense

Income tax expense remained fairly stable as the amount of Hong Kong assessable profits were stable in both the Current Year and Last Corresponding Year.

Profit for the year Attributable to Equity Holders of the Company

The increase in profit attributable to equity holders of the Company by approximately HK\$8.6 million for the Current Year was mainly attributable to the increase in operating profit which was partially offset by the increase in share of loss of the Joint Venture.

Inventories and Trade Receivables

The Group has enhanced the inventory control policy to manage business risks associated with its principal activities, which resulted in the decrease in inventories by approximately 63.3% and improvement in inventories turnover days from 43 days for the Last Corresponding Year to 25 days for the Current Year.

The Group, upon internal approval, may grant credit periods after taking into account a number of factors, including among others, the credit history and historical sales performance of customers.

The Group has granted more favourable credit terms to certain customers to enhance its competitive edge and resulted in the increase in trade receivables by approximately HK\$92.3 million and trade receivables turnover days from 12 days for the Last Corresponding Year to 37 days for the Current Year.

Liquidity, Financial Resources and Capital Structure

During the Current Year, the long-term funding and general working capital required by the Group were primarily derived from the income generated from its core business operations and the net proceeds from the placing of new shares under general mandate, and were used to settle the trade payables. The Group's liquidity position was well-managed in the Current Year.

As at 31 March 2015, the Group was at a healthy financial position as the pledged deposits at bank together with cash and cash equivalents were slightly higher than its borrowings (that is net cash position). As at 31 March 2014, the Group's gearing ratio was approximately 20.1%. This ratio was calculated as net debt divided by total capital (the sum of total equity and net debt), while net debt was calculated as total borrowings less pledged deposits at bank and cash and cash equivalents. The improved gearing ratio is mainly due to the increase in bank deposits and cash. Current ratio slightly increased from approximately 1.4 in the Last Corresponding Year to approximately 1.5 in the Current Year.

The Group's financial resources are sufficient to support its business operations.

The capital of the Company comprises only ordinary shares.

Capital Commitments

As at 31 March 2015 and 2014, there is no significant capital commitment.

Pledge of Assets

The Group has pledged the buildings and bank deposits with aggregate carrying values of approximately HK\$62.5 million as at 31 March 2015 (2014: HK\$63.4 million) to secure general banking facilities granted to the Group.

Foreign Currency Exposure

The Group exposes to certain foreign currency risk primarily with respect to Renminbi and United States dollar. During the Current Year, there was no material impact to the Group arising from the fluctuation in the exchange rates of these currencies. No hedging or other alternatives have been implemented.

As at 31 March 2015 and 2014, the Group had no significant exposure to fluctuations in foreign exchange rates.

Contingent Liabilities

The Group had no contingent liabilities as at 31 March 2015 and 2014.

Employees and Emolument Policy

As at 31 March 2015, the Group had a total of 48 employees. Employee benefit expenses, including Directors' remuneration for the year ended 31 March 2015, amounted to approximately HK\$10.7 million (2014: HK\$12.5 million). The Group's remuneration policy is based on position, duties and performance of the employees. The employees' remuneration varies according to their positions, which may include salary, overtime allowance, bonus and various subsidies. The Group offers a comprehensive and competitive remuneration and benefits package to all its employees. In addition, the Group has adopted a share option scheme for the purpose of providing incentives and rewards to eligible persons who contribute to the success of the Group's operations.

The Group has also adopted other employee benefit including a provident fund scheme for its employees in Hong Kong, as required under the Mandatory Provident Fund Schemes Ordinance, and has participated in employee pension schemes organised and governed by the relevant local governments for its employees in the PRC.

EVENT AFTER THE REPORTING DATE

On 9 April 2015, the Company completed a placing of 29,880,000 ordinary shares under general mandate, and the net proceeds, after deducting the placing commission and other related expense payable by the Company, were approximately HK\$34.8 million. The Company intended to use such net proceeds as general working capital (reference to the announcement of the Company dated 9 April 2015).

The Company's total number of shares issued after the abovementioned placing of shares under general mandate was 293,880,000 shares.

COMPETING INTEREST OF DIRECTORS, CONTROLLING SHAREHOLDERS AND THEIR RESPECTIVE ASSOCIATES

For the year ended 31 March 2015, none of the Directors, controlling shareholders of the Company or any of their respective associates is considered to have interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group and any other conflicts of interests, which is required to be disclosed under Rule 11.04 of the GEM Listing Rules.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company had adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had made specific enquiries of all Directors and was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors during the year ended 31 March 2015.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Board confirms that the Company has maintained a sufficient public float (i.e. at least 25% of the issued Shares were held by the public) as required by Rule 17.38A of the GEM Listing Rules throughout the Current Year and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the Current Year.

CORPORATE GOVERNANCE

The Board is committed to maintaining a good corporate governance standard. The Board believes that a good corporate governance standard will provide a framework for the Group to formulate the business strategies and policies, and manage the associated risks through effective internal control procedures. It will also enhance the transparency of the Group and strengthen the accountability to the shareholders and creditors. In this regard, a corporate governance committee of the Board has been established with primary responsibility for developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board.

The Company has adopted the requirements under the code provisions set out in the Corporate Governance Code (the "**CG Code**") as set out in Appendix 15 to the GEM Listing Rules as its own code of corporate governance. Throughout the Current Year, the Company had complied with the code provisions set out in the CG Code, to the extent applicable and permissible.

REVIEW BY AUDIT COMMITTEE

The Audit Committee comprised three independent non-executive Directors, namely Mr. Wan Tak Shing as the Chairman of the Audit Committee, Mr. Pang Chung Fai Benny and Mr. Loo Hong Shing Vincent.

The audited consolidated financial results of the Group for the year ended 31 March 2015 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the consolidated financial results of the Group for the year ended 31 March 2015 comply with applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

By order of the Board
Goldenmars Technology Holdings Limited
George Lu
Chairman

Hong Kong, 19 June 2015

As at the date of this announcement, the Executive Directors of the Company are George Lu, Shen Wei and Lau Wing Sze; and the independent Non-Executive Directors of the Company are Pang Chung Fai Benny, Wan Tak Shing and Loo Hong Shing Vincent.