



WONDERFUL SKY FINANCIAL GROUP HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability) Stock Code : 01260

2016 ANNUAL REPORT

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FINANCIAL SUMMARY

	Year ended 31 March				2016 HK\$'000
	2012 HK\$'000	2013 HK\$'000	2014 HK\$'000	2015 HK\$'000	
RESULTS					
Revenue	328,821	343,539	458,543	523,580	619,122
Profit before taxation	145,363	147,839	183,948	239,958	291,657
Taxation	(24,956)	(24,201)	(30,127)	(41,001)	(51,765)
Profit for the year	120,407	123,638	153,821	198,957	239,892

FINANCIAL SUMMARY

	At 31 March				2016 HK\$'000
	2012 HK\$'000	2013 HK\$'000	2014 HK\$'000	2015 HK\$'000	
ASSETS AND LIABILITIES					
Total assets	532,440	584,151	734,137	1,044,583	1,671,850
Total liabilities	(54,126)	(50,199)	(116,834)	(320,673)	(452,796)
	478,314	533,952	617,303	723,910	1,219,054
Equity attributable to owners of the Company	478,314	533,952	617,303	723,910	1,219,054

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Liu Tianni (*Chairman and Chief Executive Officer*)

Sun Liang (resigned on 6 October 2015)

Liu Lin (appointed on 20 October 2015)

Non-executive Director

Sun Bin (resigned on 30 April 2016)

Independent non-executive Directors

Li Ling Xiu

Lam Ling

Lee Wing Sze Rosa (appointed on 15 January 2016)

Lam Ting Lok (resigned on 15 January 2016)

AUDIT COMMITTEE

Lee Wing Sze Rosa (*Chairman*)
(appointed on 15 January 2016)

Li Ling Xiu

Lam Ling

Lam Ting Lok (resigned on 15 January 2016)

NOMINATION AND REMUNERATION COMMITTEES

Li Ling Xiu (*Chairman*)

Liu Tianni

Lam Ling

Lee Wing Sze Rosa (appointed on 15 January 2016)

Lam Ting Lok (resigned on 15 January 2016)

COMPANY SECRETARY

Ong King Keung HKICPA, ACCA
(resigned on 1 April 2015)

Wong Yut Tung HKICS (appointed on 1 April 2015)

INDEPENDENT AUDITOR

Deloitte Touche Tohmatsu

Certified Public Accountants

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited

The Hong Kong and Shanghai Banking
Corporation Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust

Company (Cayman) Limited

4/F, Royal Bank House,

24 Shedden Road,

George Town,

Grand Cayman KY1-1110,

Cayman Islands

CORPORATE INFORMATION

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor
Services Limited
Shops 1712–1716
17/F, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

6/F, Nexxus Building
No. 41 Connaught Road Central
Hong Kong

REGISTERED OFFICE

4/F, Willow House
Cricket Square,
P.O. Box 2804
Grand Cayman KY1-1112
Cayman Islands

STOCK CODE

1260

COMPANY WEBSITE

<http://www.wsfg.hk>

CHAIRMAN'S STATEMENT

Dear Shareholders

On behalf of the board (the **"Board"**) of directors (the **"Directors"**) of Wonderful Sky Financial Group Holdings Limited (the **"Company"**, together with its subsidiaries collectively referred to as the **"Group"**), I am pleased to present all shareholders with our annual report of the Group for the year ended 31 March 2016.

RESULTS

The Group's revenue and profit for the year attributable to owners of the Company reached a record high and recorded growth of approximately 18.2% and 20.6%, respectively, compared to those of the preceding year. The Group recorded a total revenue of approximately HK\$619.1 million and a profit for the year attributable to owners of the Company for the year of approximately HK\$239.9 million for the year ended 31 March 2016.

FINAL DIVIDEND AND SPECIAL DIVIDEND

In appreciation of our shareholders' support, the Directors recommended the payment of a final dividend of HK4.3 cents per share and special dividend of HK2.3 cents per share for the year ended 31 March 2016 to all shareholders whose names appear on the register of members of the Company on 22 August 2016. Subject to the approval of the shareholders at the forthcoming annual general meeting, the proposed final dividend and special dividend is expected to be paid on or about 26 August 2016. The proposed final and special dividend, together with the interim and special dividend of HK5.5 cents per share paid in December 2015, amounts to a total dividend for the year ended 31 March 2016 of HK12.1 cents per share.

BUSINESS REVIEW

For the year ended 31 March 2016 the Group's revenue and profit for the year attributable to owners of the Company reached a record high. The Group recorded a total revenue of approximately HK\$619.1 million and a profit for the year attributable to owners of the Company for the year of approximately HK\$239.9 million, representing a year-on-year growth of approximately 18.2% and 20.6%, respectively. The Group's earnings per share increased from HK19.9 cents for the year ended 31 March 2015 to HK20.4 cents for the year ended 31 March 2016.

During the year, the Group focused operating activities on two business segments offering different types of services, namely the provision of financial public relations services and the organisation and coordination of international roadshow services.

Provision of Financial Public Relations Services (the **"Financial PR services"**)

Our financial PR services focus on the aspects of (i) public relations services; (ii) investor relations services; (iii) financial printing services and (iv) capital markets branding. The revenue for Financial PR services was approximately HK\$455.2 million, representing a growth of approximately 12.1% compared with that in last corresponding year. The segment results for Financial PR services was approximately HK\$260.3 million, representing an increase of approximately 10.2% compared to those in the last corresponding year. The increase was attributed to Hong Kong IPO market has been exceptionally strong and the amount of IPOs funds raised in Hong Kong during 2015 was ranked 1st worldwide.

CHAIRMAN'S STATEMENT

Organisation and coordination of international roadshow services (the “Roadshow services”)

Our Roadshow services include coordinating and managing the overall logistics of investor presentations for our clients to ensure that the roadshow would run smoothly, which allows our clients to concentrate on the marketing aspect of their roadshow. During the year ended 31 March 2016, the performance of Roadshow services is continuously dramatically improved. Our revenue and segment results from Roadshow services were approximately HK\$164.0 million and HK\$48.2 million, respectively, representing an increase of approximately 39.4% and 51.7%, respectively compared to last corresponding year.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group generally finances its operations with internally generated cash flow and banking facilities provided by its principal bankers in Hong Kong. The Group is financially sound and its cash position remains healthy. The Group's bank balances and cash and short-term bank deposits as of 31 March 2016 amounted to approximately HK\$151.5 million. Aside from the deposits placed with commercial banks with good reputation, the Group purchased principal guaranteed, short-term and low risk unlisted treasury financial products so as to ensure the security and value of the capital. Such products were offered and guaranteed by banks with good reputation. The principal of such products will be fully refunded upon maturity. Most of the terms of such products are or less than three months. The unguaranteed annualised rate of returns ranging from 1.4% to 5.0%. The Group takes a prudent approach in selecting financial products.

During the year ended 31 March 2016, the total available-for-sale investments was amount to approximately HK\$864.5 million which represent debt securities that are issued by subsidiaries/associates of various well-established enterprises and carry fixed interests ranging from 3.0% to 8.75% per annum, payable semi-annually, and will mature from May 2017 to April 2025. During the year ended 31 March 2016, the investment income derived from available-for-sale investments (classified as held-to-maturity investments in 2015) was approximately HK\$29.6 million (2015: HK\$9.8 million) in total. We believe that the available-for-sale investments would contribute stable additional cash inflows to the Group, on top of the cash inflows from the investing activities, in the long run. The Group will nevertheless review the financial performances of the available-for-sales investments from time to time and may consider to dispose them in light of the prevailing circumstances.

The Group's gearing ratio as at 31 March 2016 was 25.8% (2015: 22.0%), based on the short-term interest bearing bank loans and the equity attributable to equity holders of the Company. We believe that the Group's cash holding, liquid asset value, future revenue and available banking facilities will be sufficient to fulfill working capital requirements of the Group.

Exchange Rates Exposure

Most of the transactions of the Group were made in Hong Kong dollars, US dollars and Renminbi. As of 31 March 2016, the Group was not exposed to any material exchange risk on US dollars as the exchange rates of Hong Kong dollars and US dollars were relatively stable under the currency peg system. The Group currently does not have a foreign currency hedging policy on Renminbi but the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

CHAIRMAN'S STATEMENT

Pledge of Assets

As at 31 March 2016, the available-for-sale investments amounting to approximately HK\$864.5 million (31 March 2015: HK\$451.4 million) and bank balance amounting to approximately HK\$4.0 million (31 March 2015: HK\$82.7 million) was pledged as security for bank facilities.

Contingent Liabilities

As at 31 March 2016, the Group had no contingent liabilities.

PROSPECTS

Looking forward, the Group expects that the business environment will continue to be full of challenges. However, the global economy has gradually improved from a long-term perspective, with more visible trend of reform increasing among enterprises in mainland China. The financial PR industry in mainland China and Hong Kong will still enjoy long and healthy growth potentials, particularly due to the long-term driving force and opportunities brought by the Mainland-Hong Kong Stock Connect.

For the year ended 31 March 2016, the Group still leads the market share of financial PR in Hong Kong. At the same time, in order to tailor to the dynamic business environment of the capital market, the Group will further develop the mainland Chinese team and continue to develop cross-border business platform which facing home and abroad market with Hong Kong and mainland teams collaborate seamlessly. As at the date of this report, PRC team successfully completed the listing of China Nuclear Engineering Co., Ltd. at Shanghai Stock Exchange with one stop integrated financial PR services. In the future, the Group will continue leveraging in financial PR, international roadshow, investor relations, financial printing and corporate branding, thereby provide comprehensive and diversified services to the clients.

The Group continued to deepen its effort in updating database platform, and actively established the "Wonderful Cloud" financial service platform at the same time. By combining both online and offline services, the mobile Internet (including Internet live broadcasting) based platform provides capital market professionals, executives of listed companies and public users an interactive platform with professional data services. It is expected that the step will not only help to expand new online business for the Group, but also contribute to increasing the client loyalty as well as helping regional expansion.

As at the date of this report, The Group has actively formulated its globalize development strategy; keeps on exploring potential opportunities of merge, joint venture or cooperation with overseas market and upstream-downstream. The Group may also implement strategic merger, acquisition or set up joint ventures with firms in the Mainland China or Hong Kong. If such opportunity materializes, announcement will be made in accordance with the Listing Rules as and when appropriate.

Looking ahead, the Group will continue leveraging its experience, skill set and know how to develop new growth potentials and create new cutting edge services so as to solidify our leading position in the future and maximize the value to shareholders of the listed companies.

CHAIRMAN'S STATEMENT

EMPLOYMENT AND REMUNERATION POLICIES

As at 31 March 2016, the Group had 281 full-time employees. Remuneration packages are generally structured by reference to market terms and individual merits. Salaries are normally reviewed on an annual basis and bonuses paid, if any, will be based on performance appraisals and other relevant factors. Staff benefits plans maintained by the Group include mandatory provident fund scheme, share option scheme and medical insurance.

CLOSURE OF REGISTER OF MEMBERS FOR THE ANNUAL GENERAL MEETING ("AGM")

The AGM of the Company will be held on 12 August 2016. The register of members of the Company will be closed from 10 August 2016 to 12 August 2016 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on 9 August 2016.

CLOSURE OF REGISTER OF MEMBERS FOR DIVIDENDS

The register of members of the Company will be closed from 18 August 2016 to 22 August 2016 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend and special dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on 17 August 2016.

TOP-UP PLACING AND TOP-UP SUBSCRIPTION UNDER GENERAL MANDATE

On 4 May 2015, a top-up placing and top-up subscription transaction of 200,000,000 new ordinary shares of HK\$0.01 each in the Company at placing price of HK\$2.15 per share to independent third party investors was completed. All the shares issued rank pari passu with the then existing shares of the Company in all respects. The Company has raised approximately HK\$424.0 million.

The net proceeds were planned to invest in development of "Wonderful Cloud". Currently, the net proceeds are placed on short-term deposits and/or money market instruments with authorized financial institutions and/or licensed banks in Hong Kong and/or the PRC. The Directors are of the opinion that the balance of the net proceeds will be applied in the coming years to their intended uses as set out in the Company's announcement dated 4 May 2015 on the website of the Stock Exchange.

CHAIRMAN'S STATEMENT

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

During the year, the Company repurchased a total of 10,122,000 ordinary shares of the Company on the Stock Exchange, all of which 9,148,000 and 974,000 shares were cancelled on 6 August 2015 and 6 October 2015 respectively. The details of the repurchases were disclosed as follows:

Date of Repurchase	No. of Shares Repurchase	Repurchased Price		Total Consideration Paid
		Highest HK\$	Lowest HK\$	HK\$'000
7 July 2015	9,148,000	1.90	1.58	16,139
1 September 2015	320,000	1.61	1.50	503
2 September 2015	326,000	1.53	1.51	496
7 September 2015	328,000	1.49	1.48	490
Total	10,122,000			17,628

Saved as disclosed herein, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2016.

APPRECIATION

On behalf of the Board, I would like to thank all our staff for their dedication and contributions and our clients, suppliers, business associates and shareholders for their continuous support.

Liu Tianni

Chairman

Hong Kong, 28 June 2016

BIOGRAPHICAL DETAILS OF THE DIRECTORS OF THE COMPANY

EXECUTIVE DIRECTORS

Mr. Liu Tianni (劉天倪), aged 52, is the Chairman and Chief Executive Officer of the Company and has been appointed as executive Director since January 2011. He is an executive director of all subsidiaries of the Group. He is primarily responsible for leading and broadening the development of the Group's project platforms, actively developing new business areas, and formulating the Group's developmental goals and strategies. Mr. Liu has over 15 years of experience in the financial investment sector as well as the financial public relations sector. Mr. Liu has extensive experiences in capital markets, post-listing corporate financings, and mergers and acquisitions. Mr. Liu obtained a master's degree in Science (理學碩士學位) from Beijing Normal University (北京師範大學) in 1990. Currently, Mr. Liu is an executive director of Silver Grant International Industries Limited (stock code: 171) and, an independent non-executive director of Qingling Motors Company Limited (stock code: 1122) and Luoyang Glass Company Limited (stock code: 1108), shares of which are all listed on the Main Board of the Stock Exchange. In addition, Mr. Liu is the sole director of and holds 51% of the entire issued share capital in Sapphire Star Investments Limited, a substantial shareholder of the Company.

Ms. Liu Lin (劉琳), age 41, has been appointed as executive Director of the Company on 20 October 2015. She is currently the Chief Risk Officer and Member of the investment committee of Jiangxi Copper (Beijing) International Investment Company in Peoples' Republic of China. Before joining Jiangxi Copper (Beijing) International Investment Company, she had worked for PricewaterhouseCoopers. She is a specialist in the design in the risk management system for private equity investment, debt investment and stock market investment. She has participated in a number of projects in advisory work for state-owned commercial banks and state-owned policy banks, including building up its risk management system from risk identification and risk evaluation to risk mitigation according to the Basel Compliance requirement from China Banking Regulatory Commission.

She obtained a Master of Business Administration from the University of Illinois at Chicago and Bachelor at the China Foreign Affairs University in PRC, major in Diplomacy. She is the niece of Mr. Liu Tianni, the Chairman and Chief Executive Officer of the Company.

BIOGRAPHICAL DETAILS OF THE DIRECTORS OF THE COMPANY

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Li Ling Xiu (李靈修), aged 53, has been an independent non-executive Director of the Company since 7 March 2012. She was the group deputy general manager of China Strategic Holdings Limited, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 235). She has been serving as the chief executive officer and a director of Chip Lian Investments (HK) Limited since January 2001. Ms. Li obtained a bachelor's degree of Arts (文學學士學位) in English Language from Hunan Normal University (湖南師範學院) in July 1984 and successfully completed the Advanced Management Program at Harvard Business School from September 2000 to November 2000. Ms. Li has been an non-executive director of IPC Corporation Limited since May 2009 and was non-executive director of Metech International Limited (formerly known as Centillion Environment & Recycling Limited) from September 2006 to March 2013, the shares of both companies are listed on the Singapore Stock Exchange.

Ms. Lam Ling (林玲), aged 43, has been an independent non-executive Director of the Company since 7 March 2012. She has more than 15 years of experience in the corporate finance industry. She worked in G.T. Investment Limited as an executive assistant from February 1999 to January 2000. During the period from January 2000 to May 2001, Ms. Lam worked at Core Pacific Yamaichi International (H.K.) Limited and was an assistant manager of its corporate and private banking department when she left. She then worked at CSC Securities (HK) Limited as an associate director in its sales/dealing department from May 2001 to March 2003. She worked as an associate director in the equity capital markets department of China Merchants Securities (HK) Company Limited from May 2003 to January 2007. She has been working as an associate director in Wag Worldsec Corporate Finance Limited since January 2007. Ms. Lam obtained a master's degree in Economics from The University of Hong Kong in November 2008 and a bachelor's degree of Arts in Languages with Business from The Hong Kong Polytechnic University in November 1996.

Ms. Lee Wing Sze Rosa (李詠思), aged 41, was appointed as independent non-executive Director of the Company on 15 January 2016. She has almost twenty years of experience in accounting, financing and auditing. She is the vice president and company secretary of China Yurun Food Group Limited (Stock Code: 01068), a company whose shares are listed on the Main Board of the Stock Exchange. Ms. Lee had been a chief financial officer of ZZNode Holdings Company Limited (now known as China Chuanglian Education Group Limited) (Stock Code: 2371) and Superdata Software Holdings Limited (Stock Code: 8263 (delisted in May 2006)). She graduated from the Chinese University of Hong Kong with a Bachelor's degree in business administration, with a major in professional accountancy, and is a member of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants of the UK.

REPORT OF THE DIRECTORS

The Directors hereby present their report and the audited consolidated financial statements for the year ended 31 March 2016.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company are investment holding and securities investment. The principal activities of its principal subsidiaries are set out in note 33 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

A review of business of the Group during the year under review, discussion on the key financial performance indicators of the Group and future development of the Group's business are provided in "CHAIRMAN'S STATEMENT" set out on pages 6 to 10 of this annual report. Particulars of important events affecting the Company that have occurred since the end of the financial year under review, if any, can be found in the abovementioned section and the notes to the consolidated financial statements.

An analysis of the Group's performance for the year by segments is set out in note 7 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The Group's financial performance for the year ended 31 March 2016 and the financial position of the Group and of the Company as at that date are set out in the financial statements on pages 31, 32 and 94, respectively.

The Directors recommend the payment of a final dividend of HK4.3 cents per share and special dividend of HK2.3 cents per share, totaling approximately HK6.6 cents in respect of the year ended 31 March 2016 to all shareholders whose names appear on the register of members of the Company on 22 August 2016, which is expected to be paid on or about 26 August 2016.

USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

On 30 March 2012, the Company received the net proceeds in the sum of approximately HK\$314.8 million raised from the issue of new shares at the time of its listing on the Main Board of the Stock Exchange. Such net proceeds were derived after deduction of related issuance expenses. As at 31 March 2016, the Group used net proceeds of approximately HK\$63.0 million, of which approximately HK\$31.5 million was used for establishing an additional office in Hong Kong as well as recruiting additional staff members and approximately HK\$31.5 million was used for as working capital and other general corporate purposes of the Group. The remaining net proceeds are placed on short term deposits and/or money market instruments with authorized financial institutions and/or licensed banks in Hong Kong and/or the PRC. The Directors are of the opinion that the net proceeds will be applied in the coming years to their intended uses as set out in the Company's prospectus dated 19 March 2012.

REPORT OF THE DIRECTORS

USE OF PROCEEDS FROM THE COMPANY'S SHARE PLACEMENT

The Company received the net proceeds in the sum of approximately HK\$424.0 million raised from the issue of new shares at the time of its top-up placing and it is top-up subscription which were fully completed on 4 May 2015.

The proceeds will be use on establishment of a mobile internet professional service platform, the "Wonderful Cloud", which provides online to offline ("O2O") financial services to our customers and public investment community.

Currently, the net proceeds are placed on short-term deposits and/or money market instruments with authorized financial institutions and/or licensed banks in Hong Kong and/or the PRC. The Directors are of the opinion that the net proceeds will be applied in the coming years to their intended uses as set out in the Company's announcement dated 4 May 2015 on the website of the Stock Exchange.

SUMMARY FINANCIAL INFORMATION

The summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 2 to 3.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in the Company's share capital during the year are set out in note 26 to the consolidated financial statements.

EQUITY-LINKED AGREEMENT

Save for share option schemes disclosed in this annual report, there were no equity-linked agreement was entered into during the year or subsisted at the end of the year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

REPORT OF THE DIRECTORS

DISTRIBUTABLE RESERVES

As at 31 March 2016, the Company's reserves available for cash distribution and/or distribution in specie amounted to approximately HK\$158.0 million as computed in accordance with the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, of which approximately HK\$78.6 million has been proposed as final and special dividends for the year. In addition, subject to the solvency test under the Cayman Companies Law being met, the Company's share premium account, with a balance of approximately HK\$724.6 million as at 31 March 2016, may be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of sales and purchases for the year attributable to the Group's major customers and suppliers were as follows: (1) The aggregate amount of revenue attributable to the Group's five largest customers represented approximately 20.3% of the Group's total revenue. The amount of revenue to the Group's largest customer represented approximately 4.8% of the Group's total revenue. (2) The aggregate amount of purchases attributable to the Group's five largest suppliers represented approximately 24.4% of the Group's total purchases. The amount of purchases from the Group's largest supplier represented approximately 12.4% of the Group's total purchases. None of the Directors nor any of their associates nor any shareholders (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers and/or five largest suppliers during the year.

DIRECTORS

The Directors during the year and up to the date of this report were as follows:

Executive Directors:

Mr. Liu Tianni
Ms. Sun Liang (resigned on 6 October 2015)
Ms. Liu Lin (appointed on 20 October 2015)

Non-executive Director:

Ms. Sun Bin (resigned on 30 April 2016)

Independent non-executive Directors:

Mr. Lam Ting Lok (resigned on 15 January 2016)
Ms. Li Ling Xiu
Ms. Lam Ling
Ms. Lee Wing Sze Rosa (appointed on 15 January 2016)

REPORT OF THE DIRECTORS

Ms. Liu Lin and Ms. Lee Wing Sze Rosa will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting in accordance with Article 84 of the Company's articles of association. The Company has received annual confirmation of independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") from all independent non-executive Directors and still considers them to be independent.

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 of compensation other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

No Director had a material interest in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

PERMITTED INDEMNITY PROVISION

Articles of Association provides that every Director is entitled to be indemnified out of the assets and profits of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto, provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the Directors.

The Company had arranged for appropriate liability insurance for the directors and officers of the Group for indemnifying their liabilities arising from corporate activities.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year.

REPORT OF THE DIRECTORS

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 March 2016, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified 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 are taken or deemed to have under such provisions of the SFO) or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers and which were required to be entered in the register kept by the Company pursuant to Section 352 of the SFO were as follows:

Long positions in the ordinary shares of the Company

(i) The Company

Name of Director	Long/Short position	Number of shares held			Total interests	Total interests as % of the issued share capital of the Company
		Interest in controlled corporation	Personal interest	Family interest		
Mr. Liu Tianni	Long	750,000,000 (note 1)	3,138,000	1,334,000 (note 2)	754,472,000	63.32%

Note:

- The shares are owned by Sapphire Star Investments Limited ("**Sapphire Star**"), a company incorporated in the British Virgin Islands. Mr. Liu Tianni ("**Mr. Liu**") holds 51% of the issued share capital in Sapphire Star and is deemed to be interested in the 49% of the issued share capital in Sapphire Star held by his spouse, Ms. Luk Ching, Sanna ("**Mrs. Liu**") under the SFO. Accordingly, Mr. Liu is deemed or taken to be interested in all the shares of the Company held by Sapphire Star under the SFO.
- The shares are owned by Mr. Liu spouse, Mrs. Liu, which is deemed or taken to be interested for the purpose of the SFO.

REPORT OF THE DIRECTORS

(ii) Associate Corporation

Name of Director	Long/Short position	Name of the associated corporation	Number of shares held	Approximately percentage of interest in Sapphire Star
Mr. Liu Tianni (<i>Note</i>)	Long	Sapphire Star	100	100%

Note:

Mr. Liu Tianni holds 51% of the issued share capital in Sapphire Star and is deemed to be interested in the 49% of the issued share capital in Sapphire Star held by his spouse, Mrs. Liu under the SFO. Accordingly Mr. Liu Tianni is deemed or taken to be interested in 100% of the issued share capital in Sapphire Star.

Save as disclosed above, as at 31 March 2016, none of the Directors or chief executive of the Company had any interests and short positions in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified 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 are taken or deemed to have under such provisions of the SFO), the Model Code for Securities Transactions by Directors of Listed Issuers and which were required to be entered into the register required to be kept under Section 352 of the SFO.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2016, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of Shareholder	Long/Short position	Beneficial Owner	Interest in controller corporation	Total interests	Percentage of issued share capital of the Company
Sapphire Star	Long	750,000,000 (<i>Note 1</i>)	–	750,000,000	62.95%
Mrs. Liu	Long	4,472,000 (<i>Note 2</i>)	750,000,000 (<i>Note 1</i>)	754,472,000	63.32%
Value Partner Limited	Long	59,690,000 (<i>Note 3</i>)	–	59,690,000	5.00%
Value Partner Group Limited	Long	–	59,690,000 (<i>Note 3</i>)	59,690,000	5.00%

REPORT OF THE DIRECTORS

Note:

1. The shares are owned by Sapphire Star. Mrs. Liu holds 49% of the issued share capital in Sapphire Star. Therefore, Mrs. Liu is deemed or taken to be interested in all the shares of the Company held by Sapphire Star for the purposes of the SFO.
2. 1,334,000 shares are beneficially owned by Mrs. Liu and 3,138,000 shares are beneficially owned her spouse, Mr. Liu.
3. 59,690,000 shares are beneficially owned by Value Partners Limited, which in turn is wholly owned by Value Partners Group Limited who has a deemed interest of such shares in the Company.

Save as disclosed above, as at 31 March 2016, the Directors are not aware that there is any party (not being a Director) who had any interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or any options in respect of such shares.

As disclosed in the Company's prospectus dated 19 March 2012, the Company entered into a Deed of Non-competition dated on 12 March 2012 with Mr. and Mrs. Liu, and Sapphire Star (together collectively referred to as the "**Substantial Shareholders**"). The Substantial Shareholders have signed the annual confirmations, and the independent non-executive directors have reviewed on an annual basis, in order to ensure that the Substantial Shareholders have complied with the terms of the aforesaid Deed of Non-competition.

During the year ended 31 March 2016 and up to the date of this report, none of the substantial shareholders or any of their respective associates, has engaged in any business that competes or may compete with the business of the Group, or has any other conflict of interest with the Group.

PARTICULARS OF DIRECTORS OF THE COMPANY WHO WERE DIRECTORS/EMPLOYEES OF SUBSTANTIAL SHAREHOLDERS

Mr. Liu Tianni is the sole director of Sapphire Star which is a substantial shareholder of the Company.

REPORT OF THE DIRECTORS

SHARE OPTION SCHEME

On 7 March 2012, the Company's share option scheme (the "Scheme") was adopted. Details of the Company's Scheme are stated in note 27 to the consolidated financial statements. The following table discloses movements in the Company's share options during the year:

	Date of grant	Exercisable period	Exercise price HK\$	Outstanding at 1.4.2015	Grant during the year	Exercised during the year	Lapsed during the year	Outstanding at 31.3.2016
<i>Executive director</i>								
Ms. Sun Liang	28.1.2014	28.7.2015 – 27.7.2020	1.174	360,000	–	(360,000)	–	–
	28.1.2014	28.7.2016 – 27.7.2020	1.174	360,000	–	–	(360,000)	–
	28.1.2014	28.7.2017 – 27.7.2020	1.174	360,000	–	–	(360,000)	–
	28.1.2014	28.7.2018 – 27.7.2020	1.174	720,000	–	–	(720,000)	–
				1,800,000	–	(360,000)	(1,440,000)	–
Employees	28.1.2014	28.7.2015 – 27.7.2020	1.174	3,168,000	–	(1,275,000)	(420,000)	1,473,000
	28.1.2014	28.7.2016 – 27.7.2020	1.174	5,152,000	–	–	(710,000)	4,442,000
	28.1.2014	28.7.2017 – 27.7.2020	1.174	1,680,000	–	–	(360,000)	1,320,000
	28.1.2014	28.7.2018 – 27.7.2020	1.174	3,360,000	–	–	(720,000)	2,640,000
				13,360,000	–	(1,275,000)	(2,210,000)	9,875,000
Total				15,160,000	–	(1,635,000)	(3,650,000)	9,875,000

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the year ended 31 March 2016 and up to the date of this report, none of the Directors or any of their respective associates, has engaged in any business that competes or may compete with the business of the Group, or has any other conflict of interest with the Group.

REPORT OF THE DIRECTORS

AUDIT COMMITTEE

The audit committee comprises three independent non-executive Directors, namely Mr. Lam Ting Lok (Resigned on 15 January 2016), Ms. Li Ling Xiu, Ms. Lam Ling and Ms. Lee Wing Sze Rosa (Appointed on 15 January 2016). The principal duties of the audit committee include the review and supervision of the Group's financial reporting matters and internal controls.

The audit committee has reviewed with the management about the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters in connection with the preparation of the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 March 2016.

CORPORATE GOVERNANCE

A report on the principal corporate governance practices adopted by the Company is set out on pages 22 to 28.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules throughout the year ended 31 March 2016.

AUDITOR

A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Liu Tianni
Chairman

Hong Kong, 28 June 2016

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance practices. During the year, it had met all the code provisions in the Corporate Governance Code (the “**Code**”) set out in Appendix 14 to the Listing Rules, save and except for the following deviation:

Code provision A.2.1

Under code provision A.2.1, the roles of Chairman and Chief Executive Officer should be separated and should not be performed by the same individual. The roles of both Chairman and Chief Executive Officer are performed by Mr. Liu Tianni currently. Mr. Liu is a founder of the Group and has over 15 years of experience in the financial investment sector as well as the financial public relation sector. The Board believes that vesting the two roles in the same person provides the Company with strong and consistent leadership and facilitates the implementation and execution of the Group’s business strategies currently and in the foreseeable future. The Group will nevertheless review the structure from time to time in light of the prevailing circumstances.

Code provision A.6.7

Under code provision A.6.7 of the Code, independent non-executive directors and other non-executive directors, should attend general meetings and develop a balanced understanding of the views of shareholders. A non-executive director, Ms. Sun Bin, was unable to attend the Company’s annual general meeting held on 12 August 2015 due to other business commitments.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors’ securities transactions on the same terms as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, they have confirmed compliance with the required standard set out in the Model Code during the year ended 31 March 2016.

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

The Company is governed by the Board which has the responsibility for leadership and monitoring of the Company. The Directors are collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. As at the date of this report, the Board comprises five Directors of which two are executive Directors and three are independent non-executive Directors.

The Board sets strategies and directions for the Group's activities with a view to developing its business and enhancing shareholders' value. The Board has delegated the daily operation and day-to-day management of the Group as well as the implementation of the Board's policies and strategies to the executive Directors and management of the Group. The Board is also responsible for performing the corporate governance functions such as developing and reviewing the Company's policies, practices on corporate governance, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, etc. The Board held meetings from time to time whenever necessary. The Board has established procedures to enable directors of the Company, upon reasonable request, to seek independent professional advice in appropriate circumstances at the Company's expense. The Board met 11 times during the year ended 31 March 2016 and except Ms. Sun Bin, all directors attended annual general meeting of the Company held on 12 August 2015.

The Board's present composition and attendance of individual Directors at these board meetings and general meeting during the year were as follows:

	Number of meetings held/attended	
	Board Meeting	Annual General Meeting
Executive Directors		
Liu Tianni (<i>Chairman and Chief Executive Officer</i>)	11/11	1/1
Sun Liang (Resigned on 6 October 2015)	6/6	1/1
Liu Lin (Appointed 20 October 2015)	2/2	0/0
Non-executive Director		
Sun Bin (Resigned on 30 April 2016)	9/11	0/1
Independent non-executive Directors		
Lam Ting Lok (Resigned on 15 January 2016)	5/10	1/1
Li Ling Xiu	7/11	1/1
Lam Ling	7/11	1/1
Lee Wing Sze Rosa (Appointed on 15 January 2016)	0/0	0/0

CORPORATE GOVERNANCE REPORT

The Board members have no financial, business, family or other material/relevant relationship with each other except Ms. Liu Lin was the niece of Mr. Liu Tianni, the Chairman and Chief Executive Officer of the Company.

During the year, all Directors of the Company, including Mr. Liu Tianni, Ms. Liu Lin, Ms. Sun Bin, Ms. Li Ling Xiu, Ms. Lam Ling and Ms Lee Wing Sze Rosa, confirmed that they have participated in training and/or continuous professional development activities, covering topics including updates on the Listing Rules and SFO. The Board has a balance of skills and experience appropriate for the requirements of the business of the Group.

The Company has arranged for appropriate liability insurance to its Directors. The insurance coverage is reviewed on an annual basis.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Liu Tianni is the Chairman and Chief Executive Officer of the Company since 30 September 2014. Mr. Liu is a founder of the Group and has over 15 years of experience in the financial investment sector as well as the financial public relation sector. The Board believes that vesting the two roles in the same person provides the Company with strong and consistent leadership and facilitates the implementation and execution of the Group's business strategies currently and in the foreseeable future. The Group will nevertheless review the structure from time to time in light of the prevailing circumstances.

NON-EXECUTIVE DIRECTOR/INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors are persons with sound academic and professional qualifications. They advise the Company on strategic development, which enables the Board to maintain high standards of compliance of financial and other mandatory requirements. Each independent non-executive Director has given an annual confirmation of the independence to the Company and the Company considers them to be independent under Rule 3.13 of the Listing Rules. All the independent non-executive Directors and non-executive Director are appointed for a term of three years but are subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with the articles of association of the Company, which stipulate that one-third of the directors, including executive and independent non-executive directors, shall retire from office by rotation so that each director shall be subject to retirement at least once every three years.

REMUNERATION COMMITTEE

The Remuneration Committee was established on 7 March 2012 and has 4 members, comprising Ms. Li Ling Xiu, Ms. Lam Ling, Mr. Lam Ting Lok (Resigned on 15 January 2016), Ms Lee Wing Sze Rosa (Appointed on 15 January 2016) (all independent non-executive Directors) and Mr. Liu Tianni, one of the executive Directors. This committee is chaired by Ms. Li Ling Xiu.

The terms of reference of the Remuneration Committee have been determined with reference to the Listing Rules and the Code. The Remuneration Committee met at least once during the year to discuss remuneration package of Directors of the Company. All members attended the meetings.

The responsibilities of the Remuneration Committee include (a) to make recommendations to the Board on the Company's policy and structure for all Directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; (b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives; and (c) to make recommendations to the Board on the remuneration of non-executive Directors; and to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate.

The primary goal of the remuneration on executive remuneration packages is to enable the Group to motivate executive Directors and senior management by linking their remuneration with reference to the Group's operation results, with reference to individual performances and comparable market statistics.

The principal elements of the Group's executive remuneration package include:

- basic salary;
- discretionary bonus without capping; and
- share options granted under a shareholders' approved option scheme.

CORPORATE GOVERNANCE REPORT

NOMINATION COMMITTEE

The Nomination Committee was established on 7 March 2012 and has 4 members, comprising Ms. Li Ling Xiu, Ms. Lam Ling, Mr. Lam Ting Lok (Resigned on 15 January 2016), Ms Lee Wing Sze Rosa (Appointed on 15 January 2016) (all independent non-executive Directors) and Mr. Liu Tianni, one of the executive Directors. This committee is chaired by Ms. Li Ling Xiu.

The terms of reference of the Nomination Committee have been determined with reference to the Listing Rules and the Code. The Nomination Committee met at least once during the year to discuss the composition of the Board and all members attended this meeting.

The responsibilities of the Nomination Committee are (a) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; (b) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships; (c) to assess the independence of independent non-executive Directors; and (d) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors in particular the chairman and the chief executive.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Directors acknowledge their responsibility for preparing the accounts of the Company. As at 31 March 2016, the Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Directors have prepared the financial statements of the Company on a going-concern basis.

The responsibilities of the external auditors about their financial reporting are set out in the independent auditor's report attached to the Company's consolidated financial statements for the year ended 31 March 2016.

Internal Controls

The Board conducts regular review and evaluation of the ongoing effectiveness and adequacy of the Group's internal control system covering all controls, including financial, operational, compliance and risk management controls. Appropriate measures and actions have been taken during the year ended 31 March 2016 on areas where rooms for improvement were identified.

CORPORATE GOVERNANCE REPORT

AUDITORS' REMUNERATION

For the year ended 31 March 2016, fees paid/payable to the Company's external auditors for audit services and non-audit services are set out as follows:

Service Render	Fee Paid/payable <i>(HK\$'000)</i>
Audit services	910
Review on preliminary results announcement for the year ended 31 March 2016	10
Tax compliance	42
	962

AUDIT COMMITTEE

The Audit Committee was established on 7 March 2012 and has 3 members, comprising Mr. Lam Ting Lok (Resigned on 15 January 2016), Ms Lee Wing Sze Rosa (Appointed on 15 January 2016), Ms. Li Ling Xiu and Ms. Lam Ling (all independent non-executive Directors). This committee is chaired by Mr. Lam Ting Lok before his resignation and Ms. Lee Wing Sze Rosa after her appointment.

The terms of reference of the Audit Committee follow the Listing Rules and the Code. The Audit Committee met twice during the year to review the interim and annual results of the Group as well as the accounting principles and practices being adopted, internal control and financial reporting matters. All members attended the meetings.

The responsibilities of the Audit Committee include (a) to assist the Board in providing an independent review of the effectiveness of the financial reporting process, internal control and risk management system of the Company and its subsidiaries, overseeing the audit process and performing other duties and responsibilities as assigned by the Board; (b) to assure that appropriate accounting principles and reporting practices are followed; (c) to be primarily responsible for making recommendation to the Board on the appointment, re-appointment and removal of the authorized independent auditors (the "**External Auditors**"), and to approve the remuneration and terms of engagement of the External Auditors, and any questions of its resignation or dismissal; (d) to review and monitor the External Auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard; (e) to monitor integrity of the Company's financial statements and reports and to review significant financial reporting judgments contained in them; (f) to review the financial controls, internal control and risk management system; and (g) to review the Group's financial and accounting policies and practices.

CORPORATE GOVERNANCE REPORT

COMPANY SECRETARY

The Company engages an external service provider which assigned Mr. Wong Yat Tung as the company secretary of the Company. Mr. Wong has taken not less than 15 hours of relevant professional training during the year. Mr. Liu Tianni, the Chief Executive Officer and Chairman of the Company, is the primary contact person of Mr. Wong in the Company.

SHAREHOLDERS' RIGHTS

Shareholders convening an extraordinary general meeting and proposing resolutions

Pursuant to article 58 of the Articles of Association, any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Shareholders' enquiries and proposals

The Company maintains a website at www.wsfg.hk as a communication platform with shareholders and investors, where extensive information and updates on the Company's business developments and operations, financial and other information are available for public access. Shareholders and investors may send written enquires or requests to the Company at 6/F, Nexus Building, 41 Connaught Road Central, Central, Hong Kong. The company secretary and relevant personnels shall report the shareholders' enquires and concerns to the Board and/or relevant Board committees of the Company and where appropriate, respond to such enquires.

SHAREHOLDERS COMMUNICATION AND INVESTOR RELATIONS

The objective of shareholder communication is to provide our shareholders with detailed information about the Company so that they can exercise their rights as shareholders in an informed manner. The Company uses a range of communication tools to ensure its shareholders are kept well informed of key business imperatives. These include annual general meeting, annual report, various notices, announcements and circulars. Procedure for voting by poll has been read out by the chairman at the general meeting. Annual general meeting provides a forum for shareholders of the Company to raise comments and exchange views with the Board. The Chairman and the Directors are available to at the annual general meetings to address shareholders' queries. Separate resolution was proposed on each substantially separate issue and procedures for demanding a poll in general meetings are included in circular to the shareholders to facilitate the enforcement of shareholders' rights. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. As such, all resolutions set out in the notice of the 2016 annual general meeting of the Company will be voted by poll.

During the year, there are no changes in the Company's Memorandum and Articles of Association. An up-to-date consolidated version of the Company's Memorandum and Articles of Association are available on the Company's website.

INDEPENDENT AUDITOR'S REPORT



TO THE SHAREHOLDERS OF WONDERFUL SKY FINANCIAL GROUP HOLDINGS LIMITED

皓天財經集團控股有限公司
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Wonderful Sky Financial Group Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 31 to 96, which comprise the consolidated statement of financial position as at 31 March 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the applicable 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 our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, 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.

INDEPENDENT AUDITOR'S REPORT

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 March 2016 and of the Group's financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the applicable disclosure requirements of Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
28 June 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2016

	NOTES	2016 HK\$'000	2015 HK\$'000
Revenue	7	619,122	523,580
Direct costs		(292,762)	(239,983)
Gross profit		326,360	283,597
Other income		37,957	21,886
Selling expenses		(13,562)	(11,632)
Administrative expenses		(75,803)	(50,821)
Other gain and loss	8	18,704	(2,876)
Finance costs	9	(1,999)	(196)
Profit before taxation	10	291,657	239,958
Taxation	12	(51,765)	(41,001)
Profit for the year		239,892	198,957
Other comprehensive (expense) income			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translating foreign operation		(11,580)	–
Fair value gain on available-for-sale investments		14,591	–
Reclassification adjustment relating to available-for-sale investments disposed of during the year		(19,509)	–
Fair value changes of available-for-sale investments upon reclassification from held-to-maturity investments		–	7,891
Other comprehensive (expense) income for the year		(16,498)	7,891
Total comprehensive income for the year		223,394	206,848
Profit for the year attributable to owners of the Company		239,892	198,957
Total comprehensive income attributable to owners of the Company		223,394	206,848
Earnings per share	14		
– Basic		HK20.4 cents	HK19.9 cents
– Diluted		HK20.3 cents	HK19.8 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2016

	NOTES	2016 HK\$'000	2015 HK\$'000
Non-current assets			
Property, plant and equipment	15	33,613	6,927
Club debenture	17	12,200	12,200
Rental deposits		5,126	5,144
Deposits for acquisition of property, plant and equipment		2,894	–
		53,833	24,271
Current assets			
Work in progress	18	17,613	22,883
Accrued revenue	19	–	2,814
Trade and other receivables	19	187,222	214,943
Amounts due from related parties	20	2,797	4,370
Available-for-sale investments	16	864,479	451,369
Other financial assets	21	394,410	38,100
Bank balances and cash	22	151,496	285,833
		1,618,017	1,020,312
Current liabilities			
Trade and other payables	23	117,899	150,178
Taxation payable		20,146	10,902
Bank borrowings – due within one year	24	314,310	159,331
		452,355	320,411
Net current assets		1,165,662	699,901
Total assets less current liabilities		1,219,495	724,172
Non-current liability			
Deferred tax liability	25	441	262
Net assets		1,219,054	723,910
Capital and reserves			
Share capital	26	11,915	10,000
Reserves		1,207,139	713,910
Total equity		1,219,054	723,910

The consolidated financial statements on pages 31 to 96 were approved and authorised for issue by the Board of Directors on 28 June 2016 and are signed on its behalf by:

LIU TIANNI
DIRECTOR

LIU LIN
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2016

	Share capital HK\$'000	Share premium HK\$'000	Merger reserve HK\$'000 (Note i)	Capital reserve HK\$'000 (Note ii)	Capital redemption reserve HK\$'000	Share options reserve HK\$'000	Investment revaluation reserve HK\$'000	Translation reserve HK\$'000	Accumulated profits HK\$'000	Total HK\$'000
At 1 April 2014	10,000	314,232	10	(1)	-	530	-	-	292,532	617,303
Profit for the year	-	-	-	-	-	-	-	-	198,957	198,957
Fair value changes of available-for-sale investments upon reclassification from held-to-maturity investments	-	-	-	-	-	-	7,891	-	-	7,891
Total comprehensive income for the year	-	-	-	-	-	-	7,891	-	198,957	206,848
Recognition of equity-settled share-based payments	-	-	-	-	-	1,759	-	-	-	1,759
Lapse of share options	-	-	-	-	-	(236)	-	-	236	-
Dividend recognised as distribution (note 13)	-	-	-	-	-	-	-	-	(102,000)	(102,000)
At 31 March 2015	10,000	314,232	10	(1)	-	2,053	7,891	-	389,725	723,910
Profit for the year	-	-	-	-	-	-	-	-	239,892	239,892
Exchange difference on translation	-	-	-	-	-	-	-	(11,580)	-	(11,580)
Fair value gain on available-for-sale investments	-	-	-	-	-	-	14,591	-	-	14,591
Reclassification adjustment relating to available-for-sale investments disposed of during the year	-	-	-	-	-	-	(19,509)	-	-	(19,509)
Other comprehensive (expense) income for the year	-	-	-	-	-	-	(4,918)	(11,580)	-	(16,498)
Total comprehensive (expense) income for the year	-	-	-	-	-	-	(4,918)	(11,580)	239,892	223,394
Issue of shares by way of placing (note 26(a))	2,000	428,000	-	-	-	-	-	-	-	430,000
Expenses incurred for issue of shares by way of placing	-	(6,006)	-	-	-	-	-	-	-	(6,006)
Exercise of share options (note 26(b))	16	2,387	-	-	-	(484)	-	-	-	1,919
Share repurchased and cancelled (note 26(c))	(101)	(13,968)	-	-	(3,559)	-	-	-	-	(17,628)
Recognition of equity-settled share-based payments	-	-	-	-	-	995	-	-	-	995
Lapse of share options	-	-	-	-	-	(415)	-	-	415	-
Dividend recognised as distribution (note 13)	-	-	-	-	-	-	-	-	(137,530)	(137,530)
At 31 March 2016	11,915	724,645	10	(1)	(3,559)	2,149	2,973	(11,580)	492,502	1,219,054

Notes:

- (i) The merger reserve of Wonderful Sky Financial Group Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") represented the difference of the nominal value of the shares of Shine Talent Holdings Limited ("Shine Talent Holdings") issued in exchange for the entire share capital of Wonderful Sky Financial Group Limited ("Wonderful Sky Financial Group").
- (ii) The capital reserve of the Group represented capital contribution arising from transfer of interest in a subsidiary to its shareholder.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2016

	2016 HK\$'000	2015 HK\$'000
Operating activities		
Profit before taxation	291,657	239,958
Adjustments for:		
Interest income from bank deposits	(3,254)	(5,245)
Interest expenses	1,999	196
Depreciation	3,554	1,981
Impairment loss recognised on trade receivables, net	3,191	2,225
Impairment loss reversed on amount due from a related party	(2,493)	(147)
Investment income from available-for-sale investments	(29,589)	–
Investment income from other financial assets	(1,480)	(1,282)
Investment income from held-to-maturity investments	–	(9,844)
Gain on disposal of available-for-sale investments	(19,509)	–
Share-based payments	995	1,759
Foreign exchange difference on inter-company balances	(7,984)	–
Operating cash flows before movements in working capital	237,087	229,601
Decrease (increase) in rental deposits	18	(2,534)
Decrease (increase) in work in progress	5,270	(10,652)
Decrease in accrued revenue	2,814	3,034
Decrease (increase) in trade and other receivables	24,562	(81,399)
(Decrease) increase in trade and other payables	(32,479)	45,632
Decrease (increase) in amounts due from related parties	4,066	(2,003)
Cash generated from operations	241,338	181,679
Hong Kong Profits Tax paid	(42,342)	(42,125)
Net cash from operating activities	198,996	139,554
Investing activities		
Purchase of available-for-sale investments	(772,370)	–
Purchase of other financial assets	(503,430)	(152,400)
Purchase of property, plant and equipment	(30,240)	(6,197)
Deposits for acquisition of property, plant and equipment	(2,894)	–
Proceeds from disposal of available-for-sale investments	374,400	–
Proceeds from redemption of other financial assets	147,120	114,300
Interest received from available-for-sale investments	29,040	–
Interest received from bank deposits	3,254	5,245
Interest received from other financial assets	1,480	1,282
Interest received from held-to-maturity investments	–	6,769
Purchase of held-to-maturity investments	–	(353,575)
Purchase of club debenture	–	(12,200)
Net cash used in investing activities	(753,640)	(396,776)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2016

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Financing activities		
New bank borrowings raised	1,069,298	159,331
Proceeds from issue of shares by way of placing	430,000	–
Exercise of share options	1,919	–
Repayment of bank borrowings	(914,319)	–
Dividends paid	(137,530)	(102,000)
Repurchase of shares	(17,628)	–
Expenses incurred for issue of shares by way of placing	(6,006)	–
Interest paid	(1,823)	(196)
Net cash from financing activities	423,911	57,135
Net decrease in cash and cash equivalents	(130,733)	(200,087)
Cash and cash equivalents at beginning of the year	285,833	485,920
Effect of exchange rate changes	(3,604)	–
Cash and cash equivalents at end of the year, represented by bank balances and cash	151,496	285,833

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 12 January 2011 under the Companies Law of the Cayman Islands Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Its ultimate holding company is Sapphire Star Investments Limited, a company with limited liability incorporated in the British Virgin Islands (“**BVI**”) and the ultimate controlling party is Mr. Liu Tianni. The address of the registered office and principal place of business of the Company is disclosed in the “Corporate Information” section of the annual report.

The principal activities of the Company are investment holding and securities investment. The principal activities of its subsidiaries are engaged in the provision of financial public relations services and organisation and coordination of international roadshow services.

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

The Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) for the first time in the current year.

Amendments to HKAS 19	Defined benefit plans: Employee contributions
Amendments to HKFRSs	Annual improvements to HKFRSs 2010 – 2012 cycle
Amendments to HKFRSs	Annual improvements to HKFRSs 2011 – 2013 cycle

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

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

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

¹ Effective for annual periods beginning on or after 1 January 2019.

² Effective for annual periods beginning on or after 1 January 2018.

³ Effective for annual periods beginning on or after 1 January 2016.

⁴ Effective for annual periods beginning on or after a date to be determined.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

HKFRS 9 “Financial instruments”

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

Key requirements of HKFRS 9 that are relevant to the Group are described below:

- All recognised financial assets that are within the scope of HKAS 39 “Financial instruments: Recognition and measurement” are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- In relation to the impairment of financial assets, HKFRS 9 adopts an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The directors of the Company anticipate that the application of HKFRS 9 in the future will affect the classification and measurement of the Group’s financial assets but unlikely affect the Group’s financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

HKFRS 15 “Revenue from contracts with customers”

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

HKFRS 16 “Leases”

HKFRS 16, which upon the effective date will supersede HKAS 17 “Leases”, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

As set out in note 28 to the consolidated financial statements, total operating lease commitment of the Group in respect of leased premises as at 31 March 2016 amounting to HK\$28,596,000. The directors of the Company do not expect the adoption of HKFRS 16 as compared with the current accounting policy would result in significant impact on the Group’s results but it is expected that certain portion of these lease commitments will be required to be recognised in the consolidated statement of financial position as right-of-use assets and lease liabilities.

The directors of the Company anticipate that the application of other new and revised HKFRSs will have no material impact on the consolidated financial statements of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

3. SIGNIFICANT ACCOUNTING POLICIES

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 (the “**Listing Rules**”) and the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the principal 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. A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. 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 “Share-based payment”, 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 realisable value in HKAS 2 “Inventories” or value in use in HKAS 36 “Impairment of assets”.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

3. SIGNIFICANT ACCOUNTING POLICIES (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.

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.

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 profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

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

Service income from retainer services is recognised on a straight-line basis over the term of the service period when the relevant services are rendered.

Service income from clients seeking initial public offering ("**IPO Clients**") is recognised when the relevant services are rendered to the relevant IPO Clients, which approximates the time when the IPO Clients are listed.

Service income from other non-routine project-based non-IPO Clients ("**non-IPO Clients**") and international roadshow clients are recognised when the relevant services are rendered to the relevant non-IPO Clients and international roadshow clients, which approximates the completion of the relevant non-routine projects or international roadshow event.

When related services have been rendered but not yet billed to the customers at the end of the reporting period, revenue is recognised in accordance with the relevant policy as set out above, with the corresponding amounts recorded as accrued revenue at the end of the reporting period. It will be transferred to invoiced amount under trade receivables once the customer is billed and invoice is issued.

Usually the Group requires sales deposits from IPO Clients and makes progress billings for services rendered. Occasionally, IPO Clients may decide to delay the listing timetable. Under such circumstances, sales deposits received by the Group of which services have yet to be rendered pending the completion of the IPO will be accounted for as deposits received and included in current liabilities in the consolidated statement of financial position. In rare cases, IPO Clients may decide to terminate the IPO process. Under these circumstances, sales deposits received by the Group and project-based fees for services rendered will be recognised as revenue immediately when the Group receives termination notice from the relevant IPO Clients.

For projects costs incurred at initial stage of the project of which outcome of the transaction can be estimated reliably and costs incurred expected to be recoverable, the costs incurred are deferred and recorded as work in progress. Such costs are recognised in the consolidated statement of profit or loss and other comprehensive income when the corresponding revenue is recognised upon services being rendered in the manner as discussed above.

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 income can be measured reliably. Interest income 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position 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 property, plant and equipment less their residual values over their estimated useful lives using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period.

An item of property, plant and equipment 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 property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Work in progress

Work in progress represents cost incurred on incomplete wide range of financial public relations and international roadshow projects that comprise costs directly incurred in providing the services and attributable overheads. Work in progress is stated at lower of cost and net realisable value.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity 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 (other than financial assets or financial liabilities at fair value through profit or loss) 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 profit or loss.

Financial assets

The Group's financial assets are classified into one of the three categories, including financial assets at fair value through profit or loss ("**FVTPL**"), loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument 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 debt instrument 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.

Financial assets at fair value through profit or loss

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract to be designated as at FVTPL.

Financial assets at FVTPL are measured at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets and is included in the "other gain and loss" line item.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

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 accrued revenue, trade receivables, amounts due from related parties and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment loss of financial assets below).

Available-for-sale financial assets

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

Equity and debt securities held by the Group that are classified as available-for-sale financial assets and are traded in an active market are measured at fair value at the end of each reporting period. Changes in the carrying amount of available-for-sale monetary financial assets relating to interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognised in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss (see the accounting policy in respect of impairment loss on financial assets below).

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 are measured at cost less any identified impairment losses at the end of the reporting period (see accounting policy on impairment loss of financial assets below).

Reclassification of financial assets

If, as a result of a change in intention or ability, it is no longer appropriate to classify an investment as held to maturity, it shall be reclassified as available-for-sale investment and remeasured at fair value, and the difference between its carrying amount and fair value shall be recognised as gain or loss arising from a change in fair value of an available-for-sale investment in other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired when 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 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 or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset such as trade receivables, assets that are assessed not to be impaired individually are, in addition, 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 general credit period of 30 days, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables and amounts due from related parties, 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 trade receivable is considered uncollectible, it is written off against the allowance account. 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 2016

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

When an available-for-sale financial asset is considered to be impaired, accumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

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.

In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss 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 instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recognised 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 purchases, sale, issue or cancellation of the Company's own equity instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities

Financial liabilities including trade and other payables and bank borrowings are subsequently measured at amortised cost, using the effective interest method.

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 (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 liability or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

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.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 recognised 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 the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share-based payment arrangements

Equity-settled share-based payments transactions

Share options granted to employees

For grants of share options that are conditional upon satisfying specified vesting conditions, the fair value of services received is determined by reference to the fair value of share options granted at the date of grant and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share capital and then share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to accumulated profits.

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 taxation” as reported in the consolidated statement of profit or loss and other comprehensive income because 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 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 2016

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, 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 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 is realised, based on the 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.

Current and deferred tax is recognised in profit or loss.

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 lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment

At the end of each reporting period, the Group reviews the carrying amounts of its 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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 immediately in profit or loss.

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 in profit or loss.

Retirement benefit costs

Payments to defined contribution retirement benefit plans/Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, 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 on-going 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.

The following is the key assumption 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 within the next financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Estimated impairment loss recognised on trade receivables/amounts due from related parties

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise.

As at 31 March 2016, the carrying amounts of trade receivables are HK\$168,009,000 (2015: HK\$206,439,000) (net of accumulated allowance for doubtful debts of HK\$5,934,000 (2015: HK\$2,743,000)).

As at 31 March 2016, the carrying amounts of amounts due from related parties are HK\$2,797,000 (2015: HK\$4,370,000) (net of accumulated allowance for doubtful debts of HK\$3,076,000 (2015: HK\$5,569,000)).

Fair value measurements and valuation processes

Some of the Group's assets are measured at fair value for financial reporting purposes. The directors of the Company have a designated team to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of the available-for-sale investments of the Group, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group will assess the valuation of financial instruments based on quoted bid prices of the previous trading day in the markets at the end of the reporting period. As mentioned above, the fair value of the Group's bond securities listed on the Stock Exchange and the Singapore Exchange Securities Trading Limited ("SGX"), the pricing vendors will assess its fair value taking into account primarily the fair value quoted by the brokers which is adjusted for the lack of marketability of the bond securities at the end of the reporting period. Pricing vendors will exercise their judgements based on their experience to establish and determine the appropriate valuation techniques and inputs to the valuation model. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the directors of the Company. Any changes in the marketability of the listed bonds will affect the fair value of the investments.

In estimating the fair value of the Group's other financial assets, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the management of the Group will assess the valuation of other financial assets based on discounted cash flow method at the end of the reporting period. The management of the Group will exercise their judgements based on their experience to establish and determine the appropriate valuation techniques and inputs to the valuation model. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the board of directors of the Company.

Notes 6, 16 and 21 provide detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of the available-for-sale investments and other financial assets of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debts, which includes the bank borrowings disclosed in note 24, net of cash and cash equivalents and equity attributable to owners of the Company, comprising share capital, other reserves and accumulated profits.

The management of the Group reviews the capital structure regularly. The directors consider the cost of capital and the risks associated with each class of capital, and will balance its overall capital structure through the payment of dividends and new share issues as well as the issue of new debt or the redemption of existing debt.

6. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Financial assets		
Loans and receivables (including cash and cash equivalents)	322,302	499,456
Available-for-sale investments	864,479	451,369
Other financial assets	394,410	38,100
Club debenture	12,200	12,200
Financial liabilities		
Amortised cost	349,764	216,316

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

6. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies

The Group's financial instruments include club debenture, accrued revenue, trade receivables, amounts due from related parties, available-for-sale investments, other financial assets, bank balances and cash, trade and other payables and bank borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and 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.

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances and bank borrowings (see notes 22 and 24 for details of these balances). Interest charged on the Group's borrowings are mainly at variable rate. The Group currently does not have a policy on cash flow hedges of interest rate risk. However, the management monitors interest rate risk exposure and will consider hedging significant interest rate risk should the need arise.

The Group also exposed to fair value interest rate risk in relation to the fixed deposits and listed bond securities with fixed coupon interest (see note 16 for details of these listed bond securities). However, the management considers the fair value interest rate risk on the fixed deposits is insignificant as the fixed deposits are within short maturity period and thus they are not included in sensitivity analysis. The management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate bank balances and bank borrowings. The analysis is prepared assuming that the amount of assets and liabilities outstanding at the end of the reporting period were outstanding for the whole year. 25 basis points increase or decrease represents the management's assessment of the reasonably possible change in interest rates of bank balances and bank borrowings. The calculation of 25 basis points decrease in interest rates of bank balances excluded the bank balances in Hong Kong of HK\$109,496,000 (2015: HK\$212,853,000) as at 31 March 2016 which carried an interest rate below 0.25%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

6. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Interest rate risk (Continued)

Sensitivity analysis (Continued)

If interest rates on bank balances and bank borrowings had been 25 basis points higher/lower and all other variables were held constant, the potential effect on the Group's post-tax profit for the year ended 31 March 2016 is as follows:

	2016 HK\$'000	2015 HK\$'000
(Decrease) increase in profit for the year		
– as a result of increase in interest rate	(415)	294
– as a result of decrease in interest rate	478	238

If interest rate on listed bond securities with fixed coupon interest had been 50 basis points higher/lower and all other variables were held constant, the potential effect on the Group's investment revaluation reserve for the year ended 31 March 2016 would increase by HK\$16,591,000 (2015: HK\$12,717,000) and decrease by HK\$13,212,000 (2015: HK\$13,221,000) as a result of the change in fair value of available-for-sale listed bond securities with fixed coupon interest. In the management's opinion, the sensitivity analysis is unrepresentative of the inherent interest rate risk as the year end exposures do not reflect the exposures during the year.

Foreign currency risk

The carrying amounts of the Group's monetary assets and monetary liabilities denominated in currencies other than the respective group entities' functional currencies at the end of the reporting period are as follows:

	Assets		Liabilities	
	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000
Renminbi ("RMB")	164,790	125,617	456	325
United States dollars ("USD")	918,082	549,561	314,310	159,331
Great Britain Pound ("GBP")	438	309	–	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

6. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Foreign currency risk (Continued)

The Group is mainly exposed to the foreign exchange risk of RMB and USD. Under the pegged exchange rate system, the financial impact on exchange difference between HK\$ and USD will be immaterial as most USD denominated monetary assets and liabilities are held by group entities having HK\$ as their functional currency, and therefore no sensitivity analysis has been prepared. For GBP, no sensitivity analysis has been prepared as the amount involved is insignificant.

The sensitivity analysis below details the Group's sensitivity to a 5% increase and decrease in HK\$ against RMB. 5% is the sensitivity rate used which represents management's assessment of the reasonably possible change in foreign currency rate. The sensitivity analysis includes the Group's monetary assets and monetary liabilities denominated in RMB. A negative number indicates a decrease in post-tax profit for the year when HK\$ strengthens 5% against RMB. For a 5% weakening of HK\$ against RMB, there would be an equal but opposite impact on the post-tax profit for the year.

	2016 HK\$'000	2015 HK\$'000
RMB	(6,861)	(5,231)

In the management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign currency risk as the year end exposures do not reflect the exposures during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

6. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Credit risk

As at 31 March 2016, the Group's maximum exposure to credit risk which will cause a financial loss to the Group in the event of the counterparties failure to perform their obligations as at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those 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 to be responsible for the determination of credit limits, credit approvals and other monitoring procedures. In addition, the management reviews the recoverable amount of each individual debt and accrued revenue regularly to ensure that adequate impairment losses are recognised for irrecoverable debts. In this regard, the management considers that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk on amounts due from related parties as at 31 March 2016 and 2015. The management of the Group reviews the recoverable amount of each individual debt at the end of the 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 Group's bank balances are deposited with several banks of high credit ratings in Hong Kong and the People's Republic of China (the "PRC").

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group does not have any other significant concentration of credit risk. Trade receivables consist of a large number of customers and spread across diverse industries.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayable on demand clause are included in the earliest time band regardless of the probability of the banks closing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

6. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

The table includes both interest and principal cash flows. To the extent that interest flows are floating rates, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

	Weighted average interest rate %	Repayable on demand or within 1 year HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amounts HK\$'000
As at 31 March 2016				
Trade and other payables	N/A	35,454	35,454	35,454
Bank borrowings	1.33	314,310	314,310	314,310
		349,764	349,764	349,764
As at 31 March 2015				
Trade and other payables	N/A	56,985	56,985	56,985
Bank borrowings	1.00	159,331	159,331	159,331
		216,316	216,316	216,316

Bank borrowings with a repayment on demand clause are included in the "on demand or within 1 year" time band in the above maturity analysis. As at 31 March 2016, the aggregate undiscounted principal amounts of these bank loans amounted to HK\$314,310,000 (2015: HK\$159,331,000). Taking into account the Group's financial position, the directors of the Company do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors of the Company believe that such bank loans will be repaid within one year (2015: one year) after the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows will amount to HK\$314,453,000 (2015: HK\$159,357,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

6. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value measurements of financial instruments

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Financial assets	Fair value as at 31 March		Fair value hierarchy	Valuation technique and key inputs	Significant unobservable inputs to the fair value	Relationship of unobservable inputs to the fair value
	2016	2015				
	HK\$'000	HK\$'000				
Listed bond securities classified as available-for-sale investments in the consolidated statement of financial position (see note 16)	864,479	451,369	Level 2	Quoted bid prices in over-the counter markets	N/A	N/A
Other financial assets (see note 21)	394,410	38,100	Level 3	Discounted cash flow	Discount rate Maturity period	The higher the discount rate, the lower the fair value. The longer the maturity period, the higher the fair value.

The fair value of the financial assets included in the level 2 and level 3 categories above has been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

6. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value measurements of financial instruments (Continued)

Reconciliation of Level 3 fair value measurements

	Other financial assets
	<i>HK\$'000</i>
At 1 April 2014	–
Purchases	152,400
Disposals	(114,300)
At 31 March 2015	38,100
Purchases	503,430
Disposals	(147,120)
At 31 March 2016	394,410

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their corresponding fair values.

There was no transfer among different levels of the fair value hierarchy for both years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

7. REVENUE AND SEGMENT INFORMATION

The Group's operating activities are attributable to two operating segments focusing on provision of different types of services, namely the provision of financial public relations services and organisation and coordination of international roadshow services. These operating segments have been identified on the basis of internal management reports that are regularly reviewed by the directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segment:

For the year ended 31 March 2016

	Provision of financial public relations services <i>HK\$'000</i>	Organisation and coordination of international roadshow services <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Revenue	455,169	163,953	619,122
Segment profit	260,304	48,241	308,545
Unallocated corporate income			57,466
Staff costs (including retirement benefit scheme contributions and share-based payments)			(34,037)
Operating lease rentals			(15,726)
Other unallocated corporate expenses			(22,592)
Finance costs			(1,999)
Profit before taxation			291,657

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

7. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (Continued)

For the year ended 31 March 2015

	Provision of financial public relations services <i>HK\$'000</i>	Organisation and coordination of international roadshow services <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Revenue	405,944	117,636	523,580
Segment profit	236,112	31,795	267,907
Unallocated corporate income			21,886
Staff costs (including retirement benefit scheme contributions and share-based payments)			(28,363)
Operating lease rentals			(9,368)
Other unallocated corporate expenses			(11,908)
Finance costs			(196)
Profit before taxation			239,958

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment without allocation of other income, central administration costs, directors' salaries, operating lease rentals, exchange loss and finance costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

7. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

At 31 March 2016

	Provision of financial public relations services HK\$'000	Organisation and coordination of international roadshow services HK\$'000	Consolidated HK\$'000
Assets			
Segment assets	185,894	36,138	222,032
Available-for-sale investments			864,479
Other financial assets			394,410
Club debenture			12,200
Bank balances and cash			151,496
Other unallocated assets			27,233
Total assets			1,671,850
Liabilities			
Segment liabilities	92,574	12,970	105,544
Taxation payable			20,146
Bank borrowings			314,310
Other unallocated liabilities			12,796
Total liabilities			452,796

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

7. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities (Continued)

At 31 March 2015

	Provision of financial public relations services <i>HK\$'000</i>	Organisation and coordination of international roadshow services <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Assets			
Segment assets	180,395	63,038	243,433
Available-for-sale investments			451,369
Other financial assets			38,100
Club debenture			12,200
Bank balances and cash			285,833
Other unallocated assets			13,648
Total assets			1,044,583
Liabilities			
Segment liabilities	95,761	40,815	136,576
Taxation payable			10,902
Bank borrowings			159,331
Other unallocated liabilities			13,864
Total liabilities			320,673

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

- all assets are allocated to reportable segments except for available-for-sale investments, other financial assets, deposits, prepayments and other receivables, club debenture and bank balances and cash.
- all liabilities are allocated to reportable segments except for accrued administrative expenses, taxation payable, deferred tax liability and bank borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

7. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Other segment information

For the year ended 31 March 2016

	Provision of financial public relations services HK\$'000	Organisation and coordination of international roadshow services HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Amounts included in the measure of segment profit or segment assets:				
Addition to non-current assets	30,240	–	–	30,240
Depreciation	3,554	–	–	3,554
Impairment loss recognised on trade receivables, net	3,191	–	–	3,191
Impairment loss reversed on amount due from a related party	(2,493)	–	–	(2,493)
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or segment assets:				
Gain on disposal of available-for-sale investments	–	–	(19,509)	(19,509)
Interest expenses	–	–	1,999	1,999
Investment income from other financial assets	–	–	(1,480)	(1,480)
Investment income from available-for-sale investments	–	–	(29,589)	(29,589)
Income tax expenses	37,456	7,331	6,978	51,765

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

7. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Other segment information (Continued)

For the year ended 31 March 2015

	Provision of financial public relations services HK\$'000	Organisation and coordination of international roadshow services HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Amounts included in the measure of segment profit or segment assets:				
Addition to non-current assets	6,197	–	–	6,197
Depreciation	1,976	5	–	1,981
Impairment loss recognised on trade receivables, net	2,060	165	–	2,225
Impairment loss reversed on amount due from a related party	(147)	–	–	(147)
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or segment assets:				
Interest expenses	–	–	196	196
Investment income from other financial assets	–	–	(1,282)	(1,282)
Investment income from held-to-maturity investments	–	–	(9,844)	(9,844)
Income tax expenses	34,853	4,304	1,844	41,001

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

7. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Geographical information

More than 90% of the Group's revenue are arisen in Hong Kong, the place of domicile of the relevant group entities for both years.

The Group's non-current assets (excluding club debenture) by geographical location of the assets are detailed below:

	2016 HK\$'000	2015 HK\$'000
PRC	26,666	–
Hong Kong	14,967	12,071
	41,633	12,071

Information about major customers

No individual customer accounted for over 10% of the Group's total revenue during both years.

During the years ended 31 March 2016 and 2015, no analysis of revenue from external customers for each type of services is presented as the directors consider the cost to develop would be excessive.

8. OTHER GAIN AND LOSS

	2016 HK\$'000	2015 HK\$'000
Impairment loss recognised on trade receivables, net	(3,191)	(2,225)
Impairment loss reversed on amount due from a related party	2,493	147
Foreign exchange losses	(107)	(798)
Gain on disposal of available-for-sale investments	19,509	–
	18,704	(2,876)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

9. FINANCE COSTS

	2016 HK\$'000	2015 HK\$'000
Interest on bank borrowings	1,999	196

10. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging:

	2016 HK\$'000	2015 HK\$'000
Directors' and chief executive's remuneration (<i>note 11</i>)	4,628	8,412
Other staff costs	62,570	51,423
Retirement benefit scheme contributions for other staff	5,485	4,590
Share-based payments for other staff	971	1,573
	73,654	65,998
Auditor's remuneration	910	900
Depreciation	3,554	1,981
Operating lease rentals in respect of office premises	15,726	9,368
and after crediting:		
Interest income from bank deposits	3,254	5,245
Commission income (included in other income)	3,222	4,886
Investment income from available-for-sale investments (included in other income)	29,589	–
Investment income from other financial assets (included in other income)	1,480	1,282
Investment income from held-to-maturity investments (included in other income)	–	9,844

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

11. DIRECTORS' AND CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

(a) Directors' and chief executive's emoluments

Directors' and chief executive's emoluments for the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, are as follows:

	Directors' fee HK\$'000	Other emoluments			Share-based payments HK\$'000	Total remuneration HK\$'000
		Salaries, allowances and other benefits in kind HK\$'000	Performance related incentive payments HK\$'000 (Note)	Retirement benefit scheme contributions HK\$'000		
For the year ended 31 March 2016						
Mr. Liu Tianni	-	3,600	-	18	-	3,618
Ms. Sun Liang (resigned on 6 October 2015)	-	480	-	14	24	518
Ms. Sun Bin (resigned on 30 April 2016)	120	-	-	12	-	132
Ms. Liu Lin (appointed on 20 October 2015)	-	-	-	-	-	-
Ms. Lam Ling	120	-	-	-	-	120
Mr. Lam Ting Lok (resigned on 15 January 2016)	95	-	-	-	-	95
Ms. Lee Wing Sze Rosa (appointed on 15 January 2016)	25	-	-	-	-	25
Ms. Li Ling Xiu	120	-	-	-	-	120
	480	4,080	-	44	24	4,628
For the year ended 31 March 2015						
Mr. Liu Tianni	-	3,060	600	18	-	3,678
Mr. Xie Wen Zhao (resigned on 30 September 2014)	-	1,220	1,700	10	-	2,930
Ms. Sun Liang (appointed on 1 June 2014)	-	920	200	18	186	1,324
Ms. Sun Bin	120	-	-	-	-	120
Ms. Lam Ling	120	-	-	-	-	120
Mr. Lam Ting Lok (resigned on 15 January 2016)	120	-	-	-	-	120
Ms. Li Ling Xiu	120	-	-	-	-	120
	480	5,200	2,500	46	186	8,412

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

11. DIRECTORS' AND CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (CONTINUED)

(a) Directors' and chief executive's emoluments (Continued)

Mr. Xie Wen Zhao was the chief executive officer of the Company before his resignation on 30 September 2014 and Mr. Liu Tianni was then appointed as the chief executive officer of the Company on 30 September 2014. Their emoluments disclosed above included those for services rendered by them as chief executive.

(b) Employees' emoluments

Of the five individuals with the highest emoluments in the Group, one (2015: three) was the director and the chief executive of the Company whose emoluments are included in the disclosures above. The emoluments of the remaining four (2015: two) individuals were as follows:

	2016 HK\$'000	2015 HK\$'000
Salaries and allowances	3,094	1,721
Performance related incentive payments (Note)	1,000	254
Retirement benefit scheme contributions	72	25
Share-based payments	295	104
	4,461	2,104

Their emoluments were within the following bands:

	2016	2015
Nil to HK\$1,000,000	2	1
HK\$1,000,001 to HK\$1,500,000	1	1
HK\$1,500,001 to HK\$2,000,000	1	–

Note: The performance related incentive payment is determined with reference to the Group's operating results, individual performances and comparable market statistics.

During the years ended 31 March 2016 and 2015, no emoluments were paid by the Group to the directors and the chief executive of the Company or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors waived any emoluments in both years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

12. TAXATION

	2016 HK\$'000	2015 HK\$'000
Hong Kong Profits Tax		
– current tax	52,059	40,714
– (over)underprovision in prior years	(473)	126
	51,586	40,840
Deferred taxation (note 25)	179	161
	51,765	41,001

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both years.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25%.

The taxation charge for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2016 HK\$'000	2015 HK\$'000
Profit before taxation	291,657	239,958
Calculated at Hong Kong Profits Tax of 16.5%	48,123	39,593
Expenses not deductible for tax purposes	705	393
Income not taxable for tax purposes	(781)	(768)
(Over)underprovision in prior years	(473)	126
Tax effect of unused tax losses not recognised	4,191	1,657
Taxation charge	51,765	41,001

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

13. DIVIDENDS

The final dividend of HK4.3 cents per share and special dividend of HK2.3 cents per share, totalling of approximately HK\$78.6 million, in respect of the year ended 31 March 2016 has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

During the year ended 31 March 2016, the Company declared and paid a final dividend of HK4.0 cents per share and a special dividend of HK2.0 cent per share, totalling HK\$72.0 million, in respect of the year ended 31 March 2015 and an interim dividend of HK3.7 cents per share and a special dividend of HK1.8 cents per share, totalling of a approximately HK\$65.5 million, in respect of the year ended 31 March 2016.

During the year ended 31 March 2015, the Company declared and paid a final dividend of HK3.7 cents per share and a special dividend of HK1.7 cent per share, totalling HK\$54.0 million, in respect of the year ended 31 March 2014 and an interim dividend of HK3.2 cents per share and a special dividend of HK1.6 cents per share, totalling HK\$48.0 million, in respect of the year ended 31 March 2015.

14. EARNINGS PER SHARE

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

	2016 HK\$'000	2015 HK\$'000
Earnings		
Profit for the year attributable to owners of the Company for the purposes of basic and diluted earnings per share	239,892	198,957

	2016	2015
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,176,859,989	1,000,000,000
Effect of dilutive potential ordinary shares on share options	4,084,342	2,446,561
Weighted average number of ordinary shares for the purpose of diluted earnings per share	1,180,944,331	1,002,446,561

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

15. PROPERTY, PLANT AND EQUIPMENT

	Building HK\$'000	Leasehold improvements HK\$'000	Furniture and fixtures HK\$'000	Motor vehicles HK\$'000	Computer equipment HK\$'000	Total HK\$'000
COST						
At 1 April 2014	–	1,488	1,536	2,940	2,344	8,308
Additions	–	3,140	1,612	–	1,445	6,197
At 31 March 2015	–	4,628	3,148	2,940	3,789	14,505
Additions	26,935	1,008	474	–	1,823	30,240
At 31 March 2016	26,935	5,636	3,622	2,940	5,612	44,745
DEPRECIATION						
At 1 April 2014	–	878	840	2,130	1,749	5,597
Provided for the year	–	747	459	367	408	1,981
At 31 March 2015	–	1,625	1,299	2,497	2,157	7,578
Provided for the year	269	1,323	809	212	941	3,554
At 31 March 2016	269	2,948	2,108	2,709	3,098	11,132
CARRYING VALUES						
At 31 March 2016	26,666	2,688	1,514	231	2,514	33,613
At 31 March 2015	–	3,003	1,849	443	1,632	6,927

The cost of building, which is located in the PRC, is depreciated over the shorter of the unexpired lease terms or 50 years on a straight-line basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The other items of property, plant and equipment less their residual values are depreciated over their estimated useful lives on a straight-line basis, at the following rates per annum.

Leasehold improvements	Over shorter of the term of leases or 30%
Furniture and fixtures	30%
Motor vehicles	30%
Computer equipment	30%

16. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprise:

	2016 HK\$'000	2015 HK\$'000
Listed bond securities at fair value:		
– listed on the Stock Exchange with fixed coupon interests ranging from 3.0% to 7.75% per annum (2015: 4.0% to 7.125% per annum) and maturity dates ranging from 19 May 2017 to 23 April 2025 (2015: 21 November 2018 to 3 November 2024)	627,739	404,544
– listed on SGX with fixed coupon interests ranging from 4.125% to 8.75% per annum (2015: 4.375% to 12.0% per annum) and maturity dates ranging from 17 August 2018 to 2 May 2023 (2015: 17 February 2020 to 2 May 2023)	236,740	46,825
	864,479	451,369

The fair values of these listed bond securities are based on market bid prices at the end of reporting period.

At 31 March 2016, all available-for-sale investments were pledged to banks to secure the margin loans and short-term banking facilities granted to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

16. AVAILABLE-FOR-SALE INVESTMENTS (CONTINUED)

Included in available-for-sale investments is the following amount denominated in a currency other than functional currency of the respective group entity which it relates:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
USD	864,479	451,369

17. CLUB DEBENTURE

At 31 March 2016, the unlisted club debenture of HK\$12,200,000 (2015: HK\$12,200,000) was classified as available-for-sale investment which is stated 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 their fair value cannot be measured reliably.

18. WORK IN PROGRESS

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Project costs incurred and not yet billed	17,613	22,883

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

19. ACCRUED REVENUE AND TRADE AND OTHER RECEIVABLES

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Accrued revenue	–	2,814
Trade receivables, net of allowance	168,009	206,439
Other receivables		
– Deposits	14,741	7,786
– Prepayments	604	183
– Staff advances	3,868	535
	19,213	8,504
Total trade and other receivables	187,222	214,943

Service income arising from initial public offerings (“**IPO**”) is recognised when services are rendered and is generally billed within one month from date of listing of its customers. Service income arising from retainer services from non-IPO Clients is recognised when services are rendered and is billed monthly, quarterly or semi-annually in arrears. Service income arising from organisation and coordination of international roadshow services from international roadshow clients is recognised when services are rendered and is generally billed within 30 days from the completion of the event. The Group generally grants a credit period of 30 days to its customers.

Accrued revenue represents service fees earned upon related services being rendered but not yet billed and due at the end of the reporting period.

Before accepting any new customer, the Group will internally assess the potential customer’s credit quality and define an appropriate credit limit. The management closely monitors the credit quality and follow-up action is taken if overdue debts are noted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

19. ACCRUED REVENUE AND TRADE AND OTHER RECEIVABLES (CONTINUED)

The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on the invoice dates at the end of the reporting period, which approximated the respective revenue recognition dates:

	2016 HK\$'000	2015 HK\$'000
Trade receivables:		
Invoiced		
– Within 30 days	68,380	63,137
– 31 to 90 days	35,973	35,795
– 91 days to 1 year	53,040	104,559
– Over 1 year	10,616	2,948
	168,009	206,439

The following is an aged analysis of trade receivables which are past due but not impaired at the end of the reporting period:

	2016 HK\$'000	2015 HK\$'000
31 to 90 days	35,973	35,795
91 days to 1 year	53,040	104,559
Over 1 year	10,616	2,948
	99,629	143,302

Included in the Group's trade receivable balance as at 31 March 2016 are debtors with aggregate carrying amount of HK\$99,629,000 (2015: HK\$143,302,000) which are past due at the reporting date for which the Group has not provided for impairment loss as these receivables are either subsequently settled or due from certain major customers with no history of default during the year and have strong financial background and good creditability. The Group does not hold any collateral over these balances.

The Group's management closely monitors the credit quality of trade receivables and considers the trade receivables that are neither past due nor impaired to be of a good credit quality with satisfactory settlement history. Based on the payment history of the IPO Clients and non-IPO Clients of the Group, trade receivables which are past due but not impaired are generally collectible. Allowance on doubtful debts recognised during the year are based on estimated irrecoverable amounts from the rendering of retainer services by reference to past default experience. No allowance on doubtful debts recognised during the year are related to service income arising from organisation and coordination of international roadshow services by reference to the financial background and creditability of corporate customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

19. ACCRUED REVENUE AND TRADE AND OTHER RECEIVABLES (CONTINUED)

Movement in the allowance for doubtful debts

	2016 HK\$'000	2015 HK\$'000
Balance at beginning of the year	2,743	518
Impairment loss recognised on receivables	3,911	2,340
Impairment loss reversed	(720)	(115)
Balance at end of the year	5,934	2,743

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of HK\$5,934,000 (2015: HK\$2,743,000). For overdue debts, based on the past default experience, payment history of the customers and subsequent settlement, the Group assessed the corporate customers for potential impairment losses. Full provision has been made for individual trade receivables aged over one year with no subsequent settlement as historical evidence shows that such amounts are not recoverable.

Included in trade and other receivables are the following amounts denominated in currencies other than the functional currency of the respective group entity which it relates:

	2016 HK\$'000	2015 HK\$'000
RMB	6,582	1,690
USD	1,123	–

20. AMOUNTS DUE FROM RELATED PARTIES

Particulars of the amounts due from related parties, net of allowance for doubtful debts, are disclosed as follows:

	2016 HK\$'000	2015 HK\$'000
Qingling Motors Company Limited (“ Qingling Motors ”)	69	67
Luoyang Glass Company Limited (“ Luoyang Glass ”)	2,057	3,246
Draw Up Assets Limited (“ Draw Up Assets ”)	671	–
Chongqing Iron & Steel Company Limited (“ Chongqing Iron & Steel ”)	–	1,057
	2,797	4,370

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

20. AMOUNTS DUE FROM RELATED PARTIES (CONTINUED)

Mr. Liu Tianni, the controlling shareholder and director of the Company, was a director and a member of key management of Chongqing Iron & Steel until 4 June 2015 when Mr. Liu resigned from the board of directors. Mr. Liu is also a director and a member of key management of Qingling Motors, Luoyang Glass and Draw Up Assets for both years.

Included in the amounts due from related parties is a balance of HK\$2,126,000 (2015: HK\$4,370,000), which is trade in nature and represents receivable from the provision of financial public relations services to non-IPO Clients. The Group allows a credit period of 30 days to the related parties. Impairment losses recognised in respect of the amount due from a related party, Luoyang Glass, as at 31 March 2016 amounted to HK\$3,076,000 (2015: HK\$5,569,000) by reference to past settlement pattern of this related party. Full provision has been made for balance aged over one year with no subsequent settlement as historical evidence shows that such amount is not recoverable. The remaining balances are unsecured, interest-free and repayable on demand.

The following is an aged analysis of amounts due from related parties, which are trade in nature, net of allowance for doubtful debts presented based on the invoice dates at the end of the reporting period, which approximate the respective revenue recognition dates:

	2016 HK\$'000	2015 HK\$'000
Within 30 days	306	540
31 to 90 days	314	934
91 days to 1 year	1,503	2,896
Over 1 year	3	–
	2,126	4,370

The following is an aged analysis of amounts due from related parties, which are trade in nature and past due but not impaired at the end of the reporting period:

	2016 HK\$'000	2015 HK\$'000
31 to 90 days	314	934
91 days to 1 year	1,503	2,896
Over 1 year	3	–
	1,820	3,830

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

20. AMOUNTS DUE FROM RELATED PARTIES (CONTINUED)

Movement in the allowance for doubtful debts on amounts due from related parties

	2016 HK\$'000	2015 HK\$'000
Balance at beginning of the year	5,569	5,716
Impairment loss reversed	(2,493)	(147)
Balance at end of the year	3,076	5,569

21. OTHER FINANCIAL ASSETS

At 31 March 2016, the Group's other financial assets represent financial products issued by banks, with maturity of 91 days to 1 year (2015: 91 days) and expected but not guaranteed returns ranging from 1.4% to 5.0% per annum (2015: 4.4% to 4.5% per annum), depending on the performance of its underlying investments, including investments in foreign currency or interest rate linked products, investment funds, bonds and debentures. The financial products are designated as financial assets at FVTPL at initial recognition and measured at fair value at the end of the reporting period. The directors of the Company consider the fair value of the financial products approximates to the carrying amount as at 31 March 2016 because of their short maturity.

Included in other financial assets is the following amount denominated in a currency other than functional currency of the respective group entity which it relates:

	2016 HK\$'000	2015 HK\$'000
RMB	114,240	38,100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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22. BANK BALANCES AND CASH

Bank balances include fixed deposits of HK\$54,860,000 (2015: HK\$35,290,000) with maturity less than three months which carry interests at prevailing market rates ranging from 0.01% to 2.75% (2015: 0.01% to 2.52%) per annum as at 31 March 2016.

Included in bank balances and cash are pledged bank deposits of HK\$3,980,000 (2015: HK\$82,654,000) as at 31 March 2016 which are pledged to banks to secure the margin loans and short-term banking facilities granted to the Group. The pledged bank deposits are short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

Included in bank balances and cash are the following amounts denominated in currencies other than the functional currency of the respective group entities which they relate:

	2016 HK\$'000	2015 HK\$'000
RMB	43,968	85,827
USD	52,480	98,192
GBP	438	309

23. TRADE AND OTHER PAYABLES

	2016 HK\$'000	2015 HK\$'000
Trade payables	28,809	46,832
Deposits received from customers	69,654	82,485
Salaries payable	6,645	10,153
Accrued expenses	10,320	8,508
Other payables	2,471	2,200
	89,090	103,346
Total trade and other payables	117,899	150,178

The average credit period is from 30 to 60 days.

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FOR THE YEAR ENDED 31 MARCH 2016

23. TRADE AND OTHER PAYABLES (CONTINUED)

The following is an aged analysis of trade payables based on the invoice dates at the end of the reporting period:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Trade payables:		
Invoiced		
– Within 30 days	12,570	18,423
– 31 to 60 days	1,559	2,306
– 61 to 90 days	1,018	6,939
– 91 days to 1 year	9,401	12,577
– Over 1 year	4,261	5,025
	28,809	45,270
Net yet billed	–	1,562
	28,809	46,832

Included in trade and other payables is the following amount denominated in a currency other than the functional currency of the respective group entity which it relates:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
RMB	456	325

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

24. BANK BORROWINGS

	2016 HK\$'000	2015 HK\$'000
Secured and repayable within one year	314,310	159,331

At 31 March 2016, the bank borrowings were secured by available-for-sale investments of HK\$864,479,000 (2015: HK\$451,369,000) and bank balances and cash of HK\$3,980,000 (2015: HK\$82,654,000).

The amounts due are based on scheduled repayment dates set out in the loan agreements and bear interests ranging from 0.60% to 0.70% per annum plus cost of funds of the lender for the year ended 31 March 2016 (2015: 0.85% per annum plus cost of funds of the lender).

The range of effective interest rates (which are also equal to contracted interest rate) on the Group's borrowings for the year is as follows:

	2016	2015
Effective interest rates:		
Variable-rate borrowings	1.00% to 1.45%	0.99% to 1.00%

Included in bank borrowings is the following amount denominated in a currency other than the functional currency of the respective group entity which it relates:

	2016 HK\$'000	2015 HK\$'000
USD	314,310	159,331

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

25. DEFERRED TAX LIABILITY

The followings are the deferred tax liability recognised and movements thereon during both years:

	Accelerated tax depreciation <i>HK\$'000</i>
As at 1 April 2014	101
Credited to profit or loss (<i>note 12</i>)	161
As at 31 March 2015	262
Credited to profit or loss (<i>note 12</i>)	179
As at 31 March 2016	441

At the end of the reporting period, the Group has unused tax losses of HK\$38,807,000 (2015: HK\$13,403,000) available to offset against future profits. No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future profit streams. Included in the unrecognised tax losses are losses of HK\$21,208,000 (2015: HK\$10,840,000) which will expire 5 years from the year of origination. Other losses may be carried forward indefinitely.

26. SHARE CAPITAL

	Number of shares	Amount <i>HK\$'000</i>
Authorised:		
At 1 April 2014, 31 March 2015 and 31 March 2016	10,000,000,000	100,000
Issued and fully paid:		
At 1 April 2014 and 31 March 2015	1,000,000,000	10,000
Issue of shares by way of placing (<i>note a</i>)	200,000,000	2,000
Exercise of share options (<i>note b</i>)	1,635,000	16
Shares repurchased and cancelled (<i>note c</i>)	(10,122,000)	(101)
At 31 March 2016	1,191,513,000	11,915

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

26. SHARE CAPITAL (CONTINUED)

Notes:

- (a) On 22 April 2015, the Company entered into a conditional placing and subscription agreement with a placing agent in relation to, among others, the placing of a maximum of up to 200,000,000 new ordinary shares of the Company of HK\$2.15 each to not less than six placees who are not acting in concert with connected persons of the Company (the "**Placing**"). The net proceeds were used for establishment of a mobile internet professional service platform and general working capital. These new shares were issued under the general mandate granted to the directors at the annual general meeting of the Company held on 12 August 2014 and rank pari passu with other shares in issue in all respects.
- (b) During the year ended 31 March 2016, 1,635,000 shares of HK\$0.01 each were issued at HK\$1.174 per share upon exercise of the share options under the share option scheme of the Company (the "**Share Option Scheme**") by share option holders and all these shares rank pari passu with other shares of the Company in all respects.
- (c) During the year, the Company repurchased its own shares on the Stock Exchange as follows:

Month of repurchase	No. of shares	Price per share		Aggregate consideration paid HK\$'000
		Highest HK\$	Lowest HK\$	
July 2015	9,148,000	1.90	1.58	16,139
September 2015	974,000	1.61	1.48	1,489
				17,628

The above ordinary shares were cancelled upon repurchase.

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

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27. SHARE OPTION SCHEME

The Share Option Scheme of the Company was adopted pursuant to a resolution in writing of the sole shareholder passed on 7 March 2012. The purposes of the Share Option Scheme is to enable the Group to grant options to full-time or part-time employees, directors (whether executive or non-executive), supplier, customer, joint venture partner, business associates and advisor (professional or otherwise) of the Company as incentives or rewards for their contribution to the Group. The Share Option Scheme became effective on 7 March 2012 (the “**Effective Date**”), subject to earlier termination by the directors and approved in advance by the shareholders in a general meeting. The Share Option Scheme shall be valid and effecting for a period commencing from the Effective Date.

At 31 March 2016, the number of shares in respect of which options had been granted and remained outstanding under the Share Option Scheme was 9,875,000 (2015: 15,160,000), representing 0.83% (2015: 1.52%) of the shares of the Company in issue at that date. The total number of shares of the Company available for issue under the Share Option Scheme must not in aggregate exceeds 30% of the issued share capital of the Company from time to time.

The maximum number of shares issuable upon exercise of the options which may be granted under the Share Option Scheme (including exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being. 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 of the Company, or to any of their respective associates (as defined under the Listing Rules), are subject to approval in advance by the independent non-executive directors (excluding any independent non-executive director who is the grantee of the options). In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their respective associates, (as defined under the Listing Rules) in excess of 0.1% of the shares of the Company in issue with an aggregate value (based on the closing price of the Company's shares at the date of the grant) in excess of HK\$5,000,000, in the 12-month period up to and including the date of grant, are subject to shareholders' approval in a general meeting.

Options granted must be accepted in writing within 28 days from the date of grant upon payment of a nominal consideration of HK\$1 by the grantee. The exercise period for the share options granted is determined by the directors of the Company, which period may commence from the date of acceptance of the offer for the grant of share options but shall end, in any event, not later than 10 years from the date of grant of the option subject to the provisions for early termination under the Share Option Scheme.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

27. SHARE OPTION SCHEME (CONTINUED)

The following table discloses movements of the Company's share options held by directors of the Company and employees of the Group during both years:

Date of grant	Exercisable period	Exercise price HK\$	Outstanding at 1.4.2014	Reclassified during the year (Note i)	Lapsed during the year	Outstanding at 31.3.2015	Exercised during the year	Lapsed during the year	Outstanding at 31.3.2016
<i>Executive directors:</i>									
28.1.2014	28.7.2015 – 27.7.2020	1.174	1,000,000	360,000	(1,000,000)	360,000	(360,000)	-	-
28.1.2014	28.7.2016 – 27.7.2020	1.174	1,000,000	360,000	(1,000,000)	360,000	-	(360,000)	-
28.1.2014	28.7.2017 – 27.7.2020	1.174	1,000,000	360,000	(1,000,000)	360,000	-	(360,000)	-
28.1.2014	28.7.2018 – 27.7.2020	1.174	2,000,000	720,000	(2,000,000)	720,000	-	(720,000)	-
			5,000,000	1,800,000	(5,000,000)	1,800,000	(360,000)	(1,440,000)	-
<i>Employees:</i>									
28.1.2014	28.7.2015 – 27.7.2020	1.174	5,364,000	(360,000)	(1,836,000)	3,168,000	(1,275,000)	(420,000)	1,473,000
28.1.2014	28.7.2016 – 27.7.2020	1.174	8,836,000	(360,000)	(3,324,000)	5,152,000	-	(710,000)	4,442,000
28.1.2014	28.7.2017 – 27.7.2020	1.174	2,760,000	(360,000)	(720,000)	1,680,000	-	(360,000)	1,320,000
28.1.2014	28.7.2018 – 27.7.2020	1.174	5,520,000	(720,000)	(1,440,000)	3,360,000	-	(720,000)	2,640,000
			22,480,000	(1,800,000)	(7,320,000)	13,360,000	(1,275,000)	(2,210,000)	9,875,000
Total			27,480,000	-	(12,320,000)	15,160,000	(1,635,000)	(3,650,000)	9,875,000

Notes:

- (i) The share options granted to Ms. Sun Liang were reclassified during the year ended 31 March 2015 as she was appointed as executive director on 1 June 2014.
- (ii) The vesting period ends on the date the exercisable period of the share options begins.

In respect of share options exercised during the year, the weighted average share price at the dates of exercise is HK\$1.61.

The Group recognised the share-based payments of HK\$995,000 (2015: HK\$1,759,000) during the year ended 31 March 2016 in relation to share options granted by the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

28. COMMITMENTS

(i) Operating lease commitment

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 which fall due as follows:

	2016 HK\$'000	2015 HK\$'000
Within one year	15,083	17,589
In the second to fifth years inclusive	13,513	29,928
	28,596	47,517

Operating lease payments represent rentals payable by the Group for the office premises. Leases are negotiated for an average term of three years (2015: three years) and rentals are fixed.

(ii) Capital commitment

	2016 HK\$'000	2015 HK\$'000
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of acquisition of property, plant and equipment	1,458	–

29. PLEDGE OF ASSETS

	2016 HK\$'000	2015 HK\$'000
Available-for-sale investments	864,479	451,369
Bank balances and cash	3,980	82,654
	868,459	534,023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

30. RETIREMENT BENEFIT SCHEMES

The Group operates a Mandatory Provident Fund Scheme (the “**MPF Scheme**”) for all qualifying employees. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes the lower of 5% of the relevant payroll costs and HK\$1,500 per employee to the MPF Scheme.

Employees of subsidiaries in the PRC are members of the state-sponsored pension schemes operated by the PRC government. The subsidiaries are required to contribute a certain percentage of their payroll to the pension scheme to fund the benefits. The only obligation of the Group with respect to the state-sponsored pension schemes is to make the required contributions.

The total contribution to the retirement benefit scheme charged to the consolidated statement of profit or loss and other comprehensive income during the year is HK\$5,529,000 (2015: HK\$4,636,000).

31. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had also entered into the following related party transactions:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Financial public relations service income from Qingling Motors	132	198
Financial public relations service income from Luoyang Glass	3,891	3,246
Financial public relations service income from Chongqing Iron & Steel	845	2,190

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

31. RELATED PARTY TRANSACTIONS (CONTINUED)

Compensation of key management personnel

The remuneration of directors and other member of key management during the year is as follows:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Salaries and allowances	6,690	6,921
Performance related incentive payments	1,012	2,754
Retirement benefit scheme contributions	90	70
Share-based payments	224	291
	8,016	10,036

The remuneration of directors and key management is determined with reference to the Group's operating results, individual performances and comparable market statistics.

32. MAJOR NON-CASH TRANSACTION

During the year ended 31 March 2015, the Group reclassified held-to-maturity investments amounting to HK\$443,478,000 to available-for-sale investments due to change of management intention in holding the listed bond securities (2016: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

33. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the principal subsidiaries held by the Company at the end of the reporting period are as follows:

Name of subsidiary	Place and date of incorporation	Place of operation	Issued and fully paid share capital/ registered capital	Equity interest attributable to the Group as at 31 March		Principal activities
				2016 %	2015 %	
Alpha Financial Press Limited	Hong Kong 17 December 2014	Hong Kong	HK\$500,000	100	100	Provision of financial printing services in Hong Kong
IR Global Roadshow Limited	BVI 15 September 2010	Hong Kong	US\$50,000	100	100	Organisation and coordination of international roadshow
Shine Talent Holdings*	BVI 11 November 2010	Hong Kong	US\$2	100	100	Investment holding
Wonderful Sky Financial Group	Hong Kong 1 August 2006	Hong Kong	HK\$10,000	100	100	Provision of financial public relations services in Hong Kong
皓天策略投資顧問 (北京) 有限公司#	PRC 13 September 2012	PRC	HK\$5,000,000	100	100	Provision of financial public relations services in the PRC

* Directly held by the Company

This company was established in the PRC in form of wholly foreign-owned enterprise.

The above table lists the subsidiaries of the Group which, in the opinion of the directors, 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 during the year and at the end of the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Non-current assets		
Club debenture	12,200	12,200
Current assets		
Available-for-sale investments	864,479	451,369
Amount due from a subsidiary	480,000	105,660
Bank balances and cash	5,283	83,208
	1,349,762	640,237
Current liabilities		
Other payable	674	4
Amount due to a subsidiary	145,127	–
Taxation payable	5,754	750
Bank borrowings	314,310	159,331
	465,865	160,085
Net current assets	883,897	480,152
Net assets	896,097	492,352
Capital and reserves		
Share capital	11,915	10,000
Reserves	884,182	482,352
Total equity	896,097	492,352

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Movement of share capital and reserves

	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Share options reserve HK\$'000	Investment revaluation reserve HK\$'000	Accumulated profits HK\$'000	Total HK\$'000
At 1 April 2014	10,000	314,232	-	530	-	154,155	478,917
Profit for the year	-	-	-	-	-	105,785	105,785
Fair value changes of available-for-sale investments upon reclassification from held-to-maturity investments	-	-	-	-	7,891	-	7,891
Total comprehensive income for the year	-	-	-	-	7,891	105,785	113,676
Recognition of equity-settled share-based payments	-	-	-	1,759	-	-	1,759
Lapse of share options	-	-	-	(236)	-	236	-
Dividend recognised as distribution	-	-	-	-	-	(102,000)	(102,000)
At 31 March 2015	10,000	314,232	-	2,053	7,891	158,176	492,352
Profit for the year	-	-	-	-	-	136,913	136,913
Fair value gain on available-for-sale investments	-	-	-	-	14,591	-	14,591
Reclassification adjustment relating to available-for-sale investments disposed of during the year	-	-	-	-	(19,509)	-	(19,509)
Other comprehensive expense for the year	-	-	-	-	(4,918)	-	(4,918)
Total comprehensive (expense) income for the year	-	-	-	-	(4,918)	136,913	131,995

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Movement of share capital and reserves (Continued)

	Share capital	Share premium	Capital redemption reserve	Share options reserve	Investment revaluation reserve	Accumulated profits	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Issue of shares by way of placing	2,000	428,000	-	-	-	-	430,000
Expenses incurred for issue of shares by way of placing	-	(6,006)	-	-	-	-	(6,006)
Exercise of share options	16	2,387	-	(484)	-	-	1,919
Share repurchased and cancelled	(101)	(13,968)	(3,559)	-	-	-	(17,628)
Recognition of equity-settled share-based payments	-	-	-	995	-	-	995
Lapse of share options	-	-	-	(415)	-	415	-
Dividend recognised as distribution	-	-	-	-	-	(137,530)	(137,530)
At 31 March 2016	11,915	724,645	(3,559)	2,149	2,973	157,974	896,097