GOOD RESOURCES

Good Resources Holdings Limited
天成國際集團控股有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 00109)

Annual Report 2016

* for identification purposes only

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors:

Mr. Lu Sheng *(Chairman)*
Mr. Chen Chuanjin

Non-Executive Directors:

Mr. Liu Hai
Mr. Lo Wan Sing, Vincent

Independent Non-Executive Directors:

Mr. Chau On Ta Yuen
Ms. Kwan Shan
Mr. Zhang Ning *(appointed on 14th July, 2016)*

COMPANY SECRETARY

Mr. Chan Chi Ming, Tony

AUTHORIZED REPRESENTATIVES

Mr. Lu Sheng
Mr. Chan Chi Ming, Tony

AUDIT COMMITTEE

Mr. Chau On Ta Yuen *(Chairman of Audit Committee)*
Mr. Lo Wan Sing, Vincent
Ms. Kwan Shan

REMUNERATION COMMITTEE

Mr. Lo Wan Sing, Vincent
(Chairman of Remuneration Committee up to 14th July, 2016, re-designated as Member of Remuneration Committee from 14th July, 2016)
Mr. Chau On Ta Yuen
Ms. Kwan Shan
Mr. Zhang Ning *(appointed as Chairman of Remuneration Committee on 14th July, 2016)*

NOMINATION COMMITTEE

Mr. Lu Sheng
(Chairman of Nomination Committee)
Mr. Chau On Ta Yuen
Mr. Lo Wan Sing, Vincent
Ms. Kwan Shan
Mr. Zhang Ning *(appointed as Member of Nomination Committee on 14th July, 2016)*

REGISTERED OFFICE OF THE COMPANY

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS OF THE COMPANY IN HONG KONG

Units 3310-11
33rd Floor, West Tower
Shun Tak Centre
168-200 Connaught Road Central
Sheung Wan
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke, HM 08 Bermuda

CORPORATE INFORMATION

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

LEGAL ADVISERS

On Hong Kong law:
Herbert Smith Freehills
23rd Floor, Gloucester Tower,
15 Queen's Road Central,
Hong Kong

On Bermuda law:
Conyers Dill & Pearman
2901, One Exchange Square
No. 8 Connaught Place, Central
Hong Kong

AUDITOR

BDO Limited
25th Floor, Wing On Centre
111 Connaught Road
Central Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Chiyu Banking Corporation Ltd.

STOCK CODE

SEHK 00109

WEBSITE

www.hkex109.hk

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of Good Resources Holdings Limited ("Good Resources" or the "Company"), I am pleased to report the annual results of the Company and its subsidiaries (collectively, the "Group") for the year ended 30th June, 2016.

A YEAR IN REVIEW

During the year of 2016, Good Resources has continued its transformation into a financial investment platform for emerging industries, with focus on fast-growing global investment sectors. During the current year, the Group has built up more business presence outside Hong Kong and has achieved high growth in turnover, an increase of approximately 183.55% from last year.

With the "Going out" strategy by Chinese companies bringing more opportunities and momentum to the market, the Group continues its actively search for fast-growing leading-edge companies which possess the core technologies that may bring revolutionary changes to the industry (including six emerging sectors: clean energy, internet banking, biopharmaceutical, financial investment, bulk commodities and cultural industries). Through Good Resources' financial platform we have engaged in more financing, investment services and post-investment management activities and we have accomplished the following this year:

Myanmar network facilities

The Group has completed its acquisition of the controlling stake of Golden 11 Investment International PTE Ltd., which has been building up its presence in Myanmar for provision of network access to corporations through network facilities operated by its sub-group. With Myanmar further open-up of market and other Southeast Asian market that could be added on to our development base, we are on track to accomplish our objective of Southeast Asian presence to support our plan to provide telecommunication and internet value-added services in global market, in return for high profit.

Financing

Our loan financing segment has provided more constant income to the Group during year of 2016 through its increase in loans. The increase in income has equipped the Group with more resources to reap possible opportunities to invest in influential large-scale companies possessing core technologies in bio-pharmaceuticals, commodities and the cultural industry around the world, grasping the industry cycle to enhance its asset value.

OUTLOOK

The prolonged implementation of quantitative easing policies by central banks around the world has further fueled the rebound of macro-economies, with only new economy is expected to be further recovered. Year of 2017 is expected to be a year full of opportunities for Good Resources. The impact of Brexit and uncertainty of public poll of Italy which follows the footpath of Britain, could both create more turbulence to the markets, Good Resources will be facing more challenges to moderate its investment strategies going forward.

According to the Triennial Central Bank Survey conducted by Bank for International Settlements published in September 2016, there had been a further significant rise in the global importance of several emerging market currencies. The renminbi became the most actively traded emerging market currency, overtaking the Mexican peso to become the world's eighth most actively traded currency. The average daily turnover of renminbi almost doubled, from USD120 billion to USD202 billion, between April 2013 and April 2016. Good Resources will ride on the wave of increasing internationalisation of RMB, and endeavour to be "the trusted financial investment management company in the Hong Kong capital market guided by the vision to become an efficient investment platform with an influence on the world's financial industry."

APPRECIATION

On behalf of the Board, I would like to thank our valued customers, suppliers and business associates for their invaluable contributions and support. I also want to express my gratitude to our management team and all staff of the Group for their hard work during the year. Last but not least, I am most grateful to our shareholders for their continuous support and confidence.

LU Sheng
Chairman

Hong Kong, 29th September, 2016

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The principal businesses of the Group include (i) the provision of financial services and (ii) investment holding.

The financial services segment has continued to deliver results with greater amount of loan financing during the year leading to more interest income earned for the year under review and has accounted for majority of the Group's turnover for the year ended 30th June, 2016 (the "Year").

The Group's financial services have total loans outstanding as at 30th June, 2016 of approximately HK$1,629,003,000, which has increased by 1.69% compared to loans outstanding as at 30th June, 2015 of HK$1,601,909,000. The Group has a Money Lenders Licence and can offer loan financing allowed by the Money Lenders Ordinance of Hong Kong. The Group is also capable of operating financial leasing business and commercial factoring business and develop and expand its loan financing activities in PRC through its subsidiary located at the Shanghai Pilot Free Trade Zone. Loan financing had continued to be the core drive for the Group's turnover and our main business during the Year and our increased effort on loan reviews has brought more recurring income to the loan financing activity, which under the latest assessment of the management have been strategized as the main growth incentive of the Group for medium to long term.

The Group's investment portfolio segment comprised (i) sub-group of Golden 11 Investment International PTE Ltd. ("Golden 11") which was acquired during the Year which has been building up its business infrastructure for optical fibre network, base stations and network at Myanmar along the railway line; (ii) establishment of an online banking joint venture under Metro Leader Limited sub-group for the purpose of undertaking the business of providing digital bank services initially aimed at capturing Chinese nationals' banking business for the management of their off-shore financial needs, with the potential for future rollouts in Europe, Dubai and Hong Kong (as detailed in the announcement of the Company dated 8th June, 2016, majority equity interest of this investment will be disposed of pursuant to a disposal agreement (the "Online Bank Disposal"); and (iii) listed securities and financial instrument investments. The sub-group of Golden 11 has not generated income yet but the sales team of the sub-group has started discussion on corporate contracts for bringing income to the Group in the short to medium term. The sub-group of Metro Leader Limited has not generated income yet but the Online Bank Disposal will bring a disposal gain to the Group. With Brexit and delay in increase of interest rate of United States leading to more uncertainty on global economy and slow down of economic growth in the PRC that could impact the investment sentiment, the Group continued during the Year to realise the listed securities investments on hand for its investment portfolio segment and lowered to only a portfolio of approximately HK$1,932,000 at year end. The Group held investment in convertible note issued by Airspan Network Inc. ("Airspan") with fair value of approximately HK$78 million at end of the Year. The investment provides the Group with constant interest income and also possible capital gain from the fair value change of the investment. The Group continued to stay put with its strategy to maintain its investment portfolios and diversified its investment portfolios with shareholders' capital return and volatility risks both considered in the Group's holdings of investment portfolios.

FINANCIAL REVIEW

For the year ended 30th June, 2016 (the "Year"), the turnover of the Group increased by approximately HK$93,957,000 to approximately HK$145,147,000 (2015: approximately HK$51,190,000), representing an increase of approximately 183.55% from last year. Increase in turnover was primarily caused by increase in turnover related to interest income by approximately HK$93,786,000 to HK$144,924,000 (2015: approximately HK$51,138,000). The Group recorded a loss attributable to owners of the Company of approximately HK$16,161,000 for the year under review compared to a profit of approximately HK$13,167,000 of last year. The change from a profit into loss position was mainly due to combined impacts of:

(i) Profit impact due to interest income increased by approximately HK$93,786,000 to HK$144,924,000 (2015: approximately HK$51,138,000) as greater amount of loans generated in the current year compared to the prior year;

(ii) The general and administrative expenses for the year amounted to approximately HK$124,688,000, representing an approximately 408.89% increase as compared with 2015 of approximately HK$24,502,000. The increase in general and administrative expense was mainly due to the increase in staff costs of HK$37,994,000 to HK$45,341,000 (2015: HK$7,347,000) attributable to the increase in average headcount, legal and professional fees of HK$17,902,000 to HK$20,188,000 (2015: HK$2,286,000), rental expense of HK$12,747,000 to HK$17,492,000 (2015:HK$4,745,000), one-off write off of property, plant and equipment of HK$12,617,000 (2015: Nil) and consultancy expense of HK$8,748,000 to HK$10,909,000 (2015: HK$2,161,000);

(iii) Profit impact for increase in other revenue by approximately HK$6,068,000 to HK$12,294,000 (2015: HK$6,226,000) mainly due to the recognition of interest income from convertible debts of HK$7,556,000; and

(iv) Loss impact for increase in taxation charge by approximately HK$26,835,000 to HK$35,138,000 (2015: HK$8,303,000) mainly because more corporate income tax has been charged for the loan financing profit generated in PRC.

PROSPECT

The Group continues to endeavour to be "the trusted financial investment management company in the Hong Kong capital market guided by the vision to become an efficient investment platform with an influence on the world's financial industry," and will not only assist Chinese capital markets in forging links with global capital markets, but also steadily improving its business and financial performance.

As the opening up of Myanmar's economy continues projects involving laying fiber optic broadband internet networks and the rollout of telecommunications data services in Myanmar should in turn generate market demand and explosive growth opportunities for our investment made in Myanmar network facilities.

As the "Going out" strategy by Chinese companies progresses and further its momentum, the Group's strategy is to ride the momentum in supporting the more efficient outward investment of Chinese capital to a greater extent and depth with better quality by taking advantage of the emerging professional financial investment holding platform. Going forward, the Group will continue to explore emerging field projects with high growth potential and will continue to promote and actively implement the projects recently initiated and more closely manage the projects already implemented, as well as integrate the resources, leverage the effectiveness and ensure good returns, the Group is assessing the situation and riding on the momentum, and continue to explore possible investment in global emerging industries. The Group's investment focus will be on the leading large-scale enterprises with the core patented technology and industry influence as investment targets and actively looking for investment opportunities and continually improving the strategic layout of the portfolio in the clean energy, internet banking, biopharmaceutical, financial investment, bulk commodities, cultural industries and other major sectors. With the offshore RMB market continues to develop and increasing internationalisation of RMB currency, it is expected that tremendous pent-up demand for allocation/acquisition of overseas assets will be released from China. The Group is building up more internal resources including an increase in cash balance of approximately HK$292 million during the Year for capturing and benefit from the potential opportunities driven by the pent-up demand.

USE OF PROCEEDS AND UPDATES

The net proceeds received by the Company in May 2015 from the completion of the subscription agreement dated 29th January, 2015 between the Company and Tiancheng International Holdings Investment Limited (the details of which were set out in the circular (the "Circular") of the Company dated 12th March, 2015). The net proceeds were intended to be applied in accordance with the proposed application as set out in pages 16 and 17 of the Circular. The actual proceeds received was HK$2,464.8 million and the use of the proceeds as at 30th June, 2016 is set out below:

(a) As disclosed in the circular of the Company dated 12th October, 2015 in relation to, among other things, the proposed investment by the Company of US$93 million in the GSC Special Buyout Fund, such investment would have utilised approximately 58% of the proceeds designated for development of the Group as well as for managing the new investment opportunities of approximately HK$1,231.4 million. Pending completion of such investment, rather than depositing the funds into bank accounts at very low interest rates, the Company considered that it would be in the best interest of the Group without materially impairing its financial capabilities to utilise such funds by providing financial assistance to persons who are willing to pay reasonable interest to the Group or making similar investments. As disclosed in the announcement of the Company dated 22nd January, 2016, the acquisition of an underlying investment by the GSC Special Buyout Fund would not proceed and the investment by the Company in the GSC Special Buyout Fund was later terminated. Following the resignation of Mr Sonny Wu as a director of the Company on 11th May, 2016 who has expertise in management of investment funds, the Group has re-designated and appointed new directors to the Board and the latest appointment of director was completed on 14th July, 2016. Having assessed the macro-economic environment for investment taking into account the threat of global terrorism and uncertainty that the exit of the United Kingdom from the European Union may have on Europe, the Board considered that it would be in the interest of the Company to utilise the proceeds of approximately HK$1,231.4 million for the long-term strategic growth of the loan/lease financing activities of the Group within the financial services segment.

(b) As at 30th June, 2016, the proceeds designated for the expansion of current business of HK$615.7 million has been fully applied and an additional approximately HK$1,231.4 million (see paragraph (a) above) of the proceeds were all used for the Group's loan financing business. As of 30th June, 2016, the Group had loan financing receivables of approximately HK$1,629 million within the financial services segment, which to a large extent were facilitated by the increase in cash resources from the proceeds.

(c) In respect of the proceeds of HK$615.7 million designated for new investment opportunities and development of the Group, as disclosed in the announcement of the Company dated 31st January, 2016, the Group had agreed to make a total capital commitment of no more than US$80 million for the formation of a new joint venture in online bank. The Group has since applied approximately HK$39 million (US$5 million) of the proceeds into the joint venture. On 8th June, 2016 an announcement was made by the Company to dispose of a majority of its interest in the joint venture due to the resignation of Mr Sonny Wu, which the Board considered would adversely impact upon the Group's ability in the management of the online bank greenfield project. The Group has also applied approximately HK$78 million (US$10 million) into the Golden 11 sub-group as follow on investments and loans to shareholders of Golden 11 sub-group for investment into the Golden 11 sub-group. The Company intends to apply the unused proceeds of approximately HK$498.7 million for investments into Golden 11 and loans to shareholders of Golden 11 for investment into the Golden 11 sub-group (for purpose of further development of Golden 11 and for fulfilling the capital contribution commitment of approximately HK$38 million of Golden 11 sub-group) and future investment opportunities in the clean energy, internet banking (non-greenfield stage), biopharmaceutical, financial investment, bulk commodities, cultural industries or other major sectors.

LIQUIDITY AND FINANCIAL RESOURCES

The Group had cash and cash equivalents of approximately HK$980,003,000 (2015: approximately HK$687,883,000).

As at 30th June, 2016, the Group had net current assets of approximately HK$2,600,718,000 (2015: approximately HK$2,444,679,000). The total equity was approximately HK$2,818,569,000 (2015: approximately HK$2,512,426,000). The Group had no borrowings (30th June, 2015: no borrowings other than convertible notes of approximately HK$448,485,000) and gearing ratio was zero (2015: zero).

CAPITAL STRUCTURE

During the year ended 30th June, 2016, the convertible notes with principal amount of HK$525,895,000 was converted into 1,197,938,497 ordinary shares of HK$0.1 each at the conversion price of HK$0.439, of which HK$119,793,000 was credited to share capital, while HK$401,894,000 was credited to the share premium.

CONTINGENT LIABILITIES

As at 30th June, 2016, the Group did not have any significant contingent liabilities.

DIVIDEND

The Directors do not recommend the payment of a dividend for the year ended 30th June, 2016.

EMPLOYMENT AND REMUNERATION POLICIES

As at 30th June, 2016, the Group employed approximately 82 employees. The Remuneration Committee and the Directors of the Company reviewed remuneration policies regularly. The structure of the remuneration packages would take into account the level and composition of pay and the general market conditions in the respective countries and businesses.

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

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 30th June, 2016.

SHARE OPTION SCHEME

The Company has a share option scheme to enable the Directors of the Company to grant options to eligible participants, including executive Directors, of the Company and its subsidiaries to subscribe for shares in the Company. Pursuant to the ordinary resolution passed at the annual general meeting of the Company held on 29th January, 2008, the Company adopted the share option scheme. During the year ended 30th June, 2016, no options were exercised and no share options were outstanding as at 30th June, 2015 and 2016.

ADVANCES TO ENTITIES AND CONNECTED TRANSACTIONS

All definition of the Agreement(s) under this heading follow the same definitions as in the "Corporate Governance Report".

Pursuant to Rule 13.13 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), a general disclosure obligation arises where an advance to an entity from the Group exceeds 8% of the total assets of the Group. Pursuant to Rule 13.13 of the Listing Rules, details of advances as defined under Rule 13.15 of the Listing Rules which remained outstanding as at 30th June, 2016 were as follow:

Shanghai Renhe Ocean Agreement

On 15th July, 2015, Shanghai Yongsheng, an indirectly wholly-owned subsidiary of the Company, entered into the First Shanghai Renhe Ocean Agreement with Shanghai Renhe Ocean, pursuant to which Shanghai Yongsheng agreed to advance a loan in the sum of RMB5,000,000 for a term of 36 months under a finance lease arrangement of certain assets owned by Shanghai Renhe Ocean.

On 25th August, 2015, Shanghai Yongsheng entered into the Second Shanghai Renhe Ocean Agreement with Shanghai Renhe Ocean, pursuant to which Shanghai Yongsheng agreed to advance a loan in the sum of RMB5,000,000 for a term of 36 months under a finance lease arrangement of certain assets owned by Shanghai Renhe Ocean.

As at 30th June, 2016, the principal and the accrued interest of the First Shanghai Renhe Ocean Loan and the Second Shanghai Renhe Ocean Loan which remains outstanding is RMB5,476,000 and RMB5,428,000, respectively.

The First Shanghai Renhe Ocean Agreement

Date:	15th July, 2015
Parties:	Shanghai Yongsheng, as the lender
	Shanghai Renhe Ocean, as the borrower
	To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, the ultimate beneficial owner of Shanghai Renhe Ocean is Ms. Zheng Yan, who is an associate of Mr. Cheng, the controlling shareholder of the Company. Ms. Zheng Yan is thus a connected person of the Company.
Principal amount:	RMB5,000,000
Term:	36 months, effective from 1st August, 2015
Interest:	10% per annum, payable yearly
Security:	Certain marine products owned by Shanghai Renhe Ocean as detailed in the First Shanghai Renhe Ocean Agreement. The value of the security was determined by Shanghai Yongsheng based on the then market price of the same species of marine products, taking into account of the size and condition of the marine products in question.

The Second Shanghai Renhe Ocean Agreement

Date:	25th August, 2015
Parties:	Shanghai Yongsheng, as the lender Shanghai Renhe Ocean, as the borrower To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, the ultimate beneficial owner of Shanghai Renhe Ocean is Ms. Zheng Yan, who is an associate of Mr. Cheng, the controlling shareholder of the Company. Ms. Zheng Yan is thus a connected person of the Company.
Principal amount:	RMB5,000,000
Term:	36 months, effective from 1st September, 2015
Interest:	10% per annum, payable yearly
Security:	Certain marine products owned by Shanghai Renhe Ocean as detailed in the Second Shanghai Renhe Ocean Agreement. The value of the security was determined by Shanghai Yongsheng based on the then market price of the same species of marine products, taking into account of the size and condition of the marine products in question.

The Shanghai Wealth Agreements

On 16th July, 2015, Shanghai Yongsheng entered into the Second Shanghai Wealth Agreement with Shanghai Wealth, pursuant to which Shanghai Yongsheng agreed to advance a loan to Shanghai Wealth in the sum of RMB24,000,000 for a term of 12 months.

On 17th September, 2015, Shanghai Yongsheng entered into the Third Shanghai Wealth Agreement with Shanghai Wealth, pursuant to which Shanghai Yongsheng agreed to advance a loan to Shanghai Wealth in the sum of RMB250,000,000 for a term of 12 months.

As at 30th June, 2016, the principal and the accrued interest of the Second Shanghai Wealth Loan and the Third Shanghai Wealth Loan which remains outstanding is RMB26,333,000 and RMB269,931,000, respectively.

The Second Shanghai Wealth Agreement

Date:	16th July, 2015
Parties:	Shanghai Yongsheng, as the lender
	Shanghai Wealth, as the borrower
	To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, the ultimate beneficial owner of Shanghai Wealth is Ms. Zheng Yan, who is a connected person of the Company.
Principal amount:	RMB24,000,000
Term:	12 months, effective from 16th July, 2015
Interest:	10% per annum, payable upon the end of the term
Security:	The Second Shanghai Wealth Loan is secured by certain real estate properties owned by Shanghai Wealth (the "Shanghai Wealth Properties")

The Third Shanghai Wealth Agreement

Date:	17th September, 2015
Parties:	Shanghai Yongsheng, as the lender
	Shanghai Wealth, as the borrower
	To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, the ultimate beneficial owner of Shanghai Wealth is Ms. Zheng Yan, who is a connected person of the Company.
Principal amount:	RMB250,000,000
Term:	12 months, effective from 17th September, 2015
Interest:	10% per annum, payable upon the end of the term
Security:	The Third Shanghai Wealth Loan is secured by the Shanghai Wealth Properties

The Shanghai Renhe Investment Agreement

On 6th September, 2015, Shanghai Yongsheng entered into the Shanghai Renhe Investment Agreement with Shanghai Renhe Investment, pursuant to which Shanghai Yongsheng agreed to advance a loan to Shanghai Renhe Investment in the sum of RMB350,000,000 for a term of 12 months. As at 30th June, 2016, the principal and the accrued interest of the Shanghai Renhe Investment Loan which remains outstanding is RMB378,681,000.

Date:	6th September, 2015
Parties:	Shanghai Yongsheng, as the lender
	Shanghai Renhe Investment, as the borrower
	To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, the ultimate beneficial owner of Shanghai Renhe Investment is Ms. Zheng Yan, who is a connected person of the Company.
Principal amount:	RMB350,000,000
Term:	12 months, effective from 7th September, 2015
Interest:	10% per annum, payable upon the end of the term
Security:	The Shanghai Renhe Investment Loan is unsecured

As the ultimate beneficial owner of each of Shanghai Renhe Ocean, Shanghai Wealth and Shanghai Renhe Investment is Ms. Zheng Yan, who is an associate of Mr. Cheng, the controlling shareholder of the Company, each of the Connected Transaction Agreements constitutes a connected transaction for the Company at the time the transaction was entered into.

In accordance with Rule 14A.60(1) of the Listing Rules, the Company is required to comply with the annual review and disclosure requirements including publication of an announcement and annual reporting in respect of loan agreements and to comply with all connected transactions requirements when loan agreements are renewed or their terms are varied.

The Zhenjiang Rongde Agreement

On 1st June, 2015, Shanghai Yongsheng entered into the Zhenjiang Rongde Agreement with Zhenjiang Rongde, pursuant to which Shanghai Yongsheng agreed to advance a loan to Zhenjiang Rongde in the sum of RMB800,000,000 for an initial term of 24 months under a finance lease arrangement of certain assets owned by Zhenjiang Rongde.

As at 30th June, 2016, the principal and the accrued interest of the Zhenjiang Rongde Loan which remains outstanding is RMB207,750,000.

The Zhenjiang Rongde Agreement

Date:	1st June, 2015
Parties:	Shanghai Yongsheng, as the lender Zhenjiang Rongde, as the borrower To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, Zhenjiang Rongde and its ultimate beneficial owners (namely, Liu Wei (劉偉), Zhang Ying (張穎) and Chen Yu (陳郁), who respectively holds 40%, 30% and 30% of the equity interest in Zhenjiang Rongde) are not connected persons of the Company.
Amount of the Zhenjiang Rongde Loan:	RMB800,000,000
Term:	24 months, effective from 1st July, 2015
Interest:	10% per annum, payable on an annual basis
Security for the Zhenjiang Rongde Loan:	Certain assets owned by Zhenjiang Rongde as detailed in the Zhenjiang Rongde Agreement valued at RMB1,356,272,914.42 (the "Zhenjiang Rongde Assets") being the subject of the finance lease arrangement. The value of the assets was determined by Shanghai Yongsheng without relying on any third-party valuation based on the then market price of the equipment of similar model having also considered the usage and depreciation of the equipment in question. The Zhenjiang Rongde Assets mainly comprise machinery and equipment for Zhenjiang Rongde's business and operations.

The Shanghai Shihao Agreement

On 10th September, 2015, Shanghai Yongsheng entered into the Shanghai Shihao Agreement with Shanghai Shihao, pursuant to which Shanghai Yongsheng agreed to advance a loan to Shanghai Shihao in the sum of RMB220,000,000 for a term of 12 months.

As at 30th June, 2016, the principal and the accrued interest of the Shanghai Shihao Loan which remains outstanding is RMB229,820,000.

The Shanghai Shihao Agreement

Date:	10th September, 2015
Parties:	Shanghai Yongsheng, as the lender Shanghai Shihao, as the borrower To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, Shanghai Shihao and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.
Principal amount:	RMB220,000,000
Term:	12 months, effective from 7th September, 2015
Interest:	10% per annum, payable upon the end of the term
Security:	The Shanghai Shihao Loan is unsecured

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

Other than the completion of acquisition of Golden 11 on 12th November, 2015 and disposal of Metro Leader Limited as detailed in the announcement of the Company dated 8th June, 2016, the Group did not make any material acquisition and disposal of subsidiaries and affiliated companies for the year ended 30th June, 2016. Please also refer to notes 23 and 29 to the financial statements of this annual report for more details.

CHARGE ON ASSETS

As at 30th June, 2016, the Group did not have any charge on its assets (30th June, 2015: Nil).

FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 30th June 2016, other than capital commitments for property, plant and equipment of approximately HK$33,190,000 and capital contribution commitment of approximately HK$38,020,000 of Golden 11 sub-group, the Group does not have any other plan for material investments or capital assets.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

During the Year under review, the Group's transactions were substantially denominated in either Hong Kong dollars, US dollars or RMB Yuan. The Group did not use any financial instruments for hedging purposes (30th June, 2015: Nil).

DIRECTORS AND SENIOR MANAGEMENT'S PROFILES

EXECUTIVE DIRECTORS

Mr. LU Sheng (盧晟)("Mr. Lu"), aged 43, was appointed as Executive Director of the Company on 29th June, 2015 and appointed as Chairman of the Company on 11th May, 2016. Mr. Lu graduated from Jiangxi University of Finance and Economics with a bachelor degree in economics in July 1995. He received a master degree in accounting from Research Institute for Fiscal Science, Ministry of Finance in July 1998, and a doctor degree in management from Chinese Academy of Social Science in July 2004. Mr. Lu has 17 years of experience in finance and investment. He worked as general manager in the finance and marketing department of Huaxia Bank from March 2012 to March 2015, and the investment department of Huaxia Bank from September 2007 to February 2012. Prior to joining Huaxia Bank, he worked at the investment department of Guolian Securities where he served as vice president from 2005 to August 2007, as general manager from 2004 to 2005, and as deputy general manager from 2002 to 2004.

Mr. CHEN Chuan Jin (陳傳進)("Mr. Chen"), aged 51, was appointed as Non-Executive Director and member of Audit Committee of the Company on 29th June, 2015 and was re-designated/appointed as Executive Director and Chief Executive Officer of the Company on 30th June, 2016. Mr. Chen ceased to be member of Audit Committee on 30th June, 2016. Mr. Chen is the founder of Tianjin Binhai Zone Venture Investment Fund. During the period from May 2002 to December 2007, Mr. Chen had been the vice president of the assessment management department, head of risk management of Tianjin Branch, and Manager of the risk management committee of China Development Bank. During the period from February 2009 to December 2014, he had been the assistant to senior assessment manager of China Development Bank. Mr. Chen is the pioneering lecturer of the Master of Business Administration course organised by Newhuadu Business School where he assessed more than 200 investment projects with a total investment amount over RMB150 billion. He also took the lead on the publication of a book named "Guidance on Private Equity Financing in the PRC". Mr. Chen obtained a master degree in Master of Business Administration in The Open University of Hong Kong in 2007.

Mr. Sonny WU (伍伸俊) ("Mr. Wu"), aged 48, was appointed as Executive Director and Chairman of the Company and chairman of Nomination Committee of the Company on 29th June, 2015. Mr. Wu resigned from all positions of the Company on 11th May, 2016. Mr. Wu is a founding partner and managing director of GSR Ventures ("GSR"). Mr. Wu focuses on investments in the semiconductors, new materials, and new energy sectors. He has made extensive investments related to LED technology, and is an active board member for SunSun Lighting, LatticePower, ShineOn, Boston Power and SMIT. Prior to joining GSR, Mr. Wu held key executive positions at Nortel Networks and led the investment in Shanghai ASMC (a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), Stock code: 3355) in 1994. He served as managing director for Guangdong Nortel Telecom Corp. since 1997. Mr. Wu graduated from the University of British Columbia in May 1991 with a bachelor degree in engineering physics and from the Massachusetts Institute of Techology (Sloan Fellow) in June 2001 with a master degree in business administration.

NON-EXECUTIVE DIRECTORS

Mr. LIU Hai (劉海)("Mr. Liu"), aged 32, was appointed as Non-Executive Director of the Company on 29th June, 2015. Mr. Liu graduated from Shanghai Jiao Tong University with a B.S. degree in electronic engineering in July 2005. He received a M.S. degree in electrical engineering from Seoul National University in June 2007, and a MBA degree from MIT Sloan School of Management in June 2011. Prior to joining the Company, Mr. Liu joined GSR in 2011 as a partner, with a focus on investments in the clean energy, mobile internet and healthcare sectors. Mr. Liu led the investments including LatticePower, Boston-Power, GreenApple, Purple-Health and Aerofarms. He has participated in operations for the LED portfolio companies of GSR. He is also deeply involved in the acquisition of 80.1% stake of Philips Lumileds by GSR GO Scale Capital, and the acquisition of 59% stake of Lattice Power by Shunfeng International Clean Energy Limited (a company listed on the Main Board of the Stock Exchange, Stock code: 1165). Prior to joining GSR, Mr. Liu held senior position at the mobile division of Samsung Electronics in Seoul, South Korea. He has rich experience in the wireless, telecommunications, and semiconductor sectors, in disciplines ranging from hardware/software architecture design, to supply chain management, to sales and marketing for major telecom carriers in Latin America and China. He is a member of Samsung's Global Genius Scholarship Program.

Mr. LO Wan Sing, Vincent (盧溫勝) ("Mr. Lo"), aged 69, was appointed as an Independent Non-Executive Director of the Company on 3rd July, 2007 and re-designated as an Executive Director and Chairman of the Board and appointed as member of the General Committee on 10th November, 2008. Mr. Lo was re-designated as Vice-Chairman of the Board on 8th September, 2009 and appointed as Managing Director, a member of the Remuneration Committee and Nomination Committee of the Company on 1st March, 2011. He was previously the Chairman of Remuneration Committee, and member of each of Audit Committee and Nomination Committee of the Company from 3rd July, 2007 to 10th November, 2008. On 29th June, 2015, Mr. Lo was re-designated to Non-Executive Director of the Company. With effect from 30th June, 2016 Mr. Lo was appointed a member of each of Audit Committee and Nomination Committee of the Company and from 14th July, 2016 Mr. Lo was appointed a member of Remuneration Committee of the Company. He had also been the Independent Non-Executive Director of Xinyi Solar Holdings Limited (Stock Code: 968) and Ever Harvest Group Holdings Limited (Stock Code: 1549) the shares of which are listed on the Main Board of the Stock Exchange. He has more than 30 years of experience in the field of jewelry and property investment. He is currently the president of Plateria Jewelry Limited and Kwok Cheong Ind. Limited, and also the managing director of Hong Kong New Century Real Estate Limited. He is a member of the 10th, 11th and 12th Chinese People's Political Consultative Conference, with a Bronze Bauhinia Star (BBS) awarded on 1st July, 2011 by the Government of HKSAR.

Mr. NG Leung Ho (吳良好) ("Mr. Ng"), aged 65, was previously an executive Director and Chairman of the Company and a member of each of the Remuneration Committee, Nomination Committee and General Committee of the Company from 14th June, 2007 to 10th November, 2008. He was appointed as Non-Executive Director and Chairman of the Company on 8th September, 2009 and re-designated to Executive Director and member of each of the Remuneration Committee, Nomination Committee and General Committee of the Company on 30th September, 2009. On 29th June, 2015, Mr. Ng was re-designated to Honorary Chairman and Non-Executive Director and member of Nomination Committee of the Company. Mr. Ng resigned from all positions of the Company on 1st April, 2016. He had been the director of certain subsidiaries of the Company. He had also been the chairman and an Executive Director of China Grand Forestry Green Resources Group Limited ("CGFGR"), the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 910). Mr. Ng has more than 37 years of experience in the field of apparel business. Mr. Ng is currently a JP and a member of the Chinese People's Political Consultative Conference, with a Silver Bauhinia Star (SBS) awarded on 1st July, 2011 by the Government of HKSAR.

DIRECTORS AND SENIOR MANAGEMENT'S PROFILES

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHAU On Ta Yuen (周安達源)("Mr. Chau"), aged 69, was appointed as an Independent Non-Executive Director of the Company on 3rd July, 2007. He was also appointed the Chairman of Nomination Committee, a member of each of the Audit Committee and Remuneration Committee of the Company on 3rd July, 2007. On 29th June, 2015, Mr. Chau was re-designated to chairman of Audit Committee of the Company. He graduated from Xiamen University majoring in Chinese language and literature. Mr. Chau is currently Chairman and Executive Director of ELL Environmental Holdings Limited (Stock code: 1395). Mr. Chau is also Honorary Chairman and Non-Executive Director of China Ocean Industry Group Limited (formerly known as "China Ocean Shipbuilding Industry Group Limited") (Stock code: 651), and an Independent Non-Executive Director of Come Sure Group (Holdings) Limited (Stock code: 794), and Redco Properties Group Limited (Stock code: 1622), all of which are listed on the Main Board of the Stock Exchange. Mr. Chau was Independent Non-Executive Director of Leyou Technologies Holdings Limited (Formerly known as "Sumpo Food Holding Limited") (Stock code: 1089) for the period from 17th December, 2010, to 4th May, 2016. He is also a member of the Chinese People's Political Consultative Conference and holds the office of its deputy officer of the Social and Legal Affairs Committee. He is also the deputy chairman and secretary-general of Hong Kong Federation of Fujian Associations, with a Bronze Bauhinia Star (BBS) and Silver Bauhinia Star (BBS) awarded on 1st July, 2010 and 1st July, 2016, respectively, by the Government of HKSAR.

Ms. KWAN Shan (關山) ("Ms. Kwan"), aged 44, was appointed as Independent Non-Executive Director and member of Audit Committee of the Company on 29th June, 2015, and also as a member of each of Nomination Committee and Remuneration Committee of the Company from 30th June, 2016. Ms. Kwan has more than 18 years of experience in the accounting and finance field in listed companies. Ms. Kwan holds a Bachelor's Degree in Accountancy from Hong Kong Polytechnic University and is a fellow member of the Association of Chartered Certified Accountants. Ms. Kwan obtained her Master of Corporate Governance from the Hong Kong Polytechnic University in 2016. Ms. Kwan is currently an Executive Director and a company secretary of Yueshou Environmental Holdings Limited (Stock code: 1191), whose securities are listed on Main Board of the Stock Exchange. Ms. Kwan is an Independent Non-Executive Director of Far East Holdings International Limited (a company listed on Main Board of the Stock Exchange, Stock code: 36).

Mr. ZHANG Ning ("Mr. Zhang"), aged 58, was appointed as an Independent Non-Executive Director of the Company,the chairman of the remuneration committee and a member of nomination committee of the Company on 14th July, 2016. Mr. Zhang, aged 58, has been the chairman of the board of directors of Beijing Concham Global Finance Leasing Co., Ltd. (北京中盛國際融資租賃有限公司) in the People's Republic of China (the "PRC") since January 2014. Mr. Zhang graduated from the Xi'an University of Technology (西安理工大學) in the PRC with a degree in engineering in 1982. In 1990, he graduated from the PBC School of Finance, Tsinghua University (清華大學五道口金融學院) in the PRC with a Master degree in Economics. Mr. Zhang has over 25 years of management experience in finance and pharmaceutical industries. From November 2003 to December 2013, he had been the general manager of Beijing Bontop Mall Assets Management Co., Ltd. (北京邦泰摩爾資產管理有限公司) in the PRC.

Mr. Ford FRAKER ("Mr. Fraker"), aged 67, was appointed as Non-Executive Director and a member of each of the Remuneration Committee and Nomination Committee of the Company on 29th June, 2015. Mr. Fraker resigned from all positions of the Company on 30th June, 2016. Mr. Fraker has over 35 years of experience in banking, finance and investments in the Middle East. Ambassador Fraker is currently a senior advisor for the Middle East with Bank of America Merrill Lynch and he also serves as president of the Middle East Policy Council in Washington, DC, the United States ("U.S."). He is a member of the Board of Directors of Berger Group Holdings, Morristown, NJ, and vice chairman of the Board of Trustees of the International College in Beirut. Ambassador Fraker began his career with Chemical Bank New York from 1972 to 1979 in New York, Lebanon, UAE and Bahrain finishing as Vice President/Regional Manager for the bank's Bahrain office. In 1979, he joined Saudi International Bank (JP Morgan affiliate) where he spent 12 years as Head of the Middle East, Banking and Credit and serving on the bank's Managing Committee. In 1993, Ambassador Fraker worked as managing director at MeesPierson Investment Finance Limited and he was responsible for overseeing investments with the European and Middle Eastern institutional and private investors base. In 1996, he co-founded and served as managing director and Chairman of Trinity Group Limited which he remains active with. From April 2007 to April 2009, Mr. Fraker served as U.S. Ambassador to the Kingdom of Saudi Arabia, spanning both the George W. Bush and Barack H. Obama administrations. From 2009 to 2013, he was a senior advisor to Kohlberg Kravis Roberts & Co. (KKR) serving as Chairman of KKR Middle East and North Africa, and CEO of KKR Saudi Ltd.

Mr. Francisco J. SANCHEZ ("Mr. Sánchez"), aged 56, was appointed as Non-Executive Director and Chairman of the Remuneration Committee and member of Nomination Committee of the Company on 29th June, 2015. Mr. Sánchez resigned from all positions of the Company on 30th June, 2016. Mr. Sánchez served as Under Secretary for International Trade at the U.S. Department of Commerce from March, 2010 to November, 2013, a post to which he was nominated in 2009 by President Barack Obama. As the top trade and investment emissary for U.S., Mr. Sánchez was one of the architects of President Obama's National Export Initiative (NEI) and helped companies expand around the world. During the Clinton Administration, he served as the Assistant Secretary for Aviation and International Affairs at the U.S. Department of Transportation. He also served in the White House as a Special Assistant to President Clinton, and Chief of Staff to the Special Envoy to the Americas. Mr. Sánchez has decades of experience as an international business consultant and negotiation strategist, founding CNS in 2001 and still serving as its Chairman. He has been serving as a director at Archer Daniels Midland (NYSE: ADM) since May 2014. Mr. Sánchez also serves on the board of counselors for McLarty Associates, and until recently, served on the board of directors for the Overseas Private Investment Corporation (OPIC). He is a non-resident fellow at The Brookings Institute and is a member of the Council of Foreign Relations. Mr. Sánchez has been awarded the National Point of Light Award and the Governor's Point of Light Award for Outstanding Community Service. He was also named one of the 100 Most Influential Hispanics by Hispanic Business Magazine and one of the top Hispanics nationwide by Poder Magazine.

SENIOR MANAGEMENT

Mr. CHAN Chi Ming, Tony ("Mr. Chan"), aged 48, company secretary of the Company, is responsible for company secretarial function of the Company. Mr. Chan graduated from Australian National University, with a Bachelor Degree in Commerce (Major in Accounting). Mr. Chan is a member of the CPA Australia and has over 17 years' experience in the field of business advisory, accounting and auditing. Mr. Chan was formerly senior manager of an international accounting firm.

CORPORATE GOVERNANCE REPORT

The Company is committed to upholding good corporate governance practices and procedures to ensure greater transparency and quality of disclosure as well as more effective risk control.

CODE ON CORPORATE GOVERNANCE PRACTICE

In the opinion of the Directors, the Company has complied throughout the year ended 30th June, 2016 with the Code on Corporate Governance Practice (the "Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), except for the following deviations:

Reference is made to the announcement of the Company dated 9th November, 2015 and the circular published by the Company on 31st December, 2015 in relation to, amongst other things, the following agreements:

(i) an agreement dated 1st June, 2015 between Shanghai Yongsheng Capital Lease Company Limited, an indirect wholly-owned subsidiary of the Company ("Shanghai Yongsheng") and Zhenjiang Rongde New Energy Technology Co., Ltd. ("Zhenjiang Rongde"), pursuant to which Shanghai Yongsheng agreed to advance a loan to Zhenjiang Rongde in the sum of RMB800,000,000 under a finance lease agreement (the "Zhenjiang Rongde Agreement"), which constituted a major transaction for the Company under the Listing Rules and an advance to an entity which exceeded 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules;

(ii) an agreement dated 8th June, 2015 between Shanghai Yongsheng and Shanghai Wealth Economic Development Company Limited ("Shanghai Wealth"), pursuant to which Shanghai Yongsheng agreed to advance a loan to Shanghai Wealth in the sum of RMB250,000,000 under a finance lease agreement (the "Shanghai Wealth Agreement"), which constituted a major and connected transaction for the Company under the Listing Rules and an advance to an entity which exceeded 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules; and

(iii) an agreement dated 18th June, 2015 between Shanghai Yongsheng and Zhejiang Wenhua Holding Company Limited ("Zhejiang Wenhua"), pursuant to which Shanghai Yongsheng agreed to advance a loan to Zhejiang Wenhua in the sum of RMB30,000,000 under a finance lease agreement (the "Zhejiang Wenhua Agreement"), which constituted a discloseable transaction for the Company under the Listing Rules.

The Listing Rules have not been complied with as the above agreements were only announced by the Company on 9th November, 2015 rather than the day on which such agreements were entered into. Shareholders' approval in respect of the Zhenjiang Rongde Agreement and the Shanghai Wealth Agreement was obtained at the special general meeting of the Company on 18th January, 2016.

Reference is also made to the announcement of the Company dated 3rd March, 2016 and the circular of the Company dated 29th April, 2016 in relation to, amongst other things, the following agreements:

(i) an agreement dated 15th July, 2015 between Shanghai Yongsheng and Shanghai Renhe Ocean Resources Investment Company Limited ("Shanghai Renhe Ocean"), pursuant to which Shanghai Yongsheng agreed to advance a loan to Shanghai Renhe Ocean in the sum of RMB5,000,000 under a finance lease agreement (the "First Shanghai Renhe Ocean Agreement"), which constituted a major and connected transaction for the Company under the Listing Rules;

(ii) an agreement dated 25th August, 2015 between Shanghai Yongsheng and Shanghai Renhe Ocean, pursuant to which Shanghai Yongsheng agreed to advance a loan to Shanghai Renhe Ocean in the sum of RMB5,000,000 under a finance lease agreement (the "Second Shanghai Renhe Ocean Agreement"), which constituted a major and connected transaction for the Company under the Listing Rules and, together with the First Shanghai Renhe Ocean Agreement, constitute an advance to an entity which exceeded 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules;

(iii) an agreement dated 11th September, 2015 between Shanghai Yongsheng and Sanya Ruiheng Industrial Investment Company Limited ("Sanya Ruiheng"), pursuant to which Shanghai Yongsheng agreed to advance a loan to Sanya Ruiheng in the sum of RMB20,000,000 under a loan agreement (the "Sanya Ruiheng Agreement"), which constituted a disclosable transaction for the Company under the Listing Rules;

(iv) an agreement dated 28th July, 2015 between Shanghai Yongsheng and Boston-Power Battery (Jiangsu) Co., Ltd. ("Boston Battery"), pursuant to which Shanghai Yongsheng agreed to advance a loan to Boston Battery in the sum of RMB50,000,000 under a loan agreement (the "Boston Battery Agreement"), which constituted a disclosable transaction for the Company under the Listing Rules;

(v) an agreement dated 21st August, 2015 between Shanghai Yongsheng and Zhejiang Wenhua, pursuant to which Shanghai Yongsheng agreed to advance a loan to Zhejiang Wenhua in the sum of RMB30,000,000 under a loan agreement (the "Second Zhejiang Wenhua Agreement"), which constituted a major transaction for the Company under the Listing Rules;

(vi) an agreement dated 25th August, 2015 between Shanghai Yongsheng and Sanya Luhuitou Tourist Area Development Co. Ltd. ("Sanya Luhuitou"), pursuant to which Shanghai Yongsheng agreed to advance a loan to Sanya Luhuitou in the sum of RMB50,000,000 under a loan agreement (the "Sanya Luhuitou Agreement"), which constituted a major transaction for the Company under the Listing Rules;

(vii) an agreement dated 26th August, 2015 between Shanghai Yongsheng and Liyang Qingfeng Solar Energy Technology Co., Ltd. ("Liyang Qingfeng"), pursuant to which Shanghai Yongsheng agreed to advance a loan to Liyang Qingfeng in the sum of RMB100,000,000 under a loan agreement (the "Liyang Qingfeng Agreement"), which constituted a major transaction for the Company under the Listing Rules.

(viii) an agreement dated 10th September, 2015 between Shanghai Yongsheng and Shanghai Shihao Commercial Development Company Limited ("Shanghai Shihao"), pursuant to which Shanghai Yongsheng agreed to advance a loan to Shanghai Shihao in the sum of RMB213,000,000 under a loan agreement (the "Shanghai Shihao Agreement"), which constituted a major transaction for the Company under the Listing Rules and an advance to an entity which exceeded 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules.

(ix) an agreement dated 16th July, 2015 between Shanghai Yongsheng and Shanghai Wealth, pursuant to which Shanghai Yongsheng agreed to advance a loan to Shanghai Wealth in the sum of RMB24,000,000 under a loan agreement (the "Second Shanghai Wealth Agreement"), which constituted a major and connected transaction for the Company under the Listing Rules;

(x) an agreement dated 17th September, 2015 between Shanghai Yongsheng and Shanghai Wealth, pursuant to which Shanghai Yongsheng agreed to advance a loan to Shanghai Wealth in the sum of RMB250,000,000 under a loan agreement (the "Third Shanghai Wealth Agreement"), which constituted a major and connected transaction for the Company under the Listing Rules; and

(xi) an agreement dated 6th September, 2015 between Shanghai Yongsheng and Shanghai Renhe Investment Management Company Limited ("Shanghai Renhe Investment"), pursuant to which Shanghai Yongsheng agreed to advance a loan to Shanghai Renhe Investment in the sum of RMB350,000,000 under a loan agreement (the "Shanghai Renhe Investment Agreement"), which constituted a major and connected transaction for the Company under the Listing Rules and an advance to an entity which exceeded 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules.

The Listing Rules have not been complied with as the above agreements were only announced by the Company on 3rd March, 2016 rather than the day on which such agreements were entered into. Shareholders' approval in respect of the Second Zhejiang Wenhua Agreement, the Sanya Luhuitou Agreement, the Liyang Qingfeng Agreement, the Shanghai Renhe Investment Agreement, the Second Shanghai Wealth Agreement, the Third Shanghai Wealth Agreement, the First Shanghai Renhe Ocean Agreement, the Second Shanghai Renhe Ocean Agreement and the Shanghai Shihao Agreement was obtained at the special general meeting of the Company on 17th May, 2016.

Reference is also made to the announcements published by the Company on 8th July, 2016 and 14th July, 2016, during the period from 30th June, 2016 to 14th July, 2016 the appointment of Mr. Lo Wan Sing Vincent as the chairman of the Remuneration Committee effective on 30th June, 2016 resulted in requirement under Rule 3.25 of the Listing Rules had not been complied with and the failure of inclusion of disclosure in the announcement on 30th June, 2016 by the Company for the noncompliance with Rule 3.25 of the Listing Rules together with the relevant details and reasons resulted in a non-compliance with Rule 3.27 of the Listing Rules. Further, Code provision A.5.1 of the CG Code provides that a majority of the members of the nomination committee should be Independent Non-Executive Directors. Following the appointment of Mr. Zhang Ning on 14th July, 2016 as an Independent Non-Executive Director, the chairman of the Remuneration Committee and a member of the Nomination Committee, the Company fully complies with the requirements under Rules 3.10 and 3.25 of the Listing Rules and Code A.5.1 has been conformed with.

Code provision A.2.1 of the CG Code provides that the responsibilities between the chairman and chief executive officer (also referred to as managing director of the Company) should be divided. Mr. Lu Sheng, the chairman of the Company (the "Chairman"), during the transitional period from the resignation of the previous chairman on 12th May, 2016 up to 30th June, 2016 performed the Chief Executive Officer (the "CEO") role. Upon re-designation of Mr. Chen Chuanjin ("Mr. Chen") from Non-Executive Director to Executive Director on 30th June, 2016 the CEO role is taken up by Mr. Chen and Code A.2.1 has been conformed with.

THE BOARD OF DIRECTORS

The Board of the Company is collectively responsible for overseeing the management of the business and affairs of the Group with the objective to protect and enhance long-term shareholders' value. The position of the Chairman of the Board was held by Mr. Sonny Wu up to 11th May, 2016 then held by Mr. Lu Sheng after 11th May, 2016. The position of the Chief Executive Officer was held by Mr. Lu Sheng until 30th June, 2016 and then the position was taken up by Mr. Chen Chuanjin. Except for the transitional period from 12nd May, 2016 to 30th June, 2016 which the position of the Chairman of the Board and Chief Executive Officer were both held by Mr. Lu Sheng, these two positions had been held separately by different directors to ensure their respective independence, accountability and responsibility. This separation of positions can ensure a clear delineation of roles between the Chairman's responsibility to oversee the Group's business strategies and the Chief Executive Officer's responsibility to monitor the day-to-day business.

The Board now comprises of six Directors, comprising two Executive Directors and two Non-Executive Directors and two (and increased to three from 14th July, 2016) Independent Non-Executive Directors. The Directors' biographical information is set out on pages 16 to 19 under the heading "Directors and Senior Management's Profiles". The Board members up to the date of this report are:

Executive Directors
Mr. Lu Sheng *(Chairman)*
Mr. Chen Chuanjin

Non-Executive Directors
Mr. Liu Hai
Mr. Lo Wan Sing, Vincent

Independent Non-Executive Directors
Mr. Chau On Ta Yuen
Ms. Kwan Shan
Mr. Zhang Ning (appointed on 14th July, 2016)

None of the members of the Board is related to one another.

The Company has arranged appropriate insurance cover in respect of the legal action against the Directors. Each director is normally able to seek independent professional advice in appropriate circumstances at the Company's expenses, upon reasonable request made to the Board.

The Independent Non-Executive Directors come from diverse business and professional backgrounds, rendering valuable expertise and experience for promoting the best interests of the Group and its shareholders as a whole by taking care of the interests of all shareholders and that issues are considered in a more objective manner. The Company has received, from each of the Independent Non-Executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of the Independent Non-Executive Directors are independent.

All Directors (including Non-Executive Directors and Independent Non-Executive Directors) are subject to retirement by rotation once every three years in accordance with the Company's Bye-laws and the Code. None of the Directors has a service contract with any member of the Group which is not determinable by the relevant employer within one year without compensation payment (other than statutory compensation).

The Board conducts at least four regular Board meetings a year at approximately quarterly intervals in addition to other Board meetings that are required for significant and important issues, and for statutory purposes. Appropriate and sufficient information is provided to Board members in a timely manner to keep them abreast of the Group's latest developments and thus assist them in discharging their duties.

The Board has established Board Committees, namely Audit Committee, Remuneration Committee and Nomination Committee to oversee particular aspects of the Company's affairs and to assist in the execution of the Board's responsibilities.

AUDIT COMMITTEE

The Company formulated written terms of reference for the Audit Committee in accordance with the requirements of the Stock Exchange. The Audit Committee comprises one Non-Executive Director and two Independent Non-Executive Directors of the Company. The primary duties of the Audit Committee are to review the Company's annual results and to review and supervise the Company's financial reporting and internal control procedures.

The Audit Committee meets at least three times annually to review and discuss the interim results and annual results. Each member of the Audit Committee has complete and unrestricted access to the Auditor and all senior staff of the Group.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed the auditing, internal controls and financial reporting matters, including review of the audited financial statements of the Group for the year.

As a resolution will be submitted to the forthcoming annual general meeting of the Company to re-appoint the current external Auditor, Messrs. BDO Limited, no explanation from the Audit Committee is applicable to the reason why the Board has taken a different view from that of the Audit Committee regarding the selection, appointment, resignation or dismissal of the external Auditor.

REMUNERATION COMMITTEE

The Remuneration Committee consists of one Non-Executive Director and two (increased to three on 14th July, 2016) Independent Non-Executive Directors with one of them acts as the Chairman of the Remuneration Committee.

The Remuneration Committee is responsible for formulating transparent procedures for developing remuneration policies and packages for the Executive Directors and other key staff of the Group. It takes into account whether the packages offered are appropriate to the respective duties and performance of the Directors and Staff, and whether the packages are competitive and sufficiently attractive to retain the executive Directors and the key staff concerned. The Remuneration Committee meets at least once during the financial year.

NOMINATION COMMITTEE

The Nomination Committee consists of the Chairman, one Non-Executive Director, and two (increased to three on 14th July, 2016) Independent Non-Executive Directors with one of them acts as the Chairman of the Nomination Committee.

The Nomination Committee has been established to enhance transparency and fairness in the evaluation, selection and appointment of Board members. The Nomination Committee meets at least once during the financial year or/and when circumstances required.

ATTENDANCE RECORD AT BOARD AND BOARD COMMITTEE MEETINGS

Board of Directors Meetings

A total of twenty Board of Directors meetings of the Company were held during the year. The attendance rates of individual Board members of the Company are as follows:

Name of Directors	Attendance
Executive Directors	
Mr. Lu Sheng *(Chairman)*	15/20
(appointed on as Chairman of Board of Directors on 11th May, 2016)	
Mr. Chen Chuanjin	16/20
(re-designated from Non-Executive Director into Executive Director on 30th June, 2016)	
Mr. Sonny Wu	16/16
(resigned on 11th May, 2016)	
Non-Executive Directors	
Mr. Liu Hai	16/20
Mr. Lo Wan Sing, Vincent	16/20
Mr. Ng Leung Ho	8/11
(resigned on 1st April, 2016)	
Independent Non-Executive Directors	
Mr. Chau On Ta Yuen	18/20
Ms. Kwan Shan	18/20
Mr. Zhang Ning	0/0
(appointed on 14th July, 2016)	
Ambassador Ford Fraker	10/20
(resigned on 30th June, 2016)	
Mr. Francisco Sánchez	13/20
(resigned on 30th June, 2016)	

Audit Committee Meetings

A total of three Audit Committee meetings of the Company were held during the year. The attendance rates of individual Audit Committee members of the Company are as follows:

Name of Audit Committee members	Attendance
Independent Non-Executive Directors	
Mr. Chau On Ta Yuen*	3/3
Ms. Kwan Shan#	3/3
Non-Executive Director	
Mr. Lo Wan Sing, Vincent#	0/0
(appointed on 30th June, 2016)	
Executive Director	
Mr. Chen Chuanjin#	3/3
(cessation of member on 30th June, 2016)	

Remuneration Committee Meetings

A total of one Remuneration Committee meeting of the Company was held during the year. The attendance rates of individual Remuneration Committee members of the Company are as follows:

Name of Remuneration Committee members	Attendance
Independent Non-Executive Directors	
Mr. Zhang Ning	0/0
(appointed as Chairman of Remuneration Committee on 14th July, 2016)	
Mr. Chau On Ta Yuen#	1/1
Ms. Kwan Shan#	1/1
(appointed as member of Remuneration Committee on 30th June, 2016)	
Mr. Francisco Sánchez *(Chairman of Remuneration Committee)*	0/1
(resigned on 30th June, 2016)	
Ambassador Ford Fraker	0/1
(resigned on 30th June, 2016)	
Non Executive Director	
Mr. Lo Wan Sing, Vincent*	1/1
(appointed on 30th June, 2016 as Chairman of Remuneration Committee and re-designated to Member of Remuneration Committee on 14th July, 2016)	

* Chairman of respective committee at 30th June, 2016

\# Member of respective committee at 30th June, 2016

Nomination Committee Meetings

A total of one Nomination Committee meeting of the Company was held during the year. The attendance rates of individual Nomination Committee members of the Company are as follows:

Name of Nomination Committee members	Attendance
Executive Directors	
Mr. Lu Sheng*	1/1
(appointed as Chairman of Nomination Committee on 11th May, 2016)	
Mr. Sonny Wu	0/0
(resigned as Chairman of Nomination Committee on 11th May, 2016)	
Independent Non-Executive Directors	
Mr. Chau On Ta Yuen#	1/1
Ms. Kwan Shan#	0/0
(appointed on 30th June, 2016)	
Mr. Zhang Ning	0/0
(appointed on 14th July, 2016)	
Ambassador Ford Fraker	0/1
(resigned on 30th June, 2016)	
Mr. Francisco Sánchez	0/1
(resigned on 30th June, 2016)	
Non-Executive Directors	
Mr. Ng Leung Ho	0/0
(resigned on 1st April, 2016)	
Mr. Lo Wan Sing, Vincent#	0/0
(appointed on 30th June, 2016)	

* Chairman of respective committee at 30th June, 2016

\# Member of respective committee at 30th June, 2016

DIVERSIFICATION OF THE BOARD

In determining the composition of the Board, the Company seeks to achieve board diversity through the consideration of a number of factors and measurable criteria, age, education background, industry experience, geographical location and duration of service. The Nomination Committee has reviewed the composition of the Board in accordance with the Listing Rules and concluded that the composition of the Board is in compliance with the diversification requirements of the Listing Rules.

DIRECTORS' TRAINING AND PROFESSIONAL DEVELOPMENT

Directors are continually updated on the latest development and changes in the Listing Rules, the Code and other regulatory requirements in order to ensure the compliance with the same by the Directors, the Company has also arranged one external body to conduct one training relevant for corporate governance for the Directors to attend during the year.

Directors are also encouraged to participate in professional development courses and seminars to develop and refresh their knowledge and skills. All Directors had provided a record of training they received during the year to the Company. According to the training records provided by the Directors, the training attended by them during the reporting period is summarized as follows:

Directors	**Corporate Governance, regulatory development and training on other relevant topics**
Mr. Lu Sheng	✓
Mr. Chen Chuanjin	✓
Mr. Lo Wan Sing, Vincent	✓
Mr. Chau On Ta Yuen	✓
Mr. Liu Hai	✓
Ms. Kwan Shan	✓
Mr. Ng Leung Ho (resigned on 1st April, 2016)	✓
Mr. Sonny Wu (resigned on 11th May, 2016)	✓
Ambassador Ford Fraker (resigned on 30th June, 2016)	✓
Mr. Francisco Sánchez (resigned on 30th June, 2016)	✓

During the year ended 30th June, 2016, Mr. Chan Chi Ming Tony, the Company Secretary, has undertaken no less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions By Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "Model Code") during the year under review. The Company has made specific enquiry with all directors and all of them confirmed that they have complied with the required standard set out in the Model Code for the year ended 30th June, 2016.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for the preparation of the financial statements of the Group and ensure that the financial statements are in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of the financial statements of the Group.

The statement of the external Auditor of the Company, Messrs. BDO Limited, about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 40 and 41.

The Directors confirm that, to the best of their knowledge, information and belief having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

AUDITOR'S REMUNERATION

The remuneration in respect of audit and non-audit services provided by the external auditors for the year ended 30th June, 2016 are HK$1,100,000 and HK$201,000 respectively.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the code provision D.3.1 of the Code.

The Board has reviewed the corporate governance report and the training and continuous professional development of directors and senior management for the year ended 30 June 2016 in discharge of its corporate governance functions. The Board will ensure compliance with the Code.

INTERNAL CONTROL AND RISK MANAGEMENT

To facilitate the effectiveness and efficiency of operations and to ensure compliance with relevant laws and regulations, the Group emphasizes on the importance of a sound internal control system which is also indispensable to mitigating the Group's risk exposures. The Group's system of internal control is designed to provide reasonable, rather than absolute, assurance against material misstatement or loss and to manage but not eliminate risks of failure in operational systems and fulfillment of the business objectives.

The internal control system is reviewed on an ongoing basis by the Board in order to make it practical and effective in providing reasonable assurance in relation to protection of material assets and identification of business risks.

The Group is committed to the identification, monitoring and management of risks associated with its business activities and has implemented a practical and effective control system which includes a defined management structure with limits of authority, a sound cash management system and periodic review of the Group's performance by the Audit Committee and the Board.

COMMUNICATION WITH SHAREHOLDERS

The Board recognizes the importance of good and effective communication with all shareholders. With a policy of being transparent, strengthening investor relations, and providing consistent and stable returns to shareholders, the Company seeks to ensure transparency through establishing and maintaining different communication channels with shareholders.

The Company has a professionally-run investor relations senior officers and team to serve as an important communication channel between the Company and its shareholders and other investors.

A key element of effective communication with shareholders and investors is prompt and timely dissemination of information in relation to the Company. In addition to announcing its interim and annual results to shareholders and investors, the Company also publicises its major business developments and activities through press releases, announcements and the Company's website in accordance with relevant rules and regulations. Press conferences and analyst briefings are held from time to time on financial performance and major transactions.

The general meetings also provide a useful forum for shareholders to exchange views with the Board. The Chairman of the Board, as well as Chairman of the Audit Committee, Nomination Committee and Remuneration Committee, or in their absence, members of the respective Committees, and the external auditors of the Company, are available to answer questions from shareholders at annual general meetings and extraordinary general meetings of the Company.

The Chairman of the Board and all Committees, or in his absence, an alternate appointed by him will, whenever possible, propose separate resolutions for each substantially separate issue at general meetings of the Company.

The Company's management ensures the external auditors attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and auditors' independence.

A total of four general meetings of the Company were held during the year. The attendance rates of individual Board members of the Company are as follows:

Name of Directors	Attendance Annual General Meeting	Special General Meeting
Executive Directors		
Mr. Lu Sheng *(Chairman)* (appointed on as Chairman of Board of Directors on 11th May, 2016)	0/1	1/3
Mr. Chen Chuanjin (re-designated from Non-Executive Director into Executive Director on 30th June, 2016)	1/1	3/3
Mr. Sonny Wu (resigned on 11th May, 2016)	1/1	2/2
Non-Executive Directors		
Mr. Liu Hai	1/1	3/3
Mr. Lo Wan Sing, Vincent	1/1	2/3
Mr. Ng Leung Ho (resigned on 1st April, 2016)	0/1	1/2
Independent Non-Executive Directors		
Mr. Chau On Ta Yuen	1/1	2/3
Ms. Kwan Shan	1/1	3/3
Mr. Zhang Ning (appointed on 14th July, 2016)	0/0	0/0
Ambassador Ford Fraker (resigned on 30th June, 2016)	1/1	2/3
Mr. Francisco Sánchez (resigned on 30th June, 2016)	1/1	2/3

Under the 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. Mr. Ng Leung Ho, Non-Executive Director of the Company, was unable to attend the annual general meeting held on 25th November, 2016 and special general meeting held on 18th January, 2016, of the Company owing to other important engagement at the relevant time. Mr. Lo Wan Sing Vincent, Non-Executive Director of the Company, and Mr. Chau On Ta Yuen, Independent Non-Executive Director of the Company, were unable to attend the special general meeting of the Company held on 18th January, 2016, owing to other important engagement at the relevant time. Mr. Ford Fraker and Mr. Francisco Sánchez, Independent Non-Executive Directors of the Company, were unable to attend the special general meeting held on 17th May, 2016, of the Company owing to other important engagement at the relevant time.

The 2015 AGM circular (incorporating the notice of annual general meeting and setting out details in relation to each resolution proposed, information on voting arrangement and other relevant information) was sent to all shareholders at least 20 clear business days before the 2015 AGM. Separate resolutions for each substantially separate issue (including the re-election of retiring Directors) were proposed at the general meeting. The procedures for conducting a poll were clearly explained at the general meeting. All resolutions put to shareholders at the general meeting were voted by way of poll and passed; and the results were published on the websites of the Company and the Stock Exchange.

The Company also communicates to its shareholders through its annual and half-year reports. All such reports can also be accessed via the Company's website http://www.hkex109.hk. The Directors, Company Secretary or other appropriate members of senior management also respond to enquiries from shareholders and investors promptly. Enquiries can be put forward to the Board through mail to head office of the Company to the Company Secretary.

The Board may whenever it thinks fit call special general meetings, and shareholder(s) 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 Company Secretary of the Company, to require a special 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 requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Companies Act 1981 of Bermuda (as amended).

The Company is committed to protecting the privacy right on all personal data collected from shareholders. When collecting personal data from the shareholders, the Company will specify in the relevant documents the purpose of collection and the use of personal data etc. Contact details are also provided to the shareholders for accessing and correcting their personal data.

INVESTOR RELATIONS

The Company recognises the need and the importance of timely and continuous communication with shareholders. In addition to the Company's annual reports and interim reports, the Company maintains a policy of ongoing communication with shareholders whose enquiries are directed to and dealt with by the Company's senior management.

REPORT OF THE DIRECTORS

The directors present their annual report and the audited consolidated financial statements of the Company for the year ended 30th June, 2016.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in note 34 to the financial statements.

Further discussion and analysis of these activities, including an indication of likely future developments in the Group's business, can be found in the section headed "Management Discussion and Analysis" of this annual report. These discussions form part of this Directors' report.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group realised the importance of sufficient financial funding. The Group will keep on to monitor and measure the liquidity and funding risk in an on-going basis, and ensure a sufficient cash flow for the business operations. Other risks and uncertainties are set out in notes 5 and 6 to the consolidated financial statements.

RELATIONSHIP WITH KEY STAKEHOLDERS

The Company is committed to operating in a sustainable manner while balancing the interests of various stakeholders including the Group's employees, customers, and the community.

(i) Employees

The Group recognises the value and importance of its employees and the Group has been devoting resources in staff training and review of their development. The Group ensures that all employees are reasonably remunerated and also continues to improve and regularly review and update its policies on remuneration and benefits, training, occupational health and safety.

(ii) Customers

The Group is committed to providing maintain customer intimacy and keep good relationship with key customers, the Group has implemented a series of policies including the regular communication and understanding of business needs of customers.

(iii) Community

The Company will continue to contribute to the harmonious society through social contributions and participations in public service activities.

ENVIRONMENTAL POLICIES

The Group is committed to building an environmentally-friendly corporation that pays close attention to conserving natural resources. The Group strives to minimise our environmental impact by saving electricity and encouraging recycle of office supplies and other materials. As a responsible corporation, the Group is committed to maintain the highest environmental and social standards to ensure sustainable development of its business. The Group has complied with all relevant laws and regulations in relation to its business including health and safety, workplace conditions, employment and the environment. The Group understands a better future depends on everyone's participation and contribution. It has encouraged employees, customers, suppliers and other stakeholders to participate in environmental and social activities which benefit the community as a whole. The Group maintains strong relationships with its employees and has provided high quality services to its customers so as to ensure sustainable development.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's operations are mainly carried out by the Company's subsidiaries in the HKSAR/PRC/Singapore/Myanmar while the Company itself is listed on the Stock Exchange. The Group's establishment and operations accordingly shall comply with all HKSAR/PRC/Singapore/Myanmar laws and applicable laws in the jurisdictions where it has operations. During the year ended 30th June, 2016, and up to the date of this annual report, as far as the Company is aware, there was no material breach of or non-compliance with applicable laws and regulations by the Group that has a significant impact on the business and operations of the Group.

RESULTS

The results of the Group for the year ended 30th June, 2016 are set out in the consolidated statement of comprehensive income on page 41.

The directors do not recommend the payment of a dividend for the year ended 30th June, 2016.

FINANCIAL SUMMARY

The financial summary of the consolidated results of the Group for each of the five years ended 30th June, 2016 and of the net assets of the Group as at 30th June, 2016, 2015, 2014, 2013 and 2012 are set out on page 101.

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL

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

EQUITY LINKED AGREEMENTS

Other than the share-based compensations as disclosed in note 28 to the financial statements, no equity linked agreements were entered into by the Company during the year or subsisted at the end of the year.

RESERVES

Details of movements during the year in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 43 and in note 36 to the financial statements respectively.

DISTRIBUTABLE RESERVES

The Company's reserves available for distribution amounted to approximately HK$1,855,874,000 at 30th June, 2016. Under the Companies Act 1981 of Bermuda (as amended), the balances in a company's contributed surplus and share premium accounts are available for distribution. However, the company cannot declare or pay a dividend, or make a distribution out of contributed surplus and share premium if: (a) the company is, or would after the payment be, unable to pay its liabilities as they become due; or (b) the realisable value of the assets of the company would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

CHARITABLE DONATIONS

Total donations made by the Group for charitable and other purposes during the year amounted to HK$1,718,000.

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Executive Directors:
Mr. Lu Sheng *(Chairman)*
Mr. Chen Chuanjin (re-designated on 30th June, 2016 and was Non-Executive Director prior to the re-designation)
Mr. Sonny Wu (resigned on 11th May, 2016)

Non-Executive Directors:
Mr. Liu Hai
Mr. Lo Wan Sing, Vincent
Mr. Ng Leung Ho (resigned on 1st April, 2016)

Independent Non-Executive Directors:
Mr. Chau On Ta Yuen
Ms. Kwan Shan
Mr. Zhang Ning (appointed on 14th July, 2016)
Ambassador Ford Fraker (resigned on 30th June, 2016)
Mr. Francisco Sánchez (resigned on 30th June, 2016)

Pursuant to the code provision of A.4.3 ("Code A.4.3") of the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 of the Listing Rules, if an Independent Non-Executive Director ("INED") serves more than nine (9) years, his further appointment should be subject to a separate resolution to be approved by shareholders.

Mr. Chau On Ta Yuen, who will have served as INED for nine years on 3rd July, 2016, will retire and be eligible for re-election at the forthcoming annual general meeting of the Company, and such re-election will be subject to Shareholders' approval at the same meeting. The Company has received from Mr. Chau On Ta Yuen an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and he does not have any management role in the Group nor any relationship with any Director, senior management, substantial or controlling shareholder of the Company. The Board therefore recommends the re-election of Mr. Chau On Ta Yuen as an INED notwithstanding the fact that he has served the Company for more than nine (9) years.

In accordance with Clauses 87(1) and 87(2) of the Company's Bye-laws, Mr. Chau On Ta Yuen (also refers to consideration of Code A. 4. 3. above), Ms. Kwan Shan and Mr. Zhang Ning will retire by rotation at the forthcoming annual general meeting and, being eligible, offers himself/herself for re-election.

The term of office for each Director is for a term of three years subject to the retirement and re-election provisions in the Company's Bye-laws.

None of the Director being proposed for re-election at the forthcoming annual general meeting has any service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES

At 30th June, 2016, the interests or short positions of each Director and the Chief Executive in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")) which (a) 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 provision of the SFO); or (b) were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or (c) were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules on the Stock Exchange to be notified to the Company and the Stock Exchange were as follows:

Ordinary shares or underlying shares of the Company

Directors	Capacity	Number of issued ordinary shares held	Approximate percentage of issued share capital of the Company
Chau On Ta Yuen	Beneficial owner	2,500,000	0.03%
Chen Chuanjin	Beneficial owner	10,000,000	0.13%
Kwan Shan	Beneficial owner	620,000	0.01%
Lo Wan Sing, Vincent	Beneficial owner	9,500,000	0.13%
Lu Sheng	Interest of controlled corporation *(Note 1)*	600,000,000	8.32%

Note:

1. Power Fine Global Investment Limited is wholly-owned by Mr. Lu Sheng, an executive Director. Mr. Lu Sheng is deemed to be interested in the 600,000,000 Shares held by Power Fine Global Investment Limited for the purposes of the SFO.

Save as disclosed above, as at 30th June, 2016, none of the directors and the chief executive of the Company were interested, or were deemed to be interested in the long and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required pursuant to the Model Code adopted by the Company to be notified to the Company and the Stock Exchange.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Details of the outstanding options granted to the Company's directors under the share option scheme of the Company in which the directors of the Company are entitled to participate are set out under the heading "Share Option Scheme" below.

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the directors or their spouses or children under the age of eighteen had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

SHARE OPTION SCHEME

Pursuant to the ordinary resolution passed at the annual general meeting of the Company held on 29th January, 2008, the Company adopted the share option scheme.

There were no outstanding options at the beginning and the end of year.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARE CAPITAL OF THE COMPANY

At 30th June, 2016, the shareholder who had an interest or short position in the shares and underlying shares of the Company which have been disclosed to the Company under the provision 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 was as follows:

Name of shareholder	Capacity	Number of issued ordinary share capital	Approximate percentage of the issued shares held of the Company
Tiancheng International Holdings Investment Limited *(Note 1)*	Beneficial owner	2,341,100,000	32.49%
Golden Prince Group Limited *(Note 2)*	Beneficial owner	600,000,000	8.33%
Rich Capital Global Enterprises Limited *(Note 2)*	Beneficial owner	406,741,882	5.65%
Zhang Yi *(Note 3)*	Beneficial owner and interest of controlled corporation	812,520,000	11.28%
Promising Sun Limited *(Note 3)*	Beneficial owner	500,000,000	6.94%
Power Fine Global Investment Limited *(Note 4)*	Beneficial owner	600,000,000	8.33%
Chu Yuet Wah	Person having a security interest	1,310,146,190	18.18%

Note 1: The entire issued capital of Tiancheng International Holdings Investment Limited is directly wholly owned by Mr. Cheng Kin Ming.

Note 2: The entire issued capital of Golden Prince Group Limited and Rich Capital Global Enterprises Limited is both directly wholly owned by Mr. Ng Leung Ho.

Note 3: Mr. Zhang Yi has personal holding of 312,520,000 shares of the Company and has indirect interest of 44% in Promising Sun Limited which held 500,000,000 shares of the Company.

Note 4: The entire issued capital of Power Fine Global Investment Limited is owned by Mr. Lu Sheng.

Save as disclosed herein, no other person had any interests or short positions in the shares or underlying shares of the Company as at 30th June, 2016, which were disclosed to the Company under the provision 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.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance, to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS

During the financial year and up to the date of this annual report, the changes in Directors' information which is required to be disclosed and has been disclosed by Directors pursuant to Rule 13.51B of the Listing Rules are set out below:

Name of Director	**Details of change**
Mr. Sonny Wu	Resigned as Executive Director on 11th May, 2016
Mr. Chen Chuanjin	Re-designated from Non-Executive Director into Executive Director on 30th June, 2016. Ceased to be member of Audit Committee on 30th June, 2016
Mr. Lo Wan Sing, Vincent	Appointed as the Chairman of Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee on 30th June, 2016, re-designated as Member of Remuneration Committee from 14th July, 2016. Appointed as Independent Non-Executive Director of Ever Harvest Group Holdings Limited (Stock Code: 1549)
Mr. Ng Leung Ho	Resigned as Non-Executive Director on 1st April, 2016
Mr. Chau On Ta Yuen	Ceased to be Independent Non-Executive Director of Leyou Technologies Holdings Limited (Formerly known as "Sumpo Food Holding Limited") (Stock code: 1089) on 4th May, 2016. Silver Bauhinia Star (BBS) awarded on 1st July, 2016
Ms. Kwan Shan	Appointed as a member of each of the Remuneration Committee and the Nomination Committee on 30th June, 2016. Obtained her Master of Corporate Governance from the Hong Kong Polytechnic University in 2016
Ambassador Ford Fraker	Resigned as an Independent Non-Executive Director on 30th June, 2016
Mr. Francisco Sánchez	Resigned as an Independent Non-Executive Director on 30th June, 2016
Mr. Zhang Ning	Appointed as an Independent Non-Executive Director, the Chairman of Remuneration Committee and a Member of Nomination Committee on 14th July, 2016

REPORT OF THE DIRECTORS

MAJOR CUSTOMERS AND SUPPLIERS

The Group has five external customers, which had accounted for 88.76% of the Group's turnover from financial services and turnover from the largest customer included therein amounted to approximately 23.35%.

Other than the connected transactions in respect of Shanghai Wealth and Shanghai Renhe Investment as our customers disclosed under the heading "ADVANCES TO ENTITIES AND CONNECTED TRANSACTIONS", at no time during the year did a Director, a close associate of a Director or a shareholder of the Company (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital) have any beneficial interest in any of the Group's five largest suppliers or customers.

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

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

Corporate governance practices of the Company is set out in the Corporate Governance Report of the Company.

INDEPENDENCE CONFIRMATION

The Company has received, from each of the Independent Non-Executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the Independent Non-Executive Directors are independent.

DIRECTOR'S INTERESTS IN COMPETING BUSINESSES

None of the directors of the Company is interested in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

AUDIT COMMITTEE

The Company has appointed one Non-Executive Director and two Independent Non-Executive Directors of the Company as members of the Audit Committee to assist the board of directors in fulfilling its duties by providing review and supervision of the Company's financial reporting process and internal controls. The audit committee has reviewed the Group's annual results for the year ended 30th June, 2016.

PRE-EMPTIVE RIGHTS

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

EMOLUMENT POLICY

The Group's employee emolument policy is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

EVENT AFTER THE REPORTING PERIOD

Details of significant event occurring after the reporting period up to the date of this annual report are set out in note 35 to the financial statements of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the best knowledge of the directors, the Company has maintained a sufficient public float throughout the year ended 30th June, 2016.

AUDITOR

The financial statements for the year ended 30th June, 2016 have been audited by BDO Limited. BDO Limited shall retire and a resolution for its reappointment will be proposed at the forthcoming Annual General Meeting of the Company.

On behalf of the Board

LU Sheng
Chairman

Hong Kong, 29th September, 2016

INDEPENDENT AUDITOR'S REPORT

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TO THE SHAREHOLDERS OF GOOD RESOURCES HOLDINGS LIMITED
天成國際集團控股有限公司
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Good Resources Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 42 to 101, which comprise the consolidated statement of financial position as at 30th June, 2016, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the 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 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. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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 the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 30th June, 2016 and of its 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 disclosure requirements of the Hong Kong Companies Ordinance.

BDO Limited
Certified Public Accountants

Wong Chi Wai
Practising Certificate number P04945

29th September, 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30th June, 2016

	Notes	2016 HK$'000	2015 HK$'000
Turnover	7	**145,147**	51,190
Other revenue	9	**12,294**	6,226
Other net losses	9	**(19,826)**	(7,228)
Administrative expenses		**(124,688)**	(24,502)
Finance costs	10	**(1,991)**	(4,216)
Profit before taxation	11	**10,936**	21,470
Taxation	13	**(35,138)**	(8,303)
(Loss)/profit for the year		**(24,202)**	13,167
Other comprehensive (loss)/income that may be subsequently reclassified to profit or loss			
Exchange differences arising on translation of foreign operations		**(190,557)**	34,983
Total comprehensive (loss)/income for the year		**(214,759)**	48,150
(Loss)/profit for the year attributable to:			
– Owners of the Company		**(16,161)**	13,167
– Non-controlling interests		**(8,041)**	–
		(24,202)	13,167
Total comprehensive (loss)/income for the year attributable to			
– Owners of the Company		**(206,770)**	48,150
– Non-controlling interests		**(7,989)**	–
		(214,759)	48,150
		HK Cents	*HK Cents*
(Loss)/earnings per share attributable to owners of the Company	14		
– Basic		**(0.2)**	0.7
– Diluted		**(0.2)**	0.7

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30th June, 2016

	Notes	2016 HK$'000	2015 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	72,770	712
Intangible assets	16	76,446	10,507
Goodwill	17	27,862	–
Loans receivable	18	59,865	507,640
		236,943	518,859
Current assets			
Loans receivable	18	1,569,138	1,094,269
Trade and other receivables, deposits and prepayments	19	37,588	704,736
Financial assets at fair value through profit or loss	20	80,034	2,534
Bank deposits with maturity over three months	21	53,682	–
Bank balances and cash	22	980,003	687,883
		2,720,445	2,489,422
Assets of disposal group classified as held-for-sale	23	14,388	–
		2,734,833	2,489,422
Total assets		2,971,776	3,008,281
Current liabilities			
Other payables, accruals and deposits received		63,227	3,381
Provision for taxation		64,742	41,362
		127,969	44,743
Liabilities of disposal group classified as held-for-sale	23	6,146	–
		134,115	44,743
Total assets less current liabilities		2,837,661	2,963,538
Non-current liabilities			
Convertible notes	24	–	448,485
Deferred tax liabilities	25	19,092	2,627
		19,092	451,112
NET ASSETS		2,818,569	2,512,426
EQUITY			
Equity attributable to owners of the Company			
Share capital	26	720,469	600,676
Reserves		2,035,632	1,911,750
		2,756,101	2,512,426
Non-controlling interests	27	62,468	–
TOTAL EQUITY		2,818,569	2,512,426

The financial statements on pages 42 to 101 were approved by the Board of Directors on 29th September, 2016 and were signed on its behalf by:

Lu Sheng
DIRECTOR

Chen Chuanjin
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30th June, 2016

	Attributable to owners of the Company											
	Share capital	Share premium[a]	Contribution surplus[a]	Special reserve[b]	Other reserves[c]	Translation reserves[d]	Share-based compensation reserve[e]	Convertible notes reserve	Retained profits/ (accumulated losses)	Total	Non-controlling interests	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1st July, 2014	144,221	24,916	170,789	847	39,387	(5)	23,319	–	(2,539)	400,935	–	400,935
Transactions with owners												
– Issue of shares by placement, net of issue costs of HK$9,878,000 deducted from share premium (Note 26)	150,000	498,622	–	–	–	–	–	–	–	648,622	–	648,622
– Recognition of equity component of convertible notes (Note 24)	–	–	–	–	–	–	–	249,776	–	249,776	–	249,776
– Issue of shares upon conversion of convertible notes (Notes 24 and 26)	300,207	1,000,425	–	–	–	–	–	(178,534)	–	1,122,098	–	1,122,098
– Equity settled share-based payments (Note 28)	–	–	–	–	–	–	850	–	–	850	–	850
– Issue of shares upon exercise of share options (Note 26)	6,248	59,916	–	–	–	–	(24,169)	–	–	41,995	–	41,995
	456,455	1,558,963	–	–	–	–	(23,319)	71,242	–	2,063,341	–	2,063,341
Profit for the year	–	–	–	–	–	–	–	–	13,167	13,167	–	13,167
Other comprehensive income for the year	–	–	–	–	–	34,983	–	–	–	34,983	–	34,983
Total comprehensive income for the year	–	–	–	–	–	34,983	–	–	13,167	48,150	–	48,150
At 30th June, 2015	600,676	1,583,879	170,789	847	39,387	34,978	–	71,242	10,628	2,512,426	–	2,512,426
Transactions with owners												
– Issue of shares upon conversion of convertible notes (Notes 24 and 26)	119,793	401,894	–	–	–	–	–	(71,242)	–	450,445	–	450,445
– Non-controlling interests arising on business combination (Note 29)	–	–	–	–	–	–	–	–	–	–	49,066	49,066
– Additional capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	–	–	19,436	19,436
– Equity settled share-based payments of a subsidiary (Note 28)	–	–	–	–	–	–	–	–	–	–	1,955	1,955
	119,793	401,894	–	–	–	–	–	(71,242)	–	450,445	70,457	520,902
Loss for the year	–	–	–	–	–	–	–	–	(16,161)	(16,161)	(8,041)	(24,202)
Other comprehensive (loss)/income for the year	–	–	–	–	–	(190,609)	–	–	–	(190,609)	52	(190,557)
Total comprehensive loss for the year	–	–	–	–	–	(190,609)	–	–	(16,161)	(206,770)	(7,989)	(214,759)
Transfer to statutory reserve	–	–	–	–	10,525	–	–	–	(10,525)	–	–	–
At 30th June, 2016	**720,469**	**1,985,773**	**170,789**	**847**	**49,912**	**(155,631)**	**–**	**–**	**(16,058)**	**2,756,101**	**62,468**	**2,818,569**

(a) The application of the share premium account and contributed surplus are governed by the Bermuda Companies Act.

(b) The special reserve of the Group represents the differences between the nominal value of the aggregate share capital of the subsidiaries acquired pursuant to a group reorganisation in December 1997, over the nominal value of the Company's shares issued in exchange.

(c) Other reserves of the Group as at 30th June, 2016 comprise the aggregate of the credit arising from the reduction of nominal value of the Company's share capital in March 1999 and March 2001 less the amount utilised for a bonus issue of shares in September 2000 amounting to HK$39,387,000 (2015: HK$39,387,000) and the statutory reserve of a subsidiary established in the People's Republic of China of HK$10,525,000 (2015: Nil) set aside in accordance with the relevant laws and regulations.

(d) The translation reserve represents foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in Note 3.

(e) The share-based compensation reserve represents the fair value of the share options granted by the Company which were yet to be exercised, and recognised in accordance with the accounting policy adopted for share-based payments set out in Note 3.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30th June, 2016

	Notes	2016 HK$'000	2015 HK$'000
OPERATING ACTIVITIES			
Profit before taxation		**10,936**	21,470
Adjustments for:			
Bank interest income	9	**(4,666)**	(2,259)
Interest expenses	10	**1,991**	4,216
Share-based payments	28	**1,955**	850
Depreciation of property, plant and equipment	15	**1,850**	128
Amortisation of intangible assets	16	**4,090**	133
Write off of property, plant and equipment		**12,617**	–
Loss on disposal of property, plant and equipment		**270**	–
Operating cash flows before movements in working capital		**29,043**	24,538
Increase in loans receivable		**(147,610)**	(1,281,184)
Decrease/(increase) in trade and other receivables, deposits and prepayments		**645,155**	(682,932)
(Increase)/decrease in financial assets at fair value through profit or loss		**(77,500)**	27,293
Increase in assets of disposal group classified as held-for-sale		**(14,388)**	–
Increase in other payables, accruals and deposits received		**13,755**	1,018
Increase in liabilities of disposal group classified as held-for-sale		**6,146**	–
Cash from/(used in) operations		**454,601**	(1,911,267)
Income taxes paid		**(11,570)**	(3,535)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES		**443,031**	(1,914,802)
INVESTING ACTIVITIES			
Deposit received for disposal of subsidiaries	23	**3,895**	–
Interest received on bank balances		**4,666**	2,259
Purchase of property, plant and equipment	15	**(35,151)**	(78)
Increase in bank deposits with maturity over three months		**(53,682)**	–
Acquisition of subsidiaries, net of cash acquired	29	**(56,942)**	(7,980)
Proceeds from disposal of property, plant and equipment		**565**	–
NET CASH USED IN INVESTING ACTIVITIES		**(136,649)**	(5,799)
FINANCING ACTIVITIES			
Interest paid		**(31)**	–
Additional capital contribution from non-controlling interests		**19,436**	–
Net proceeds from issue of shares through exercise of share options		**–**	41,995
Net proceeds from issue of ordinary shares		**–**	648,622
Net proceeds from issue of convertible notes, net of issue costs		**–**	1,816,143
NET CASH FROM FINANCING ACTIVITIES		**19,405**	2,506,760
NET INCREASE IN CASH AND CASH EQUIVALENTS		**325,787**	586,159
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		**(33,667)**	3,785
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**687,883**	97,939
CASH AND CASH EQUIVALENTS AT END OF THE YEAR represented by bank balances and cash		**980,003**	687,883

1. GENERAL

Good Resources Holdings Limited (the "Company") is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. During the year, the principal place of business of the Company was changed to 38th Floor, Bank of China Tower, No. 1 Garden Road, Hong Kong and was relocated to its previous year's principal place of business at Room 3310-11, 33rd Floor, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on 30th June, 2016.

The Company is an investment holding company. The principal activities of the Group are provision of financial services and investment holding. The principal activities of its subsidiaries are set out in Note 34.

During the year, the directors of the Company consider Tiancheng International Holdings Investment Limited ("Tiancheng") to be the parent and ultimate holding company of the Company which is a limited liability company incorporated in the British Virgin Islands and wholly-owned by Mr. Cheng Kin Ming. At the end of the reporting period, the Company did not have holding company.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND AMENDED RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE ("AMENDED LISTING RULES") RELATING TO THE DISCLOSURE REQUIREMENTS FOR FINANCIAL STATEMENTS

(a) Potential impact arising on HKFRSs not yet effective

The following new or revised HKFRSs, potentially relevant to the Group's operations, have been issued but are not yet effective and have not been early adopted by the Group.

HKFRSs (Amendments)	Annual Improvement 2012-2014 Cycle[1]
Amendments to HKAS 1	Disclosure Initiative[1]
Amendments to HKAS 7	Disclosure Initiative[2]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[2]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[1]
HKFRS 9	Financial Instruments[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[1]
Amendments to HKFRS 15	Clarification to HKFRS 15 Revenue from Contracts with Customers[3]
HKFRS 15	Revenue from Contracts with Customers[3]
HKFRS 16	Leases[4]

1 Effective for annual periods beginning on or after 1st January, 2016
2 Effective for annual periods beginning on or after 1st January, 2017
3 Effective for annual periods beginning on or after 1st January, 2018
4 Effective for annual periods beginning on or after 1st January, 2019

Those new/revised HKFRSs that might have material impact on the Group's financial statements are set out below:

HKFRS 15 – Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework 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 and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

HKFRS 15 requires the application of a 5 steps 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 each performance obligation
- Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND AMENDED RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE ("AMENDED LISTING RULES") RELATING TO THE DISCLOSURE REQUIREMENTS FOR FINANCIAL STATEMENTS (continued)

(a) Potential impact arising on HKFRSs not yet effective (continued)

HKFRS 9 – Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at FVTOCI if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at FVTPL.

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

HKFRS 16 – Leases

HKFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statement of both lessors and lessees. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

A lessee is required to recognise a right-of-use asset and a lease liability at the commencement of lease arrangement. Right-of-use asset includes the amount of initial measurement of lease liability, any lease payment made to the lessor at or before the lease commencement date, estimated cost to be incurred by the lessee for dismantling or removing the underlying assets from and restoring the site, as well as any other initial direct cost incurred by the lessee. Lease liability represents the present value of the lease payments. Subsequently, depreciation and impairment expenses, if any, on the right-of-use asset will be charged to profit or loss following the requirement of HKAS 16 "Property, Plant and Equipment", while lease liability will be increased by the interest accrual, which will be charged to profit or loss, and deducted by lease payments.

The Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs and the directors are not yet in a position to conclude whether the application of these new/revised HKFRSs will have material impact on the Group's financial statements.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND AMENDED RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE ("AMENDED LISTING RULES") RELATING TO THE DISCLOSURE REQUIREMENTS FOR FINANCIAL STATEMENTS (continued)

(b) Amended Listing Rules relating to the disclosure requirements for financial statements

The Amended Listing Rules in relation to the disclosure requirements for financial statements, including the amendments with reference to the provisions of the new Hong Kong Companies Ordinance, Cap 66 in relation to the disclosure requirements for financial statements, apply to the Company in this financial year.

There is no impact on the Group's financial position or performance, however, the Amended Listing Rules have impacts on the presentation and disclosures in the consolidated financial statements. For example, the statement of financial position of the Company is now presented in the notes to the consolidated financial statements rather than a primary statement and the related notes to the statement of financial position of the Company are generally no longer presented.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRSs") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out below.

Functional and presentation currency

The consolidated financial statements are presented in Hong Kong dollar ("HK$"), which is the same as the functional currency of the Company.

Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries up to 30th June each year. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective dates of acquisition or up to the effective dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combination and basis of consolidation (continued)

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

Property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

Leasehold improvements	Over the term of the relevant lease
Furniture, fixtures and equipment	3-5 years
Motor vehicles	10 years

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

Construction in progress is stated at cost less any impairment losses. Cost comprises direct costs of construction as well as borrowing costs capitalised during the periods of construction and installation. Capitalisation of these costs ceases and the construction in progress is transferred to the appropriate class of property, plant and equipment when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided for in respect of construction in progress until it is completed and ready for its intended use.

Intangible assets

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation is provided on a straight-line basis over the useful life as follows:

Operating lease	Over the unexpired term of the lease
License	15 years

Goodwill

Goodwill is initially recognised at cost being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests in the acquiree and the acquisition date fair value of the acquirer's previously held equity interest in the acquire over the fair value of identifiable assets and liabilities acquired.

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units that are expected to benefit from the synergies of the acquisition. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, by comparing its carrying amount with its recoverable amount, and whenever there is an indication that the unit may be impaired.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill (continued)

For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount to each asset in the unit. However, the loss allocated to each asset will not reduce the individual asset's carrying amount to below its fair value less cost of disposal (if measurable) or its value in use (if determinable), whichever is the higher. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

Non-current assets and disposal groups classified as held for sale

Non-current assets and disposal groups are classified as held for sale when:

- they are available for immediate sale;
- management is committed to a plan to sell;
- it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn;
- an active programme to locate a buyer has been initiated;
- the asset or disposal group is being marketed at a reasonable price in relation to its fair value; and
- a sale is expected to complete within 12 months from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of:

- their carrying amount immediately prior to being classified as held for sale in accordance with the Group's accounting policy; and
- fair value less costs to sell.

Following their classification as held for sale, non-current assets (including those in a disposal group) are not depreciated.

The results of operations disposed of during the year are included in profit or loss up to the date of disposal.

Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position 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 and 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets

The Group's financial assets are classified into one of the two categories, comprising financial assets at fair value through profit or loss and loans and receivables. 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. The accounting policies adopted in respect of each category of financial assets are set out below.

Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss where the financial asset is either held for trading or it is designated at initial recognition as at fair value through profit or loss. Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss does not include any dividend or interest earned on these financial assets. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At the end of each reporting period subsequent to initial recognition, loans and receivables (including loans receivable, trade and other receivables, bank balances and cash, bank deposits with maturity over three months and amounts due from subsidiaries) are carried at amortised cost using the effective interest method, less any identified impairment losses. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

A loan receivable under sale and leaseback agreement, which in substance does not involve a lease and represents loan made to a borrower/lessee secured on the underlying assets, is also classified as loans and receivables.

Impairment of financial assets

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

Objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty;
- Default or delinquency in interest or principal payments;
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- Significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

Impairment of financial assets (continued)

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate, where the effect of discounting is material. This assessment is made collectively where financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

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

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

Financial liabilities and equity instruments issued by the Group

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Financial liabilities

Financial liabilities including trade and other payables and amounts due to subsidiaries are initially measured at fair values, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities and equity instruments issued by the Group (continued)

Convertible notes

Convertible notes are regarded as compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The difference between the proceeds of issue of the convertible notes and fair value assigned to the liability component, representing the embedded option for the holder to convert the convertible notes into a fixed number of the Company's own equity instruments, is included in convertible notes reserve.

In subsequent periods, the liability component of the convertible notes is carried at amortised cost using the effective interest method, until extinguished on conversion or maturity.

Issue costs are apportioned between the liability and equity components of the convertible notes based on their relative carrying amounts at the date of issue. The portion relating to the equity component is charged directly to equity.

The interest expense on the liability component is calculated by applying the prevailing market interest rate of similar non-convertible debt to the liability component of the convertible notes. The difference between this amount and the interest paid is added to the carrying amount of the convertible notes.

Effective interest method

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

Derecognition of financial assets and liabilities

Financial assets are derecognised when the contractual rights to the future cash flows in relation to the financial assets expire or when the financial assets have been transferred and the transfer meets the criteria for derecognition in accordance with HKAS 39.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of property, plant and equipment, intangible assets with finite useful life and investments in subsidiaries (accept for those classified as held for sale or included in a disposal group that is classified as held for sale) to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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 (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) 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 (cash-generating unit) 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 (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Revenue recognition

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

Interest income from a financial asset is accrued on a time-apportioned 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.

Dividend income from investments held for trading is recognised when the Group's rights to receive payment have been established.

Rental income under operating leases is recognised on a straight-line basis over the term of the relevant lease.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates expected to apply in the period when the liability is settled or the asset is realised based on tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax liabilities are recognised for taxable temporary differences arising on 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.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income.

Leases

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

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

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense on the straight-line basis over the lease term.

The Group as lessee

The total rentals payable under the operating leases are recognised in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which they operate (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the year, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as translation reserve. Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as translation reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the translation reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

Employee benefits

(i) Short term benefits

Salaries, annual bonuses, and paid annual leaves are accrued in the year in which the associated services are rendered by employees.

(ii) Pension obligations

Contributions to the Mandatory Provident Fund scheme as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance are charged to profit or loss when incurred. The Group has no further payment obligations once the contribution has been made.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Provision and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made for the amount of obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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

Share-based payments

Where share options are awarded to employees of the Group or other providing similar services, the fair value of the options at the date of grant is recognised in profit or loss over the vesting period with a corresponding increase in the share-based compensation reserve within equity. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at the end of each reporting period so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also recognised in profit or loss over the remaining vesting period.

Where equity instruments are granted to parties other than employees, the fair value of goods or services received is recognised in profit or loss unless the goods or services qualify for recognition as assets, or except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the Group obtains the goods or the counterparty renders the service. A corresponding increase in equity is recognised.

When the option is exercised, the amount recognised in the share-based compensation reserve is transferred to share premium account. When the option lapses, the amount recognised in the share-based compensation reserve is released directly to retained profits.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

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

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of key management personnel of the Group or the Company's parent.

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

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

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

(viii) The entity, or any member of a group of which it is a party, provides key management personnel services to the Group or to the Group's parent.

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

(i) that person's children and spouse or domestic partner;

(ii) children of that person's spouse or domestic partner; and

(iii) dependents of that person or that person's spouse or domestic partner.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors 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 differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of trade and other receivables and loans receivable

The Group makes provision for impairment of trade and other receivables and loans receivable and based on an estimate of the recoverability of these receivables. Provisions are applied to these receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of impairment of these receivables requires the use of estimates. Where the expectation is different from the original estimates, such difference will impact carrying value of receivables and provision for impairment losses in the period in which such estimate has been changed.

Provision for taxes

The Group through its investments in subsidiaries is subject to certain taxes in the People's Republic of China (the "PRC") and Hong Kong including enterprise income tax, capital gain tax and Hong Kong Profits Tax. Significant judgement is required in determining the amount of the provision for taxes and the timing of related taxes. The Group recognises the liabilities for anticipated taxes based on the Group's interpretation of prevailing tax laws and practices. Where the final outcome of these matters is different from the amounts that were initially recorded, such difference will impact the tax provisions in the period in which such determination is made.

Impairment of goodwill and intangible assets

Determining whether goodwill or an intangible asset is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated and the intangible asset relates. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Fair value of measurement

The Group's financial assets at fair value through profit or loss require are measured at fair value.

The fair value measurement of the Group's financial assets utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "fair value hierarchy"):

- Level 1: Quoted prices in active markets for identical items (unadjusted);
- Level 2: Observable direct or indirect inputs other than Level 1 inputs;
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

A more detailed information in relation to the fair value measurement of these assets is disclosed in Note 33.

5. CAPITAL RISK MANAGEMENT

The Group's objectives of managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital. There was no change in capital management policies and objectives from prior periods.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position and makes adjustment to the capital structure in light of changes in economic conditions.

Consistent with industry practice, the Group monitors its capital structure on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings representing outstanding convertible notes as shown in the consolidated statement of financial position less cash and bank balances and bank deposits with maturity over three months. Total capital is calculated as equity as shown in the consolidated statement of financial position, plus net debt (excess of borrowings over cash and bank balances and bank deposits with maturity over three months), as appropriate.

During the year ended 30th June, 2016, the Group's strategy, which was unchanged from 2015, was to maintain a zero or minimal gearing ratio.

5. CAPITAL RISK MANAGEMENT (continued)

The gearing ratio as at 30th June, 2015 and 2016 were as follows:

	2016	2015
	HK$'000	*HK$'000*
Total borrowings	**–**	448,485
Less: Bank balances and cash	**(980,003)**	(687,883)
Bank deposits with maturity over three months	**(53,682)**	–
Net debt	**(1,033,685)**	(239,398)
Total capital	**2,756,101**	2,512,426
Gearing ratio	**N/A**	N/A

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES

The Group's major financial instruments include trade and other receivables, loans receivable, investments held for trading, investments in convertible notes, bank balances and cash, bank deposits with maturity over three months, other payables, accruals and deposits received and convertible notes. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

In order to minimise credit risk, the Group's management has delegated to a team the responsibility for the determination of credit limits, credit approvals and other monitoring procedures to ensure that follow- up action is taken to recover overdue debts. In addition, the Group's management reviews the recoverable amount of each individual debt, including loans receivable, loans receivable under sale and leaseback agreements, trade and other receivables, deposits and prepayments, regularly to ensure that adequate impairment losses are recognised for irrecoverable debts. For loans receivable, the Group will consider, but not limited to, the business prospect, the financial performance and position of borrowers through business due diligence works performed by in-house staff. For loans receivable under sale and leaseback agreements, the Group holds collaterals from the borrowers/lessees. In this regard, management considers that the Group's credit risk is significantly reduced. As at 30th June, 2016, loans receivable and loans receivable under sale and leaseback agreements are principally due from eleven (2015: five) borrowers or counterparties, and the trade and other receivables, deposits and prepayments are also due from a limited numbers of counterparties as at 30th June, 2015 and 2016. The Group therefore has certain concentration of credit risk to a number of counterparties.

The credit risk on bank deposits is limited because the counterparties are banks with good reputation.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (continued)

Equity price risk

The Group's investments held for trading are measured at fair value at the end of each reporting period. Therefore, the Group is exposed to equity price risk. The directors manage this exposure by maintaining a portfolio of investments held for trading with different risk profiles. At 30th June, 2016, if the quoted market price of the Group's listed securities had been 10% higher/lower, loss for the year would have been approximately HK$193,000 lower/higher (2015: profit for the year would have been approximately HK$253,000 higher/lower).

Interest rate risk

The Group's bank deposits have exposure to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank deposits. The directors consider the Group's exposure of the short-term bank deposits to interest rate risk is not significant as interest bearing bank deposits have short maturity periods. The Group's loans receivable carry at fixed interest rate and therefore are not subject to cash flow interest rate risk.

The Group has no significant interest-bearing financial liabilities. Accordingly, management considers the Group has no significant cash flow interest rate risk from financial liabilities.

The Group does not have an interest rate hedging policy. However, management monitors interest rate exposures and will consider hedging significant interest rate exposures should the need arise.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and each equivalents. The Group maintains its financial position with adequate cash and cash equivalents of HK$980,003,000 (2015: HK$687,883,000) at 30th June, 2016.

The following table details the remaining contractual maturities at the end of reporting period of the Group's non-derivative financial liabilities which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates, or if floating, based on current rates at the end of reporting period) and the earliest date the Group can be required to pay.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (continued)

Liquidity risk (continued)

The contractual maturities of financial liabilities are shown as below:

2016	**Carrying amount** *HK$'000*	**Total contractual undiscounted cash flows** *HK$'000*	**Within 1 year or on demand** *HK$'000*	**More than 1 year but less than 2 years** *HK$'000*	**Between 2 and 5 years** *HK$'000*
Other payables, accruals and deposits received	**63,227**	**63,227**	**63,227**	**–**	**–**

2015	Carrying amount *HK$'000*	Total contractual undiscounted cash flows *HK$'000*	Within 1 year or on demand *HK$'000*	More than 1 year but less than 2 years *HK$'000*	Between 2 and 5 years *HK$'000*
Other payables, accruals and deposits received	3,381	3,381	3,381	–	–
Convertible notes	448,485	525,895	–	–	525,895
	451,866	529,276	3,381	–	525,895

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES (continued)

Foreign currency risk

Majority of the group entities' transactions are denominated and settled in their respective functional currencies. Accordingly, there is no significant exposure to foreign currency risk except that the Group entities operating in Hong Kong have bank deposits of approximately HK$94,048,000 (2015: HK$100,402,000) denominated in Renminbi included in bank balances and cash as at 30th June, 2016. Had the exchange rate of Renminbi against Hong Kong dollar increased/decreased by 50 basis points, the loss for the year ended 30th June 2016 would decrease/increase and equity as at 30th June, 2016 would increase/decrease by approximately HK$4,702,000 (2015: increase/decrease profit and equity by approximately HK$5,020,000). The above analysis is prepared based on the reasonably possible changes in an exchange rate to which the Group has significant exposure at the end of each reporting period.

7. TURNOVER

Turnover represents the aggregate of amounts received and receivable from third parties, less returns and allowance and is analysed as follows:

	2016	2015
	HK$'000	*HK$'000*
Loan interest income	**144,924**	51,138
Dividend income from investments held for trading	**223**	52
	145,147	51,190

8. SEGMENT REPORTING

Reportable segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal management reporting information that is provided to and regularly reviewed by the Group's directors in order to allocate resources and assess performance of the segment.

Since completion of issue of the Company's convertible notes and new shares in May 2015, the directors had decided to cease the business of distribution and trading which had no or minimal contribution to the Group's revenue and results during the year ended 30th June, 2015. Thereafter, the directors had determined that the Group had only one single reportable segment as the Group is only engaged in provision of investment and financial services which include trading of securities, investment holding, provision of financial services and finance lease services. The directors allocated resources and assess performance on an aggregated basis.

At 30th June, 2015, the Group had a single reportable segment "Investment and Financial Services" – trading of securities, investment holding and provision of financial services. In 2016, riding the One Belt, One Road initiative, the Group has been exploring for opportunities to participate in investment of fast growing companies in Europe and Asia. To strengthen the investment strategy development and portfolio management, the management changes the internal reporting structure to match its business strategy change. The financial services segment, mainly the money lending business in Hong Kong and the PRC, continues to generate interest incomes from loan financing while the investment portfolio segment has been expanding and it includes but not limited to equity investments, fund investments and acquisition of companies. As such, at 30th June 2016, the Group had two reportable segments – "Financial Services" and "Investment Portfolio". The segment information for the year ended 30th June, 2015 is restated to conform with the current year's presentation accordingly.

8. SEGMENT REPORTING (continued)

Reportable segments (continued)

Segment information about these reportable segments is presented below:

For the year ended 30th June, 2016	Financial services HK$'000	Investment portfolio HK$'000	Consolidated HK$'000
Turnover – external	**144,924**	**223**	**145,147**
Segment results	**99,822**	**(40,297)**	**59,525**
Other revenue			**551**
Other net losses			**(19,727)**
Other corporate expenses			**(62,591)**
Finance costs			**(1,960)**
Loss for the year			**(24,202)**

8. SEGMENT REPORTING (continued)

Reportable segments (continued)

At 30th June, 2016	Financial services HK$'000	Investment portfolio HK$'000	Unallocated HK$'000	Consolidated HK$'000
ASSETS				
Property, plant and equipment	9	72,528	233	72,770
Intangible assets	9,397	67,049	–	76,446
Goodwill	–	27,862	–	27,862
Loans receivable	1,629,003	–	–	1,629,003
Trade and other receivables, deposits and prepayments	6,843	26,769	3,976	37,588
Financial assets at fair value through profit or loss	–	80,034	–	80,034
Bank deposits with maturity over three months	53,682	–	–	53,682
Bank balances and cash	822,612	15,070	142,321	980,003
Assets of disposal group classified as held-for-sale	–	14,388	–	14,388
Consolidated total assets	2,521,546	303,700	146,530	2,971,776
LIABILITIES				
Other payables, accruals and deposits received	13,411	40,450	9,366	63,227
Provision for taxation	35,448	–	29,294	64,742
Deferred tax liabilities	2,349	16,743	–	19,092
Liabilities of disposal group classified as held-for-sale	–	6,146	–	6,146
Consolidated total liabilities	51,208	63,339	38,660	153,207

Other information For the year ended 30th June, 2016	Financial services HK$'000	Investment portfolio HK$'000	Unallocated HK$'000	Consolidated HK$'000
Depreciation of property, plant and equipment	(2)	–	(1,848)	(1,850)
Amortisation of intangible assets	(1,110)	(2,980)	–	(4,090)
Net realised and unrealised losses on investments held for trading	–	(602)	–	(602)
Net gain on convertible notes at fair value through profit or loss	–	465	–	465
Write off of property, plant and equipment	–	–	(12,617)	(12,617)
Additions of non-current assets (other than financial assets)	11	20,319	14,821	35,151

8. SEGMENT REPORTING (continued)

Reportable segments (continued)

For the year ended 30th June, 2015	Financial services *HK$'000* (Restated)	Investment portfolio *HK$'000* (Restated)	Consolidated *HK$'000* (Restated)
Turnover – external	51,138	52	51,190
Segment results	42,826	(4,036)	38,790
Other revenue			6,226
Other net losses			(3,141)
Other corporate expenses			(24,492)
Finance costs			(4,216)
Profit for the year			13,167

8. SEGMENT REPORTING (continued)

Reportable segments (continued)

At 30th June, 2015	Financial services HK$'000 (Restated)	Investment portfolio HK$'000 (Restated)	Unallocated HK$'000 (Restated)	Consolidated HK$'000 (Restated)
ASSETS				
Property, plant and equipment	–	–	712	712
Intangible asset	10,507	–	–	10,507
Loans receivable	1,601,909	–	–	1,601,909
Trade and other receivables, deposits and prepayments	634,930	63,493	6,313	704,736
Financial assets at fair value through profit or loss	–	2,534	–	2,534
Bank balances and cash	387,979	–	299,904	687,883
Consolidated total assets	2,635,325	66,027	306,929	3,008,281
LIABILITIES				
Other payables, accruals and deposits received	–	–	3,381	3,381
Provision for taxation	12,068	–	29,294	41,362
Convertible notes	–	–	448,485	448,485
Deferred tax liabilities	2,627	–	–	2,627
Consolidated total liabilities	14,695	–	481,160	495,855

Other information For the year ended 30th June, 2015	Financial services HK$'000 (Restated)	Investment portfolio HK$'000 (Restated)	Unallocated HK$'000 (Restated)	Consolidated HK$'000 (Restated)
Depreciation of property, plant and equipment	–	–	(128)	(128)
Amortisation of intangible asset	(133)	–	–	(133)
Net realised and unrealised losses on investments held for trading	–	(4,087)	–	(4,087)
Additions of non-current assets (other than financial assets)	–	–	78	78

8. SEGMENT REPORTING (continued)

Geographical information

The Group determines the geographical location of non-current assets (other than financial instruments) and revenue by the location of the assets and customers/payees respectively.

The following tables present the geographical locations of the Group's revenue and non-current assets (other than financial instruments):

	2016	2015
	HK$'000	*HK$'000*
Revenue from external customers		
Hong Kong	**2,868**	41,686
The PRC	**142,279**	9,504
	145,147	51,190

	2016	2015
	HK$'000	*HK$'000*
Non-current assets (other than financial instruments)		
Hong Kong	**233**	712
The PRC	**9,406**	10,507
Myanmar	**167,439**	–
	177,078	11,219

Information about major customers

Revenue from the Group's major customers representing 10% or more of the Group's revenue is derived from financial services segment as listed below:

	2016	2015
	HK$'000	*HK$'000*
Customer A	**33,897**	23,342
Customer B	**32,615**	18,000
Customer C	**27,327**	7,161
Customer D	**19,867**	–
Customer E	**15,129**	–
	128,835	48,503

9. OTHER REVENUE AND OTHER NET LOSSES

	2016 **HK$'000**	2015 *HK$'000*
Other revenue		
Interest income from convertible notes	**7,556**	–
Rental and management fee income from sub-lease of office premises	**71**	3,720
Bank interest income	**4,666**	2,259
Others	**1**	247
	12,294	6,226
Other net (losses)/gains		
Net realised losses on sales of investments held for trading	**–**	(4,395)
Net changes in fair value of investments held for trading	**(602)**	308
Net realised and unrealised losses on investments held for trading	**(602)**	(4,087)
Net gain on convertible notes at fair value through profit or loss	**465**	–
Net losses on financial assets at fair value through profit or loss	**(137)**	(4,087)
Write off of property, plant and equipment	**(12,617)**	–
Loss on disposal of property, plant and equipment	**(270)**	–
Net foreign exchange losses	**(6,802)**	(3,141)
	(19,826)	(7,228)
Other revenue and other net losses	**(7,532)**	(1,002)

10. FINANCE COSTS

	2016 **HK$'000**	2015 *HK$'000*
Interest on convertible notes	**1,960**	4,216
Others	**31**	–
	1,991	4,216

11. PROFIT BEFORE TAXATION

	2016	2015
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging:		
Directors' emoluments (Note 12)	**8,518**	4,763
Staff costs (excluding directors' emoluments):		
Salaries and allowances	**34,593**	2,508
Share-based payments	**1,955**	–
Retirement benefits scheme contributions	**275**	76
Total staff costs	**45,341**	7,347
Share-based payments (Note 28)*	**1,955**	850
Auditor's remuneration		
– Audit services	**1,100**	700
– Under-provision in prior year	**235**	–
Depreciation of property, plant and equipment (Note 15)	**1,850**	128
Amortisation of intangible assets (included in administrative expenses) (Note 16)	**4,090**	133
Consultancy fees	**10,909**	2,161
Legal and professional fees	**20,188**	2,286

* Share-based payments of HK$1,955,000 for the year ended 30th June, 2016 were made by a subsidiary to certain of its employees and included in staff costs. Share-based payments of HK$850,000 for the year ended 30th June, 2015 were made by the Company to a third party and included in consultancy fees.

12. DIRECTORS' EMOLUMENTS AND HIGHEST PAID INDIVIDUALS

The emoluments paid or payable to each of the eleven (2015: twelve) directors were as follows:

For the year ended 30th June, 2016	**Fees** *HK$'000*	**Basic salaries and allowances** *HK$'000*	**Retirement benefits scheme contributions** *HK$'000*	**Share-based payments** *HK$'000*	**Total** *HK$'000*
Mr. Ng Leung Ho[1]	**375**	**165**	**–**	**–**	**540**
Mr. Lo Wan Sing, Vincent	**500**	**42**	**–**	**–**	**542**
Mr. Chau On Ta Yuen	**500**	**44**	**–**	**–**	**544**
Mr. Liu Hai *	**500**	**1,400**	**–**	**–**	**1,900**
Mr. Sonny Wu*[2]	**440**	**–**	**–**	**–**	**440**
Mr. Lu Sheng*	**500**	**750**	**–**	**–**	**1,250**
Mr. Chen Chuanjin*	**500**	**547**	**–**	**–**	**1,047**
Ambassador Ford Fraker*[3]	**500**	**706**	**–**	**–**	**1,206**
Mr. Francisco Sanchez*[3]	**500**	**25**	**–**	**–**	**525**
Ms. Kwan Shan*	**500**	**24**	**–**	**–**	**524**
Mr. Zhang Ning[4]	**–**	**–**	**–**	**–**	**–**
	4,815	**3,703**	**–**	**–**	**8,518**

For the year ended 30th June, 2015	Fees *HK$'000*	Basic salaries and allowances *HK$'000*	Retirement benefits scheme contributions *HK$'000*	Share-based payments *HK$'000*	Total *HK$'000*
Mr. Ng Leung Ho	–	4,080	18	–	4,098
Mr. Lo Wan Sing, Vincent	–	360	–	–	360
Mr. Chau On Ta Yuen	60	–	–	–	60
Mr. Law Wai Fai #	60	–	–	–	60
Ms. Xu Lei #	60	–	–	–	60
Mr. Liu Hai *	–	125	–	–	125
Mr. Sonny Wu*	–	–	–	–	–
Mr. Lu Sheng*	–	–	–	–	–
Mr. Chen Chuanjin*	–	–	–	–	–
Ambassador Ford Fraker*	–	–	–	–	–
Mr. Francisco Sanchez*	–	–	–	–	–
Ms. Kwan Shan*	–	–	–	–	–
	180	4,565	18	–	4,763

Mr. Law Wai Fai and Ms. Xu Lei resigned on 29 June 2015.

* The directors were appointed on 29 June 2015.

1 Mr. Ng Leung Ho resigned on 1 April 2016.

2 Mr. Sonny Wu resigned on 11 May 2016.

3 Ambassador Ford Fraker and Mr. Francisco Sanchez resigned on 30 June 2016.

4 Mr. Zhang Ning was appointed on 14 July 2016.

During the year ended 30th June, 2016, other than US$608,000 (equivalent to HK$4,734,000) paid to four of the five highest paid individuals as an inducement to join or upon joining the Group, there were no other emoluments paid by the Group to the directors and the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

During the year ended 30th June, 2015, no emoluments were paid by the Group to the directors or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. In addition, none of the directors had waived any emoluments during the current or prior year.

12. DIRECTORS' EMOLUMENTS AND HIGHEST PAID INDIVIDUALS (continued)

Highest paid individuals

Of the five highest paid individuals in the Group, none (2015: two) are directors of the Company whose emoluments are set out above. The emoluments of the remaining five (2015: three) individuals are as follows:

	2016	2015
	HK$'000	*HK$'000*
Basic salaries and allowances	**17,507**	1,661
Retirement benefits scheme contributions	**7**	41
Share-based payments	**1,955**	–
	19,469	1,702

The emoluments were within the following bands:

	2016	2015
	Number of individuals	*Number of individuals*
Below HK$1,000,001	**–**	2
HK$1,000,001 to HK$2,000,000	**1**	1
HK$2,000,001 to HK$4,000,000	**2**	–
HK$4,000,001 to HK$6,000,000	**1**	–
HK$6,000,001 to HK$7,000,000	**1**	–

The emoluments paid or payable to a member of senior management were within the following bands:

	2016	2015
	Number of individuals	*Number of individuals*
HK$1,000,001 to HK$2,000,000	**1**	1

13. TAXATION

The amount of tax recognised in the consolidated statement of comprehensive income represents:

	2016	2015
	HK$'000	*HK$'000*
Current tax		
Hong Kong Profits Tax for the year	**–**	5,934
Over provision in respect of prior years	**–**	(9)
Tax reduction in respect of prior years	**–**	(20)
	–	5,905
PRC Income Tax for the year	**36,161**	2,431
	36,161	8,336
Deferred tax credit (Note 25)	**(1,023)**	(33)
Income tax expense	**35,138**	8,303

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

	2016	2015
	HK$'000	*HK$'000*
Profit before taxation	**10,936**	21,470
Tax charge calculated at Hong Kong Profits Tax rate of 16.5% (2015: 16.5%)	**1,804**	3,543
Effect of different tax rate in foreign jurisdictions	**11,443**	815
Tax effect of expenses not deductible for tax purpose	**17,058**	9,298
Tax effect of income not taxable for tax purpose	**(171)**	(6,578)
Tax effect of estimated tax losses not recognised	**5,004**	1,253
Over provision in respect of prior years	**–**	(9)
Tax reduction in respect of prior years	**–**	(20)
Tax effect of other temporary differences not recognised	**–**	1
Income tax expense for the year	**35,138**	8,303

14. (LOSS)/EARNINGS PER SHARE

The basic and diluted (loss)/earnings per share attributable to the owners of the Company are calculated as follows:

(Loss)/profit for the year	**2016** ***HK$'000***	2015 *HK$'000*
(Loss)/profit for the purposes of basic and diluted (loss)/earnings per share	**(16,161)**	13,167

Number of shares	**2016** ***'000***	2015 *'000*
Weighted average number of ordinary shares for the purposes of basic (loss)/earnings per share	**7,056,794**	1,806,102
Effect of dilutive potential ordinary shares:		
– share options	**–**	5,278
Weighted average number of ordinary shares for the purposes of diluted (loss)/earnings per share	**7,056,794**	1,811,380

	2016 ***HK Cents***	2015 *HK Cents*
(Loss)/earnings per share		
– Basic	**(0.2)**	0.7
– Diluted	**(0.2)**	0.7

The computation of diluted (loss)/earnings per share for the years ended 30th June, 2015 and 2016 does not assume conversion of the Company's convertible notes nor takes into account the potential dilutive shares issued by a subsidiary as they have an anti-dilutive effect on the (loss)/earnings per share calculation.

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicle HK$'000	Construction in progress HK$'000	Total HK$'000
COST					
At 1st July, 2014	1,185	462	771	–	2,418
Additions	–	78	–	–	78
At 30th June, 2015	1,185	540	771	–	2,496
Acquisition of subsidiaries (Note 29)	–	–	–	52,153	52,153
Additions	10,322	4,532	–	20,297	35,151
Disposals	–	(355)	(771)	–	(1,126)
Written off	(10,322)	(3,872)	–	–	(14,194)
Exchange adjustment	–	–	–	56	56
At 30th June, 2016	**1,185**	**845**	**–**	**72,506**	**74,536**
ACCUMULATED DEPRECIATION					
At 1st July, 2014	1,134	439	83	–	1,656
Provided for the year	33	17	78	–	128
At 30th June, 2015	1,167	456	161	–	1,784
Provided for the year	1,017	756	77	–	1,850
Disposals	–	(53)	(238)	–	(291)
Written off	(999)	(578)	–	–	(1,577)
At 30th June, 2016	1,185	581	–	–	1,766
CARRYING AMOUNT					
At 30th June, 2016	**–**	**264**	**–**	**72,506**	**72,770**
At 30th June, 2015	18	84	610	–	712

16. INTANGIBLE ASSETS

	Licence HK$'000	Operating lease HK$'000	Total HK$'000
COST			
At 1st July, 2014	–	–	–
Arising from acquisition of subsidiaries during the year (Note 29)	–	10,640	10,640
At 30th June, 2015	–	10,640	10,640
Arising from acquisition of subsidiaries during the year (Note 29)	69,953	–	69,953
Exchange adjustment	76	–	76
At 30th June, 2016	70,029	10,640	80,669
ACCUMULATED AMORTISATION			
At 1st July, 2014	–	–	–
Amortisation during the year	–	133	133
At 30th June, 2015	–	133	133
Amortisation during the year	2,980	1,110	4,090
At 30th June, 2016	2,980	1,243	4,223
CARRYING AMOUNT			
At 30th June, 2016	67,049	9,397	76,446
At 30th June, 2015	–	10,507	10,507

17. GOODWILL

	HK$'000
Cost	
At 1st July, 2014 and 30th June, 2015	–
Acquisition of subsidiaries (Note 29)	27,831
Exchange adjustment	31
At 30th June, 2016	27,862

For the purpose of impairment testing, cost of goodwill is allocated to the cash generating unit ("CGU") in relation to the investment in Golden 11 Investment International PTE Ltd. ("Golden 11") under the investment portfolio operating segment. The recoverable amount of the CGU has been determined from value-in-use calculations based on cash flow projections from formally approved budgets covering a five-year period. Cash flow beyond the five-year period is extrapolated using an estimated average growth rate of 3%, which the management considers to be reasonable as a long-term average growth rate for the network facilities service industry in countries considered to be comparable to Myanmar. Cash flows for the first five financial periods are based on expected sales orders estimated by management. The discount rate of 45.49% used is pre-tax and reflects specific risks relating to the CGU.

A reasonably possible change in a key assumption on which management have based their estimation of the recoverable amount of the CGU would not result in its carrying amount exceeding the recoverable amount.

18. LOANS RECEIVABLE

	2016 HK$'000	2015 HK$'000
Loans receivable	**1,367,425**	221,736
Loans receivable under sale and leaseback agreements	**261,578**	1,380,173
	1,629,003	1,601,909

The carrying amounts of the Group's loans receivable are mainly denominated in the respective functional currencies of the group entities.

The analysis of the carrying amount of loans receivable is as follows:

	2016 HK$'000	2015 HK$'000
Current	**1,569,138**	1,094,269
Non-current	**59,865**	507,640
	1,629,003	1,601,909

The analysis of loans receivable which are neither past due nor impaired, and past due but not impaired as at the end of reporting period, based on the respective maturity dates of the loans, is as follows:

	2016 HK$'000	2015 HK$'000
Neither past due nor impaired	**1,362,726**	1,601,909
Past due but not impaired:		
– No more than 3 month past due	**223,607**	–
– Over 3 months but no more than 6 months past due	**42,670**	–
	266,277	–
	1,629,003	1,601,909

18. LOANS RECEIVABLE (continued)

At the end of reporting period, loans receivable which were neither past due nor impaired related to a number of borrowers for whom there was no recent history of default. For those balances which were past due but not impaired, they related to a number of borrowers for which management have assessed their financial position and performance as well as collaterals, if any, and considered the balances will be receivable in full and accordingly, no recognition of impairment loss is considered necessary.

As at 30th June, 2016, loans receivable of HK$695,276,000 (2015: HK$1,601,909,000) were secured on certain assets (mainly property, plant and equipment and inventories) of the borrowers or their related parties. The directors considered that the estimated fair value of these collaterals was not less than the carrying amount of the respective loans receivable as at 30th June, 2016.

19. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2016	2015
	HK$'000	*HK$'000*
Trade receivables	**–**	292
Other receivables, deposits and prepayments (Note)	**37,588**	704,444
	37,588	704,736

The following is an ageing analysis of trade receivables, net of allowance for doubtful debts, at the end of the reporting period prepared based on invoice date:

	2016	2015
	HK$'000	*HK$'000*
Current	**–**	292

At 30th June, 2015 and 2016, all of the Group's trade receivables were neither past due nor impaired. Based on past experience, management believes that no allowance for doubtful debt is necessary in respect of this balance as there have not been a significant change in credit quality and the balance is still considered fully recoverable.

Note:

On 2nd July, 2015, the payment for subscription of the convertible debt with principal amount of RMB50 million (HK$63,455,000 equivalents) included in deposits and prepayments as at 30th June, 2015 was completed. In February 2016, the convertible debt was early redeemed at its principal amount and accrued interest and the other receivable of RMB500 million (HK$634,550,000 equivalents) has been settled. There is no net gain or loss arisen from subscription and early redemption of the convertible debt during the year.

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss include the following:

	2016	2015
	HK$'000	*HK$'000*
Unlisted convertible promissory note with fixed interest (denominated in USD)	**78,102**	–
Investments in equity securities listed in Hong Kong	**1,932**	2,534
	80,034	2,534

The convertible promissory note entitles the Group to convert the principal and accrued interest into shares of the issuer (the "Option") at certain conversion prices depending on various circumstances upon the conditions of conversion have been fulfilled at the next equity financing date as defined in the terms and conditions of the convertible promissory note. The convertible promissory note had matured after 16th February, 2016 and subsequent to the end of reporting period, the Group has entered into an agreement with the issuer to extend the maturity date to 30th June, 2017 as disclosed in Note 35.

The Option will expire when the convertible promissory note is redeemed or three months after the next equity financing date, whichever is the later.

Changes in fair values of financial assets at fair value through profit or loss are recorded in "other net losses or gains" in the consolidated statement of comprehensive income.

21. BANK DEPOSITS WITH MATURITY OVER THREE MONTHS

The balances at 30th June, 2016 represented bank deposits with original maturity of more than three months but no more than one year which are not classified as cash and cash equivalents for the purpose of consolidated statement of cash flows.

22. BANK BALANCES AND CASH

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits were made for varying periods depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates.

23. ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD-FOR-SALE

On 6th June, 2016, the Company entered into a stock purchase agreement with a purchaser, GSR Capital Limited, for the disposal of the majority equity interest in Metro Leader Limited and the entire equity interest in Prominent Wise Limited (the "Disposal") at a cash consideration of US$5,000,000, of which US$500,000 (HK$3,895,000 equivalents) has been received as a deposit. The Company will hold remaining 10% equity interest in Metro Leader Limited upon completion of the Disposal which is expected to take place no later than 31st December, 2016. As such, the assets and liabilities of these subsidiaries are classified as assets/liabilities of disposal group held-for-sale and there is no gain or loss arisen at the date of initial classification.

23. ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD-FOR-SALE (continued)

Both of the subsidiaries were incorporated by the Company during the year. Their principal activities are investment holding and/or are at the initial stage of setting up a business of provision of digital banking services. Their results, assets and liabilities are included in the "investment portfolio" operating segment shown in Note 8 to the financial statements as it is the intention of the Group holding these investments for appreciation of value.

The assets and liabilities of the disposal group held-for-sale are set out below:

(a) Assets of disposal group classified as held-for-sale

	2016	2015
	HK$'000	*HK$'000*
Bank balances and cash	**14,054**	–
Other current assets	**334**	–
Total	**14,388**	–

(b) Liabilities of disposal group classified as held-for-sale

	2016	2015
	HK$'000	*HK$'000*
Other payables and accruals	**6,146**	–

(c) Loss and other comprehensive loss recognised in statement of comprehensive income relating to disposal group classified as held-for-sale

	2016	2015
	HK$'000	*HK$'000*
Revenue	**–**	–
Other revenue	**28**	–
Administrative expenses	**(25,122)**	–
Loss before taxation	**(25,094)**	–
Taxation	**–**	–
Loss and total comprehensive loss for the year	**(25,094)**	–
Loss and total comprehensive loss for the year attributable to:		
– Owners of the Company	**(24,544)**	–
– Non-controlling interests	**(550)**	–
	(25,094)	–

24. CONVERTIBLE NOTES

On 19th May, 2015, the Company completed the issuance of convertible notes with aggregate principal amount of HK$1,843,800,000 by placement to Tiancheng pursuant to a subscription agreement, for the purposes of raising general working capital and other investments to be identified. The convertible notes carry a zero coupon interest rate.

The convertible notes entitled the holder to convert into a total of 4,200,000,000 ordinary shares of HK$0.1 each of the Company at an initial conversion price of HK$0.439 per conversion share (subject to adjustments in accordance with the terms of the convertible notes) at any time during the period commencing from the date of issuance of the convertible notes, up to the maturity date which is the date falling five years after the issuing date.

The Company shall redeem any convertible notes then outstanding at a value equal to the aggregate principal amount then outstanding with accrued interest, if any, on the maturity date. There is no early redemption right for the convertible notes.

The Company determined the fair value of the liability component based on the valuation performed by an independent valuer using discounted cash flow approach. The effective interest rate is 3%. The residual amount was assigned as the equity component for the conversion option and was included in the convertible notes reserve of the Company and the Group.

The movements of liability and equity components of the convertible notes during the year were set out below.

	Liability component *HK$'000*	**Equity component** *HK$'000*	**Total** *HK$'000*
Fair value of the convertible notes upon issuance on 19th May, 2015	1,590,220	253,580	1,843,800
Issue costs	(23,853)	(3,804)	(27,657)
Imputed interest expenses (Note 10)	4,216	–	4,216
Conversion into ordinary shares of the Company	(1,122,098)	(178,534)	(1,300,632)
At 30th June, 2015	448,485	71,242	519,727
Imputed interest expenses (Note 10)	1,960	–	1,960
Conversion into ordinary shares of the Company	(450,445)	(71,242)	(521,687)
At 30th June, 2016	–	–	–

During the year ended 30th June, 2016, the holder converted the convertible notes in an aggregate principal amount of HK$525,895,000 at a conversion price of HK$0.439 per share, which resulted in the issuance of approximately 1,197,938,000 new ordinary shares of the Company.

As at 30th June, 2016, there is no outstanding convertible notes.

25. DEFERRED TAX LIABILITIES

Details of the deferred tax liabilities recognised and movements during the year:

	Fair value adjustment *HK$'000*
Arising from acquisition of subsidiaries during the year (Note 29)	2,660
Credited to profit or loss during the year (Note 13)	(33)
At 30th June, 2015	2,627
Arising from acquisition of subsidiaries (Note 29)	17,488
Credited to profit or loss during the year (Note 13)	(1,023)
At 30th June, 2016	**19,092**

At 30th June, 2016, the Group had estimated unutilised tax losses of approximately HK$157,967,000 (2015: HK$127,643,000) available for offsetting against future assessable profits arising in Hong Kong. No deferred tax asset has been recognised due to the unpredictability of future profit streams. The unutilised tax losses may be carried forward indefinitely.

26. SHARE CAPITAL

	2016 ***HK$'000***	2015 *HK$'000*
Ordinary shares of HK$0.1 each		
Authorised:		
30,000,000,000 ordinary shares	**3,000,000**	3,000,000
Issued and fully paid:		
6,006,756,000 (2015: 1,442,214,000) ordinary shares at beginning of year	**600,676**	144,221
Issue of 1,500,000,000 ordinary shares by placement (Note)	**–**	150,000
Conversion of convertible notes into 1,197,938,000 (2015: 3,002,062,000) ordinary shares (Note 24)	**119,793**	300,207
Issue of 62,480,000 ordinary shares upon exercise of share options	**–**	6,248
7,204,694,000 (2015: 6,006,756,000) ordinary shares at end of year	**720,469**	600,676

Note:

On 19th May, 2015, 1,500,000,000 ordinary shares were issued to Tiancheng at an issue price of HK$0.439 each pursuant to a subscription agreement for the purpose of development of the Group by way of acquisitions and leveraging on new investment opportunities and/or expansion of current business and increasing general working capital.

27. NON-CONTROLLING INTERESTS

The Group has three subsidiaries with material non-controlling interests, namely, Metro Leader Limited and Prominent Wise Limited which have been classified as disposal group held-for-sale as at 30th June, 2016 as shown in Note 23 to the financial statements, and Golden 11 Investment International PTE Ltd. ("Golden 11") which was acquired during the year ended 30th June, 2016 as detailed in Note 29 to the financial statements.

Golden 11 and its subsidiaries (collectively "Golden 11 Group") have generated minimal revenue and have incurred loss of HK$15,289,000 for the year, since its acquisition of which HK$7,491,000 is attributable to non-controlling interests. They utilised major cash outflows of HK$26,398,000 from operating activities and of HK$20,319,000 from investing activities for addition of property, plant and equipment and generated major cash inflows of HK$39,842,000 from financing activities during the year.

The assets and liabilities of Golden 11 Group as at 30th June, 2016 were as follows:

	HK$'000
Non-current assets	139,973
Current assets	41,838
Non-current liabilities	(16,743)
Current liabilities	(40,450)
Net assets	**124,618**
Attributable non-controlling interests	**61,063**

28. SHARE-BASED COMPENSATIONS

The Company operates an equity-settled, share-based compensation plan for the purpose of providing incentives and rewards to eligible participants for their contribution to the success of the Group's operations.

An ordinary resolution was passed at the annual general meeting of the Company held on 29th January, 2008 for the approval of the adoption of a new share option scheme (the "New SO Scheme") and termination of the old share option scheme adopted on 16th December, 1997.

Eligible participants of the New SO Scheme include directors and employees of the Company and its subsidiaries. The New SO Scheme will, unless otherwise cancelled or amended, remain in force for 10 years from 29th January, 2008, after which no further options will be granted but provisions of the New SO Scheme remain in force and all outstanding options granted continue to be valid and exercisable in accordance therewith.

The maximum number of unexercised share options currently permitted to be granted under the New SO Scheme is an amount equivalent, upon their exercise, to 30% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the New SO Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

28. SHARE-BASED COMPENSATIONS (continued)

Share options granted to a director or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the Independent Non-Executive Directors of the Company. In addition, any share options granted to a substantial shareholder or an Independent Non-Executive Director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK$5,000,000, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within the date specified in the offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors of the Company, and commences after a certain vesting period and ends on a date which is not later than 10 years from the date of the grant of the share options.

(a) Share options granted by the Company

During the year ended 30th June, 2015, all share options were exercised and no share options were outstanding as at 30th June, 2015 and 2016.

The movements of number of outstanding share options and weighted average exercise prices of share options during the year ended 30th June, 2015 are as follows:

	Weighted average exercise price *HK$*	**Number of options**
Outstanding at 1st July, 2014	0.69	59,480,000
Granted during the year (Note)	0.52	3,000,000
Exercised during the year	0.67	(62,480,000)
Outstanding at 30th June, 2015 and 2016	–	–
Exercisable at 30th June, 2015 and 2016	–	–

The weighted average share price at the dates of exercises of the share options during the year ended 30th June, 2015 was HK$2.30.

Note:

On 10th November, 2014, a total of 3,000,000 share options were granted to an eligible person of the Group at a cash consideration of HK$1 which entitled the eligible person to subscribe for new ordinary shares of the Company at an exercise price of HK$0.522 per share. The share options were exercisable from 10th November, 2014 to 9th November, 2024. The Group recognised total share-based payments of HK$850,000 during the year ended 30th June, 2015 (Note 11).

28. SHARE-BASED COMPENSATIONS (continued)

(b) share-based payments made by a subsidiary

During the year, a newly incorporated subsidiary of the Company had issued shares to certain of its employees which will vest monthly over a thirty-five month period from 1st January, 2016. The fair value of these share-based payments was determined by reference to the initial capital of US$5 million obliged to be contributed by the Company. The share-based payments recognised in profit or loss for the year ended 30th June, 2016 amounted to HK$1,955,000 (Note 11).

29. BUSINESS COMBINATIONS

Year ended 30 June, 2016

On 12th November, 2015, the Group completed the acquisition of 51% of the issued shares in Golden 11, a company that is incorporated in Singapore and is principally through its subsidiary engaged in the construction of optical fibre network, base section and network community above Myanmar Railway, for a cash consideration of HK$78,899,000.

The goodwill of HK$27,831,000 arised from the acquisition was due to a number of factors including expected market growth potential of Myanmar telecommunication market, and obtaining market penetration through setting up a development platform and data platform. None of the goodwill recognised is expected to be deductible for income tax purposes.

The following table summarises the consideration paid for the acquisition, and the fair values of the identifiable assets acquired and liabilities assumed recognised at the acquisition date.

	12th November, 2015
	HK$'000
Fair value of identifiable assets acquired and liabilities assumed	
Bank balances and cash	21,957
Property, plant and equipment	52,153
Intangible asset (Note 16)	69,953
Trade and other receivables, deposits and prepayments	16,168
Other payables, accruals and deposits received	(42,609)
Net deferred tax liability (Note 25)	(17,488)
Total identifiable net assets	100,134
Non-controlling interest	(49,066)
Goodwill (Note 17)	27,831
Purchase consideration settled by cash	78,899

29. BUSINESS COMBINATIONS (continued)

	12th November, 2015
	HK$'000
Cash outflow arising from acquisition of subsidiaries	
– cash consideration paid	78,899
– bank balances and cash of subsidiaries acquired	(21,957)
Cash outflow on acquisition	56,942

(a) Acquired trade and other receivables, deposits and prepayments

The fair value of trade and other receivables, deposits and prepayments is HK$16,168,000.

(b) Acquired property, plant and equipment

The fair value of property, plant and equipment is HK$52,153,000.

(c) The fair value of acquired identifiable intangible asset

The fair value of the acquired identifiable intangible asset of HK$69,953,000 related to a licence acquired which is not recognised in the financial statements of the acquiree. Deferred tax liabilities of HK$17,488,000 therefrom has been provided in relation to this fair value adjustment.

29. BUSINESS COMBINATIONS (continued)

(d) Non-controlling interest

The Group has recognised the non-controlling interest at its proportionate share of net assets of the acquiree for this acquisition.

(e) Accounting treatment

On the basis that the Group holds 51% of the issued shares in Golden 11 and that Mr. Chen Shimin, one of the shareholders of Golden 11 has, by way of a power of attorney, appointed the Company as its proxy in relation to certain affairs of Golden 11 for three years, Golden 11 is accounted for as a subsidiary of the Group. Following the completion of acquisition and release of the Company's interim report for the six months ended 31st December, 2015, the Company had finalised the accounting treatment on certain financial statement items of the acquired business and the fair value assessment on the acquired intangible asset. Since the acquisition date, Golden 11 has contributed minimal revenue to the Group and accounted for HK$15,289,000 of the Group's loss for the year. If the acquisition had occurred on 1st July, 2015, the Group's loss for the year would have been HK$30,549,000. This pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1st July, 2015, nor is it intended to be a projection of future performance.

Year ended 30th June, 2015

On 15th May, 2015, the Group entered into a share purchase agreement with Mr. Cheng Kin Ming, the shareholder of Vincent International Holdings Limited ("Vincent International"), to acquire a 100% equity interest in Vincent International at a cash consideration of HK$8,000,000. The acquisition was completed and the Group took effective control of Vincent International and its subsidiary ("Vincent International Group") on 18th May, 2015. The acquisition of Vincent International Group was completed on 18th May, 2015. As a result of the acquisition, the Group is able to expand its financial leasing and commercial factoring business in the PRC.

The fair value of identifiable assets and liabilities of the acquiree as at the date of acquisition were as follows:

	HK$'000
Bank balances and cash	20
Intangible asset (Note 16)	10,640
Deferred tax liabilities (Note 25)	(2,660)
Total identifiable net assets	8,000

29. BUSINESS COMBINATIONS (continued)

Cash outflow arising from acquisition of subsidiaries:

	HK$'000
Cash consideration as stated in the above	8,000
Bank balances and cash acquired	(20)
	7,980

Since the acquisition date, Vincent International Group has contributed HK$9,504,000 and HK$4,448,000 to the Group's revenue and profit after tax respectively. If the acquisition had occurred on 1st July, 2014, the Group's revenue and profit after tax would have been HK$51,190,000 and HK$13,167,000 respectively. This pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1st July, 2014, nor is it intended to be a projection of future performance.

30. COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for but not yet accounted for at the end of the reporting period in the financial statements is as follows:

	2016 **HK$'000**	2015 HK$'000
Property, plant and equipment	**33,190**	700
Investments in subsidiaries (Note (i))	**–**	129,124
Investment in a joint venture (Note (ii))	**38,020**	–
	71,210	129,824

Note:

(i) This related to the capital commitment on investment in Golden 11 which has become a subsidiary of the Group during the year.

(ii) Myanmar Golden 11 Investment International Co. Ltd. ("Myanmar Golden 11"), a non-wholly owned subsidiary of the Group, and Golden TMH Telecom Co. Ltd ("GTMH") have entered into a joint venture agreement on 16th May, 2016. The initial authorised capital of the joint venture will be US$7 million, of which Myanmar Golden 11 and GTMH will contribute US$4.9 million and US$2.1 million, respectively. The capital to be contributed by Myanmar Golden 11 will be made in form of injection of property, plant and equipment and/or cash.

30. COMMITMENTS (continued)

(b) Operating lease commitments – The Group as lessor

	2016 HK$'000	2015 HK$'000
Minimum lease payments received during the year under operating leases	**71**	3,391

At 30th June, 2016, outstanding minimum lease payments receivable under non-cancellable operating leases fall due as follows:

	2016 HK$'000	2015 HK$'000
Within one year	**–**	1,978

Operating lease payments receivable represent rentals receivable by the Group for sub-letting certain of its leased office premises. The lease was negotiated for a term of two years at fixed rentals.

(c) Operating lease commitments – the Group as lessee

	2016 HK$'000	2015 HK$'000
Minimum lease payments paid during the year under operating leases	**17,720**	4,392

At 30th June, 2016, the Group had outstanding minimum commitments under non-cancellable operating leases which fall due as follows:

	2016 HK$'000	2015 HK$'000
Within one year	**3,051**	14,402
In the second to fifth years inclusive	**7,842**	22,947
Over five year	**4,901**	–
	15,794	37,349

Operating lease payments represent rentals payable by the Group for its office premises and a director's quarter. The leases were negotiated for a term of two to ten years at fixed rentals.

31. RETIREMENT BENEFITS SCHEME

The Group participates in a MPF Scheme established under the Hong Kong Mandatory Provident Fund Schemes Ordinance since December 2000. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules.

During the year, the total amount contributed by the Group to the MPF Scheme and charged to profit or loss represent contributions payable by the Group at rates specified in the rules of the scheme.

32. RELATED PARTY DISCLOSURES

During the year, the Group has the following material related party transactions:

(a) Three loans were made to a minority shareholder of a subsidiary amounting to HK$51,696,000 as at 30th June, 2016 (2015: Nil). The loans carry interest at 8% per annum and are secured on shares of that subsidiary held by the minority shareholder. The loans are repayable in September 2018 and March 2019, of which approximately HK$32,188,000 will be due in September 2018.

(b) Included in trade and other receivables, deposits and prepayments as at 30th June, 2016, was an amount of HK$6,606,000 (2015: Nil) due from a minority shareholder of a subsidiary. It was unsecured, interest-free and repayable on demand.

(c) The remuneration of directors and other members of key management of the Group during the year was as follows:

	2016	2015
	HK$'000	*HK$'000*
Short-term benefits	**9,732**	5,945
Post-employment benefits	**22**	36
	9,754	5,981

The remuneration of directors is determined by the remuneration committee having regard to the level and composition of pay and the general market conditions in the respective countries and businesses.

33. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts of the financial assets and financial liabilities recognised at the end of reporting period were categorised as follows:

	2016 *HK$'000*	2015 *HK$'000*
Financial assets		
Fair value through profit or loss		
– Investments held for trading	**1,932**	2,534
– Convertible promissory note	**78,102**	–
	80,034	2,534
Loans and receivables at amortised costs (including bank balances and cash)	**2,714,098**	2,992,789
	2,794,132	2,995,323
Financial liabilities		
Financial liabilities at amortised cost	**69,373**	451,866

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

– the fair value of investments held for trading with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market price; and

– the fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

HKFRS 13 requires disclosures for financial instruments that are measured at fair value by level of the following fair value measurement hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: 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 for the asset or liability that are not based on observable market data.

33. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (continued)

The following table provides an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Level 1 *HK$'000*	**Level 2** *HK$'000*	**Level 3** *HK$'000*	**Total** *HK$'000*
At 30th June, 2016				
Financial assets at fair value through profit or loss				
Investments held for trading	**1,932**	**–**	**–**	**1,932**
Unlisted investment in convertible promissory note	**–**	**–**	**78,102**	**78,102**
Investments held for trading	**1,932**	**–**	**78,102**	**80,034**
At 30th June, 2015				
Financial assets at fair value through profit or loss				
Investments held for trading	2,534	–	–	2,534

For the unlisted investment in convertible promissory note, the fair value of the host debt is estimated using a discounted cash flow method and the fair value of the conversion option is estimated using a scenario based discounted cash flow method.

Significant unobservable inputs

Credit spread	11.68%
Liquidity risk premium	1.50%

Had the credit spread and liquidity risk premium increased by 100 basis points, it would decrease the fair value of the unlisted investment in convertible promissory note by HK$113,000. Had the credit spread and liquidity risk premium decreased by 100 basis points, it would increase the fair value of the unlisted investment in convertible promissory note by HK$116,000.

The following table shows the reconciliation of Level 3 fair value measurements of the unlisted investment in convertible promissory note:

	2016 *HK'000*	2015 *HK'000*
Purchase during the year	**77,637**	–
Change in fair value (included in other net losses)	**465**	–
At 30th June	**78,102**	–

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

34. PARTICULARS OF SUBSIDIARIES

Particulars of the Company's subsidiaries at 30th June, 2016 were as follows:

Name of subsidiary	Place of incorporation/ operations and kind of legal entity	Issued and fully paid share capital/ registered capital	Percentage held by the Company Directly %	Percentage held by the Company Indirectly %	Principal activities
Jet United Investment Limited	Hong Kong	HK$1	100	–	Investment holding
Gold Rising Limited	Hong Kong	HK$1	100	–	Investment holding
Golden Wayford Limited	Hong Kong	HK$1	100	–	Finance and investment
Up Precious Global Investment Limited	British Virgin Islands	US$1	100	–	Inactive
Vincent International Holdings Limited	Hong Kong	HK$10,000	100	–	Investment holding
上海永盛融資租賃有限公司	PRC, limited liability company	US$299,000,000	–	100	Financial leasing, loan financing and commercial factoring
Forever Excellence Limited	Cayman Islands	US$1	100	–	Investment holding
Golden 11 Investment International PTE Ltd.	Singapore	US$12,800,000 SGD5,000,000	–	51	Investment holding
Myanmar Golden 11 Investment International Company Ltd.	Myanmar	US$9,791,200	–	51	Provision of telecommunication service
Metro Leader Limited	Cayman Islands	US$901	77.78%	11.11%	Provision of online bank services
G-Rock Limited	Cayman Islands	GBP2,401	–	88.85%	Provision of online bank services
Prominent Wise Limited	British Virgin Islands	US$2.01	50.01%	–	Investment holding
Dragon Services Spolka Ograniczona Odpowiedzialnoscia	Poland	PLN5,000	–	88.85%	Provision of consultant services

None of the subsidiaries had any debt securities outstanding at the end of the year or at any time during the year.

35. EVENT AFTER THE END OF REPORTING PERIOD

On 19th August, 2016, the Group entered into a convertible note extension agreement with an investee to extend the maturity date of the convertible promissory note dated 6th August, 2015 in the principal amount of US$10,000,000 issued by the investee to a subsidiary of the Company to 30th June, 2017 (the "Note Extension"). The details of which are set out in the Company's circular dated 12th September, 2016. The Note Extension was approved by shareholders of the Company in a special general meeting held on 28th September, 2016.

36. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENTS OF THE COMPANY

(a) Statement of financial position of the Company

	Notes	**2016** **HK$'000**	2015 HK$'000
Non-current assets			
Property, plant and equipment		**233**	712
Investments in subsidiaries		**145,714**	8,000
		145,947	8,712
Current assets			
Amounts due from subsidiaries		**2,411,405**	2,690,573
Trade and other receivables, deposits and prepayments		**3,757**	5,416
Bank balances and cash		**99,733**	225,997
		2,514,895	2,921,986
Current liabilities			
Amounts due to subsidiaries		**7,633**	–
Other payables, accruals and deposits received		**8,185**	1,472
Provision for taxation		**29,294**	29,294
		45,112	30,766
Total assets less current liabilities		**2,615,730**	2,899,932
Non-current liabilities			
Convertible notes		**–**	448,485
Net assets		**2,615,730**	2,451,447
Equity attributable to owners of the Company			
Share capital	26	**720,469**	600,676
Reserves	36(b)	**1,895,261**	1,850,771
TOTAL EQUITY		**2,615,730**	2,451,447

The statement of financial position of the Company was approved by the Board of Directors on 29th September, 2016 and was signed on its behalf by:

Lu Sheng
DIRECTOR

Chen Chuanjin
DIRECTOR

36. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENTS OF THE COMPANY (continued)

(b) Reserves movement of the Company

	Share premium HK$'000	Contributed surplus HK$'000	Other reserve HK$'000	Share-based compensation reserve HK$'000	Convertible notes reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1st July, 2014	24,916	232,738	39,387	23,319	–	(101,024)	219,336
Transactions with owners							
– Issue of shares by placement, net of issue costs of HK$9,878,000 deducted from share premium (Note 26)	498,622	–	–	–	–	–	498,622
– Recognition of equity component of convertible notes (Note 24)	–	–	–	–	249,776	–	249,776
– Issue of shares upon conversion of convertible notes (Note 24)	1,000,425	–	–	–	(178,534)	–	821,891
– Equity settled share-based payments (Note 28)	–	–	–	850	–	–	850
– Issue of shares upon exercise of share options (Note 26)	59,916	–	–	(24,169)	–	–	35,747
	1,558,963	–	–	(23,319)	71,242	–	1,606,886
Profit and total comprehensive income for the year	–	–	–	–	–	24,549	24,549
At 30th June, 2015	1,583,879	232,738	39,387	–	71,242	(76,475)	1,850,771
Transactions with owners							
– Issue of shares upon conversion of convertible notes (Note 24)	401,894	–	–	–	(71,242)	–	330,652
Loss and total comprehensive loss for the year	–	–	–	–	–	(286,162)	(286,162)
At 30th June, 2016	**1,985,773**	**232,738**	**39,387**	–	–	**(362,637)**	**(1,895,261)**

No dividend was paid or proposed during the year, nor has any dividend been proposed since 30th June, 2015 and 2016.

37. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 29th September, 2016.

FINANCIAL SUMMARY

RESULTS

	For the year ended 30th June,				
	2012	2013	2014	2015	**2016**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
Turnover	34,321	19,093	40,732	51,190	**145,147**
Profit/(loss) for the year	(619,312)	104,239	19,924	13,167	**(24,202)**
Profit/(loss) attributable to:					
Owners of the Company	(619,312)	104,239	19,924	13,167	**(16,161)**

NET ASSETS

	As at 30th June,				
	2012	2013	2014	2015	**2016**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
Total assets	356,272	408,456	439,849	3,008,281	**2,971,776**
Total liabilities	(86,280)	(34,225)	(38,914)	(495,855)	**(153,207)**
	269,992	374,231	400,935	2,512,426	**2,818,569**
Equity attributable to:					
Owners of the Company	269,992	374,231	400,935	2,512,426	**2,756,101**