



大凌集團有限公司
STYLAND HOLDINGS LIMITED
(股份代號 Stock Code: 0211)

Transforming Ideas into Opportunities

非凡意念 開拓商機



2013/14
Annual Report 年報



Bon Bons Cremino



Cioccolato Italiano dal 1875

Bon Bons Cremino



Cioccolato Italiano dal 1875

Bon Bons Cremino



Cioccolato Italiano dal 1875

{ Quot

Transforming Ideas into OPPORTUNITIES

At Styland, we're always developing new ideas for taking our Group to a higher stage of growth. By transforming our ideas into new business opportunities, we create a new avenue for generating growth for our Group. In FY2014, we have transformed our idea of creating a new product distribution business into our new Quoting Life chocolate sales, marketing and distribution business. We will continue to create new sources of income for the Group by transforming bright ideas into good, growth-oriented businesses.

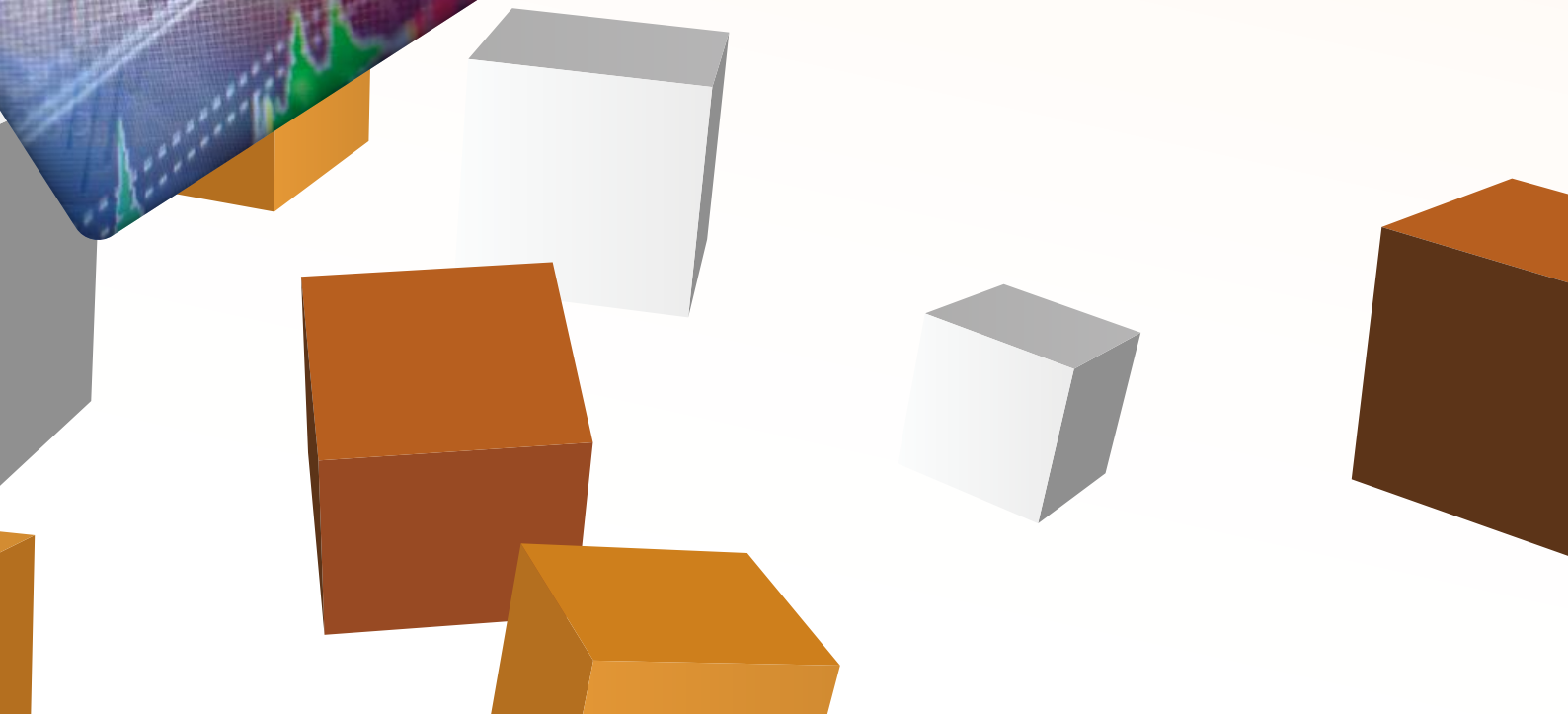
Contents

Chairman's Statement	10	Financial Statements	
Management Discussion and Analysis	12	Consolidated Statement of Comprehensive Income	46
Report of the Directors	22	Consolidated Statement of Financial Position	47
Corporate Governance Report	30	Consolidated Statement of Changes in Equity	49
Corporate Information	38	Consolidated Statement of Cash Flows	50
Board of Directors	40	Notes to the Consolidated Financial Statements	52
Senior Management	43	Summary of Financial Information	125
Independent Auditor's Report	44	Details of Investment Properties	126



Moving Rapidly Ahead in our **SECURITIES BROKING BUSINESS**

During FY2014, our securities broking division has intensified its sales and marketing activities. This has contributed to the approximately 43% increase in our securities broking division's daily turnover.

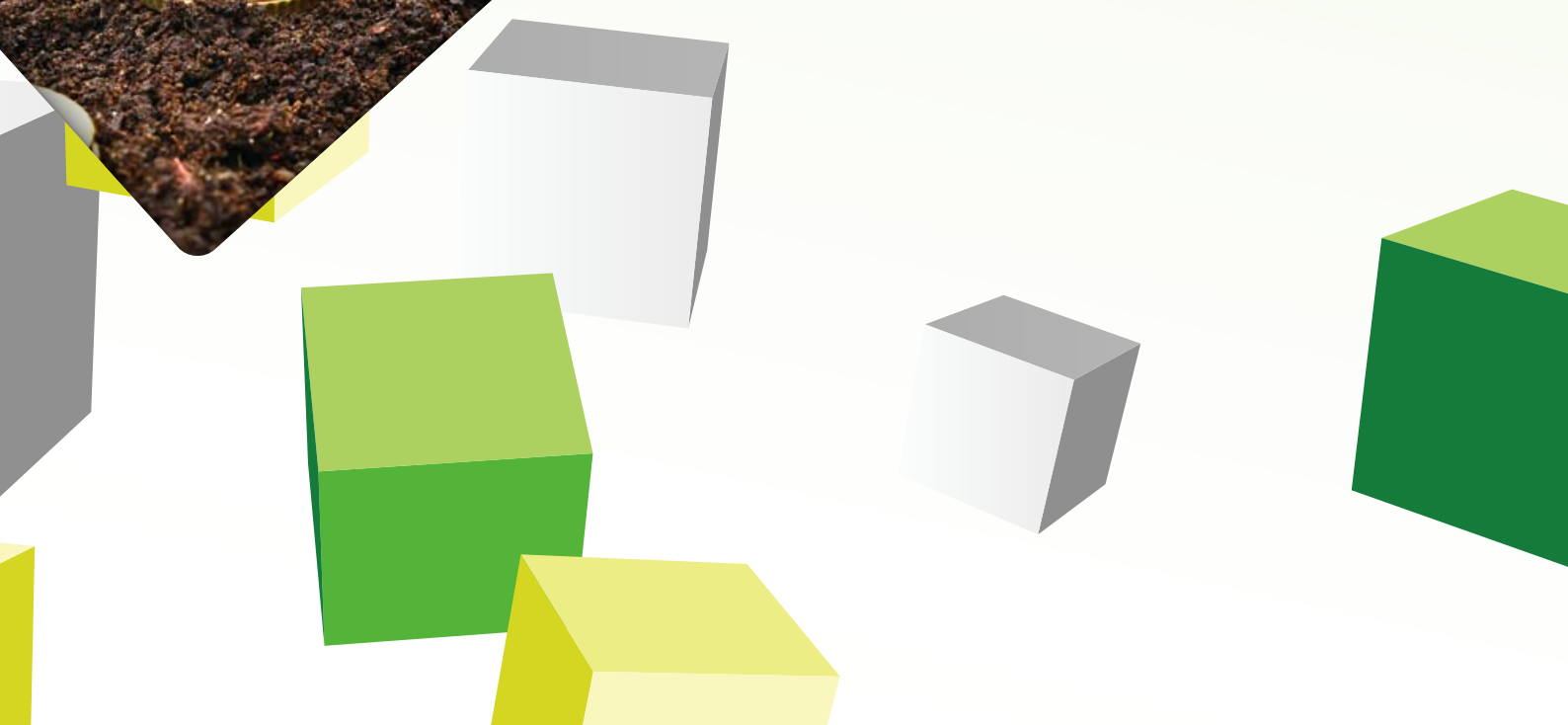


LOAN APPLICATION



Creating Solid Returns through our **MORTGAGE FINANCING BUSINESS**

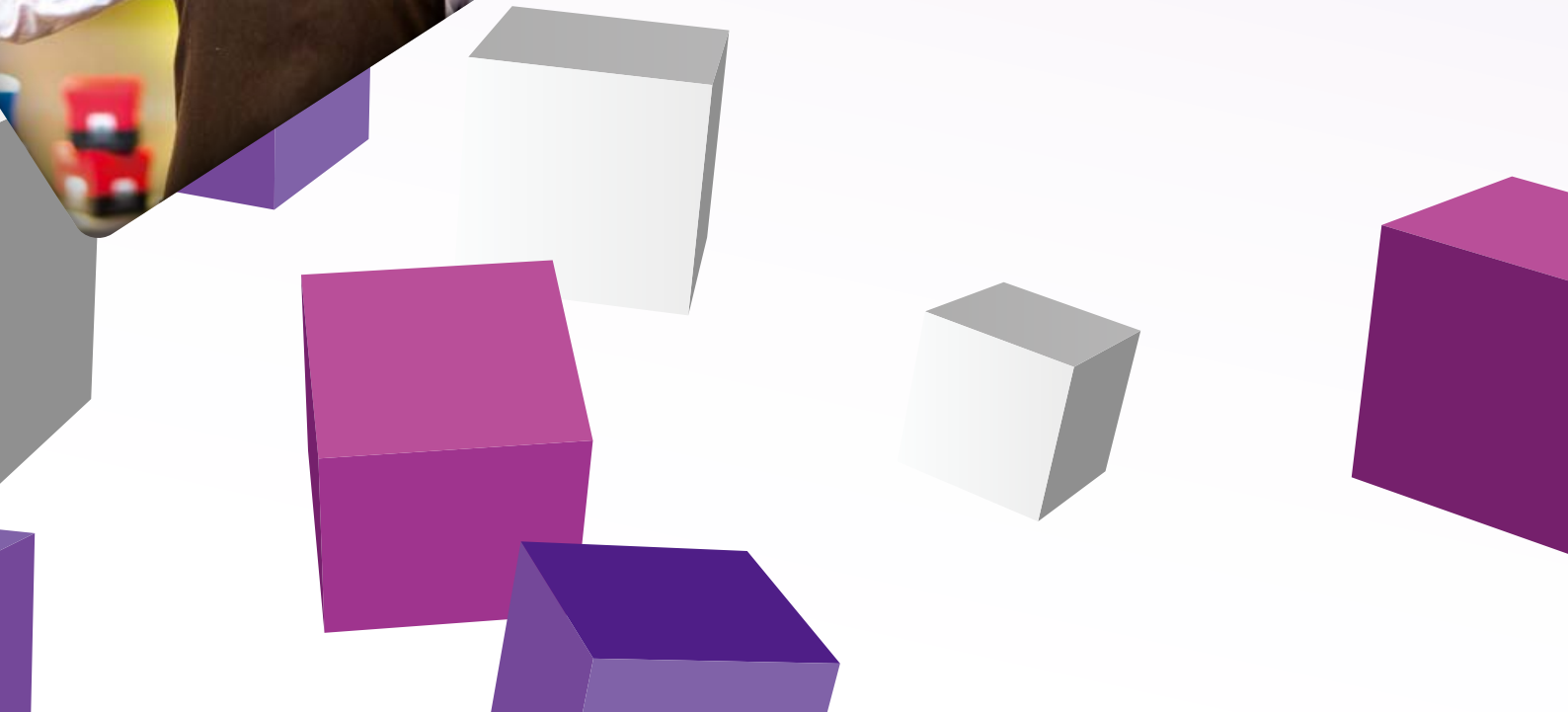
In FY2014, our mortgage financing division performed well with an approximately 32% increase in mortgage loan receivables. Our mortgage financing business activities in FY2014 was robust and this contributed significantly to the increase in the Group's net profit in FY2014.

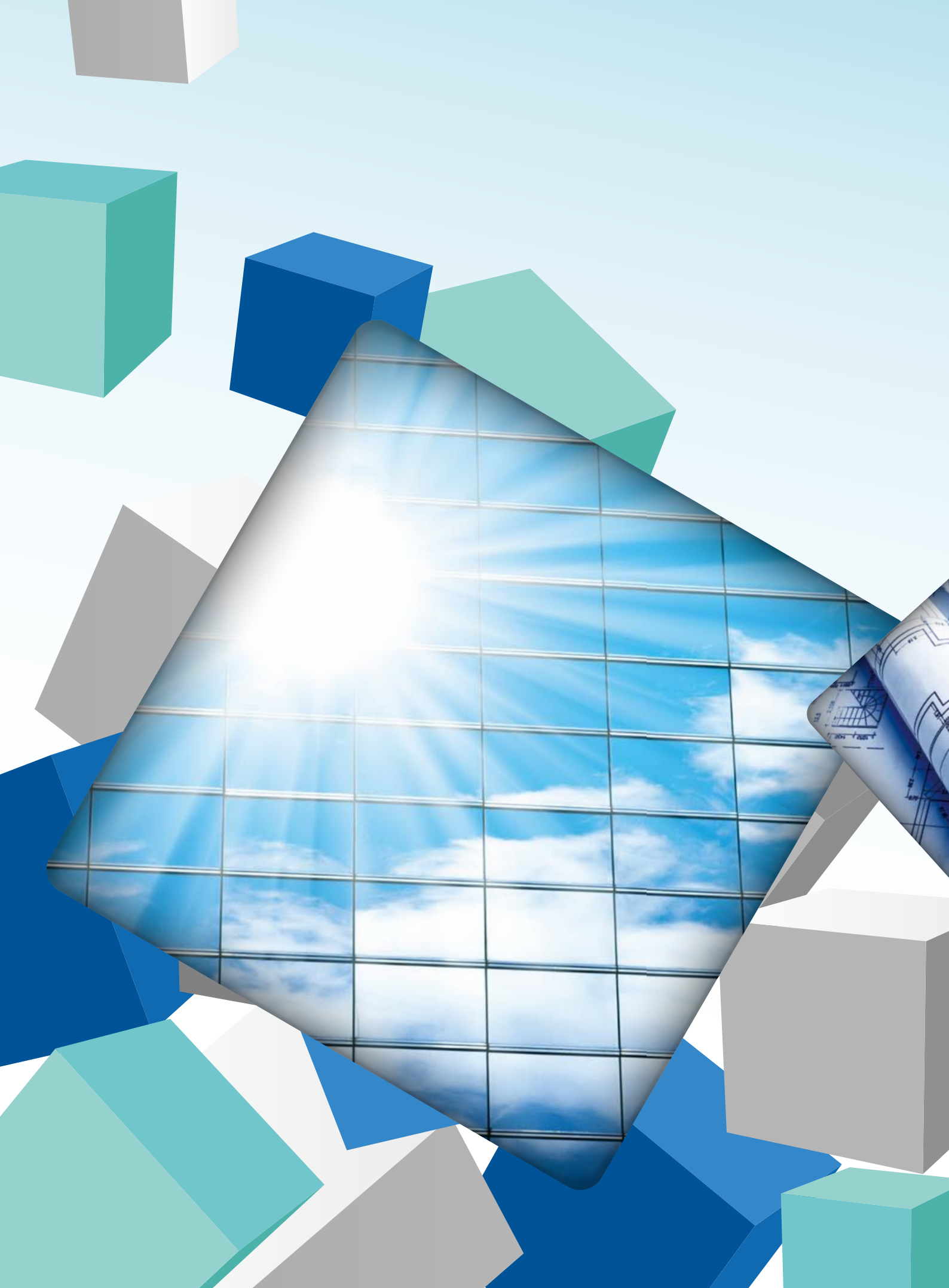




Transforming Ideas into A NEW BUSINESS

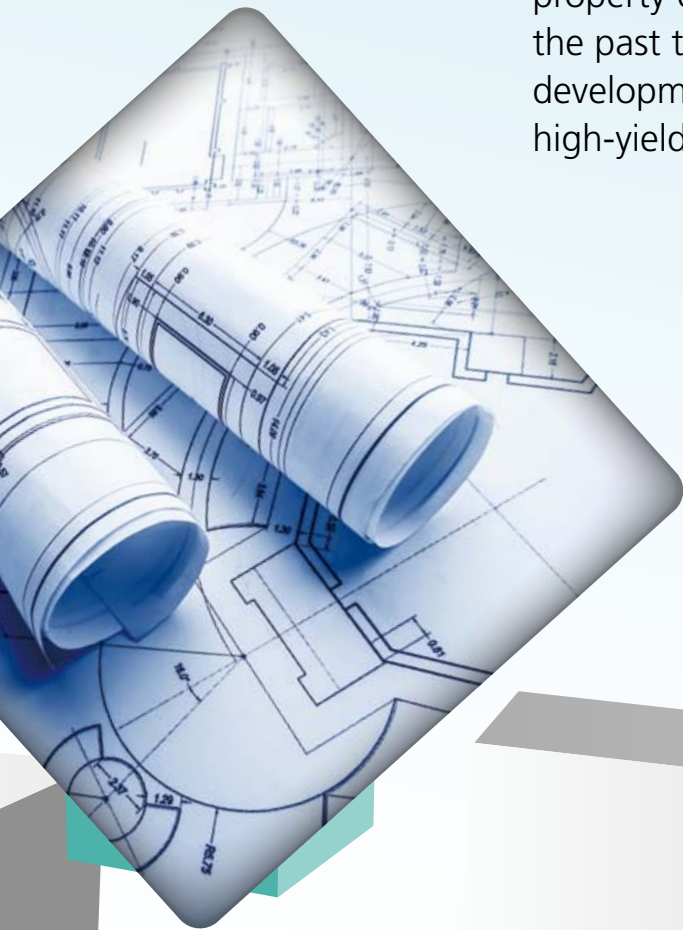
In FY2014, we started a new distribution business through the establishment of the Quoting Life brand. Our Quoting Life retail shop and Quoting Life online store market our full range of chocolate and other specialty products.





Generating Bright Ideas to Grow **OUR PROPERTY SEGMENT**

We are constantly brainstorming ideas to grow our property development and investment business. Over the past two years, we have grown our property development and investment business by adding more high-yield rental properties to our property portfolio.



Chairman's Statement

Dear Shareholders,

The financial year ended 31 March 2014 ("FY2014") was a memorable year for Styland Holdings Limited (the "Company", together with its subsidiaries, the "Group"). During FY2014, we achieved growth in our net profit. All divisions of our financial services business performed well and have attained notable growth. Another highlight of FY2014 was the establishment of our new specialty product distribution business under the Quoting Life brand in which we act as the distributor for our business partner. To promote the Quoting Life business and products, we launched our Quoting Life online store at www.quotinglife.com.hk during the year.

Financial Performance

We are pleased to report a rise in the Group's FY2014 net profit. The Group's net profit in FY2014 amounted to approximately HK\$81,603,000 (FY2013: approximately HK\$40,200,000). This increase in net profit was mainly attributed to the increase in operating profit of our mortgage financing business, gain from the disposal of or changes in fair value of financial assets through profit and loss, as well as the increase of other income from the recognition of judgment debts.

The Group's cash position remained strong with approximately HK\$95,247,000 in cash as at 31 March 2014.

Our financial services business divisions experienced yet another successful year. FY2014 saw the securities broking division achieve an approximately 43% increase in securities trading turnover that amounted to approximately HK\$6.6 billion. Our margin financing business also recorded a good result in interest income. On the corporate finance front, we continued to participate in underwriting new initial public offerings and placement of new shares during the year. In FY2014, our mortgage financing division performed well with an approximately 32% increase in mortgage loan receivables that amounted to approximately HK\$101,589,000 as at 31 March 2014.

New Distribution Business under the Quoting Life brand

FY2014 was a transformational year for our trading business segment. During the year, we faded out the less profitable frozen food business. At the same time, we inaugurated a new product distribution business under the Quoting Life brand. In FY2014, we obtained the exclusive distribution right from an Italian company to distribute the Maglio brand of chocolate and other confectionery products. Going forward, we will continue to establish new sales points at high-traffic locations to promote the Quoting Life brand and Maglio products in view of increasing our market share. We also plan to augment the Quoting Life product line to introduce new, attractive products to customers. In FY2014, we launched our new Quoting Life online store at www.quotinglife.com.hk. This online store is a key marketing platform for promoting our Quoting Life business and products.





Corporate Social Responsibility

In following the footsteps of our founder Mr. Cheung Chi Shing, we have placed social responsibility and environmental protection high on our priority list. Over the past years, we have donated to a variety of charities. Our employees have wholeheartedly dedicated their time and effort to a number of good causes in respect to environmental protection and charitable activities.

In FY2014, our Company was proud to be recognized by the Environmental Protection Department of the HKSAR Government as a leading company in demonstrating our accountability on environmental and sustainability aspects.

Going forward, we will continue to engage in socially responsible initiatives. Our focus will be on helping the needy and protecting the environment.

Looking and Thinking Ahead

To thrive in today's increasingly competitive business environment, we must inherit the entrepreneurial spirit that empowers us to advance our business to a whole new playing field. To stay ahead in our business, we must look and think ahead. This entails formulating intelligent, forward-looking strategies that enable us to compete well in a rapidly changing world.

We're always looking and thinking ahead to anticipate the future needs of our customers, and devising smart solutions to meet their needs. We will continue to work hard and smart to create value for our stakeholders. With a strong team in place, we are confident that we can achieve remarkable performances for the Group in the years ahead.

In closing, I thank our employees for their unrelenting drive for success. I also extend my deepest thanks to our shareholders and other stakeholders, customers, partners and suppliers for their continued commitment to the Group. We will continue to transform our ideas into viable business opportunities that lead to solid, sustainable growth for the Group.

Zhao Qingji
Chairman

Hong Kong, 24 June 2014



Management Discussion and Analysis

Business Review and Prospects

FY2014 Results

For FY2014, the Group recorded a turnover of approximately HK\$143,212,000 as compared to approximately HK\$148,121,000 for FY2013. Despite this slight decline in turnover, the Group had improved its bottom line in FY2014 as shown by the net profit of approximately HK\$81,603,000 in FY2014 as compared with the net profit of approximately HK\$40,200,000 in FY2013.

Review of Operations

Brokerage Business:

- **Securities Broking**

During FY2014, the market sentiment had improved after the recovery of the global economy. We have also intensified the brokerage business' sales and marketing activities. Due to these factors, our securities broking business had achieved better performance in its daily turnover. This was evident by the increase of approximately 43% in our securities broking division's daily turnover while the average daily turnover of the market had increased by approximately 8%.

Having strengthened our brokerage business' online trading system to provide clients a more user-friendly and convenient platform for making online trading transactions, in FY2014, we offered online margin financing service to clients who have sound credit record. The launch of our online margin financing service has brought greater flexibility to clients, and increased the frequency of trading transactions. The increase in business volume from our online trading service is one of the reasons for the growth in transaction volume of our securities broking division. As a result of the growth in transaction volume, the Group's brokerage commission earnings had risen by 52% in FY2014.

During FY2014, the Group recorded a total securities dealing turnover of approximately HK\$6.6 billion, an increase of approximately 43% when compared to that in FY2013. The number of active client accounts also grew by approximately 6% in FY2014.



Management Discussion and Analysis

- **Margin Financing**

During FY2014, we continued to take advantage of the low interest rate environment, which has led to the increased usage of our margin financing services by clients for their investment transactions. With the Group's improved level of working capital, our securities broking division had provided a better credit line to clients after the review of their track record and financial position.

The promotional activities that we carried out during FY2014 with respect to the discounted commission charged to our securities broking clients proved to be successful in encouraging existing clients to make a greater number of investment transactions. This has created synergy in our margin financing business as well as benefited our margin interest revenue in FY2014.

- **Corporate Finance**

During FY2014, our Group participated in a number of corporate finance projects, which involved underwriting initial public offerings and placement of new shares. To further increase the probability of transforming client referrals into new corporate finance deals, we have tried to focus on high-net-worth clients services. Following the improvement of market sentiment in fund raising activities, we have taken a proactive approach in negotiating with business partners for cooperation with a view to increase our corporate finance engagements.

Mortgage Financing:

Since the beginnings of our mortgage financing business, we have continued providing mortgage financing services to both corporate and retail clients. In spite of the government's measures to stabilize the property market, the demand for mortgage financing still provided us the business opportunities. With the year-on-year double-digit growth in revenue of our mortgage financing division, this division had contributed to us a better profit in FY2014. To speed up the development of this division, other than using our own internal resources, we have also cooperated with our business partner to expand our mortgage financing business during FY2014. As at 31 March 2014, the Group registered a balance of approximately HK\$101,589,000 in mortgage loan receivables, an increase of approximately 32% compared to that of 31 March 2013.



Management Discussion and Analysis

Faced with competition, we are always updating our strategies so that we can continue to compete well in the market. We have adopted a prudent supervisory approach in managing our business activities to ensure we are in strict adherence to our credit control policy. Our professional team members, who have extensive experience in the financing business, have performed a set of comprehensive due diligence procedures to assess the credibility and financial position of our customers. Additionally, in FY2014, to cope with the growth in the number of clients, we have enhanced our Loan Management Solution. This involved incorporating new credit control function tools to our operation system. Thanks to these measures, our Group recorded only a negligible amount of bad debts provision.

Retail and Trading Business:

During FY2014, we cooperated with the Italian chocolate and confectionery company Maglio Arte Dolciaria S.R.L. (“Maglio”). Under this cooperation, we have the exclusive distribution right to distribute the Maglio brand of products (the “Maglio Products”) in Hong Kong, Macau and Mainland China, except for Qing Dao.



In distributing this new line of products, our aim is to achieve a higher profit margin for the retail and trading business division. Maglio Products are promoted and marketed by Quoting Life, a new brand and distribution vehicle that we launched in FY2014. This new distribution network plays a key role in boosting the sales of Maglio Products. During FY2014, our sales network included a shop in Tuen Mun Town Plaza and a sales booth in Yata Shatin (一田沙田分店), as well as sales points at a cake shop chain. Subsequent to FY2014, to promote the Maglio Products, we set up sales booths at the Yata shops in Tai Po, Mongkok, Tuen Mun, and Tsuen Wan. We also set up sales booths at the Citistore (千色店) shops in Tsuen Wan and Ma On Shan. To further expand our distribution network, in June 2014, we opened a new Quoting Life shop in Causeway Bay, one of the Hong Kong's busiest shopping districts.



Management Discussion and Analysis



Property Development and Investment:

A residential property at Sai Kung, Hong Kong (the "Sai Kung Property") with a fair value of HK\$46,000,000 was transferred to the Group in FY2014. Other than the Sai Kung Property, the Group owns another dignitary residential property located in the premium section of Fei Ngo Shan Road, Hong Kong (the "Fei Ngo Shan Property"), and a commercial property located in Central, the heart of Hong Kong's business district (the "Central Property"). As at 31 March 2014, the combined fair value of the Group's properties was HK\$206,000,000.

The Sai Kung Property and part of the Central Property were rented out during FY2014. This has provided a stable stream of rental income to the Group. With respect to the Fei Ngo Shan Property, we have planned to redevelop this property into a two-storey dignitary house to maximize its fair value.

Prospects

One of our core businesses is brokerage. In China, the central government has undergone structural financial reform. The internationalization of the Renminbi is also on track. In April 2014, the central government announced the Shanghai-Hong Kong Stock Connect policy. We expect that the cross-border financial activities will boom, and that Hong Kong will play an increasingly prominent role as the bridge between Mainland China and the rest of the world. To capitalize on this market trend, we will apply for the approval of the Stock Exchange and Hong Kong Securities Clearing Company Limited to accept the Group as a market participant of Shanghai-Hong Kong Stock Connect, and enhance our brokerage services by upgrading our computer hardware and software technology support. In addition, we will diversify our financial service offerings by providing clients asset management services. We will implement this by providing financial products to well targeted, potential clients. We believe that the launch of our asset management services will bring a synergistic effect to our financial services business segment.

Management Discussion and Analysis

On the mortgage financing front, we foresee that there will continue to be a huge demand for mortgage loans. As such, we will consider the strategy of cooperating with other financial institutions to generate revenue growth for the Group. It is generally expected that property prices in Hong Kong will go through price adjustments in the near future. To minimize our loan exposure risk, we have formulated our policy to concentrate on the provision of small loans with a view to optimize our loan portfolio.

In order to promote the Maglio Products, we plan to expand our sales network by establishing additional sales points in the near future. We will also implement a series of promotional events to instill customer loyalty. In long run, we will consider to add other products to the Quoting Life product line to offer a greater variety of products to customers. To generate growth for the Group, we will continue to market the Quoting Life brand aggressively throughout Hong Kong, Macau and Mainland China.

With respect to our property development and investment business, we believe that upon redevelopment of Fei Ngo Shan Property into a brand new two-storey property, the valuation of this property will rise significantly. Moreover, upon the lease out of the units of our Central Property, the rental income from the Group's investment properties will become one of its stable sources of income.

Corporate Social Responsibility

In following the footsteps of our founder, Mr. Cheung Chi Shing, we have incorporated eco-friendly practices and social responsibility into our operations. We believe that our corporate social responsibility practices have benefited not only society, but also our Group with respect to reducing our operational costs. In FY2014, our Company was proud to be recognized by the Environmental Protection Department of the HKSAR Government as a leading company in demonstrating to stakeholders our accountability on environmental and sustainability aspects.

Employees' Development and Occupational Health

Employees are our most valued assets, thus we care immensely about their development, health and safety. To enable our employees to keep pace with the rapid development, we have maintained our Continued Learning Sponsorship Scheme into FY2014, pursuant to which each employee was entitled to an annual sponsorship of HK\$10,000 for their continued learning. We believe that through this educational scheme, our employees will equip themselves with the skills they need to perform their duties effectively. We believe that our businesses will benefit from this as our employees make more positive contributions to the Group.



Management Discussion and Analysis



To care about employees' health including their mental health, we continued to organize gatherings regularly with a view to enhance harmony among our employees. In order to maintain the indoor air quality of the workplace at a high level, we grow a variety of plants at the office. Employees are also encouraged to keep potted plants on their desks. In addition, we have arranged to have our office's ventilation system cleaned regularly by a professional air-conditioning cleaning company. These measures have been implemented by our management team in view of creating a comfortable workplace for our employees.

Environmental Protection

Over the past years, we have actively promoted energy conservation and emission reduction. Our employees have also been encouraged to make recommendations to the Group on ways to reduce wastage and save energy. A list of environmentally-friendly ways recommended by our employees is posted at the office. This will help to raise our employees' awareness about environmental protection. In fostering the "green office" concept, we have also implemented the tips provided by CLP. Some of the measures include switching off lighting in the back-end area during lunch hours, using energy-saving electricity products and keeping the indoor temperature at appropriate levels.

In the past four years, we took part in the "Earth Hour" campaign hosted by WWF to support its call for reactions against climate change and raise public awareness of the issue.



Management Discussion and Analysis

Giving to the Community

We have always regarded the act of giving to the community an important pursuit for us. As such, over the past years, we have participated in various charitable activities and have also provided aid to the needy. To support our chosen charitable organizations, we encourage our employees to participate in socially responsible events. During FY2014, the Group and its staff continued to participate in (i) the Dress Casual Day 2013 for the benefit of social welfare agencies; (ii) ORBIS World Sight Day 2013 in support of ORBIS's effort to help blind people; (iii) the Community Chest Skip Lunch Day 2014 for benefit of street sleepers, residents in cage homes and cubicles; and (iv) Medecins Sans Frontieres Day 2013 to support their medical rescue work in the world.

With respect to helping underprivileged children, in FY2014, the Group took part the Ocean Park Field Trip organized by the University of British Columbia Hong Kong Alumni Association for the children of Shamshuipo Kaifong Welfare Association Primary School. This fun-filled event for the children to visit the Ocean Park took place in May of 2013. We believe in taking good care of underprivileged children and sponsoring educational events such as this.

Staff

As at 31 March 2014, the Group had 65 employees. Remuneration packages are generally structured with reference to prevailing market practice and individual merits. Salaries are reviewed periodically based on the employee performance appraisal or other relevant factors. The Group also maintains certain staff benefit plans including medical insurance, hospitalization scheme, mandatory provident fund and share option scheme.

The emoluments of the directors of the Company (the "Directors") are determined by the Remuneration Committee as delegated by the Board of the Directors (the "Board"), with reference to market rates and respective Directors' experience, duties and responsibilities in the Group. None of the Directors are involved in deciding their own remuneration. The Group maintains the Continued Learning Sponsorship Scheme to sponsor the continuous professional development of the members of the Group.



Management Discussion and Analysis

Financial Review on Liquidity and Financial Resources and Capital Structure

As at 31 March 2014, the Group's net asset value was approximately HK\$408,704,000 (FY2013: approximately HK\$351,504,000) and cash at bank and in hand totaled approximately HK\$95,247,000 (FY2013: approximately HK\$96,211,000) of which approximately 96.9% was held in Hong Kong dollars, approximately 2.3% in US dollars, and approximately 0.8% in Renminbi.

Borrowings and financial lease as at 31 March 2014 amounted to approximately HK\$98,911,000 (FY2013: approximately HK\$88,375,000) of which approximately HK\$17,808,000 (FY2013: approximately HK\$3,596,000) was repayable within one year. The gearing ratio, being the ratio of total borrowings and financial lease to shareholders' fund, was about 0.24 (FY2013: 0.25).

Investment in Financial Assets

Other than the holding of a portfolio of listed securities with market value of approximately HK\$46,183,000 as at 31 March 2014 for the trading purpose, the Group did not make any other major investments during FY2014. The Group will continue to adopt a prudent approach for its investments.

Credit Risk

For the brokerage business, the Group is strictly in compliance with the Securities and Futures Ordinance (the "SFO"). Margin loans are granted to customers based on their individual assessment of financial status, repayment records and the liquidity of collaterals placed by them. The applicable interest rate charged to customers will be determined based on these factors. Generally, margin loans will be demanded for repayment once a customer fails to maintain the maintenance margin, repay margin loan or another sum that is due to the Group.

For the mortgage financing business, mortgage loans will be granted to clients based on the aggregate market value of the pledged properties as confirmed by independent valuers. To lower the Group's exposure to risk in its mortgage financing business, the mortgage amounts to be granted to a client in general shall not exceed 80% of the aggregate market value of the pledged properties.

Trading terms with general trading customers are mainly on credit, except for new customers, where advance payment is normally required or a letter of credit is received. Invoices are normally payable within 30 to 60 days of issuance, except for certain well-established customers, where the payment terms may be extended to 90 days.



Management Discussion and Analysis

Operational Risk

The Group has put in place an effective internal controls system for its operations. Under the brokerage business, a monitoring team comprised of licensed responsible officers registered under the SFO and senior management who have acted in compliance with the SFO, has been set up to monitor the settlement matters of traded securities and cash, and to provide clients services of the regulated activities. Set out below is the information for the number of responsible officers of the Group for each regulated activity:

Type of Licence	Regulated activity	Number of responsible officers
Type 1	Dealing in securities	6
Type 4	Advising on securities	5
Type 6	Advising on corporate finance	3

In order to safeguard clients' interests and comply with the requirements of the SFO, our monitoring team has carried out ongoing checks and verifications so that we are able to maintain our service standard at a satisfactory level. During FY2014, the brokerage operation of the Group had complied with the SFO. All of our clients were satisfied with our services and did not lodge any complaints. During FY2014, we have properly managed a total securities dealing turnover of approximately HK\$6.6 billion without any customer complaints.

To enhance the professionalism of the management force, the Group has four certified public accountants, three of them are Board members, who will monitor or advise the Group of its internal control matters. Under the mortgage financing business, we had mortgage loans of approximately HK\$101,589,000 as at 31 March 2014, and customers were satisfied with our services.

Interest Rate Risk

All the Group's borrowings were denominated in Hong Kong dollar, and its risk arises from interest payments which are charged according to a floating interest rate with a remaining repayment period of around 19 years. For the short-term borrowing, the Group considers its interest rate risk insignificant for FY2014. The Group monitors its interest rate exposure regularly to ensure that the underlying risk is within an acceptable range.

Liquidity Risk

The Group's policy is to regularly assess current and expected liquidity requirements and to ensure that it maintains reserves of cash, readily realizable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements. As at 31 March 2014, the amount of undrawn banking facilities of the Group was HK\$16,111,000.



Management Discussion and Analysis

Foreign Exchange Exposure

During FY2014, the Group's business activities as well as its assets and liabilities were mainly denominated in Hong Kong dollar, US dollar, Euro and Renminbi. In light of the exchange rate peg between the Hong Kong dollar and US dollar, and the immaterial balance of the assets and liabilities denominated in Renminbi and Euro when compared to the Group's total assets or liabilities, the Group considers its foreign exchange risk immaterial for FY2014. It is the Group's treasury policy to manage its foreign currency exposure to minimise any material financial impact to the Group.

Charges on Group Assets

As at 31 March 2014, time deposits of approximately HK\$6,280,000 and investment properties at a total valuation of HK\$160,000,000 were pledged to banks to secure the banking facilities that were granted to the Group.

Closure of Register of Members

The register of members of the Company will be closed from 6 October to 7 October 2014, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, shareholders are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 3 October 2014.

Transfer of Equity Interest of Treasure Glasshouse Limited

According to the Deed (as disclosed in note 42 to the consolidated financial statements), on 19 August 2013, Mr. Cheung Chi Shing ("Mr. Cheung") and Ms. Yeung Han Yi Yvonne ("Ms. Yeung") and the Company entered into a sale and purchase agreement, pursuant to which Mr. Cheung would transfer and should procure Ms. Yeung to transfer the shares of Treasure Glasshouse Limited ("TGL") and the loan due by TGL to Mr. Cheung or Ms. Yeung to the Company at the consideration of approximately HK\$44,915,000 (the "Transfer"). The Transfer was completed on 1 November 2013.

Contingent Liabilities

As at 31 March 2014, the Group did not have any material contingent liabilities (2013: immaterial).





Report of the Directors

The Directors present their report and audited consolidated financial statements of the Company and the Group for FY2014. Details of the Group's performance by operating segments for FY2014 are set out in note 9 to the consolidated financial statements.

Principal Activities

The Company acts as an investment holding company. The principal activities of the Company's subsidiaries consist of investment holdings, brokerage, mortgage and other financing, retail and trading, securities trading and property development and investment. During FY2014, the Group captured a new business to distribute products of chocolate and confectionery. Other than that, there were no significant changes in the nature of the Group's activities during the year.

Results and Dividends

The Group's results for FY2014 and the state of affairs of the Group as at 31 March 2014 are set out in the consolidated financial statements on pages 46 to 124.

An interim cash dividend of HK0.138 cents per share of the Company (the "Share") for FY2014 has been paid to shareholders of the Company (the "Shareholders").

A final dividend of HK0.168 cents per Share in respect of FY2014 has been proposed by the Directors and is subject to approval by the Shareholders at the forthcoming annual general meeting of the Company (the "Annual General Meeting").

Distributions

During FY2014, bonus warrants on the basis of 2 warrants for every 10 Shares were issued to Shareholders.

In addition to the proposed final dividend, the Company proposes to distribute free gifts to eligible Shareholders for their continuous support to the Group.



Report of the Directors

Fixed Assets and Investment Properties

Details of movements in fixed assets and investment properties of the Group are set out in notes 18 and 19 to the consolidated financial statements, respectively. Further details of the Group's investment properties are set out on page 126.

Share Capital

Details of movements in the share capital are set out in note 34 to the consolidated financial statements.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Memorandum of Association and Bye-Laws of the Company (the "Bye-Laws") or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

Reserves

Details of movements in the reserves of the Company during the year are set out in note 46(b) to the consolidated financial statements. Details of movements in the reserve of the Group during the year are set out on page 49.

Distributable Reserves

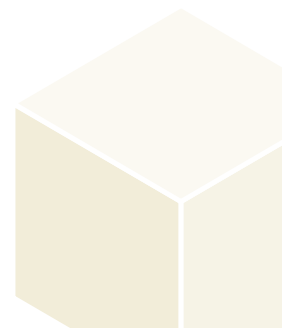
As at 31 March 2014, the Company's reserves available for distribution were HK\$235,940,000. Under the laws of Bermuda, the Company's share premium account, in the amount of HK\$55,581,000, may be distributed in the form of fully-paid bonus shares.

Summary Financial Information

A summary of the published results, assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited consolidated financial statements and reclassified as appropriate, is set out on page 125. This summary does not form part of the audited consolidated financial statements.

Donations

Donations made by the Group in FY2014 amounted to approximately HK\$8,000.





Report of the Directors

Directors

The Directors of the Company in FY2014 and up to the date of this report are:

Executive Directors

Mr. Cheung Hoo Win (Chief Executive Officer)

Mr. Ng Yiu Chuen

Ms. Mak Kit Ping

Ms. Zhang Yuyan

Ms. Chen Lili

Independent Non-Executive Directors

Mr. Zhao Qingji (Chairman)

Mr. Li Hancheng

Mr. Yeung Shun Kee

Mr. Lo Tsz Fung Philip

In accordance with the Company's Bye-Laws 182(vi), Mr. Ng Yiu Chuen, Ms. Chen Lili and Mr. Lo Tsz Fung Philip shall retire from office by rotation and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

Connected Transactions

In FY2014, the Group entered into certain material related party transactions as set out in note 41 to the consolidated financial statements, and two of which were also connected transactions or continuing connected transaction (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules")) of the Company which is required to be reported in this annual report in compliance with the disclosure requirements under Chapter 14A of the Listing Rules:

As disclosed in note 42 to the consolidated financial statements, pursuant to the Deed, a sale and purchase agreement was entered into between Mr. Cheung and Ms. Yeung and the Company on 19 August 2013. Accordingly, Mr. Cheung would transfer and should procure Ms. Yeung to transfer to the Company the shares of TGL and the loan due by TGL to Mr. Cheung or Ms. Yeung at the consideration of approximately HK\$44,915,000 for settlement of judgement debts.

Upon completion of the Transfer, the subsidiary of TGL as landlord and K. C. (Asset) Limited ("KC Asset") as tenant and Mr. Cheung as guarantor entered into a tenancy agreement to rent the property, House A (including the External Walls and Carport on the G/F thereof), Ocean View Lodge, Lot No. 524 in D.D. 238, Sai Kung, New Territories, Hong Kong, owned by the subsidiary at HK\$85,000 per month for one year with an option for KC Asset to renew the tenancy agreement for next 12 months (the "Lease") at 1 November 2013. During FY2014, the Group's rental income under the Lease amounted to HK\$425,000.



Report of the Directors

Mr. Cheung is a substantial shareholder of the Company and the father of Mr. Cheung Hoo Win, who is an executive Director and the chief executive officer of the Company. Ms. Yeung is the spouse of Mr. Cheung. Mr. Cheung is the beneficial owner of KC Asset. As such Mr. Cheung, Ms. Yeung and KC Asset are connected persons of the Company and thus the Transfer and Lease are connected transactions or continuing connected transaction as defined under Chapter 14A of the Listing Rules.

The independent non-executive Directors of the Company (“INEDs”) have reviewed the Lease and confirmed that it has been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms; and
- (iii) in accordance with the relevant agreement governing it on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

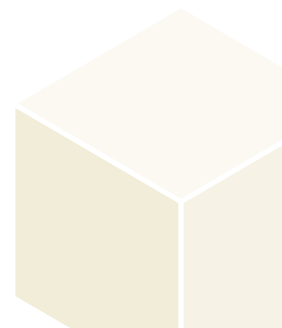
UHY Vocation HK CPA Limited (“UHY”), the Company’s auditor, was engaged to report on the Group’s continuing connected transaction in accordance with Hong Kong Standard on Assurance Engagements 3000 “*Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*” and with reference to Practice Note 740 “*Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules*” issued by the Hong Kong Institute of Certified Public Accountants. UHY has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transaction disclosed above by the Group in accordance with the Listing Rules. A copy of the auditor’s letter has been provided by the Company to the Stock Exchange.

Directors’ Service Contracts

No Director proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Company which is not determinable by the Company within one year without payment other than statutory compensation.

Directors’ Interests in Securities

As at 31 March 2014, none of the Directors and chief executive of the Company had any interest or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which required notification to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required pursuant to section 352 of the SFO to be entered in the register maintained by the Company referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.



Report of the Directors

Directors' Interests in Contracts

Save for Mr. Cheung Hoo Win, an executive Director, is the son of Mr. Cheung and Ms. Yeung, who, in turn, are parties to agreements for the Transfer and Lease, none of the Directors had a material interest, either direct or indirect, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party in FY2014.

Substantial Shareholders

The register of substantial shareholders maintained under Section 336 of the SFO shows that, as at 31 March 2014, the Company had been notified of the following interests in the Company:

	Number of Shares	Underlying Shares	Total	Percentage
Mr. Cheung (Note 1)	802,979,609	160,595,916	963,575,525	27.02%
Ms. Yeung (Note 2)	802,979,609	160,595,916	963,575,525	27.02%
Mr. Cheung Hoo Yin (Note 3)	206,010,000	41,202,000	247,212,000	6.93%

Notes:

1. Mr. Cheung personally held 722,866,457 Shares and underlying Shares. As Mr. Cheung is the sole shareholder of K.Y. Limited ("KY"), he was deemed to have interests in 114,318,870 Shares and underlying Shares held by KY.

Mr. Cheung is the spouse of Ms. Yeung and accordingly deemed to be interested in the 126,390,198 Shares and underlying Shares beneficially interested by Ms. Yeung.
2. Ms. Yeung is the spouse of Mr. Cheung and accordingly deemed to be interested in the 837,185,327 Shares and underlying Shares beneficially interested by Mr. Cheung.
3. Mr. Cheung Hoo Yin is the son of the Mr. Cheung and Ms. Yeung.

Save as disclosed herein, so far known to the Directors or chief executives of the Company, as at 31 March 2014, there was no other person had interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO.



Report of the Directors

Bonus Issue of Warrants

On 27 November 2013, the Board proposed an issue of bonus warrants to the Shareholders on the basis of 2 warrants for every 10 Shares (the "Bonus Issue of Warrants"). For details of the Bonus Issue of Warrants, please refer to the announcement of the Company dated 30 December 2013. On 27 January 2014, the Shareholders approved the Bonus Issue of Warrants, pursuant to which 713,154,617 warrants were issued. The initial subscription price is HK\$0.10 and the subscription period will be from 19 February 2014 to 18 August 2015 (both days inclusive). Full exercise of the subscription rights attaching to the 713,154,617 warrants would result in the issue of 713,154,617 new Shares. Details of exercise of warrants during FY2014 are set out as follows:

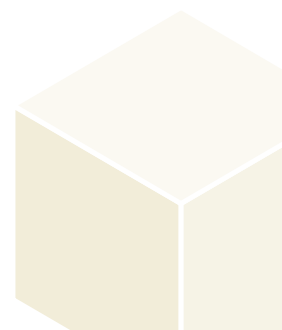
Number of warrants issued	Number of warrants exercised	Balance of warrants at 31 March 2014
713,154,617	3,663,126	709,491,491

Purchase, Redemption or Sale of the Company's Listed Securities

During FY2014, the Company repurchased a total of 144,000,000 Shares (the "Repurchased Shares") through the Stock Exchange at an aggregate consideration of approximately HK\$19,845,000 (excluding transaction costs). The Repurchased Shares were cancelled during FY2014. The issued share capital of the Company was accordingly reduced by the par value of the Repurchased Shares so cancelled. The above repurchases were effected by the Directors pursuant to the mandate from the Shareholders, with a view to benefiting Shareholders as a whole in enhancing the net assets and earnings per share of the Company. Details of Shares repurchased during FY2014 are set out as follows:

Trading month	Number of Shares repurchased	Highest price per Share HK\$	Lowest price per Share HK\$	Aggregate purchase price HK\$'000
April 2013	144,000,000	0.142	0.120	19,845

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during FY2014.





Report of the Directors

Major Customers and Suppliers

In FY2014, sales to the Group's single largest and five largest customers combined accounted for approximately 5% and approximately 13%, respectively, of the Group's total sales, whereas purchases from the Group's single largest and five largest suppliers combined accounted for 19% and 64%, respectively, of the Group's total purchases.

None of the Directors or any of their associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers and suppliers.

Corporate Governance

The Company is committed to maintain high standards of corporate governance. Information on the corporate governance practices adopted by the Company is set out in the "Corporate Governance Report" on pages 30 to 37.

Share Option Scheme

A summary of the share option scheme is set out in note 35 to the consolidated financial statements.

Sufficiency of Public Float

Based on information that is publicly available to the Company and within the knowledge of its Directors as at the latest practicable date prior to the issue of this report, the public float of the Share is sufficient.

Events after the Reporting Period

Details of significant events occurring after the reporting period are set out in note 43 to the consolidated financial statements.



Report of the Directors

Auditors

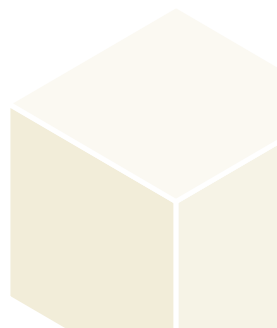
UHY will retire at the forthcoming Annual General Meeting. A resolution will be proposed to appoint auditors and to authorise the Board to fix their remuneration.

On behalf of the Board

Mak Kit Ping

Executive Director

Hong Kong, 24 June 2014



Corporate Governance Report

The Board is committed to the maintenance of good corporate governance practices and procedures. The Company believes that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, sustainable business growth and enhancing shareholders' value.

The Company has adopted the Corporate Governance Code (the "CG Code") as contained in Appendix 14 to the Listing Rules as its own code of corporate governance practices. The Company has complied with the applicable code provisions of the CG Code during FY2014, except for certain deviations as specified below.

Board of Directors

The Board currently comprises five executive Directors, namely Mr. Cheung Hoo Win (Chief Executive Officer), Mr. Ng Yiu Chuen, Ms. Mak Kit Ping, Ms. Zhang Yuyan and Ms. Chen Lili and four INEDs, namely Mr. Zhao Qingji (Chairman), Mr. Yeung Shun Kee, Mr. Li Hancheng and Mr. Lo Tsz Fung Philip. The number of INEDs represents more than one third of the Board members. The Directors believe that the composition of the Board has a balance of skills and experience that is appropriate for the requirements of the business of the Group.

As four of the nine Directors are INEDs, there is a strong independent element within the Board, which can effectively exercise independent judgment and monitor the corporate governance of the Group. All INEDs are appointed for a specific term of two years and each of them has made a confirmation on independency. After reviewing their confirmations on independency, the Company believes that they are still independent under Rule 3.13 of the Listing Rules.

During FY2014, nine Board meetings and three general meetings of the Company were held. Details of the Directors' attendance records during the year are as follows:

	Number of board meetings attended	Number of general meetings attended
Executive Directors		
Mr. Cheung Hoo Win (Chief Executive Officer) <i>(note)</i>	5/5	2/2
Mr. Ng Yiu Chuen	9/9	2/3
Ms. Mak Kit Ping	9/9	3/3
Ms. Zhang Yuyan	8/9	0/3
Ms. Chen Lili	8/9	0/3
Independent Non-Executive Directors		
Mr. Zhao Qingji (Chairman)	4/9	0/3
Mr. Yeung Shun Kee	9/9	3/3
Mr. Li Hancheng	7/9	0/3
Mr. Lo Tsz Fung Philip	9/9	2/3

Note: To avoid the conflict of interest, Mr. Cheung Hoo Win did not attend four Board meetings and one general meeting of the Company for the discussion and approval for settlement proposals relating to the petition, judgment debts and Lease.



Corporate Governance Report

According to the code provision A.6.7 of the CG Code, INEDs should attend general meetings of the Company, and according to E.1.2, the Chairman of the Board should attend the annual general meeting of the Company. Due to their other business commitments, during FY2014, two INEDs, one of them is the Chairman of the Company, were unable to attend the general meetings of the Company, and an INED was absent from one of the general meetings.

Functions of Board

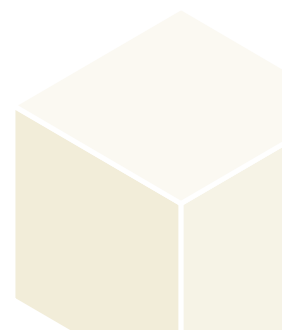
To avoid concentration of power in any one individual, a clear division of responsibilities between the Chairman and the Chief Executive Officer is crucial to the effective running of the Board and the day-to-day management of the Group's businesses. The positions of the Chairman and the Chief Executive Officer of the Company are held by two different Directors, namely Mr. Zhao Qingji and Mr. Cheung Hoo Win. Their roles and duties are segregated with a clear division of responsibilities.

The Board meets regularly to discuss the overall strategy as well as the operation and business performance of the Group, and to approve the Group's annual and interim results and other matters which need to be dealt with. The Board has delegated the day-to-day responsibilities to the management through the operation manuals which will be reviewed from time to time to ensure that they meet requirement of business development.

To ensure the Directors' contribution to the Board remains informed and relevant, all Directors had participated in continuous professional development activities that are relevant to their performance of duties as Directors. According to the training records provided by the Directors, Ms. Mak Kit Ping, Ms. Zhang Yuyan, Ms. Chen Lili and Mr. Lo Tsz Fung Philip had also attended training courses, seminars or conferences to develop and refresh their knowledge and skills. In FY2014, relevant materials on legislative and regulatory updates were circulated to all Directors for them to keep updates on any changes of regulations. In addition, the Group has in place the Continued Learning Sponsorship Scheme to sponsor Directors' continuous professional development.

The Board is also responsible for performing the corporate governance duties as required under the CG Code. The major roles and functions of the Board in respect of the corporate governance are:

- to develop and review the Company's policies and practices on corporate governance;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors; and
- to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.



Corporate Governance Report

In FY2014 and up to the date of this report, the Board has performed the corporate governance duties in accordance with its terms of reference.

Board Diversity Policy

The Board has adopted a board diversity policy which sets out the approach to achieve diversity on the Board. The Company recognises that increasing diversity at the Board level will support the attainment of the Company's strategic objectives and sustainable development.

The Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. All board appointments will be based on merit while taking into account diversity including gender diversity.

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

Board Committees

Audit Committee

The Company has an Audit Committee comprising all INEDs. The principal duties of the Audit Committee are to review the Group's interim and annual reports, internal controls and make recommendations to the Board. The detailed terms of reference of the Audit Committee are available for inspection on the Company's website and the Stock Exchange's website.

Three Audit Committee meetings were held in FY2014. The attendance of each member of the Audit Committee is set out as follows:

Members of Audit Committee	Number of Audit Committee meetings attended
Mr. Lo Tsz Fung Philip (Chairman)	3/3
Mr. Zhao Qingji	2/3
Mr. Yeung Shun Kee	3/3
Mr. Li Hancheng	2/3

The Audit Committee had performed the following work in FY2014:

- (i) reviewed and approved the audit scope and fees proposed by external auditor for the annual audit for the year ended 31 March 2014;

Corporate Governance Report

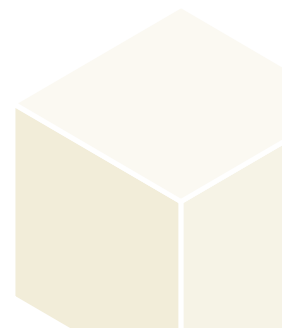
- (ii) discussed with the external auditors any major audit issues of the Group;
- (iii) reviewed the change in accounting standards and assessment of potential impacts on the Group's consolidated financial statements;
- (iv) reviewed and recommended for the Board's approval of the consolidated financial statements and the related draft results announcement for the year ended 31 March 2013 and reviewed the audit committee report from the external auditor;
- (v) reviewed and recommended for the Board's approval of the consolidated financial statements and the related draft results announcement for the six months ended 30 September 2013;
- (vi) to approve the appointment of the compliance adviser;
- (vii) review of effectiveness of the system of internal control of the Group; and
- (viii) review of the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function, and their training programmes and budget.

Remuneration Committee

The Company has a Remuneration Committee comprising all INEDs. The Remuneration Committee's principal duties are to make recommendations to the Board on the remuneration policy and structure for Directors and senior management and to ensure that they are fairly rewarded for their individual contribution to the Group's overall performance. It is also the Remuneration Committee's duty to determine the specific remuneration packages of all executive Directors and senior management. The detailed terms of reference of the Remuneration Committee are available for inspection on the websites of the Company and the Stock Exchange respectively.

A Remuneration Committee meeting was held in FY2014. The attendance of each member of the Remuneration Committee is set out as follows:

Members of Remuneration Committee	Number of Remuneration Committee meeting attended
Mr. Yeung Shun Kee (Chairman)	1/1
Mr. Zhao Qingji	0/1
Mr. Li Hancheng	1/1
Mr. Lo Tsz Fung Philip	1/1



Corporate Governance Report

The Remuneration Committee had performed the following work in FY2014:

- (i) reviewed and approved the payment of bonus to certain executive Directors and senior management; and
- (ii) reviewed and determined the increment in salary for executive Directors and senior management.

Pursuant to the code provision of B.1.5 of the CG Code, details of the annual remuneration of the members of senior management by band for FY2014 is as follows:

	Number of employees
HK\$400,000 to HK\$600,000	3
HK\$600,001 to HK\$800,000	2

Nomination Committee

The Company has set up a Nomination Committee comprising all INEDs. The Nomination Committee shall make recommendations to the Board on all new appointments or re-appointments of Directors. The selection criteria are mainly based on the professional qualifications and work experience of the candidates. There are no fixed terms of services for executive Directors while INEDs are engaged for a term of two years, subject to retirement by rotation and re-election in accordance with the provisions of the Bye-Laws of the Company. The detailed terms of reference of the Nomination Committee are available for inspection on the websites of the Company and the Stock Exchange respectively.

A Nomination Committee meeting was held in FY2014. The attendance of each member of the Nomination Committee is set out as follows:

Members of Nomination Committee	Number of Nomination Committee meeting attended
Mr. Li Hancheng (Chairman)	1/1
Mr. Zhao Qingji	1/1
Mr. Yeung Shun Kee	1/1
Mr. Lo Tsz Fung Philip	1/1

The Nomination Committee had performed the following work in FY2014:

- (i) review of the structure, size and composition of the Board to ensure they were suitable for the Group's corporate strategy and development; and
- (ii) reviewed and recommended for the Board's approval the proposed resolutions for re-election of the retiring Directors at 2013 Annual General Meeting.

Corporate Governance Report

Directors' Securities Transactions

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as its own code for securities transactions by Directors. All members of the Board have confirmed, following specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code in FY2014.

Auditor's Remuneration

In FY2014, the remuneration paid or payable in respect of statutory audit services by the auditor of the Company was approximately HK\$750,000.

Shareholders' Rights

Convening a Special General Meeting of the Company by Shareholders

In accordance with the Company's Bye-Laws 62, as provided by the Companies Act, a special general meeting can be convened on the requisition of Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company. Such requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the registered office of the Company.

Procedures for Sending Enquiries to the Board

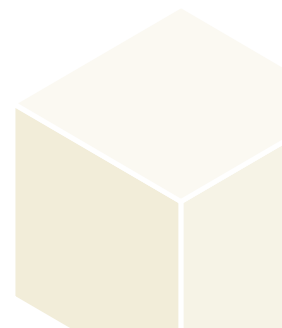
Enquiries by Shareholders to be put to the Board can be sent in writing to the Directors or Company Secretary at the principal place of business in Hong Kong. The Shareholders may make any enquiry about the Company through the following hotlines:

Telephone:	(852) 2959 7200
Facsimile:	(852) 2310 4824
E-mail address:	shareholder@styland.com

For share registration related matters, such as share transfer and registration, change of name or address, loss of share certificates or dividend warrants, the Company's registered shareholders can contact the Company's branch share registrar in Hong Kong, Tricor Tengis Limited.

Procedures for Making Proposals at Shareholders' Meetings

If a Shareholder wishes to nominate a person to stand for election as a Director, the following documents must be validly sent to the Company's principal place of business in Hong Kong namely (i) his/her notice of intention to propose a resolution at the general meeting; and (ii) a notice executed by the nominated candidate of the candidate's willingness to be appointed. The period for lodgment of the notices of (i) and (ii) above will commence no earlier than the day after the despatch of the notice of the general meeting and end no later than seven days prior to the date of such meeting.





Corporate Governance Report

To put forward proposals other than the above at a general meeting, Shareholders should submit a written notice of those proposals with their detailed contact information to the company secretary at the Company's principal place of business in Hong Kong. The notice period to be given to all the Shareholders for consideration of the proposal raised by the Shareholders concerned at general meetings varies according to the nature of the proposal.

Shareholders and Investors Relations

The Board adopts an open and transparent communication policy and ensures that there is full disclosure to the public as a way to enhance corporate governance. The Board aims to provide the Shareholders and the public with the necessary information for them to form their own judgment on the Company. Corporate communication materials such as annual reports, interim reports and circulars are issued in printed form and are also available in electronic format on the websites of the Company, the Stock Exchange and irasia.com. There was no significant change in the Company's constitutional documents for FY2014.

Accountability and Audit

Financial Reporting

The Board acknowledges its responsibility for the preparation of the financial statements for each financial period, which shall give a true and fair view of the state of affairs of the Company. During FY2014, the Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Company's ability to continue in business. Accordingly, the Board has prepared the financial statements of the Company on a going concern basis.

All the Directors acknowledged their responsibility for preparing the financial statements of the Company for FY2014.

The statement of the external auditor of the Company about their reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 44 to 45 of this annual report.

The Company announces its interim and annual results as soon as reasonably practicable after the end of the relevant financial period and the financial year respectively pursuant to the requirements of the Listing Rules, disclosing all such information as would enable the Shareholders to assess the performance, financial position and prospects of the Company.



Corporate Governance Report

Internal Controls Review

It is the Board's responsibility to ensure that the Company maintains sound and effective internal controls, whereby safeguarding its shareholders' investments and the Group's assets. The Board, through the Audit Committee, had reviewed the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function, and their training programmes and budget.

In FY2014, the Board has conducted a review of the effectiveness of the Group's internal controls system and is of the view that the internal control system of the Group has been effective without the occurrence of any significant failure.

On behalf of the Board
Cheung Hoo Win
Chief Executive Officer

Hong Kong, 24 June 2014





Corporate Information

Board of Directors

Executive Directors

Mr. Cheung Hoo Win (Chief Executive Officer)
Mr. Ng Yiu Chuen
Ms. Mak Kit Ping
Ms. Zhang Yuyan
Ms. Chen Lili

Independent Non-Executive Directors

Mr. Zhao Qingji (Chairman)
Mr. Yeung Shun Kee
Mr. Li Hancheng
Mr. Lo Tsz Fung Philip

Audit Committee

Mr. Lo Tsz Fung Philip (Chairman)
Mr. Zhao Qingji
Mr. Yeung Shun Kee
Mr. Li Hancheng

Remuneration Committee

Mr. Yeung Shun Kee (Chairman)
Mr. Zhao Qingji
Mr. Li Hancheng
Mr. Lo Tsz Fung Philip

Nomination Committee

Mr. Li Hancheng (Chairman)
Mr. Zhao Qingji
Mr. Yeung Shun Kee
Mr. Lo Tsz Fung Philip

Company Secretary

Mr. Wang Chin Mong

Auditor

UHY Vocation HK CPA Limited

Legal Advisers

As to Hong Kong Law

Michael Li & Co.
TC & Co.
Lo, Wong & Tsui
Patrick Mak & Tse

As to Bermuda Law

Appleby

As to the PRC Law

Hills & Co.



Corporate Information

Principal Bankers

Industrial and Commercial Bank of China (Asia) Limited
Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
Wing Hang Bank Limited
Standard Chartered Bank (Hong Kong) Limited
Nanyang Commercial Bank Limited
DBS Bank (Hong Kong) Limited
Chong Hing Bank Limited

Principal Registrar

Appleby Management (Bermuda) Ltd.
Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Hong Kong Branch Registrar

Tricor Tengis Limited
Level 22
Hopewell Centre
183 Queen's Road East
Hong Kong

Registered Office

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Principal Place Of Business

28th Floor
Aitken Vanson Centre
61 Hoi Yuen Road
Kwun Tong, Kowloon
Hong Kong
Telephone: (852) 2959 3123
Facsimile: (852) 2310 4824
E-mail address: sty@styland.com

Shareholders' Service Hotline

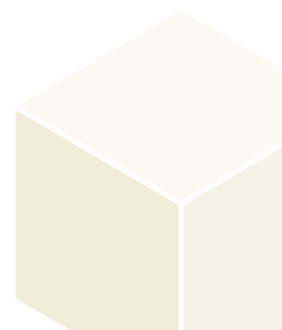
Telephone: (852) 2959 7200
Facsimile: (852) 2310 4824
E-mail address: shareholder@styland.com

Website

<http://www.styland.com>

Investors' Website

<http://www.irasia.com/listco/hk/styland>





Board of Directors

Mr. Cheung Hoo Win **Chief Executive Officer and Executive Director**

Mr. Cheung, aged 34, joined the Group in 2004. He was appointed executive Director in 2006 and Chief Executive Officer in 2009. Mr. Cheung graduated from Peking University (Department of International Economics and Trade). During his studies at Peking University, Mr. Cheung developed good business connections in the PRC. Previously, he worked for China Development Research Foundation, the subordinate unit of the Development Research Centre of the State Council, and was the vice-president of the Macau Energy Saving Association. Mr. Cheung is a member of the Hong Kong United Youth Association.

Mr. Cheung assists the Chairman of the Company in leading the Board and is responsible for the entire Group's business and development. He is also responsible for the Group's China related businesses as well as dealing with the Group's mainland customers which also have their operations in Hong Kong. Mr. Cheung is also one of the directors of the subsidiaries of the Company.

Mr. Ng Yiu Chuen **Executive Director**

Mr. Ng, aged 55, joined the Group in November 2010 as associate director of a subsidiary. He was appointed executive Director in December 2010. Mr. Ng obtained a bachelor's degree in Business Administration from City University of Hong Kong and was elected as Associate of The Hong Kong Institute of Bankers in 2002.

Mr. Ng has over 34 years of experience in asset management and the financing business. Prior to joining the Group, he had, for more than 18 years, held senior executive management roles and was responsible for overseeing the finance division and managing the portfolios of liquid assets for various well known international companies including GE Capital (Hong Kong) Limited and American Express Bank Limited. Mr. Ng is mainly responsible for the money lending business of the Group. Mr. Ng is also one of the directors of the subsidiaries of the Company.

Ms. Mak Kit Ping **Executive Director**

Ms. Mak, aged 48, joined the Group in April 2008. She was appointed executive Director in February 2012. Ms. Mak is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.

Ms. Mak is licensed under the Securities and Futures Ordinance for Type 1 activity (dealing in securities) and Type 6 activity (advising on corporate finance), and is one of responsible officers of Ever-Long Securities Company Limited, a wholly-owned subsidiary of the Company. Ms. Mak has more than 21 years of experience in the securities business and is mainly responsible for the Group's brokerage business. Ms. Mak is also one of the directors of the subsidiaries of the Company.



Board of Directors

Ms. Zhang Yuyan **Executive Director**

Ms. Zhang, aged 52, was appointed executive Director in 2006. Ms. Zhang graduated from Zhongnan University of Economics and Law (中南財經大學), formerly known as Hubei Economics College (湖北財經學院). Ms. Zhang has extensive experience in management and is familiar with Mainland China's economic, finance and taxation matters.

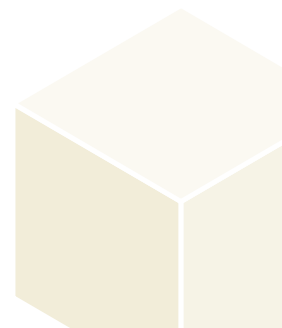
Ms. Chen Lili **Executive Director**

Ms. Chen, aged 32, joined the Group as executive Director in 2009. She graduated with a Bachelor of Electronics Science and Techniques degree from the School of Electronics Engineering and Computer Science at Peking University in 2004. Ms. Chen also obtained her Master of Computer Applied Technology degree from the Institute of Software at the Chinese Academy of Sciences in 2007. Ms. Chen is a manager in the Risk Assurance Department, PricewaterhouseCoopers Consultancy (Shanghai) Limited, Beijing branch, where she led multiple teams to conduct audit and advisory work, including SOX and CSOX compliance auditing, risk management and internal control services for several large energy, insurance, banking and logistics companies. Ms. Chen has extensive experience in the areas of internal controls, risk management and corporate governance of companies.

Mr. Zhao Qingji **Chairman and Independent Non-Executive Director**

Mr. Zhao, aged 41, was appointed independent non-executive Director of the Company in April 2009. Subsequently, he was appointed Chairman in July 2009. Prior to joining the Group, Mr. Zhao was the chairman, chief executive officer and an executive director of China Properties Investment Holdings Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited. Mr. Zhao graduated from Peking University in 1998 with a bachelor's degree in Economics.

Mr. Zhao has extensive experience in mergers and acquisitions, corporate restructurings, investment management, finance and initial public offerings in the PRC. Previously, he held the position of vice president of Peking University Resource Group and was in charge of that company's property investment business and real estate development projects.





Board of Directors

Mr. Yeung Shun Kee **Independent Non-Executive Director**

Mr. Yeung, aged 55, was appointed independent non-executive Director of the Company in 2003. He manages his own certified public accounting firm. Mr. Yeung has extensive experience in accounting, auditing and taxation works.

Mr. Yeung is a member of the Certified Public Accountants of Australia and a certified public accountant (practising) of the Hong Kong Institute of Certified Public Accountants.

Mr. Li Hancheng **Independent Non-Executive Director**

Mr. Li, aged 51, was appointed independent non-executive Director of the Company in 2008. He graduated from Southwest University of Political Science and Law in 1984. Mr. Li had previously worked at the Supreme People's Court of the People's Republic of China as a senior judge. He possesses extensive experience and practice in law.

Mr. Li is a lawyer and the senior partner of the Beijing S&P Law Firm. He is also a member of China Maritime Law Association, Chinese Lawyers Association and Beijing Lawyers Association.

Mr. Lo Tsz Fung Philip **Independent Non-Executive Director**

Mr. Lo, aged 47, was appointed independent non-executive Director in April 2009. He graduated from the University of Wollongong, NSW Australia in 1992 with a Bachelor of Commerce degree. Currently, Mr. Lo is an independent non-executive director of QKL Stores, Inc., a company listed on NASDAQ (QKLS), an independent director of Dragon Jade International Limited, a company listed on OTCBB in the United States, and the chief financial officer of USmart Mobile Device Inc., a company listed on OTCBB in the United States.

Mr. Lo had several public service positions. He was a member of the standing committee of the Guangzhou Liwan District Committee of CPPCC and the vice president of the Council of Guangzhou Association of Enterprises with Foreign Investment.

He has extensive experience in the areas of corporate management, financial accounting and auditing. Mr. Lo is a member of the Certified Public Accountants of Australia and a certified public accountant of the Hong Kong Institute of Certified Public Accountants.



Senior Management

Mr. Ng Shun Fu **Managing Director of Subsidiaries**

Mr. Ng, aged 66, joined the Group in 1996 as a director of Ever-Long Securities Company Limited, a wholly-owned subsidiary of the Company that engages in its core business of securities brokerage. He is also a director of certain subsidiaries of the Company. Prior to joining the Group, Mr. Ng worked in the banking sector for 25 years during which he held senior management positions. Mr. Ng has extensive experience in the securities business and is a responsible officer registered under the Securities and Futures Ordinance.

Mr. Choy Shuen Yan Andy **Director of Subsidiaries**

Mr. Choy, aged 52, was appointed a director of Ever-Long Securities Company Limited in 1998. He is a director of certain subsidiaries of the Company. Mr. Choy holds a Bachelor of Commerce degree from McMaster University of Ontario, Canada. Mr. Choy is a responsible officer registered under the Securities and Futures Ordinance and has more than 24 years of experience in the securities business.

Mr. Mak Chi Ho **Associate Director**

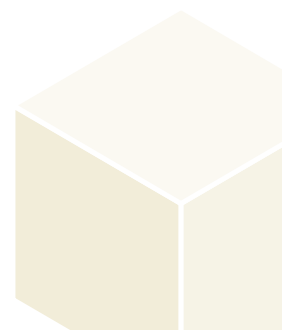
Mr. Mak, aged 42, is an associate director of the Group. Mr. Mak holds a bachelor's degree in Accounting from the University of Southern California and a master's degree in Finance from the Curtin University of Technology. Mr. Mak is a responsible officer registered under the Securities and Futures Ordinance and has over 12 years of experience in securities analysis.

Ms. Hung Lai Kam Diana **Director of a Subsidiary**

Ms. Hung, aged 33, joined the Group as an associate director of a subsidiary in June 2010. Ms. Hung holds a bachelor's degree in International Economic and Trade from Peking University and a master's degree in Business Administration from The University of Iowa. Ms. Hung has extensive experience in management. She is a director of a wholly-owned subsidiary of the Company.

Mr. Wang Chin Mong **Financial Controller and Company Secretary**

Mr. Wang, aged 42, is the Group's financial controller and the Company's company secretary. He is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.





Independent Auditor's Report

天道香港會計師事務所有限公司
UHY VOCATION HK CPA LIMITED
Certified Public Accountants

TO THE SHAREHOLDERS OF
STYLAND HOLDINGS LIMITED
大凌集團有限公司
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Styland Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 46 to 124, which comprise the consolidated statement of financial position as at 31 March 2014, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the 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 Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, and disclosure 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 and to report our opinion solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act, 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 as to whether the consolidated financial statements are free from material misstatement.



Independent Auditor's Report

Auditor's responsibility *(Continued)*

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.

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 affairs of the Group as at 31 March 2014 and of its profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

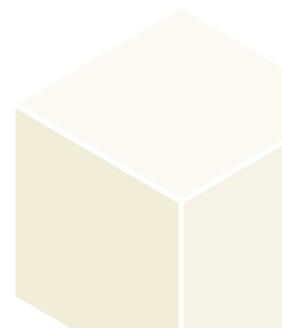
UHY Vocation HK CPA Limited

Certified Public Accountants

David Tze Kin Ng, Auditor

Practising Certificate Number P553

Hong Kong, 24 June 2014



Consolidated Statement of Comprehensive Income

for the year ended 31 March

	Notes	2014 HK\$'000	2013 HK\$'000
Turnover	10	143,212	148,121
Revenue	10	44,183	35,703
Cost of sales	10	(5,214)	(8,896)
Gross profit	10	38,969	26,807
Other income	10	72,926	37,994
Administrative expenses		(32,653)	(30,050)
Selling and distribution expenses		(3,804)	(2,124)
Change in fair value of investment properties	19	(4,800)	16,000
Change in fair value of financial assets at fair value through profit or loss		7,757	(5,988)
Gain/(loss) on disposal of financial assets at fair value through profit or loss		10,881	(300)
Impairment loss recognised in respect of trade receivable	24	(5,038)	–
Impairment loss recognised in respect of loan receivables	23	(496)	(1,294)
Reversal of impairment loss recognised in respect of loan receivables	23	972	461
Finance costs	11	(3,111)	(1,306)
Profit before taxation	12	81,603	40,200
Income tax expenses	13	–	–
Profit and total comprehensive income for the year		81,603	40,200
Profit and total comprehensive income for the year attributable to the owners of the Company		81,603	40,200
Earnings per share			
— Basic	17	HK2.28 cents	HK1.08 cents
— Diluted	17	HK2.26 cents	HK1.08 cents

The notes on pages 52 to 124 are an integral part of these consolidated financial statements.



Consolidated Statement of Financial Position

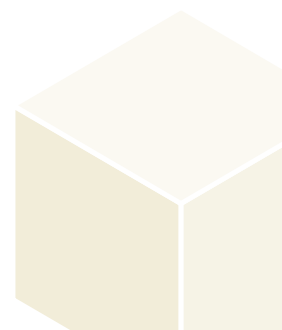
as at 31 March

	Notes	2014 HK\$'000	2013 HK\$'000
Non-current assets			
Fixed assets	18	1,276	1,775
Investment properties	19	206,000	166,000
Loan receivables	23	48,840	24,915
Deposits paid for the redevelopment project		2,275	1,243
Available-for-sale investment	20	–	–
		258,391	193,933
Current assets			
Inventories	21	330	–
Promissory note receivable	22	–	–
Loan receivables	23	92,584	94,514
Trade receivables	24	15,989	17,072
Other receivables, deposits and prepayments	25	5,085	3,713
Financial assets at fair value through profit or loss	26	46,183	38,249
Tax recoverable		–	859
Client trust funds	27	46,081	57,167
Pledged bank deposits	28	6,280	6,225
Bank balances and cash	29	95,247	96,211
		307,779	314,010
Current liabilities			
Trade payables	30	48,151	63,391
Other payables and accruals	31	5,480	4,673
Dividend payable		4,924	–
Borrowings	32	98,911	88,368
Obligation under finance lease	33	–	7
		157,466	156,439
Net current assets		150,313	157,571

The notes on pages 52 to 124 are an integral part of these consolidated financial statements.



47



Consolidated Statement of Financial Position

as at 31 March

	Notes	2014 HK\$'000	2013 HK\$'000
Total assets less current liabilities		408,704	351,504
Net assets		408,704	351,504
Capital and reserves			
Share capital	34	35,694	37,098
Reserves		373,010	314,406
Equity attributable to the owners of the Company and total equity		408,704	351,504

Approved and authorised for issue by the Board of Directors on 24 June 2014:

Ng Yiu Chuen
Executive Director

Mak Kit Ping
Executive Director

The notes on pages 52 to 124 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

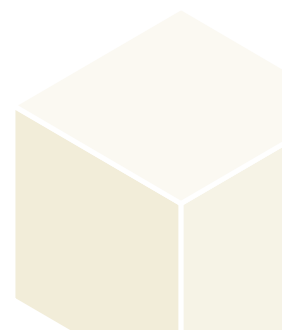
for the year ended 31 March

	Attributable to the owners of the Company						
	Share capital	Share premium	Capital redemption reserve	Special capital reserve	Contributed surplus	Accumulated losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2012	37,098	55,251	6,040	571,147	589,890	(948,122)	311,304
Total comprehensive income for the year	-	-	-	-	-	40,200	40,200
At 31 March 2013 and 1 April 2013	37,098	55,251	6,040	571,147	589,890	(907,922)	351,504
Total comprehensive income for the year	-	-	-	-	-	81,603	81,603
Shares repurchased and cancelled	(1,440)	-	1,440	-	(19,845)	-	(19,845)
Exercise of bonus warrants	36	330	-	-	-	-	366
Dividend recognised as distribution (Note 16)	-	-	-	-	(4,924)	-	(4,924)
At 31 March 2014	35,694	55,581	7,480	571,147	565,121	(826,319)	408,704

- (a) Details of the shares repurchased and cancelled and exercise of bonus warrants are set out in note 34.



The notes on pages 52 to 124 are an integral part of these consolidated financial statements.



Consolidated Statement of Cash Flows

for the year ended 31 March

	2014 HK\$'000	2013 HK\$'000
OPERATING ACTIVITIES		
Profit before taxation	81,603	40,200
Adjustments for:		
Depreciation	794	570
Gain on exchange difference, net	(44)	–
Finance costs	3,111	1,306
Interest income	(63)	(520)
Loss on disposal of fixed assets	2	7
Impairment loss recognised in respect of trade receivable	5,038	–
Change in fair value of financial assets at fair value through profit or loss	(7,757)	5,988
Change in fair value of investment properties	4,800	(16,000)
Other income — settlement of Judgement Debts	(71,304)	(36,667)
Impairment loss recognised in respect of other receivables	206	621
Impairment loss recognised in respect of loan receivables	496	1,294
Reversal of impairment loss recognised in respect of trade receivables	–	(29)
Reversal of impairment loss recognised in respect of other receivables	(46)	–
Reversal of impairment loss recognised in respect of loan receivables	(972)	(461)
Operating cash flows before movements in working capital	15,864	(3,691)
Increase in inventories	(330)	–
Increase in trade receivables	(3,955)	(4,457)
Increase in loan receivables	(21,519)	(69,082)
Increase in other receivables, deposits, and prepayments	(1,494)	(1,185)
Repayment of Judgement Debts	26,389	30,000
Increase in financial assets at fair value through profit or loss	(177)	(5,777)
Decrease in client trust funds	11,086	25,708
Decrease in trade payables	(15,240)	(25,636)
Increase/(decrease) in other payables and accruals	807	(401)
Cash generated from/(used in) operations	11,431	(54,521)
Hong Kong Profits Tax recovered	859	–
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	12,290	(54,521)

The notes on pages 52 to 124 are an integral part of these consolidated financial statements.



50

Consolidated Statement of Cash Flows

for the year ended 31 March

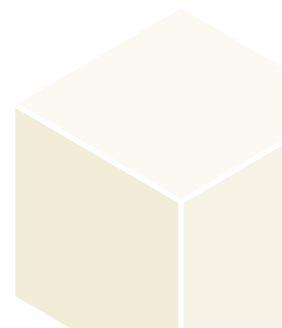
	2014 HK\$'000	2013 HK\$'000
INVESTING ACTIVITIES		
Increase in cash and cash equivalents balance from the Transfer of TGL	77	–
Increase in cash and cash equivalents balance from the Transfer of Full Bright	–	311
Interest received	63	520
Acquisition of fixed assets	(297)	(307)
Deposits paid for the redevelopment project	(1,032)	(1,243)
NET CASH USED IN INVESTING ACTIVITIES	(1,189)	(719)
FINANCING ACTIVITIES		
Proceeds from borrowings	19,929	174,000
Repayments of borrowings	(9,386)	(91,332)
Interest paid	(3,111)	(1,306)
Repayments of obligation under finance lease	(7)	(92)
Increase in pledged bank deposits	(11)	(14)
Repurchase of shares	(19,845)	–
Proceeds from issue of shares	366	–
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	(12,065)	81,256
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(964)	26,016
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	96,211	70,195
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		
Bank balances and cash	95,247	96,211



51

Styland Holdings Limited
Annual Report 2013/14

The notes on pages 52 to 124 are an integral part of these consolidated financial statements.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

1. General Information

Styland Holdings Limited (the “Company”) was incorporated in Bermuda on 31 July 1991 as an exempted company with limited liability under the Companies Act of Bermuda. The shares of the Company are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the registered office and principal place of business of the Company are Canon’s Court, 22 Victoria Street, Hamilton HM12, Bermuda and 28th Floor, Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong respectively.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

The Company acts as an investment holding company. The principal activities of its subsidiaries (together with the Company collectively referred to as the “Group”) are set out in note 44.

These consolidated financial statements have been approved for issue by the Board of Directors on 24 June 2014.

2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”)

New and revised standards, amendments and interpretations applied in the current year

The Group has adopted the following revised HKFRSs for the first time for the current year’s financial statements.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009–2011 Cycle
Amendments to HKFRS 7	Disclosures — Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine

The adoption of the revised HKFRSs has had no significant financial impact on these financial statements.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

3. Issued but not yet Effective HKFRSs

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities ¹
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions ²
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures ⁴
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities ¹
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets ¹
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010–2012 Cycle ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle ²
HKFRS 9	Financial Instruments ⁴
HKFRS 14	Regulatory Deferral Accounts ³
HK(IFRIC)-Int 21	Levies ¹

The Group has not early adopted these new standards, amendments and interpretations to existing standards in the consolidated financial statements for the year ended 31 March 2014. The adoption of the above new standards, amendments and interpretations to existing standards in future periods is not expected to result in substantial changes to the Group's accounting policies.

In addition, the Hong Kong Institute of Certified Public Accountants ("HKICPA") also published a number of amendments to existing standards under its annual improvement project. These amendments are not expected to have a significant financial impact on the results of operations and financial position of the Group.

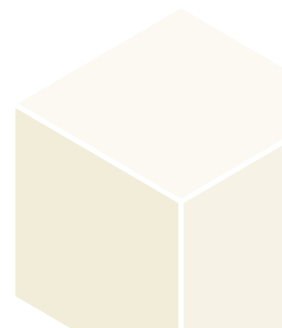
The Group will adopt the above new standards, amendments and interpretations when they become effective.

¹ Effective for annual periods beginning on or after 1 March 2014

² Effective for annual periods beginning on or after 1 March 2015

³ Effective for annual periods beginning on or after 1 March 2016

⁴ Effective date to be determined



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

4. Change in Accounting Estimate

In prior years, the Group accounted for the depreciation of fixed assets by using the reducing balance method. Most of the companies engaging in the similar business as the Group in Hong Kong adopt the straight line depreciation method in measuring their depreciation of fixed assets. In the current year, the Directors revisited the method adopted by the Group and decided to change it from reducing balance method to straight line method. The Directors consider the impact on the change in the current and prior years is insignificant and do not expect a significant fluctuation in the net book value of fixed assets due to the change in depreciation method from reducing balance method to straight method and hence, the impact on the change is not expected to be significant to the Group in future years.

5. Significant Accounting Policies

Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the disclosure requirements of the Hong Kong Companies Ordinance.

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments and investment properties, which are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in HKAS 2 or value in use in HKAS 36.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

5. Significant Accounting Policies *(Continued)*

Basis of preparation *(Continued)*

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below:

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

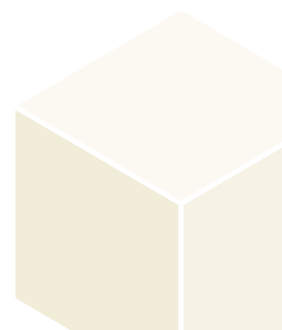
Exchange differences arising from the settlement of monetary items, and from the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

5. Significant Accounting Policies *(Continued)*

Basis of consolidation *(Continued)*

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

5. Significant Accounting Policies *(Continued)*

Investments in subsidiaries

Investment in a subsidiary is stated at cost less any identified impairment loss on the statement of financial position of the Company.

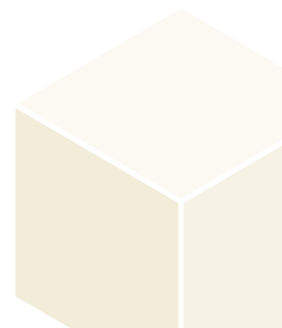
Revenue recognition

Revenue is measured at the fair value of the consideration received and receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts.

The Group operates the “Customer Loyalty Programme” where certain customers accumulate points for purchases made which entitle them to purchase goods for free. The award points are recognised as a separately identifiable component of the initial sale transaction, by allocating the fair value of the consideration received between the award points and the other components of the sale such that the award points are recognised at their fair value. Revenue from the award points is recognised when the points are redeemed or expired. The amount of initial revenue recognised is based on the number of points redeemed relative to the total number expected to be redeemed. As at 31 March 2014, there was no material deferred revenue as at 31 March 2014.

Revenue is recognised in the consolidated statement of comprehensive income on the following basis:

- (a) revenue from sales of goods is recognised when the goods are delivered and title has passed;
- (b) revenue from trading of securities and securities dealing is recognised on the trade date basis;
- (c) commission and brokerage income from securities dealing is recognised on the trade date basis when relevant services are provided;
- (d) interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition;
- (e) dividend income from investments is recognised when the shareholders’ rights to receive payment have been established;





Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

5. Significant Accounting Policies *(Continued)*

Revenue recognition *(Continued)*

- (f) consultancy, financing advisory and placing service income are recognised when services are provided;
- (g) revenue from consignment sales is recognised by the shipper when the goods are sold by recipient to and third party; and
- (h) rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Employee benefits

(a) *Retirement benefits scheme*

Payments to the Mandatory Provident Fund Scheme (the “MPF Scheme”) are charged as expense when employees have rendered service entitling them to the contributions.

(b) *Long service payments*

Certain of the Group’s employees have completed the required number of years of service to the Group in order to be eligible for long service payments under the Hong Kong Employment Ordinance (“Employment Ordinance”) in the event of the termination of their employment under the circumstances specified in the Employment Ordinance. A provision is recognised in respect of the probable future long service payments expected to be made. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their service to the Group to the end of the reporting period.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

5. Significant Accounting Policies (Continued)

Fixed assets

Fixed assets held for use in the production or supply of services, or for administrative purposes, are stated at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of fixed assets less their residual values over their estimated useful lives, using the straight line method. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Fixed assets are depreciated on a straight line method at the following rates per annum:

Leasehold improvements	Over the shorter of the term of lease, or 25%
Furniture, fixtures and equipment	15%
Motor vehicles	20%

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

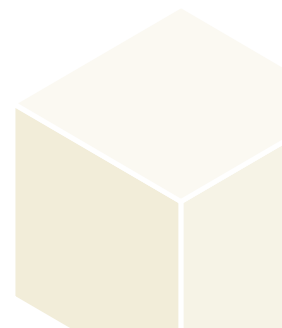
An item of fixed assets is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of fixed assets is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties include land held for undetermined future use, which is regarded as held for capital appreciation purpose.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values using the fair value model. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

Investment properties are derecognised upon disposal or when the investment properties are permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the item is derecognised.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

5. Significant Accounting Policies *(Continued)*

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the consolidated statement of comprehensive income.

Financial assets

The Group's financial assets are classified into one of the four categories, including financial assets at fair value through profit or loss ("FVTPL"), loans and receivables, held-to-maturity investments and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL, of which interest income is included in other revenue.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

5. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets at FVTPL are mainly financial assets that are held for trading on initial recognition.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

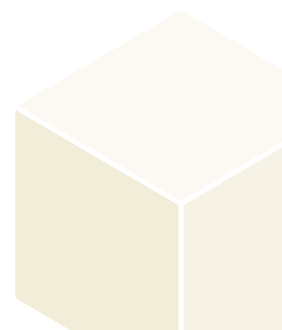
Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including loan receivables, trade receivables, other receivables and deposits, client trust funds, pledged bank deposits, and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss of financial assets below).

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determined payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. The Group designated that the promissory note receivable as a held-to-maturity investment. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss of financial assets below).





Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

5. Significant Accounting Policies *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Available-for-sale investments

Available-for-sale investments are non-derivatives that are either designated or not classified as financial assets at FVTPL, loans and receivables and held-to-maturity investments.

Available-for-sale investments are measured at fair value at the end of each reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in investment revaluation reserve, until the investment is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss (see accounting policy on impairment loss of financial assets below).

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at the end of each reporting period (see accounting policy on impairment loss of financial assets below).

Impairment loss of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

5. Significant Accounting Policies *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment loss of financial assets *(Continued)*

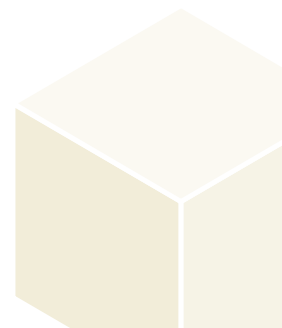
For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as loan receivables, trade receivable and other receivables and deposits, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of promissory note receivable, loan receivables, trade receivables and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a promissory note receivable, trade receivable, loan receivable and other receivable are considered uncollectible, they are written-off against the respective allowance accounts. Subsequent recoveries of amounts previously written-off are credited to profit or loss.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

5. Significant Accounting Policies *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment loss of financial assets *(Continued)*

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Impairment losses on available-for-sale equity investments will not be reversed in profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in other comprehensive income and accumulated in investment revaluation reserve. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's financial liabilities are generally classified into other financial liabilities.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, the shorter period.

Interest expense is recognised on an effective interest basis.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

5. Significant Accounting Policies *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity *(Continued)*

Other financial liabilities

Other financial liabilities including trade payables, other payables and accruals, dividend payable, borrowings and obligation under finance lease are subsequently measured at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

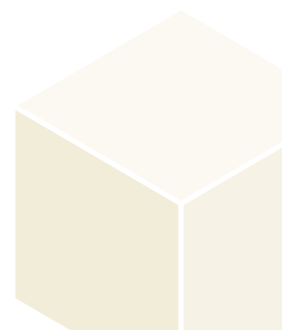
Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, issue or cancellation of the Company's own equity instruments.

Convertible bonds

The Group's convertible bonds issued with embedded derivative features are split into liability and derivative components. The initial carrying amount of the liability component is the residual amount after separating the embedded derivative. The liability component is subsequently measured at amortised cost, using the effective interest method, until extinguished on conversion or redemption. The derivative component is recognised as shareholders' equity and will not be revaluated in subsequent years.

Derivative financial instrument

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

5. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

5. Significant Accounting Policies *(Continued)*

Taxation *(Continued)*

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

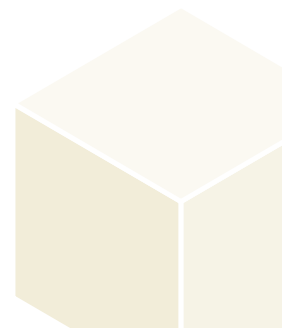
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

5. Significant Accounting Policies *(Continued)*

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.

Impairment losses on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

5. Significant Accounting Policies *(Continued)*

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

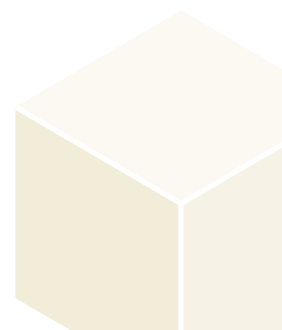
Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

Operating leases payments are recognised as an expense on a straight-line basis over the term of the relevant lease.

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 parent of the Group.
- (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).
 - (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.





Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

5. Significant Accounting Policies *(Continued)*

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

6. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 5, the Directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the entity's accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the Directors of the Company have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Result of Petition of the Group

Notes 10 and 42 describes the result of the Petition in which the Group has recognised other income amounting to HK\$71,304,000 (2013: HK\$36,667,000) for the Judgement Debts receivable from the two former Directors of the Company.

In making this judgement for the year ended 31 March 2014 and 2013, the Group has considered and evaluated, among other factors, the uncertainty of the recoverability of the interest receivable and the reliability of the measurement of the estimated interest accrued.

The Directors of the Company are in the opinion that recognising the other income-interest component primarily in accordance with the terms as agreed between the Company and the two former Directors of the Company would be the most suitable considering the exceptional nature of event and would provide financial users a true and fair view.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

6. Critical Accounting Judgements and Key Sources of Estimation Uncertainty *(Continued)*

Result of Petition of the Group *(Continued)*

For the year ended 31 March 2014, an amount of approximately HK\$71,304,000, representing the final and remaining interest receivable of the Judgement Debts, has been recognized by the Group.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimated useful lives of fixed assets

The Group's carrying values of fixed assets as at 31 March 2014 was approximately HK\$1,276,000 (2013: HK\$1,775,000). The Group depreciates the fixed assets over the estimated useful lives, using the straight line method, at the rate of 15-25% per annum, commencing from the date the fixed assets was placed into productive use. The estimated useful life reflects the Directors' estimates of the periods that the Group intends to derive future economic benefits from the use of the Group's fixed assets. The Group assesses annually the useful lives of fixed assets and if the expectation differs from the original estimate, such a difference may impact the depreciation in the year and the estimate will be charged in the future period.

Estimated impairment loss recognised in respect of trade receivables, loan receivables, other receivables and prepayments and promissory note receivable

Management regularly reviews and judges the recoverability and/or age of receivables. Appropriate impairment for estimated irrecoverable amounts are recognised in the consolidated statement of comprehensive income when there is objective evidence that the asset is impaired.

In determining whether an impairment on receivables is required, the Group takes into consideration the current creditworthiness, the past collection history, age status and likelihood of collection. Specific allowance is only made for receivables that are unlikely to be collected and is recognized on the difference between the estimated future cash flow expected to receive discounts using the original effective interest rate and its carrying value. If the financial conditions of customers of the Group were to deteriorate, resulting in impairment of their ability to make payments, additional impairment may be required.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

6. Critical Accounting Judgements and Key Sources of Estimation Uncertainty *(Continued)*

Estimated impairment loss recognised in respect of trade receivables, loan receivables, other receivables and prepayments and promissory note receivable *(Continued)*

As at 31 March 2014, the carrying amount of trade receivables is approximately HK\$15,989,000 (net of accumulated impairment loss of approximately HK\$5,365,000) (2013: HK\$17,072,000 (net of accumulated impairment loss of approximately HK\$327,000)); the carrying amount of loan receivables is approximately HK\$141,424,000 (net of accumulated impairment loss of approximately HK\$23,322,000) (2013: HK\$119,429,000 (net of accumulated impairment loss of approximately HK\$24,235,000)); the carrying amount of promissory note receivable is HK\$nil (net of accumulated impairment loss of approximately HK\$42,960,000) (2013: HK\$nil (net of accumulated impairment loss of HK\$42,960,000)).

Fair value measurements and valuation processes

Some of the Group's assets are measured at fair value for financial reporting purposes. The management would determines the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of assets.

Investment properties are carried in the consolidated statement of financial position as at 31 March 2014 at the fair value of approximately HK\$206,000,000 (2013: HK\$166,000,000). The fair value was based on valuation on the properties conducted by independent firms of professional valuers using direct comparison or investment method which involve certain assumptions of market conditions. Favorable or unfavorable changes to these assumptions would result in changes in the fair value of the Group's investment properties and corresponding adjustments to the amount of gain or loss reported in the consolidated statement of comprehensive income.

Note 19 provide detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of investment properties



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

7. Capital Risk Management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group is not subject to any externally imposed capital requirements except for certain subsidiaries which engage in securities dealing and broking service, corporate finance and advisory service are the regulated entities under the Hong Kong Securities and Futures Ordinance and are subject to the respective minimum capital requirements. During the two years, the subsidiaries complied with respective minimum capital requirements. No changes were made in the objective, policies or processes for managing capital during the years ended 31 March 2014 and 2013.

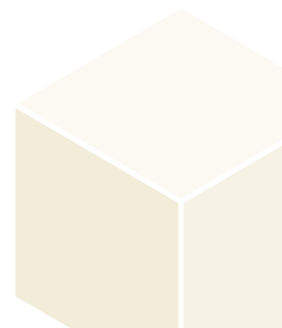
The capital structure of the Group consists of debts (which included the borrowings as disclosed in note 32 and obligation under finance lease as disclosed in note 33), cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

The Directors of the Company review the capital structure on an annual basis. As part of this review, the Directors of the Company consider the cost of capital and risks associated with each class of capital and will balance its overall capital structure through the raise of borrowings, payment of dividends and issue of bonus warrants. There is no significant change in the capital risk management policy adopted by the Company during the two years ended 31 March 2014 and 2013.

8. Financial Risk Management

Categories of financial instruments

	2014 HK\$'000	2013 HK\$'000
Financial assets		
Financial assets at fair value through profit or loss		
— held for trading investments	46,183	38,249
Loans and receivables		
— loan receivables	141,424	119,429
— trade receivables	15,989	17,072
— other receivables and refundable deposits	4,005	2,884
— client trust funds	46,081	57,167
— pledged bank deposits	6,280	6,225
— bank balances and cash	95,247	96,211
	355,209	337,237



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

8. Financial Risk Management *(Continued)*

Categories of financial instruments *(Continued)*

	2014 HK\$'000	2013 HK\$'000
Financial liabilities		
Other financial liabilities at amortised cost		
— trade payables	48,151	63,391
— other payables and accruals	5,480	4,673
— borrowings	98,911	88,368
— dividend payable	4,924	—
— obligation under finance lease	—	7
	<hr/>	<hr/>
	157,466	156,439

Financial risk management objectives and policies

The Group's financial instruments include financial assets at fair value through profit or loss, loan receivables, trade receivables, other receivables and refundable deposits, client trust funds, pledged bank deposits, bank balances and cash, promissory note receivable, available-for-sale investments, trade payables, other payables and accruals, dividend payable, borrowings and obligation under finance lease. Details of the financial instruments are disclosed in the relevant notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity 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.

(a) Market risk

(i) Currency risk

The Group's business activities and its assets and liabilities were mainly denominated in HK\$, Renminbi ("RMB"), United States dollar ("USD") and Euro. The management considers the Group does not expose to significant foreign currency risk as majority of its operations and transaction are denominated in the functional currency of the Group. The Group currently does 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.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

8. Financial Risk Management *(Continued)*

Financial risk management objectives and policies *(Continued)*

(a) **Market risk** *(Continued)*

(i) **Currency risk** *(Continued)*

USD is not the functional currency of the Group. However, given that HK\$ is pegged to USD, the Group does not expect any significant movements in the USD/HK\$ exchange rates. In the opinion of Directors of the Company, the foreign currency sensitivity does not give additional value in view of insignificant movement in the USD/HK\$ exchange rates and insignificant exposure of other foreign currencies in relation to bank balances and trade payables (see note 29 and 30) at the end of the reporting period, except for RMB. Accordingly, the foreign currency sensitivity disclosed includes the analysis for RMB only.

The sensitivity analysis has been determined based on 5% (2013: 5%) increase and decrease in RMB against HK\$. For a 5% (2013: 5%) weakening of RMB against HK\$, there would be a decrease in post-tax profit by HK\$30,000 (2013: HK\$58,000). For a 5% (2013: 5%) strengthening of RMB against HK\$, there would be an equal and opposite impact on the profit.

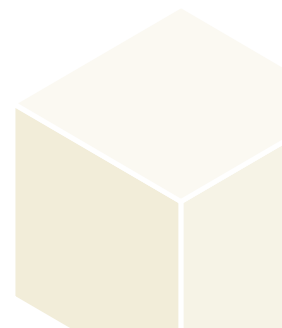
(ii) **Interest rate risk**

The Group is exposed to fair value interest rate risk in relation to the promissory note receivable, the fixed-rate pledged bank deposits and obligation under finance lease (see notes 22, 28 and 33 respectively for details).

The Group is also exposed to cash flow interest rate risk in relation to loan receivable, client trust funds, bank balance, trade payables and borrowings (see notes 23, 27, 29, 30 and 32 respectively for details). The interest rate risk is managed by the Directors of the Company on an ongoing basis with the primary objective of limiting the potential changes in interest rate that may have an adverse effect on the Group's results.

The sensitivity analysis below has been determined based on the exposure to interest rates for loan receivables, client trust funds, bank balances, trade payables and borrowings at the end of reporting period. The analysis is prepared assuming financial instruments outstanding at the end of reporting period were outstanding for the whole year. A 100 (2013: 100) basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 (2013:100) basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 March 2014 would increase/decrease by HK\$1,359,000 (2013:HK\$1,212,000).



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

8. Financial Risk Management *(Continued)*

Financial risk management objectives and policies *(Continued)*

(a) **Market risk** *(Continued)*

(iii) **Other price risk**

Other price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the values of individual securities. The Group is exposed to equity price risk arising from individual equity investment classified as FVTPL (note 26) as at 31 March 2014. The Group's listed investments are listed on the Stock Exchange and are valued at quoted market prices at the reporting date. In addition, the Group monitors the price risk exposure and will consider hedging the risk exposure should the need arise.

The sensitivity analyses below have been determined based on the Group's exposure to equity price risks at the reporting date.

If the price of the respective equity instruments classified as FVTPL had been 5% (2013: 5%) higher/lower, the post-tax profit for the year ended 31 March 2014 would increase/decrease by approximately HK\$1,928,000 (2013: HK1,597,000) for the Group, as a result of the changes in fair value of financial assets classified as FVTPL.

(b) **Credit risk**

As at 31 March 2014, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts in this regard, the Directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

8. Financial Risk Management *(Continued)*

Financial risk management objectives and policies *(Continued)*

(b) Credit risk *(Continued)*

For the securities dealing, broking and financing business, loan will be granted based on assessment on financial status, repayment records and the liquidity of collaterals placed by a customer and the interest rate will be determined thereon. The Group's loans to customers arising from the business of securities dealings are secured by the underlying pledged securities. Loan will be repayable on demand once a customer fails to maintain the maintenance margin, repay margin loan or other sum that is payable to the Group.

The account executives of the Group are responsible for making margins calls to customers whose trade exceed their respective limits. The deficiency report will be monitored daily by the Group's Director and responsible officers.

The Group has concentration of credit risk as 20% (2013: 35%) and 54% (2013: 67%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively. The Group's concentration of credit risk by geographical locations is mainly in Hong Kong, which accounted for 100% (2013: 100%) of the total trade receivables as at 31 March 2014.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings and trade receivables, the Group has no significant concentration of credit risk on loan receivables and other receivables, with exposure spread over a number of counterparties.

(c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient amount of cash and adequate banking facilities from major financial institutions to meet its liquidity requirements in the short and long term.

Due to the inclusion of a repayment on demand clause in the respective facilities agreements, such portion of secured bank loans, amounted to approximately HK\$81,103,000 (2013: HK\$84,779,000) with a contractual repayment terms maturing more than one year, were classified as current liabilities as at 31 March 2014.

In respect of the Group's securities dealing and broking services business, it is subject to various statutory liquidity requirements as prescribed by the Securities and Futures Ordinance. The Group has put in place monitoring system to ensure that it maintains adequate liquid capital to fund its business commitments and to comply with the relevant Financial Resources Rules.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

8. Financial Risk Management *(Continued)*

Financial risk management objectives and policies *(Continued)*

(c) *Liquidity risk* *(Continued)*

Liquidity tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities as at 31 March 2014 and 2013. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group is required to pay.

As at 31 March 2014

	Interest	On demand/ within	One year to	Over	Total	Carrying
	Rate	one year	two years	two years	undiscounted	Amount
		HK\$'000	HK\$'000	HK\$'000	cash flow	HK\$'000
					HK\$'000	
Trade payables	-	48,151	-	-	48,151	48,151
Other payables and accruals	-	5,480	-	-	5,480	5,480
Dividend payable	-	4,924	-	-	4,924	4,924
Secured bank loans*	2.4%	84,779	-	-	84,779	84,779
Other secured loans	9%	14,132	-	-	14,132	14,132
		157,466	-	-	157,466	157,466

* The loan agreements contain a repayment on-demand clause giving the lenders unconditional right to call in the loan at any time and therefore, for the purpose of the above maturity analysis, the total amounts are classified as "on demand".



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

8. Financial Risk Management (Continued)

Financial risk management objectives and policies (Continued)

(c) Liquidity risk (Continued)

As at 31 March 2013

	Interest Rate	On demand/ within one year HK\$'000	One year to two years HK\$'000	Over two years HK\$'000	Total contractual undiscounted cash flow HK\$'000	Carrying Amount HK\$'000
Trade payables	–	63,391	–	–	63,391	63,391
Other payables and accruals	–	4,673	–	–	4,673	4,673
Secured bank loans*	2.4%	88,368	–	–	88,368	88,368
Obligation under finance lease	5.28%	8	–	–	8	7
		156,440	–	–	156,440	156,439

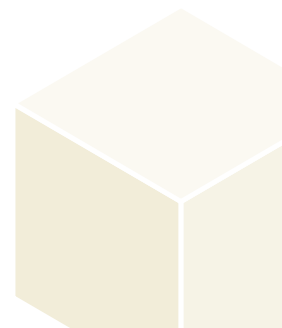
* The loan agreements contain a repayment on-demand clause giving the lenders unconditional right to call in the loan at any time and therefore, for the purpose of the above maturity analysis, the total amounts are classified as "on demand".

Fair value

The fair value of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid prices; and
- The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions as input.

The Directors of the Company consider that the other carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values due to short-term or immediate maturities.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

8. Financial Risk Management *(Continued)*

Fair value *(Continued)*

Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 31 March 2014

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Non-derivative financial assets held for trading	46,183	–	–	46,183

As at 31 March 2013

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Non-derivative financial assets held for trading	38,249	–	–	38,249

There were no transfers between Level 1 and 2 in both years.



Notes to the Consolidated Financial Statements

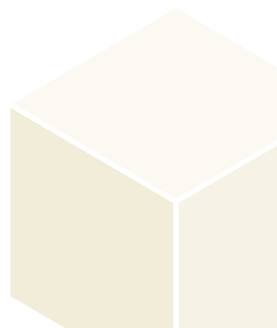
for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

9. Segment Information

Information reported to the Board, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. To facilitate the performance assessment, the result from the Group's new line of business, retail sales of goods, was assessed together with the trading of frozen foods. As a result, the segment was renamed from "General trading" to "Retail and trading". The Group's reportable segments under HKFRS 8 are as follows:

- the securities dealing, broking and other financing segment provides securities broking, margin and corporate finance and other financing services;
- the mortgage financing segment mainly engages in corporate and personal loans that are secured by real properties;
- the retail and trading segment mainly engages in retail and trading of food products;
- the property development and investment segment engages in property redevelopment and letting of properties; and
- the securities trading segment engages in dealing with listed securities.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

9. Segment Information (Continued)

Segment revenues and results

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

For the year ended 31 March 2014

	Securities dealing, broking and other financing HK\$'000	Mortgage financing HK\$'000	Retail and trading HK\$'000	Property development and investment HK\$'000	Securities trading HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
Segment revenues:							
External sales	18,063	23,425	940	1,657	98	-	44,183
Inter-segment sales	467	-	-	-	-	(467)	-
	<u>18,530</u>	<u>23,425</u>	<u>940</u>	<u>1,657</u>	<u>98</u>	<u>(467)</u>	<u>44,183</u>
Segment profit/(loss)							
after inter-segment transactions	2,810	17,566	(11,552)	(3,623)	18,478	-	23,679
Unallocated income and expenses							<u>57,924</u>
Profit before taxation							<u>81,603</u>

Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

9. Segment Information (Continued)

Segment revenues and results (Continued)

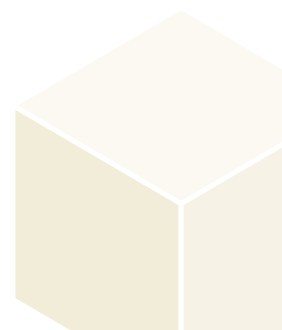
The following is an analysis of the Group's revenues and results by reportable segments. (Continued)

For the year ended 31 March 2013

	Securities dealing, broking and other financing HK\$'000	Mortgage financing HK\$'000	Retail and trading HK\$'000	Property development and investment HK\$'000	Securities trading HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
Segment revenues:							
External sales	13,523	14,276	6,477	845	582	-	35,703
Inter-segment sales	1,134	-	-	-	-	(1,134)	-
	<u>14,657</u>	<u>14,276</u>	<u>6,477</u>	<u>845</u>	<u>582</u>	<u>(1,134)</u>	<u>35,703</u>
Segment profit/(loss) after inter-segment transactions	1,281	8,917	46	16,485	(6,827)	-	19,902
Unallocated income and expenses							<u>20,298</u>
Profit before taxation							<u>40,200</u>

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 5. Segment profit (loss) represents the profit earned by (loss from) each segment without allocation of central administrative costs, Directors' salaries, bank interest income and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Inter-segment sales are charged at prevailing market rates.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

9. Segment Information (Continued)

Segment assets and liabilities

The segment assets and liabilities as at 31 March 2014 by reportable segments are as follows:

	Securities dealing, broking and other financing HK\$'000	Mortgage financing HK\$'000	Retail and trading HK\$'000	Property development and investment HK\$'000	Securities trading HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Segment assets	104,372	102,976	908	208,355	46,184	103,375	566,170
Segment liabilities	50,690	15,340	973	452	216	89,795	157,466

The segment assets and liabilities as at 31 March 2013 by reportable segments are as follows:

	Securities dealing, broking and other financing HK\$'000	Mortgage financing HK\$'000	Retail and trading HK\$'000	Property development and investment HK\$'000	Securities trading HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Segment assets	113,253	76,708	6,816	167,276	38,250	105,640	507,943
Segment liabilities	65,938	276	289	699	11	89,226	156,439

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to reportable segments other than tax recoverable, pledged bank deposits, bank balances and cash, unallocated fixed assets, and unallocated other receivables, deposits and prepayments; and
- all liabilities are allocated to reportable segments other than borrowings, obligation under finance lease, and unallocated other payables and accruals.



Notes to the Consolidated Financial Statements

for the year ended 31 March

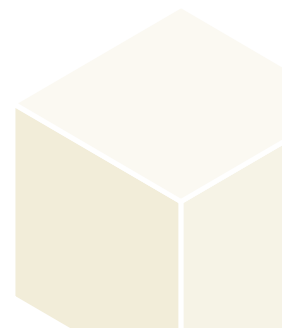
(All amounts in Hong Kong dollars unless otherwise stated)

9. Segment Information (Continued)

Other segment information For the year ended 31 March 2014

	Securities dealing, broking and other financing HK\$'000	Mortgage financing HK\$'000	Retail and trading HK\$'000	Property development and investment HK\$'000	Securities trading HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
<u>Amounts included in the measurement of segment profit or loss or segment assets:</u>							
Change in fair value of investment properties	-	-	-	(4,800)	-	-	(4,800)
Change in fair value of financial assets at fair value through profit or loss	-	-	-	-	7,757	-	7,757
Gain on disposal of financial assets at fair value through profit or loss	-	-	-	-	10,881	-	10,881
Impairment loss recognised in respect of other receivables	-	(206)	-	-	-	-	(206)
Impairment loss recognised in respect of trade receivable	-	-	(5,038)	-	-	-	(5,038)
Reversal of impairment loss recognised in respect of other receivables	-	46	-	-	-	-	46
Impairment loss recognised in respect of loan receivables	-	(496)	-	-	-	-	(496)
Reversal of impairment loss recognised in respect of loan receivables	602	370	-	-	-	-	972
Bad debt recovery for loan receivables	96	-	-	-	-	-	96
Depreciation	(136)	(20)	(6)	(1)	-	(631)	(794)
Gain on exchange difference, net	-	-	-	-	-	44	44
Loss on disposal of fixed assets	-	-	-	-	-	(2)	(2)
Additions to non-current assets (note)	134	15	108	45,832	-	40	46,129
<u>Amounts regularly provided to the chief operating decision maker but not included in the measurement of segment profit or loss or segment assets:</u>							
Interest income	5	-	-	-	-	58	63
Finance costs	(3)	(1,032)	-	-	-	(2,076)	(3,111)
Income tax expenses	-	-	-	-	-	-	-

Note: The amounts exclude those additions to loan receivables and available-for-sale investment.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

9. Segment Information (Continued)

Other segment information (Continued)

For the year ended 31 March 2013

	Securities dealing, broking and other financing HK\$'000	Mortgage financing HK\$'000	Retail and trading HK\$'000	Property development and investment HK\$'000	Securities trading HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
<u>Amounts included in the measurement of segment profit or loss or segment assets:</u>							
Change in fair value of investment properties	-	-	-	16,000	-	-	16,000
Change in fair value of financial assets at fair value through profit or loss	-	-	-	-	(5,988)	-	(5,988)
Loss on disposal of financial assets at fair value through profit or loss	-	-	-	-	(300)	-	(300)
Impairment loss recognised in respect of other receivables	-	(340)	-	-	-	(281)	(621)
Reversal of impairment loss recognised in respect of trade receivables	-	-	29	-	-	-	29
Impairment loss recognised in respect of loan receivables	(334)	(960)	-	-	-	-	(1,294)
Reversal of impairment loss recognised in respect of loan receivables	-	461	-	-	-	-	461
Bad debt recovery for loan receivables	96	-	-	-	-	-	96
Bad debt written-off	-	(44)	-	-	-	-	(44)
Depreciation	(223)	(12)	-	-	-	(335)	(570)
Loss on disposal of fixed assets	-	-	-	-	-	(7)	(7)
Additions to non-current assets (note)	180	105	-	84,243	-	22	84,550
<u>Amounts regularly provided to the chief operating decision maker but not included in the measurement of segment profit or loss or segment assets:</u>							
Interest income	4	-	387	-	-	129	520
Finance costs	(4)	-	(1)	(60)	-	(1,241)	(1,306)
Income tax expenses	-	-	-	-	-	-	-

Note: The amounts exclude those additions to loan receivables and available-for-sale investment.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

9. Segment Information (Continued)

Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services:

	2014	2013
	HK\$'000	HK\$'000
Sales of foods	940	6,477
Rental income	1,657	845
Commission and brokerage income from securities dealing	11,813	7,723
Interest income from margin and other financing	6,250	5,800
Interest income from mortgage financing	23,425	14,276
Dividend income	98	582
	44,183	35,703

Geographical information

The Group's operations are located in Hong Kong (country of domicile).

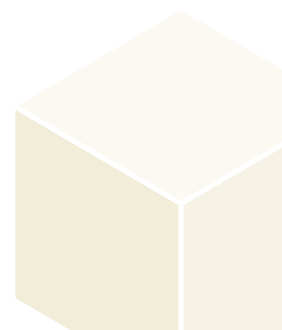
The Group's revenue from external customers and information about its non-current assets by geographical location of the assets are detailed below:

	Revenue from external customers		Non-current assets	
	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	44,183	35,703	209,551	169,018

Note: Non-current assets excluded loan receivables and available-for-sale investment.

Information about major customers

For the year ended 31 March 2014, none of the customer individually accounted for over 10% of the Group's total revenue. For the year ended 31 March 2013, one customer of the Group's over 10% of the Group's total revenue.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

10. Turnover, Revenue, Cost of Sales and Other Income

Turnover including amounts received and receivable for goods sold and services provided, trading of securities, commission and brokerage income from securities dealing, interest income from mortgage, margin and other financing, dividend income and rental income are analysed as follows:

	2014 HK\$'000	2013 HK\$'000
Turnover comprises:		
Proceeds from investments held for trading	99,029	112,418
Sales of goods	940	6,477
Commission and brokerage income from securities dealing	11,813	7,723
Interest income from margin and other financing	6,250	5,800
Interest income from mortgage financing	23,425	14,276
Dividend income	98	582
Rental income	1,657	845
	143,212	148,121
Revenue comprises:		
Sales of goods	940	6,477
Commission and brokerage income from securities dealing	11,813	7,723
Interest income from margin and other financing	6,250	5,800
Interest income from mortgage financing	23,425	14,276
Dividend income	98	582
Rental income	1,657	845
	44,183	35,703
Cost of sales comprises:		
Cost of goods sold	762	6,318
Direct cost in respect of securities broking business	4,452	2,578
	5,214	8,896
Gross profit comprises:		
Sales of goods	178	159
Commission and brokerage income from securities dealing	7,361	5,145
Interest income from mortgage financing	23,425	14,276
Interest income from margin and other financing	6,250	5,800
Dividend income	98	582
Rental income	1,657	845
	38,969	26,807
Other income comprises:		
Interest income	63	520
Reversal of impairment loss recognised in respect of other receivables	46	–
Reversal of impairment loss recognised in respect of trade receivables	–	29
Bad debt recovery from loan receivables	96	96
Settlement of judgement debts		
Interest component (Note 42)	71,304	36,667
Gain on exchange difference, net	44	–
Sundry income	1,373	682
	72,926	37,994



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

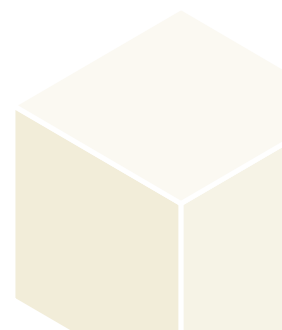
11. Finance Costs

	2014 HK\$'000	2013 HK\$'000
Interest on:		
— bank borrowings wholly repayable within five years	2,079	1,303
— other borrowings wholly repayable within five years	1,032	—
— obligation under finance lease	—	3
	3,111	1,306

12. Profit Before Taxation

Profit before taxation has been arrived at after charging/(crediting):

	2014 HK\$'000	2013 HK\$'000
Staff costs (including Directors' remuneration):		
— Salaries, allowances and other benefits	18,073	15,772
— Retirement benefit scheme contributions	621	548
	18,694	16,320
Auditor's remuneration	750	750
Depreciation	794	570
Gain on exchange difference, net	(44)	—
Loss on disposals of fixed assets	2	7
Lease payments under operating leases for rented premises	2,474	1,992
Impairment loss recognised in respect of trade receivable	5,038	—
Impairment loss recognised in respect of other receivables	206	621
Impairment loss recognised in respect of loan receivables	496	1,294
Cost of inventories recognised as an expense	762	6,318



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

13. Income Tax Expenses

No provision for Hong Kong profits tax has been made in the consolidated financial statements for the years ended 31 March 2014 and 2013 as the Company and its subsidiaries either has available losses brought forward from prior years to offset the assessable profits generated during both years or did not generate any assessable profits arising in Hong Kong during both years.

The income tax expenses for the year can be reconciled to the profit before taxation per the consolidated statement of comprehensive incomes as follows:

	2014 HK\$'000	2013 HK\$'000
Profit before taxation	81,603	40,200
Tax at domestic income tax rate of 16.5%	13,465	6,633
Tax effect of expenses not deductible for tax purpose	1,125	419
Tax effect of income not taxable for tax purpose	(11,990)	(8,805)
Tax effect of temporary differences not recognised	(1,111)	(415)
Tax effect of tax losses not recognised	2,535	3,023
Utilisation of tax loss previously not recognised	(4,024)	(855)
Income tax expenses for the year	–	–

As at 31 March 2014, the Group has unused tax losses of approximately HK\$217,040,000 (2013: HK\$226,064,000) available for offset against future profits. No deferred tax asset has been recognised of such losses due to the unpredictability of future profit streams for certain of subsidiaries. The tax losses may be carried forward indefinitely.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

14. Directors' Remuneration

The remuneration paid or payable to each of nine (2013: nine) Directors were as follows:

Name of Director	Fees HK\$'000	Salaries and other benefits HK\$'000	Discretionary bonus HK\$'000	Retirement	Total HK\$'000
				benefit scheme contributions HK\$'000	
For the year ended 31 March 2014					
<i>Executive Directors</i>					
Cheung Hoo Win	-	496	41	15	552
Ng Yiu Chuen	-	721	286	15	1,022
Zhang Yuyan	-	150	-	-	150
Chen Lili	-	120	-	-	120
Mak Kit Ping	-	653	-	28	681
<i>Independent Non-Executive Directors</i>					
Zhao Qingji	200	-	-	-	200
Yeung Shun Kee	130	-	-	-	130
Li Hancheng	100	-	-	-	100
Lo Tsz Fung Philip	80	-	-	-	80
	510	2,140	327	58	3,035



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

14. Directors' Remuneration (Continued)

Name of Director	Fees HK\$'000	Salaries and other benefits HK\$'000	Discretionary bonus HK\$'000	Retirement benefit scheme contributions HK\$'000	Total HK\$'000
For the year ended 31 March 2013					
<i>Executive Directors</i>					
Cheung Hoo Win	-	473	40	15	528
Ng Yiu Chuen	-	656	163	15	834
Zhang Yuyan	-	150	-	-	150
Chen Lili	-	120	-	-	120
Mak Kit Ping	-	630	-	27	657
<i>Independent Non-Executive Directors</i>					
Zhao Qingji	200	-	-	-	200
Yeung Shun Kee	80	-	-	-	80
Li Hancheng	100	-	-	-	100
Lo Tsz Fung Philip	80	-	-	-	80
	460	2,029	203	57	2,749

None of Directors of the Company waived or agreed to waive any emoluments for the two years ended 31 March 2014 and 2013.

No emoluments have been paid to the Directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office during the two years ended 31 March 2014 and 2013.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

15. Employees' Emoluments

During the year, the five highest paid individuals included two directors (2013: two directors) of the Company, whose emoluments have been included in note 14 above. The emoluments of the remaining three individuals (2013: three individuals) for the years ended 31 March 2014 and 2013 were as follows:

	2014 HK\$'000	2013 HK\$'000
Salaries, allowances and other benefits	2,532	1,947
Retirement benefit scheme contributions	53	47
	<u>2,585</u>	<u>1,994</u>

No emoluments have been paid to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during the two years ended 31 March 2014 and 2013.

The above emoluments fall within the following band:

	Number of employees	
	2014	2013
Nil to HK\$1,000,000	<u>3</u>	<u>3</u>

16. Dividends

	2014 HK\$'000	2013 HK\$'000
Dividends recognised as distribution during the year:		

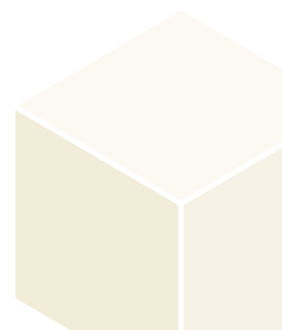
Interim — HK0.138 cents (2013: HK\$Nil)
per ordinary share

4,924

—

The payment of an interim dividend of HK0.138 cents per share was made on 8 April 2014 to shareholders whose names appear on the register of members of the Company on 21 March 2014. This dividend has been included as a liability in the consolidated financial statements.

Subsequent to the end of reporting period, final dividend in respect of the year ended 31 March 2014 of HK0.168 cents per share (2013: HK\$Nil) has been proposed by the Directors and is subject to approval by the shareholders at the forthcoming annual general meeting.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

17. Earnings per Share

The calculation of basic and diluted earnings per share for the year is based on the following data:

Earnings:

	2014 HK\$'000	2013 HK\$'000
Profit for the year attributable to owners of the Company for the purposes of basic and diluted earnings per share	81,603	40,200

Number of shares:

	2014	2013
Weighted average number of ordinary shares in issue during the year for the purpose of basic earnings per share	3,578,078,349	3,709,773,088
Effect of dilutive potential ordinary shares — Bonus warrants	37,352,108	—
Weighted average number of ordinary shares for the purpose of diluted earnings per share	3,615,430,457	3,709,773,088



Notes to the Consolidated Financial Statements

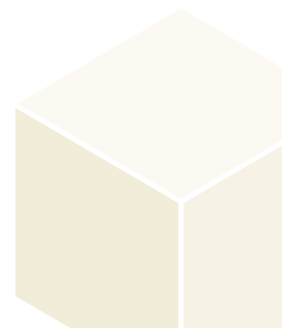
for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

18. Fixed Assets

	Leasehold improvements HK\$'000	Furniture, fixtures and equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
COST				
At 1 April 2013	1,985	4,895	2,026	8,906
Additions	–	297	–	297
Disposals	–	(67)	–	(67)
At 31 March 2014	1,985	5,125	2,026	9,136
ACCUMULATED DEPRECIATION				
At 1 April 2013	1,840	4,198	1,093	7,131
Charge for the year	109	286	399	794
Eliminated on disposals	–	(65)	–	(65)
At 31 March 2014	1,949	4,419	1,492	7,860
CARRYING VALUES				
At 31 March 2014	36	706	534	1,276
COST				
At 1 April 2012	1,919	4,680	2,026	8,625
Additions	66	241	–	307
Disposals	–	(26)	–	(26)
At 31 March 2013	1,985	4,895	2,026	8,906
ACCUMULATED DEPRECIATION				
At 1 April 2012	1,680	4,040	860	6,580
Charge for the year	160	177	233	570
Eliminated on disposals	–	(19)	–	(19)
At 31 March 2013	1,840	4,198	1,093	7,131
CARRYING VALUES				
At 31 March 2013	145	697	933	1,775

At 31 March 2014, the carrying values of the motor vehicle held by the Group under finance lease amounted to approximately HK\$Nil (2013: HK\$163,000).



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

19. Investment Properties

The fair value of the investment properties at 31 March 2013 and 2014 was revalued by LCH (Asia-Pacific) Surveyor Limited and RHL International Limited, both of them are independent qualified professional surveyors who have the recent experience in the location and category of property being valued, which was based on the direct comparison approach, assuming sale of the property interests in their existing state with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the relevant market while appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the subject properties; and the income approach by taking into account the net rental income derived from its existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases, which have been then capitalised to determine the market value at an appropriate capitalisation rate.

The fair value of investment properties is a level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value balance is provided below.

	2014 HK\$'000	2013 HK\$'000
Fair value		
At 1 April	166,000	67,000
Addition regarding the Transfer of TGL	44,800	–
Addition regarding the Transfer of Full Bright	–	83,000
Changes in fair value recognised in profit or loss	(4,800)	16,000
At 31 March	206,000	166,000
Leasehold properties situated in Hong Kong held under		
long-term lease	90,000	93,000
medium-term lease	116,000	73,000
	206,000	166,000

The Group's properties held to earn rental or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

There were no changes to the valuation techniques during the year.

The fair value measurement is based on the above properties' highest and best use, which does not differ from their actual use.

At the end of the reporting period, the Group's investment properties of approximately HK\$160,000,000 (2013: HK\$166,000,000) has been pledged to secure the banking facilities granted to the Group as details stated in note 37.

Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

20. Available-For-Sale Investment

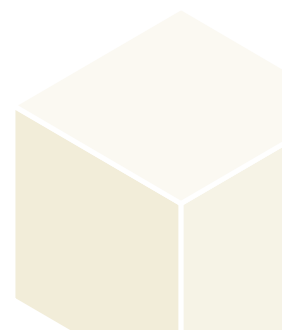
	2014 HK\$'000	2013 HK\$'000
Unlisted investment		
— equity securities, at cost	3,857	3,857
Less: Impairment loss	(3,857)	(3,857)
Total	—	—

The above unlisted equity investment represents the Group's 10% equity interest in Onland Investment Limited ("Onland"), the Company's former subsidiary, and its subsidiaries (the "Onland Group"). During the year ended 31 March 2010, the Group had partially disposed of its interests in the Onland Group, being the disposal of an aggregate of 9 shares in Onland representing 90% equity interests in the Onland Group previously held by the Group, for a consideration of approximately HK\$48,000,000. The Directors of the Company are of the opinion that the Group no longer had control, joint control or significant influence over the financing and operating policy decision of the Onland Group. Immediately after the disposal, the Group's remaining 10% equity interests in the Onland Group with a carrying amount of approximately HK\$3,857,000 was reclassified to available-for-sale investment. The investment was measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the Directors of the Company are of the opinion that its fair value cannot be measured reliably.

As at 31 March 2014, an impairment loss of approximately HK\$3,857,000 (2013: HK\$3,857,000) in respect of available-for-sale investment as a result of its decrease in the recoverable amounts has been recognised.

21. Inventories

	2014 HK\$'000	2013 HK\$'000
Finished goods	330	—





Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

22. PROMISSORY NOTE RECEIVABLE

The Group disposed of 90% of its shareholding interest in a toll road project in Wuhan, the PRC at the consideration of HK\$48,000,000, which was partially satisfied by cash of HK\$4,000,000 and the balance by issuing a promissory note to the Group.

The promissory note receivable, which bears a 6% coupon rate per annum, became due on 30 September 2011 (the "Maturity Date"). According to the terms of the promissory note, Lucky Global Investments Limited (the "Note Issuer") was required to pay the Group the principal amount of HK\$44,000,000 together with the accrued interest of HK\$3,960,000, for a total of HK\$47,960,000 (the "Total Sum") on the Maturity Date. The Company has only received HK\$5,000,000 for the partial settlement of the Total Sum during the year ended 31 March 2012.

Given the negative response of the Note Issuer towards the Group's repeated requests for payment and the lengthy period that this receivable has been outstanding since the Maturity Date, the Group has recognized an impairment loss for the remaining balance of HK\$42,960,000 since 2012. The Group believes that it is in its best interest not to take legal action for the time being. However, the Group will continue to closely monitor the progress of the recovery of the outstanding money due to a subsidiary of the Note Issuer by that subsidiary's joint venture partner in the toll road project in Wuhan, the PRC.



Notes to the Consolidated Financial Statements

for the year ended 31 March

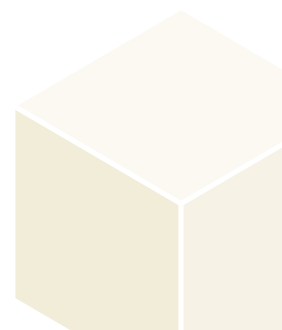
(All amounts in Hong Kong dollars unless otherwise stated)

23. LOAN RECEIVABLES

	2014 HK\$'000	2013 HK\$'000
Securities dealing and broking services		
— secured margin loans (note 1)	55,586	59,036
Less: Impairment loss recognised	(15,015)	(15,617)
	40,571	43,419
Financing business		
— unsecured loans	7,571	7,781
— secured mortgage loans (note 2)	101,589	76,847
Less: Impairment loss recognised	(8,307)	(8,618)
	100,853	76,010
	141,424	119,429
The Group's loan receivables (net of impairment loss) are analysed into:		
— Non-current assets	48,840	24,915
— Current assets	92,584	94,514
	141,424	119,429

Notes:

1. Secured loans to margin clients are secured by the underlying pledged securities and are interest-bearing. No aging analysis is disclosed as, in the opinion of the Directors, an aging analysis does not give additional value in view of the nature of the business of securities dealing and broking services.
2. Secured mortgage loans to mortgage loan clients are secured by the clients' properties located in Hong Kong and are interest-bearing.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

23. LOAN RECEIVABLES (Continued)

For securities dealing and broking services:

The amount of credit facilities granted to clients is determined by the market value of the collateral securities accepted by the Group. As at 31 March 2014, the total market value of securities pledged as collateral in respect of the loans to clients was approximately HK\$160,891,000 (2013: HK\$144,135,000).

Loan receivables on secured margin loans of approximately HK\$55,586,000 (2013: HK\$59,036,000) are repayable on demand and bear interests at interest rates with reference to prime rate plus a spread for both years.

For financing business:

Loan receivables on unsecured loans of approximately HK\$4,063,000 (2013: HK\$3,595,000) bear interests at interest rates with reference to commercial rates, the remaining balances of approximately HK\$3,508,000 (2013: HK\$4,186,000) are non-interest bearing.

Loan receivables on secured mortgage loans of approximately HK\$101,589,000 (2013: HK\$76,847,000) are repayable on demand or agreed by individual borrowers and bear interest rates with reference to commercial rates. The loan receivables which would be received over one year were recorded as non-current receivables. As at 31 March 2014, the total market value of properties pledged as collateral in respect of the mortgage loans was approximately HK\$403,381,000 (2013: HK\$250,323,000).

As at 31 March 2014, included in the total market value of properties pledged as collateral, properties with total market value of HK\$20,350,000 (2013: HK\$Nil) were secured for the Group's other secured loan (note 32) of HK\$14,132,000 (2013: HK\$Nil).

The aging analysis of the Group's loan receivables for the financing business, net of accumulated impairment losses, based on the loans release date at the end of the reporting period for the financing business is as follows:

	2014 HK\$'000	2013 HK\$'000
Within 6 months	56,722	61,842
Over 6 months and up to 1 year	34,807	12,596
Over 1 year	9,324	1,572
	<hr/>	<hr/>
	100,853	76,010



100

Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

23. LOAN RECEIVABLES (Continued)

The aging analysis for the carrying amount of loans receivables in financing business, based on contractual maturity date, is as follows:

	2014 HK\$'000	2013 HK\$'000
On demand or within 1 year	52,305	51,095
In more than 1 year but not more than 5 years	20,127	12,327
Over 5 years	28,421	12,588
	100,853	76,010

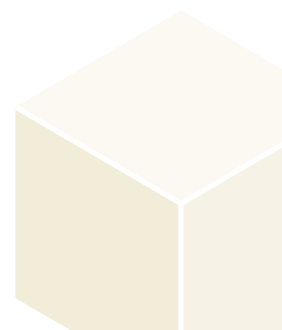
In respect of the loan receivables for the financing business, individual credit evaluation are performed on all customers. These evaluations focus on the customer's financial background and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates.

Apart from assessing the financial position of the clients, the management further reviews value of the clients' pledged properties by reference to recent market transactions in comparable properties for the loan receivables on every secured loan for the financing business. If the market value of secured real estate is deteriorated and is below the carrying amount of the corresponding financing advances, provision of impairment may be required.

The following is an aging analysis of the Group's loan receivables for the financing business which are past due but not impaired at the end of the reporting period:

	Total HK\$'000	Neither past due nor impaired HK\$'000	Past due but not impaired			Over 1 year HK\$'000
			<90 days HK\$'000	91 to 180 days HK\$'000	181 to 365 days HK\$'000	
31 March 2014	100,853	100,528	32	39	74	180
31 March 2013	76,010	75,798	39	34	69	70

The properties owned by clients were pledged to the Group over the amount of loan receivables on every secured mortgage loan for financing business. The Group does not hold any collateral over the total amount of unsecured loans for financing business.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

23. LOAN RECEIVABLES (Continued)

At the end of each reporting date, the Group's loan receivables were individually determined to be impaired. The individually impaired loan receivables are recognised based on the credit history of its client, such as financial difficulties or default in payments, sufficiency of collateral and current market conditions. Consequently, specific impairment provision was recognised.

Receivables that were past due but not impaired relate to a number of independent clients that either have a good track record with the Group or the Group has sufficient collateral over the individual loan receivable. Based on past experience, the Directors of the Company are of the opinion that no impairment is necessary in respect of these balances as there has not been significant change in credit quality and the balances are still considered fully recoverable.

The movement in the impairment of loan receivables is as follows:

	Financing business		Margin clients		Total	
	2014	2013	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April	8,618	8,119	15,617	15,283	24,235	23,402
Impairment loss recognised for the year	496	960	–	334	496	1,294
Amount written off as uncollectable for the year	(437)	–	–	–	(437)	–
Reversal of impairment loss recognised for the year	(370)	(461)	(602)	–	(972)	(461)
At 31 March	8,307	8,618	15,015	15,617	23,322	24,235

As at 31 March 2014, loan receivables of HK\$22,314,000 (2013: HK\$23,472,000) were individually determined to be impaired. The individually impaired receivables related to clients that were in severe financial difficulties or which have been in disputes with the Group.

Specific impairment provision of HK\$250,000 (2013: HK\$922,000) was recognized for the year.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

24. TRADE RECEIVABLES

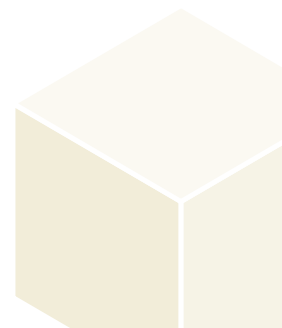
Trading terms with general trading customers are largely on credit, except for new customers, where payment in advance is normally required. Invoices are normally payable within 30 to 60 days of issuance, except for certain well-established customers, where the terms are extended to 90 days. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are regularly reviewed by senior management. The general settlement terms of trade receivables attributable to the securities dealing and the broking services are two days after the trade date.

	2014 HK\$'000	2013 HK\$'000
Trade receivables	21,354	17,399
Less: Impairment losses recognised	(5,365)	(327)
	<u>15,989</u>	<u>17,072</u>

	2014 HK\$'000	2013 HK\$'000
Balance in relation to:		
— securities dealing and broking services	15,928	11,040
— retail and trading	61	6,032
	<u>15,989</u>	<u>17,072</u>

An aging analysis of the Group's trade receivables net of impairment presented based on the invoice date at the end of the reporting period is as follows:

	2014 HK\$'000	2013 HK\$'000
Within 6 months	14,461	14,992
Over 6 months and up to 1 year	131	1,879
Over 1 year	1,397	201
	<u>15,989</u>	<u>17,072</u>



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

24. TRADE RECEIVABLES (Continued)

Included in the Group's trade receivable balances are trade debtors with aggregate carrying amount of HK\$14,935,000 (2013: HK\$14,640,000) which are past due at the reporting date for which the Group has not provided for impairment loss. These past due but not impaired balances mainly represent sales and services made to recognised and creditworthy customers. These customers who trade on credit terms are subject to credit verification procedures. For these past due but not impaired balances, no impairment is considered necessary by the Directors of the Company based on the historical payment records.

The following is an aging analysis of trade receivables which are past due but not impaired at the reporting date:

	Total HK\$'000	Neither past due nor impaired HK\$'000	Past due but not impaired			Over 1 year HK\$'000
			<90 days HK\$'000	91 to 180 days HK\$'000	181 to 365 days HK\$'000	
31 March 2014	15,989	1,054	11,007	2,400	131	1,397
31 March 2013	17,072	2,432	10,115	2,198	2,226	101

At the end of each reporting period, the Group's trade receivables were individually reviewed to determine whether they were impaired. The individually impaired trade receivables are recognised based on the credit history of the counterparties, such as financial difficulties or default payments. Consequently, specific impairment loss was recognised.

The movement in the impairment of trade receivables is as follows:

	2014 HK\$'000	2013 HK\$'000
At 1 April	327	356
Impairment loss recognised for the year	5,038	–
Reversal of impairment loss recognised for the year	–	(29)
At 31 March	5,365	327



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

24. TRADE RECEIVABLES *(Continued)*

Included in the impairment of trade receivables are individually impaired trade receivables with an aggregate balance of HK\$5,365,000 (2013: HK\$327,000) which have been in disputes with the Group or in severe financial difficulties.

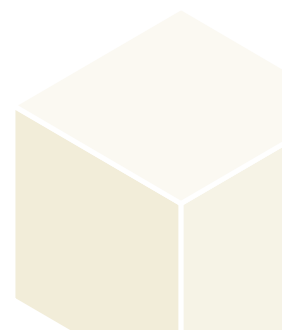
The Group held listed securities in client accounts with market value at 31 March 2014 of approximately HK\$98,577,000 (2013: HK\$46,278,000) as collateral over these balances.

The Group's trade receivables that are denominated in currency other than the functional currency of the relevant group companies before impairment loss recognised are as follows:

	2014 HK\$'000	2013 HK\$'000
USD	327	327

25. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2014 HK\$'000	2013 HK\$'000
Deposits	1,737	975
Prepayments	881	829
Interest receivable	1,687	756
Other receivables	1,487	1,784
	5,792	4,344
Less: Impairment losses recognised	(707)	(631)
	5,085	3,713



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

25. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

The movement in the impairment of other receivables, deposits and prepayments is as follow:

	2014 HK\$'000	2013 HK\$'000
At 1 April	631	43
Impairment loss recognised for the year	206	621
Amounts written off as uncollectible for the year	(84)	(33)
Reversal of impairment loss recognised for the year	(46)	—
	<hr/>	<hr/>
At 31 March	707	631

26. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2014 HK\$'000	2013 HK\$'000
Fair value:		
Listed securities issued by corporate entities		
— listed in Hong Kong	46,183	38,249
	<hr/>	<hr/>

The fair value of the above listed securities are determined based on the quoted market bid prices available on the relevant exchange and quoted prices provided by the financial institutions respectively.

The Group's financial assets at fair value through profit or loss that are denominated in a currency other than the functional currency of the relevant group entities is as follows:

	2014 HK\$'000	2013 HK\$'000
USD	—	1,278
	<hr/>	<hr/>



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

27. CLIENT TRUST FUNDS

The Company maintains segregated trust accounts with authorised institutions to hold clients' monies arising from its securities brokerage and margin financing business. The Group has classified the clients' monies as client trust funds under current assets on the consolidated statement of financial position and recognised the corresponding trade payable to respective clients on grounds that it is liable for any loss or misappropriation of clients' monies. The Group is restricted to use the client's monies to settle its own obligations.

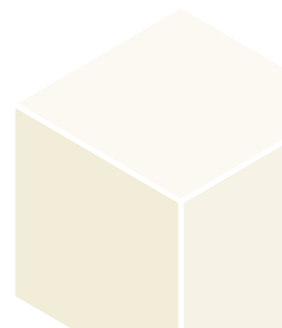
Client trust funds are interest-bearing at bank deposit saving rate (2013: bank deposit saving rate).

Details of the Group's client trust funds that are denominated in currencies other than the functional currency of the Group is set out below:

	2014 HK\$'000	2013 HK\$'000
USD	40	–
RMB	121	6

28. PLEDGED BANK DEPOSITS

The pledged bank deposits carry fixed interest rate ranging from 0.3% to 1.9% (2013: 0.25% to 2%) per annum and have been pledged to banks to secure banking facilities granted to the Group and hence is classified as current assets. The Group covenants to maintain deposits of not less than HK\$6,280,000 (2013: HK\$6,225,000) with banks as a condition precedent for the granting of banking facilities by the bank. The bank deposits will be released when the banking facilities are expired.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

29. BANK BALANCES AND CASH

Bank balances comprise short-term bank deposits of approximately HK\$95,222,000 (2013: HK\$96,196,000) which carry interest at prevailing market rate. The maturities of bank balances were within three months.

The Group's bank balances that are denominated in currencies other than the functional currency of the Group is as follows:

	2014 HK\$'000	2013 HK\$'000
VND	–	3
EUR	–	1
RMB	723	1,383
USD	2,186	291

30. TRADE PAYABLES

	2014 HK\$'000	2013 HK\$'000
Trade payables	48,151	63,391

	2014 HK\$'000	2013 HK\$'000
Balances in relation to:		
— securities dealing and broking services (note)	47,924	63,155
— retail and trading	227	236
	48,151	63,391

Note: Trade payables in relation to securities dealing and broking services are repayable on demand. No aging analysis is disclosed as, in the opinion of the Directors, an aging analysis does not give additional value in view of the nature of the business of securities dealing and broking services.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

30. TRADE PAYABLES (Continued)

An aging analysis of the Group's trade payables in relation to retail and trading is as follows:

	2014 HK\$'000	2013 HK\$'000
Within 6 months	1	9
Over 6 months and up to 1 year	–	1
Over 1 year	226	226
	<hr/>	<hr/>
	227	236

Trade payables for securities dealing and broking services are interest-bearing at the bank deposit saving rate (2013: bank deposit saving rate) per annum. The trade payables for retail and trading are non-interest bearing.

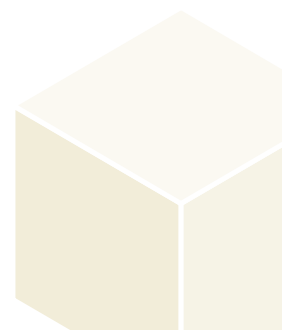
The average credit period of purchases of goods for the retail and trading is 30 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

The Group's trade payables that are denominated in a currency other than the functional currency of the Group are as follows:

	2014 HK\$'000	2013 HK\$'000
USD	40	–
RMB	121	6

31. OTHER PAYABLES AND ACCRUALS

	2014 HK\$'000	2013 HK\$'000
Other payables and accruals	5,480	4,673



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

32. BORROWINGS

	2014 HK\$'000	2013 HK\$'000
Secured bank loans (note)	84,779	88,368
Other secured loans	14,132	–
	98,911	88,368
Borrowings are repayable:		
— Within 1 year	17,808	3,589
— Carrying amount of bank loans that are not repayable within 1 year from the end of the reporting period but contain a repayment on demand clause	81,103	84,779
Amounts shown under current liabilities	98,911	88,368

Note: As at 31 March 2014 and 2013, the amounts were secured by investment properties (note 19) of the Group with a carrying value of HK\$160,000,000 and HK\$166,000,000 respectively.

For the year ended 31 March 2014, the floating-rate secured bank loans were carrying interest at the prime rate for Hong Kong Dollars as quoted by the Industrial and Commercial Bank of China (Asia) Limited minus 2.85%, and the respective effective interest rate was 2.4% per annum and the floating-rate other secured loans were carrying interest at the Hong Kong Dollars Best Lending Rate plus 4% and the respective effective interest rate was 9% per annum.

For the year ended 31 March 2013, the floating-rate secured bank loans were carrying interest at the prime rate for Hong Kong Dollars as quoted by the Industrial and Commercial Bank of China (Asia) Limited minus 2.85%, and the respective effective interest rate was 2.4% per annum.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

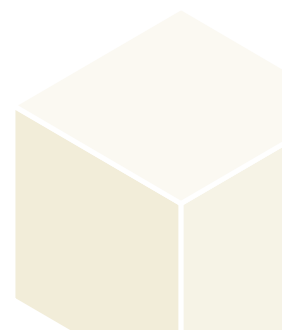
33. OBLIGATION UNDER FINANCE LEASE

Amounts payable under finance lease

	Minimum lease payments		Present value of minimum lease payments	
	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Within 1 year	-	8	-	7
More than 1 year, but not exceeding 2 years	-	-	-	-
More than 2 years, but not exceeding 5 years	-	-	-	-
	-	8	-	7
Less: Future finance charges	-	(1)	N/A	N/A
Present value of lease obligation	-	7	-	7
Less: Amount due for settlement within 1 year (shown under current liabilities)			-	(7)
Amount due for settlement after 1 year			-	-

It is the Group's policy to lease certain of its motor vehicles under finance lease. As at 31 March 2013, the average lease term is 1 year. For the year ended 31 March 2014, the average effective borrowing rate was 5.28% per annum (2013: 5.28%). Interest rates are fixed at the contract date, all leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The Group's obligation under finance lease was secured by the lessor's charge over the leased assets.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

34. SHARE CAPITAL

	Number of shares		Amount	
	2014	2013	2014 HK\$'000	2013 HK\$'000
Authorised:				
Ordinary shares of HK\$0.01 each	200,000,000,000	200,000,000,000	2,000,000	2,000,000
Issued and fully paid:				
At 1 April	3,709,773,088	3,709,773,088	37,098	37,098
Share repurchased and cancelled (note a)	(144,000,000)	–	(1,440)	–
Share issued in respect of exercise of warrants (note b)	3,663,126	–	36	–
At 31 March	3,569,436,214	3,709,773,088	35,694	37,098

Notes:

- (a) A total of 144,000,000 issued ordinary shares were repurchased and cancelled in April 2013.
- (b) On 27 November and 30 December 2013, the Board announced the proposed bonus issue of warrants ("Warrants") by the Company to the shareholders on the basis of two Warrants for every ten shares held on 7 February 2014, which was approved by the shareholders at the special general meeting of the Company held on 27 January 2014. 713,154,617 Warrants were issued on 19 February 2014.

Each Warrant entitles the holder thereof to subscribe one share at an initial subscription price of HK\$0.10 per share, at any time during the period commencing on 19 February 2014 and expiring on 18 August 2015 (both days inclusive). During the period from 19 February 2014 to 31 March 2014, 3,663,126 Warrants had been exercised by the holders thereof. As a result, 3,663,126 Shares were issued and allotted by the Company to the holders of such Warrants and, accordingly, the Company's share premium was increased by approximately HK\$330,000. The 3,663,126 shares issued rank pari passu in all respects with the then existing shares. At 31 March 2014, 709,491,491 Warrants remained outstanding.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

35. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") which enables the Company to grant options to the participants in recognition of their contribution to the Group. Pursuant to the Scheme, the Directors may, within a period of 10 years from 21 September 2012, grant options to any director or employee, adviser, consultant, agent, contractor, customer and supplier of any member of the Group so that they can subscribe for shares in the Company.

The maximum number of shares issuable under the Scheme to each eligible participant within any 12-month period is limited to 1% of the shares in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

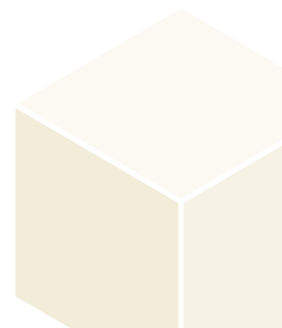
Share options granted to a director, chief executive or substantial shareholder, or to any of their associates, are subject to approval in advance by the independent non-executive Directors of the Company.

The exercise price of the share options is determined by the Directors, however, it cannot be less than the higher of (i) the Stock Exchange closing price of the shares on the date of grant of the share options; and (ii) the average Stock Exchange closing price of the shares for the five trading days immediately preceding the date of the grant.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

Under the Scheme, there was no option granted, exercised, cancelled or lapsed during the year ended 31 March 2014.

As at 31 March 2014 and 2013, the Company had no share options outstanding.





Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

36. RESERVES

(a) Special capital reserve

Special capital reserve represents the amounts transferred from the Company's share capital upon adjustments of the nominal value of the Company's share in prior years. Under the Companies Act 1981 of Bermuda (the "Act"), the special capital reserve is distributable to shareholders under certain circumstances.

(b) Contributed surplus

The contributed surplus represents the difference between the fair value of the subsidiaries acquired pursuant to the Group reorganisation in November 1991 and the nominal value of the shares issued by the Company and the transfer from share premium account in December 2000, less the transfer to the capital redemption reserve in November 2000, and the shares repurchased in April 2013. Under the Act, the Company's contributed surplus is distributable to shareholders under certain circumstances and the 2014 Interim dividend was recognised as distribution.

37. BANKING AND LOAN FACILITIES

As at 31 March 2014, the Company provided financial guarantees of HK\$144,417,000 (2013: HK\$130,030,000) for the banking and loan facilities granted to or borrowings drawn by its subsidiaries. The Board of Directors is of the opinion that it is not probable that the above guarantees will be called upon. Accordingly, no provision has been made in the consolidated financial statements for these guarantees.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

38. OPERATING LEASE COMMITMENTS

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of the rented premises which fall due are as follows:

	2014 HK\$'000	2013 HK\$'000
Within one year	2,251	2,183
In the second to fifth years, inclusive	408	1,492
	<u>2,659</u>	<u>3,675</u>

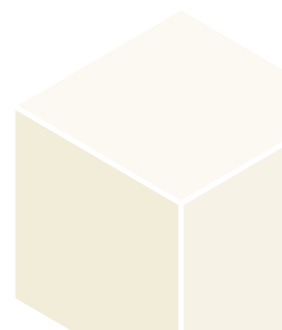
Leases for rented premises are negotiated for an average of two years (2013: two years) and rentals are fixed for an average of two years (2013: two years).

The Group as lessor

Property rental income earned during the year was HK\$1,657,000 (2013: HK\$845,000). As at 31 March 2014, the Group had committed tenants for its investment properties for subsequent 7 months and 8 months.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments which fall due are as follows:

	2014 HK\$'000	2013 HK\$'000
Within one year	1,186	1,244
In the second to fifth years, inclusive	–	591
	<u>1,186</u>	<u>1,835</u>



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

39. PLEDGE OF ASSETS

Assets with the following carrying amounts have been pledged to secure the banking facilities granted to the Group or the borrowings of the Group (see note 32):

	2014 HK\$'000	2013 HK\$'000
Motor vehicle	–	163
Investment properties	160,000	166,000
Pledged bank deposits	6,280	6,225
	166,280	172,388

40. RETIREMENT BENEFITS SCHEMES

The Group has arranged for its Hong Kong employees to join the MPF Scheme, a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, both the Group and its Hong Kong employees are required to make monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation and subject to a cap which may be revised from time to time.

Under the Employment Ordinance, the Group is obliged to make lump sum payments on cessation of employment in certain employees who have completed at least five years of service with the Group. The amount payable is dependent on the employees' final salary and years of service, and is reduced by entitlements accrued under the Group's retirement plan that are attributable to contributions made by the Group. The Group does not set aside any assets to fund any remaining obligations.

During the year ended 31 March 2014, the aggregate amount of the Group's contributions to the aforementioned pension schemes was approximately HK\$621,000 (2013: HK\$548,000).



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

41. RELATED PARTY TRANSACTIONS

- (a) Compensation to Directors and key management personnel of the Group:

	2014 HK\$'000	2013 HK\$'000
Short-term benefits	2,977	2,692
Post-employment benefits	58	57
	3,035	2,749

The remuneration of Directors and key executives is determined by the remuneration committee having regard to the performance of individual and market trends.

- (b) During the year, the Group entered into the following material transactions with its related parties.

	2014 HK\$'000	2013 HK\$'000
Commission income from Mr. Cheung (note (i) & (ii))	–	183
Commission income from Hoowin Limited (note (ii) & (iii))	9	116
Transfer of equity interest in TGL to the Group from Mr. Cheung and Ms. Yeung (note(i))	44,915	–
Transfer of equity interest in Full Bright to the Group from K.C. (Asset) Limited (note (iv))	–	82,617
Rental income from K.C. (Asset) Limited (note iv)	425	–





Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

41. RELATED PARTY TRANSACTIONS *(Continued)*

(b) *(Continued)*

Notes:

- (i) Mr. Cheung, the spouse of Ms. Yeung and the father of Mr. Cheung Hoo Win, is a beneficial shareholder of the Company. Mr. Cheung Hoo Win is a Director and the chief executive officer of the Company for both years.
- (ii) All of them were clients of the Group's brokerage business. During the year, the total value of sales and purchases of trading securities transactions of Mr. Cheung and Hoowin Limited are approximately HK\$Nil (2013: HK\$73,353,000) and HK\$3,705,000 (2013: HK\$46,233,000), respectively.
- (iii) The amount represented the trading securities transactions before Hoowin Limited was transferred to the Group on 1 November 2013 as part of the consideration of Judgment Debts as disclosed in Note 42. For the period ended 31 October 2013, the directors of Hoowin Limited were Mr. Cheung Hoo Win and Ms. Cheung Lok Chi. Ms. Cheung Lok Chi is the daughter of Mr. Cheung and Ms. Yeung.
- (iv) At the time of transfer of equity interest in Full Bright to the Group, K.C. (Asset) Limited was held by Mr. Cheung and Ms. Yeung. Currently, K.C. (Asset) Limited is beneficially owned by Mr. Cheung. The director of K.C. (Asset) Limited is Mr. Cheung Hoo Yin, the son of Mr. Cheung.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

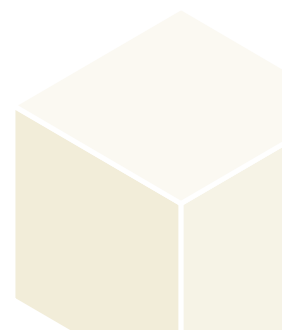
41. RELATED PARTY TRANSACTIONS (Continued)

- (c) Save as disclosed above, as at the reporting date, the Group had the following balances with its related parties:

	2014 HK\$'000	2013 HK\$'000
Trade payables:		
Amount due to Mr. Cheung Hoo Win (note (i))	4,144	1,233
Amount due to Hoowin Limited (note (i))	–	6,793
Amount due to Elfie Limited (note (i) & (iv))	4,294	3,988
Amount due to Mr. Cheung (note (i))	–	5
Amount due to Mr. Cheung Hoo Yin (note (i))	472	–
Amount due to Ms. Cheung Lok Chi (note (i))	96	–
Amount due to Ms. Mak Kit Ping (“Ms. Mak”) (note (i) & (v))	15	–
	<hr/>	<hr/>
Loan receivable:		
Amount due from Mr. Ng Yiu Chuen (“Mr. Ng”) (note (ii) & (vi))	212	–
	<hr/>	<hr/>
Trade receivable:		
Amount due from Ms. Mak (note (iii) & (v))	–	18
	<hr/>	<hr/>

Notes:

- (i) The amounts are unsecured, interest bearing at the bank deposit saving rate (2013: bank deposit saving rate) per annum and repayable on the client's demand.
- (ii) The amount is unsecured, interest bearing at 4% per annum and repayable by instalment within three years.
- (iii) The amount is secured by the underlying pledged securities, interest bearing at interest rates with reference to prime rate plus a spread and repayables on demand.
- (iv) Elfie Limited is beneficially owned by Mr. Cheung and Ms. Yeung. For the year ended 31 March 2013, the directors of Elfie Limited were Mr. Cheung Hoo Win and Ms. Cheung Lok Chi. For the year ended 31 March 2014, the directors of Elfie Limited were Mr. Cheung Hoo Win, Ms. Cheung Lok Chi and Mr. Cheung Hoo Yin.
- (v) Ms. Mak is an executive Director of the Company.
- (vi) Mr. Ng is an executive Director of the Company.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

42. PETITION

Reference is made to note 44 to the audited consolidated financial statements of the Company for the year ended 31 March 2013. Pursuant to the settlement agreement entered into on 26 June 2012 (the "Settlement Agreement") between the Company, Mr. Cheung and Ms. Yeung, Mr. Cheung has further repaid HK\$20,000,000 in cash on 4 May 2013 and should repay the last instalment of approximately HK\$51,304,000 (the "Last Instalment") on or before 5 September 2013. On 19 August 2013, after arm's length negotiations between the relevant parties, the Company and Mr. Cheung entered into a supplemental settlement deed (the "Deed") to vary and amend certain terms of the Settlement Agreement regarding the settlement of the Last Instalment. Accordingly, Mr. Cheung should transfer to the Group, and also procure Ms. Yeung to transfer to the Group (i) shares of Treasure Glasshouse Limited ("TGL") owned by them and (ii) the loans owed to them by TGL, at a consideration of approximately HK\$44,915,000 (the "Transfer"). TGL is the holding company of Hoowin Limited, collectively (the "TGL Group"), which in turn holds a residential property. The Transfer was completed on 1 November 2013 (the "Completion Date").

Consideration:

	2014 HK\$'000
Settlement of the Judgement Debts — Interest Component	44,915

Consolidated assets of TGL Group recognised at the date of Transfer were as follows:

	2014 HK\$'000
Investment property	44,800
Deposit and other receivables	38
Bank balances and cash	77
	<u>44,915</u>



120

Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

42. PETITION (Continued)

Net cash inflow on the Transfer of TGL:

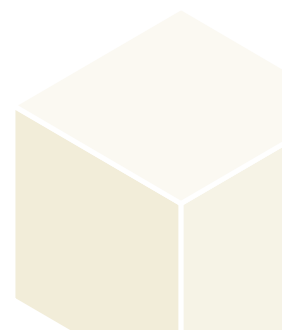
	2014 HK\$'000
Increase in cash and cash equivalents balance from the Transfer of TGL	77
Less: Cash consideration paid	—
	<hr/> 77

Apart from the settlement of approximately HK\$44,915,000 through the Transfer, the balance of approximately HK\$6,389,000 was also settled by Mr. Cheung in cash on the Completion Date.

Together with the HK\$20,000,000 repaid by Mr. Cheung on 4 May 2013, the Company has confirmed that Mr. Cheung and Ms. Yeung have fully settled the judgement debts and total HK\$71,304,000 being the final remaining balance of the settlement of the Judgement Debts — interest component which has been recognized for the year ended 31 March 2014.

43. EVENTS AFTER THE REPORTING PERIOD

An investment property of the Group with carrying amount of HK\$46,000,000 as at 31 March 2014 was subsequently pledged to the bank for a bank loan of HK\$18,000,000 which bears interest at the rate of 2.75% per annum below the Hong Kong Dollar Best Lending Rate.



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

44. PRINCIPAL SUBSIDIARIES

Name of subsidiaries	Place of incorporation/ operations	Class of shares held	Issued and fully paid share capital	Percentage of ownership interest and voting power held by the Company		Principal activities
				2014	2013	
Direct subsidiary						
Styland Enterprises Limited	Hong Kong	Ordinary	HK\$2	100	100	Provision of management services
Indirect subsidiaries						
Crosby Investment Company Limited	Hong Kong	Ordinary	HK\$90,000	100	100	Retail and trading
Devonia Development Limited	Hong Kong	Ordinary	HK\$10,000	100	100	Property investment
Ever-Long Asset Management Limited	Hong Kong	Ordinary	HK\$10,000,000	100	100	Securities trading
Ever-Long Capital Limited	British Virgin Islands ("BVI")	Ordinary	US\$4,000,000	100	100	Provision of financing services
Ever-Long Finance Limited	Hong Kong	Ordinary	HK\$22,500,000	100	100	Provision of financing services
Ever-Long Securities Company Limited	Hong Kong	Ordinary	HK\$100,000,000	100	100	Securities broking and provision of financing services
Hoowin Limited	Hong Kong	Ordinary	HK\$1,000,000	100	N/A	Property investment
Long River Investments Holdings Limited	BVI	Ordinary	US\$200	100	100	Securities trading
Styland (International) Limited	Hong Kong	Ordinary	HK\$100,000	100	100	Securities trading and general trading
Treasure Profit Limited	Hong Kong	Ordinary	HK\$1	100	100	Property investment



122

Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

44. PRINCIPAL SUBSIDIARIES (Continued)

The above table lists the subsidiaries of the Company which, in the opinion of the Directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors of the Company, result in particulars of excessive length. None of the subsidiaries had issued any debt securities subsisting at the end of the years or at any time during both years.

45. PROFIT/LOSS ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

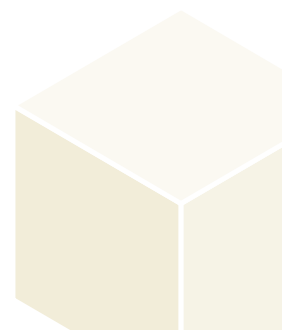
Profit attributable to equity shareholders of the Company dealt with in the income statement of the Company is HK\$92,079,000 (2013 Loss: HK\$62,504,000).

46. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2014 HK\$'000	2013 HK\$'000
Non-current asset			
Investments in subsidiaries		–	–
Current assets			
Other receivables		461	437
Amounts due from subsidiaries	(a)	380,598	306,815
Bank balances and cash		43,779	48,645
		424,838	355,897
Current liabilities			
Other payables and accruals		440	510
Dividend payable		4,924	–
Bank borrowings		84,779	88,368
		90,143	88,878
Net assets		334,695	267,019
Capital and reserves			
Share capital		35,694	37,098
Reserves	(b)	299,001	229,921
Total equity		334,695	267,019



123



Notes to the Consolidated Financial Statements

for the year ended 31 March

(All amounts in Hong Kong dollars unless otherwise stated)

46. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Notes:

(a) Amounts due from subsidiaries

The amounts due from subsidiaries were unsecured, interest-free and repayable on demand.

(b) Reserves

	Share premium HK\$'000	Capital redemption reserve HK\$'000	Special capital reserve (Note 36) HK\$'000	Contributed surplus (Note 36) HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 31 March 2012	55,251	6,040	571,147	608,125	(948,138)	292,425
Loss for the year and total recognised expense for the year	-	-	-	-	(62,504)	(62,504)
At 31 March 2013 and 1 April 2013	55,251	6,040	571,147	608,125	(1,010,642)	229,921
Profit for the year and total recognised income for the year	-	-	-	-	92,079	92,079
Share repurchased and cancelled	-	1,440	-	(19,845)	-	(18,405)
Exercise of bonus warrants	330	-	-	-	-	330
Dividend recognised as distribution	-	-	-	(4,924)	-	(4,924)
At 31 March 2014	55,581	7,480	571,147	583,356	(918,563)	299,001

47. MAJOR NON-CASH TRANSACTIONS

During the year, as described in note 42, Mr. Cheung settled part of the Judgement Debts through the Transfer of the TGL in the consideration of approximately HK\$44,915,000.

48. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation of the current year for the purpose of better representation of the Group's activities and such reclassification has no impact on the Group's profit for the years ended 31 March 2014 and 2013.



Summary of Financial Information

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited consolidated financial statements and reclassified and restated as appropriate, is set out below:

Results

	Year ended 31 March				
	2014 HK\$'000	2013 HK\$'000	2012 HK\$'000	2011 HK\$'000	2010 HK\$'000
Turnover	143,212	148,121	249,899	327,201	277,147
Profit before tax	81,603	40,200	10,212	65,314	67,036
Income tax expenses	–	–	–	(845)	(1,376)
Profit before non-controlling interests	81,603	40,200	10,212	64,469	65,660
Non-controlling interests	–	–	–	–	758
Profit attributable to owners of the Company	81,603	40,200	10,212	64,469	66,418

Assets, Liabilities and Non-Controlling Interests

	As at 31 March				
	2014 HK\$'000	2013 HK\$'000	2012 HK\$'000	2011 HK\$'000	2010 HK\$'000
Total assets	566,170	507,943	420,507	438,876	478,205
Total liabilities	(157,466)	(156,439)	(109,203)	(168,526)	(271,151)
	408,704	351,504	311,304	270,350	207,054



125



Details of Investment Properties

Investment Properties

Property	Lot no./location	Category of lease	Use
House 4, Customs Pass No. 18 Fei Ngo Shan Road Sai Kung, New Territories Hong Kong	31 In D.D. 228	Medium term	Redevelopment
23rd Floor Far East Consortium Building 121 Des Voeux Road Central, Hong Kong	24/736th share of and in Inland Lot No. 2198, Sections A and the Remaining Portion of Inland Lot No. 2199, Inland Lot No. 2200, Inland Lot No. 2201, Section A, Section B and Section C of Marine Lot No. 299	Long term	Investment
House A (including the External Walls and Carport on the G/F thereof) Ocean View Lodge Lot No. 524 in D.D. 238 Sai Kung New Territories Hong Kong	24/200 undivided shares of/and in the Lot No. 524 in D.D. 238	Medium term	Investment



126

大凌集團有限公司
STYLAND HOLDINGS LIMITED

28th Floor, Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong
香港九龍觀塘開源道六十一號金米蘭中心二十八樓

www.styland.com