



國富浩華 (香港) 會計師事務所有限公司
Crowe Horwath (HK) CPA Limited
Member Crowe Horwath International

TTG MOBILE COUPON SERVICES LIMITED

REPORTS AND FINANCIAL STATEMENTS

**FOR THE PERIOD FROM 24 DECEMBER 2010
(DATE OF INCORPORATION) TO
31 MARCH 2012**

TTG MOBILE COUPON SERVICES LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM 24 DECEMBER 2010 (DATE OF INCORPORATION) TO
31 MARCH 2012

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

We have audited the consolidated financial statements of TTG Mobile Coupon Services Limited (the "Company") and its subsidiary (together the "Group") set out on pages 3 to 36, which comprise the consolidated and company statements of financial position as at 31 March 2012, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period from 24 December 2010 (date of incorporation) to 31 March 2012, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

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

Auditor's responsibility

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

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

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

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

(Continued)

Auditor's responsibility (Continued)

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of the Company's and Group's affairs as at 31 March 2012 and of the Group's loss and cash flows for the period from 24 December 2010 (date of incorporation) to 31 March 2012 in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.



Crowe Horwath (HK) CPA Limited
Certified Public Accountants
Hong Kong, 13 July 2012

Lam Cheung Shing
Practising Certificate Number P03552

TTG MOBILE COUPON SERVICES LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 24 DECEMBER 2010 (DATE OF INCORPORATION) TO
31 MARCH 2012

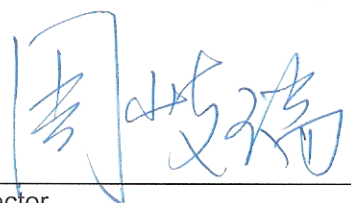
	<u>Note</u>	<u>RMB</u>
Turnover	3	1,554,956
Cost of services		<u>(241,315)</u>
Gross profit		1,313,641
Other revenue	4	399
Other income	4	<u>18,862</u>
		1,332,902
Selling expenses		(1,548,851)
Administrative expenses		(1,253,976)
		<u>(2,802,827)</u>
Loss before taxation	5	(1,469,925)
Income tax	6	<u>-</u>
Loss for the period		(1,469,925)
Other comprehensive income for the period, net of nil tax		<u>-</u>
Total comprehensive loss for the period		<u>(1,469,925)</u>
Loss and total comprehensive loss for the period attributable to owners of the Company		<u>(1,469,925)</u>

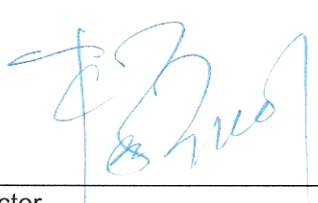
The notes on pages 8 to 36 form an integral part of these financial statements.

TTG MOBILE COUPON SERVICES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012

	<u>Note</u>	<u>RMB</u>
Non-current assets		
Property, plant and equipment	9	1,245,364
Current assets		
Trade and other receivables	11	1,193,924
Cash and bank balances	12	<u>3,523,316</u>
		<u>4,717,240</u>
Current liabilities		
Other payables	13	<u>1,878,139</u>
Net current assets		<u>2,839,101</u>
NET ASSETS		<u>4,084,465</u>
CAPITAL AND RESERVES		
Share capital	15	888,550
Reserves	16	<u>3,195,915</u>
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>4,084,465</u>

Approved and authorised for issue by the directors on 13 JUL 2012


 Director

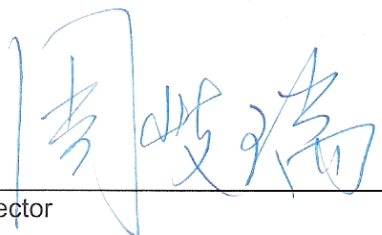

 Director

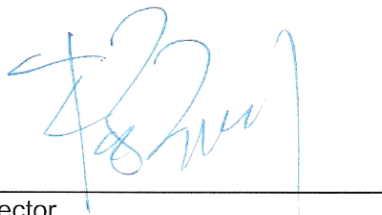
The notes on pages 8 to 36 form an integral part of these financial statements.

TTG MOBILE COUPON SERVICES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012

	<u>Note</u>	<u>RMB</u>
Non-current assets		
Investment in a subsidiary	10	833,700
Current assets		
Other receivables	11	1,537,104
Bank balances	12	<u>3,139,690</u>
		<u>4,676,794</u>
Current liabilities		
Other payables	13	<u>270,872</u>
Net current assets		<u>4,405,922</u>
NET ASSETS		<u>5,239,622</u>
CAPITAL AND RESERVES		
Share capital	15	888,550
Reserves	16	<u>4,351,072</u>
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>5,239,622</u>

Approved and authorised for issue by the directors on 13 JUL 2012


 Director


 Director

The notes on pages 8 to 36 form an integral part of these financial statements.

TTG MOBILE COUPON SERVICES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 24 DECEMBER 2010 (DATE OF INCORPORATION) TO
31 MARCH 2012

			Reserves		
	Note	Share capital RMB (Note 15)	Share premium RMB (Note 16(i))	Accumulated losses RMB	Subtotal RMB
Loss for the period		-	-	(1,469,925)	(1,469,925)
Other comprehensive income		-	-	-	-
Total comprehensive income		-	-	(1,469,925)	(1,469,925)
Transaction with owners					
Issuance of shares upon incorporation	15(a)	8	-	-	8
Issuance of new shares	15(c)	810,852	-	-	810,852
Placing of new shares	15(d)	10,135	1,571,042	-	1,571,042
Issuance of new shares	15(e)	67,555	3,094,798	-	3,094,798
		888,550	4,665,840	-	4,665,840
At 31 March 2012		888,550	4,665,840	(1,469,925)	3,195,915
					4,084,465

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

The notes on pages 8 to 36 form an integral part of these financial statements.

TTG MOBILE COUPON SERVICES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 24 DECEMBER 2010 (DATE OF INCORPORATION) TO
31 MARCH 2012

	<u>Note</u>	<u>RMB</u>
OPERATING ACTIVITIES		
Loss before taxation		(1,469,925)
Adjustments for:		
Depreciation		72,267
Interest income		(399)
		(1,398,057)
CHANGES IN WORKING CAPITAL		
Increase in trade and other receivables		(1,193,924)
Increase in other payables		1,278,139
NET CASH USED IN OPERATIONS		(1,313,842)
Tax paid		-
NET CASH USED IN OPERATING ACTIVITIES		(1,313,842)
INVESTING ACTIVITIES		
Interest received		399
Payments for purchase of property, plant and equipment		(717,631)
NET CASH USED IN INVESTING ACTIVITIES		(717,232)
FINANCING ACTIVITIES		
Proceeds from issuance of new shares		5,554,390
NET CASH GENERATED FROM FINANCING ACTIVITIES		5,554,390
NET INCREASE IN CASH AND CASH EQUIVALENTS		3,523,316
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD		-
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD		
Cash and bank balances	12	3,523,316

The notes on pages 8 to 36 form an integral part of these financial statements.

TTG MOBILE COUPON SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 24 DECEMBER 2010 (DATE OF INCORPORATION) TO
31 MARCH 2012

1. GENERAL INFORMATION

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs"), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations promulgated by the International Accounting Standard Board ("IASB") and the disclosure requirements of the Hong Kong Companies Ordinance.

b) Basis of preparation of the financial statements

The financial statements of the subsidiary are prepared for the same reporting period as the Company, using consistent accounting policies.

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

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

TTG MOBILE COUPON SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 24 DECEMBER 2010 (DATE OF INCORPORATION) TO
31 MARCH 2012

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of preparation (Continued)

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

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 19.

c) Subsidiaries

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

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

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

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

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

TTG MOBILE COUPON SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 24 DECEMBER 2010 (DATE OF INCORPORATION) TO
31 MARCH 2012

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Property, plant and equipment

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

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

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

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

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

e) Leased assets

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

Operating lease charges

Leases where substantially all the rewards and risk of ownership of assets remain with the leasing company are accounted for as operating leases. Where the Group has the use of assets under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are written off as an expense of the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term except where the property is classified as an investment property.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Impairment of assets

i) Impairment of receivables

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

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

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

- For investments in a subsidiary, the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 2(f)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 2(f)(ii).
- For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Impairment of assets (Continued)

i) Impairment of receivables (Continued)

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

ii) Impairment of other assets

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

- property, plant and equipment; and
- investment in a subsidiary.

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

- Calculation of recoverable amount

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

- Recognition of impairment losses

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

TTG MOBILE COUPON SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 24 DECEMBER 2010 (DATE OF INCORPORATION) TO
31 MARCH 2012

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Impairment of assets (Continued)

ii) Impairment of other assets (Continued)

- Reversals of impairment losses

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

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

g) Trade and other receivables

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

h) Other payables

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

i) Cash and cash equivalents

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Employee benefits

Short term employee benefits and contributions to defined contribution retirement plans

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

k) Income tax

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Income tax (Continued)

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

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

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

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

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

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Income tax (Continued)

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

l) Provision and contingent liabilities

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

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

m) Revenue recognition

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

i) Provision of services

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

ii) Interest income

Interest income is recognised using the effective interest method.

TTG MOBILE COUPON SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 24 DECEMBER 2010 (DATE OF INCORPORATION) TO
31 MARCH 2012

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Transiation of foreign currency

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

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

o) Related parties

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

- i) has control or joint control over the Group;
- ii) has significant influence over the Group; or
- iii) is a member of the key management personnel of the Group or the Group's parent.

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

- i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- iii) both entities are joint ventures of the same third party.
- iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- vi) the entity is controlled or jointly controlled by a person identified in (a).

TTG MOBILE COUPON SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 24 DECEMBER 2010 (DATE OF INCORPORATION) TO
31 MARCH 2012

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Related parties (Continued)

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

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

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

3. TURNOVER

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

	<u>RMB</u>
Revenue from provision of system development services	1,455,675
Revenue from provision of information technology services	<u>99,281</u>
	<u>1,554,956</u>

4. OTHER REVENUE AND OTHER INCOME

	<u>RMB</u>
Other revenue	
Interest income on bank deposits	<u>399</u>
Total interest income on financial assets not at fair value through profit or loss	<u>399</u>
Other income	
Exchange gain	18,860
Sundry income	<u>2</u>
	<u>18,862</u>

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5. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	<u>RMB</u>
Auditor's remuneration	256,211
Depreciation on property, plant and equipment	72,267
Operating lease charges in respect of properties - minimum lease payments	163,650
Staff costs	
Contribution to defined contribution retirement plan	27,904
Salaries and allowances	1,103,452
	<u>1,131,356</u>

6. INCOME TAX IN THE STATEMENT OF COMPREHENSIVE INCOME

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

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

Reconciliation between tax expenses and accounting loss at applicable tax rates:

	<u>RMB</u>
Loss before taxation	<u>(1,469,925)</u>
Notional tax on loss before taxation, calculated at the rates applicable to loss in the tax jurisdictions concerned	(340,726)
Tax effect of non-taxable income	(3,743)
Tax effect of non-deductible expenses	68,290
Tax effect of unrecognised temporary difference	47,458
Tax effect of unrecognised tax losses	<u>228,721</u>
Income tax	<u>-</u>

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7. DIRECTOR'S REMUNERATION

No director's remuneration as defined in section 161 of the Hong Kong Companies Ordinance was paid or payable for the period from 24 December 2010 to 31 March 2012.

8. LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

The consolidated loss attributable to owners of the Company includes a loss of RMB314,768 which has been dealt with in the financial statements of the Company.

9. PROPERTY, PLANT AND EQUIPMENT

The Group

	Computer equipment RMB	Leasehold improvements RMB	Total RMB
Cost			
Additions and at 31 March 2012	<u>1,272,781</u>	<u>44,850</u>	<u>1,317,631</u>
Accumulated depreciation			
Charge for the period and at 31 March 2012	<u>64,045</u>	<u>8,222</u>	<u>72,267</u>
Carrying amount			
At 31 March 2012	<u>1,208,736</u>	<u>36,628</u>	<u>1,245,364</u>

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10. INVESTMENT IN A SUBSIDIARY

	<u>The Company</u> RMB
Unlisted shares, at cost	<u>833,700</u>

Details of the subsidiary as at 31 March 2012 are as follows:

<u>Name of subsidiary</u>	<u>Place of establishment and operation</u>	<u>Principal activities</u>	<u>Registered and paid up capital</u>	<u>Proportion of ownership interest held directly by the Company</u>
深圳市淘淘谷信息技术有限公司	The PRC	Provision of system development and information technology services	HK\$10,000,000 of which HK\$1,000,000 was paid up	100%

Note:

深圳市淘淘谷信息技术有限公司 was incorporated as a wholly foreign owned limited liability company in the PRC on 24 March 2011 with registered capital of HK\$1,000,000 (equivalent to RMB833,700). On 20 February 2012, the registered capital was increased to HK\$10,000,000 (equivalent to RMB8,131,440). As at 31 March 2012, the Company contributed a total of HK\$1,000,000 (equivalent to RMB833,700) as the paid up capital of the subsidiary and the outstanding unpaid registered capital of HK\$9,000,000 (equivalent to RMB7,297,740) was disclosed as capital commitment in note 22. In April 2012, the Company injected HK\$1,800,000 (equivalents to RMB1,459,548) as capital contribution and the remaining balance of HK\$7,200,000 (equivalent to RMB5,838,192) shall be paid up within two years from 8 May 2012.

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11. TRADE AND OTHER RECEIVABLES

		<u>The Group</u>	<u>The Company</u>
	<u>Note</u>	<u>RMB</u>	<u>RMB</u>
Trade receivable	(a)	180,000	-
Other receivables	(b)	258,161	251,521
Amount due from a subsidiary	(c)	-	630,000
Amount due from a shareholder	(c)	<u>327,347</u>	<u>327,347</u>
Loans and receivables		765,508	1,208,868
Prepayments and deposits		<u>428,416</u>	<u>328,236</u>
		<u>1,193,924</u>	<u>1,537,104</u>

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

Note:

- a) Trade receivable is due within 150 days from the date of billing. There are no trade receivables impaired for the period.

Further details of the Group's credit policy are set out in note 18(a)(i).

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

	<u>The Group</u>
	<u>RMB</u>
Neither past due nor impaired	<u>180,000</u>

The Group does not hold any collateral over these balances.

Receivable that was neither past due nor impaired related to a customer for whom there was no recent history of default.

- b) Included in other receivables, there was an amount of RMB251,521 due from a debtor (the "Debtor"). On 14 May 2012, Mr. Xiong Qiang, a director of the Company, gave a guarantee in respect of the amount of RMB251,521 due from the Debtor. Under the guarantee, if the Debtor is unable to repay the amount of RMB251,521 due by the Debtor to the Company before 30 August 2012. Mr. Xiong Qiang shall repay the same amount on behalf of the Debtor to the Company.
- c) The amounts due from a subsidiary and shareholder were unsecured, interest free and repayable on demand.

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12. CASH AND BANK BALANCES

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

13. OTHER PAYABLES

	<u>Note</u>	<u>The Group</u>	<u>The Company</u>
		RMB	RMB
Other payables and accruals		940,290	189,741
Amount due to a director (note 20(c))	(b)	81,131	81,131
Amount due to a related party (note 20(c))	(b)	56,700	-
Amount due to a related company (note 20(c))	(c)	169,420	-
Payable for purchase of computer equipment		600,000	-
Financial liabilities measured at amortised cost		1,847,541	270,872
Business tax and other levies payables		30,598	-
		<u>1,878,139</u>	<u>270,872</u>

Note:

- a) All the other payables are expected to be settled within one year or repayable on demand.
- b) The amounts due are unsecured, interest free and repayable on demand.
- c) The amount due is unsecured, interest free and repayable on demand, except for a balance of RMB153,220 was subsequently waived on 29 April 2012.

14. DEFERRED TAX

At the end of reporting period, there was no material unprovided deferred tax liabilities. Deferred tax assets arising from tax losses has not been recognised as it is uncertain that such an asset will be crystallised in the foreseeable future. At the end of reporting period, the deferred tax asset in respect of tax losses amounted to RMB914,886 not recognised in the financial statements that may be carried forward for a period of five years.

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14. DEFERRED TAX (Continued)

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

15. SHARE CAPITAL

	Note	Number of ordinary shares of HK\$1 per share	Number of ordinary shares of HK\$0.01 per share	HK\$	RMB equivalent
Authorised:					
Upon incorporation	(a)	10,000	-	10,000	8,108
Share subdivision	(b)	(10,000)	1,000,000	-	-
Increase in authorised share capital	(c)	-	99,000,000	990,000	802,751
Increase in authorised share capital	(e)	-	25,000,000	250,000	202,716
At 31 March 2012		-	125,000,000	1,250,000	1,013,575
Issued:					
Fully paid up					
Upon incorporation	(a)	10	-	10	8
Share subdivision	(b)	(10)	1,000	-	-
Issuance of new shares	(c)	-	99,999,000	999,990	810,852
Placing of new shares	(d)	-	1,250,000	12,500	10,135
		-	101,250,000	1,012,500	820,995
Partly paid up					
Issuance of new shares	(e)	-	16,662,500	166,625	135,110
Amount not yet paid up	(e)	-	-	(83,312)	(67,555)
		-	16,662,500	83,313	67,555
At 31 March 2012		-	117,912,500	1,095,813	888,550

Note:

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

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15. SHARE CAPITAL (Continued)

Note: (Continued)

- b) Pursuant to a written resolution passed by all the shareholders of the Company on 31 January 2011, the authorised share capital comprising 10,000 ordinary shares of HK\$1 each be subdivided into 1,000,000 ordinary shares of HK\$0.01 each.
- c) Pursuant to a written resolution passed by all the shareholders of the Company on 19 March 2011, the authorised share capital of the Company was increased from HK\$10,000 to HK\$1,000,000 by the creation of 99,000,000 ordinary shares of HK\$0.01 each. On the same day, the Company allotted and issued 99,999,000 ordinary shares at par value of HK\$0.01 for a total cash consideration of HK\$999,990 (equivalent to RMB810,852) as additional capital of the Company. All the 99,999,000 ordinary shares were fully paid up upon allotment.
- d) On 17 July 2011, the Company entered into a placing agreement with Investorlink China Limited for placing of 1,250,000 ordinary shares at US\$0.2 per share and 5,000,000 ordinary shares at US\$0.35 per share for a total cash consideration of US\$2,000,000 (equivalent to RMB12,649,416) as additional capital of the Company. On 1 February 2012, the Company allotted and issued 1,250,000 ordinary shares and received proceeds of US\$250,000 (equivalent to RMB1,581,177) out of which US\$248,397 (equivalent to RMB1,571,042) has been credited to share premium account. Placement of the remaining 5,000,000 ordinary shares for US\$1,750,000 (equivalent to RMB11,068,239) was completed on 18 May 2012.
- e) Pursuant to a written resolution passed by all the shareholders of the Company on 15 December 2011, the authorised share capital of the Company was increased from HK\$1,000,000 to HK\$1,250,000 by creation of 25,000,000 ordinary shares of HK\$0.01 each. On the same day, the Company allotted and issued 16,662,500 ordinary shares with par value of HK\$0.01 each at US\$0.06 per share for a total cash consideration of US\$1,000,000 (equivalent to RMB6,324,708) of which US\$500,000 (equivalent to RMB3,162,353) were paid up as at 31 March 2012 and US\$489,319 (equivalent to RMB3,094,798) has been credited to share premium account. The remaining balance of US\$500,000 (equivalent to RMB3,162,355) was paid up on 11 April 2012.

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16. RESERVES

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

The Company

	Note	Share premium RMB (Note 16(i))	Accumulated losses RMB	Total equity RMB
Loss for the period		-	(314,768)	(314,768)
Other comprehensive income		-	-	-
Total comprehensive loss		-	(314,768)	(314,768)
Transaction with owners				
Issued and fully paid up				
Placing of new shares	15(d)	1,571,042	-	1,571,042
Issued and partly paid up				
Issuance of new shares		6,189,598	-	6,189,598
Amount not yet paid up		(3,094,800)	-	(3,094,800)
	15(e)	3,094,798	-	3,094,798
At 31 March 2012		4,665,840	(314,768)	4,351,072

Nature and purpose of reserves

i) Share premium

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

The application of the share premium account is governed by Section 48B of the Hong Kong Companies Ordinance. Share premium account is to be treated as though it were the paid-up capital of the Company and subject to the provisions of the Hong Kong Companies Ordinance relating to reduction of capital.

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17. CAPITAL MANAGEMENT

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

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

18. FINANCIAL RISK MANAGEMENT

a) Financial risk factors

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

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18. FINANCIAL RISK MANAGEMENT (Continued)

a) Financial risk factors (Continued)

i) Credit risk

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

In respect of trade receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current liability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operate. Trade receivables are normally due within 30 days from date of billing, except in specific circumstance the Group would offer a longer credit period of up to 150 days to customers. Normally, the Group does not obtain collateral from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, the amount of trade receivable of HK\$180,000 was due from one customer.

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

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

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

ii) Liquidity risk

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

To manage the liquidity risk, the Group held cash and cash equivalents amounted to RMB3,523,316 as at 31 March 2012.

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

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18. FINANCIAL RISK MANAGEMENT (Continued)

a) Financial risk factors (Continued)

ii) Liquidity risk (Continued)

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

iii) Currency risk

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

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

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

The Group and the Company

Exposure to foreign currencies (expressed in RMB)

	USD	HK\$
Trade and other receivables	-	907,104
Cash and bank balance	611,961	2,527,730
Trade and other payable	-	(270,872)
Overall net exposure	611,961	3,163,962

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

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18. FINANCIAL RISK MANAGEMENT (Continued)

a) Financial risk factors (Continued)

iii) Currency risk (Continued)

Sensitivity analysis

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

The Group and the Company

	Increase/ (decrease) in foreign <u>exchange rates</u>	Effect on <u>loss after tax</u> RMB	Effect on <u>equity</u> RMB
USD	5% <u>(5%)</u>	(30,598) <u>30,598</u>	30,59 <u>(30,598)</u>
HK\$	5% <u>(5%)</u>	(158,198) <u>158,198</u>	158,198 <u>(158,198)</u>

b) Fair values

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

19. ACCOUNTING ESTIMATES AND JUDGEMENTS

a) Key sources of estimation uncertainty

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

19. ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

a) Key sources of estimation uncertainty (Continued)

i) Impairment of property, plant and equipment

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

ii) Impairment of receivables

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

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

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

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19. ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

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

Provisions and contingent liabilities

The Group recognises provisions for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as contingent liability. As at 31 March 2012, the directors considered that it had no provision made as there were not probable to result in material outflow of economic benefits to the Group.

20. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed in notes 11 and 13 in these financial statements, the Group has entered into the following material related party transactions during the period.

a) Transactions with key management personnel

All members of key management personnel are the directors of the Company. No remuneration is paid or payable to them during the period.

b) Transactions with other related parties

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

<u>Name of related party</u>	<u>Nature of transaction</u>	<u>RMB</u>
深圳市伯仲通信技術有限公司 (Note i and iii)	Provision of information technology services and service income received	150,000
深圳市矩陣魔方網絡科技有限公司 (Note ii and iii)	Provision of information technology services and service income received	270,000

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20. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

b) Transactions with other related parties (Continued)

Note:

- i) Ms. Ling Fong, an ex-director of the subsidiary and the wife of Mr. Xiong Qiang, a director and a shareholder of the Company is the director and major shareholder of 深圳市伯仲通信技術有限公司.
 - ii) Mr. Xiong Qiang, a director and a shareholder of the Company, and Ms. Ling Fong, the wife of Mr. Xiong Qiang and an ex-director of the subsidiary, are the directors and shareholders of 深圳市矩陣魔方網絡科技有限公司.
 - iii) No amounts were outstanding as at 31 March 2012.
- c) The Group had the following material balances with related parties as at 31 March 2012:

<u>Name of related party</u>	<u>Note</u>	<u>Relationship</u>	<u>Due to related party</u> <u>RMB</u>
Ms. Ling Fong	(i) and (iii)	The wife of Mr. Xiong Qiang and an ex-director of the subsidiary	(56,700)
Mr. Chow Ki Shui Louie	(i) and (iii)	A director of the Company	(81,131)
深圳市播播信息技術有限公司	(ii) and (iii)	Mr. Xiong Qiang, a director and a shareholder of the Company, is the director and major shareholder of 深圳市播播信息技術有限公司	<u>(169,420)</u>

Note:

- i) The amounts were unsecured, interest free and repayable on demand.
- ii) The amount was unsecured, interest free and repayable on demand, except for a balance of RMB151,220 was subsequently waived by the related company on 29 April 2012.
- iii) The above outstanding balances are included in "Other payables" (note 13).

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21. OPERATING LEASE COMMITMENT

The Group

At 31 March 2012, the Group had commitments for future minimum lease payments under operating leases in respect of properties which fall due as follows:

	<u>RMB</u>
Within 1 year	<u>145,268</u>

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

The Company

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

22. CAPITAL COMMITMENT

At 31 March 2012, the Company had capital commitments not provided for in the financial statements were as follows:

	<u>RMB</u>
Contracted but not provided for	
- Capital contribution to the subsidiary	<u>7,297,740</u>

23. EVENTS AFTER THE END OF THE REPORTING PERIOD

- a) On 29 April 2012, a related company, 深圳市播播信息技術有限公司, entered into an agreement with the subsidiary, pursuant to which the related company agreed to waive the amount of RMB153,220 due by the subsidiary.
- b) On 23 April 2012, the Company allotted and issued 2,087,500 ordinary shares of HK\$0.01 each at par and fully received the proceeds of HK\$20,875 (equivalent to RMB16,957 from the allotment).
- c) On 17 July 2011, the Company entered into a placing agreement with Investorlink China Limited ("ICH") pursuant to which the Company shall issue 5,000,000 of ordinary shares, by way of a private placement in the Company to ICH and/or its nominee. On 18 May 2012, the Company issued and allotted 5,000,000 ordinary shares of HK\$0.01 each for a total consideration of US\$1,750,000. The Company received all the consideration upon allotment of the shares.

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23. EVENTS AFTER THE END OF THE REPORTING PERIOD (Continued)

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

24. CONTINGENT LIABILITIES

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

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

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25. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE PERIOD ENDED 31 MARCH 2012

Up to the date of issue of these financial statements, the IASB has issued a number of amendments and new standards which are not yet effective for the period ended 31 March 2012 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

IFRS 1 Amendments	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters ¹
IFRS 1 Amendments	Government Loans ⁴
IFRS 7 Amendments	Disclosures - Transfers of Financial Assets ¹
	Disclosures - Offsetting Financial Assets and Financial Liabilities ⁴
	Mandatory Effective Date of HKFRS 9 and Transition Disclosure ⁶
IFRS 9	Financial Instruments ⁶
IFRS 10	Consolidated Financial Statements ⁴
IFRS 11	Joint Arrangements ⁴
IFRS 12	Disclosure of Interests in Other Entities ⁴
IFRS 13	Fair Value Measurement ⁴
IAS 1 Amendments	Presentation of Items of Other Comprehensive Income ³
IAS 12 Amendments	Deferred Tax: Recovery of Underlying Assets ²
IAS 19 Amendments	Employee Benefits ⁴
IAS 27 (Revised)	Separate Financial Statements ⁴
IAS 28 (Revised)	Investments in Associates and Joint Ventures ⁴
IAS 32 Amendments	Offsetting Financial Assets and Financial Liabilities ⁵
IFRIC - Int 20	Stripping Costs in the Production Phase of a Surface Mine ⁴

¹ Effective for annual periods beginning on or after 1 July 2011.

² Effective for annual periods beginning on or after 1 January 2012.

³ Effective for annual periods beginning on or after 1 July 2012.

⁴ Effective for annual periods beginning on or after 1 January 2013.

⁵ Effective for annual periods beginning on or after 1 January 2014.

⁶ Effective for annual periods beginning on or after 1 January 2015.

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