萬隆控股集團有限公司
Ban Loong Holdings Limited
(Incorporated in Bermuda with limited liability)
(Stock Code: 30)

FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2017

The board of directors (the "Board") of Ban Loong Holdings Limited ("the Company") hereby announces that the consolidated statement of profit or loss and other comprehensive income and statement of financial position of the Company and its subsidiaries ("the Group") for the year ended 31 March 2017 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2017

	Notes	**2017** **HK$**	2016 *HK$* (restated)
Continuing operations			
Revenue	*3*	**299,259,373**	116,373,626
Cost of sales		**(271,265,726)**	(99,566,131)
Gross profit		**27,993,647**	16,807,495
Other income and gain		**155,280**	34,966
Realised gain on held for trading investment		**–**	12,992
Gain on disposal of subsidiaries		**–**	215,058
Loss on de-consolidation of subsidiaries		**(115,847,836)**	–
Impairment loss of amounts due from De-consolidated Subsidiaries		**(71,145,551)**	–
Fair value (loss)/gain on derivative component of convertible bonds		**(201,806)**	558,546
Loss on write-off of intangible asset		**–**	(1,272,489)
Loss on write-off of prepayments on exploration and evaluation activities		**–**	(4,553,640)
Selling and distribution expenses		**–**	(159,646)
General and administrative expenses		**(24,870,504)**	(30,439,710)
Finance costs	*4*	**(4,654,889)**	(4,796,721)
Loss before tax	*5*	**(188,571,659)**	(23,593,149)
Income tax expenses	*6*	**(2,661,092)**	(939,944)

	Notes	**2017** *HK$*	2016 *HK$* (restated)
Loss for the year from continuing operations		**(191,232,751)**	(24,533,093)
Discontinued operation			
Loss for the year from discontinued operation	*8*	**(7,852,169)**	(17,833,841)
Loss for the year		**(199,084,920)**	(42,366,934)
Other comprehensive (expense)/income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translating foreign operation		**(3,859,423)**	(17,510,743)
Exchange reserve released on de-consolidation of subsidiaries		**908,026**	–
Exchange reserve released on disposal of subsidiaries		**(9,723)**	(382,548)
Other comprehensive expense for the year		**(2,961,120)**	(17,893,291)
Total comprehensive expense for the year		**(202,046,040)**	(60,260,225)
Loss for the year attributable to owners of the Company			
– from continuing operations		**(191,218,035)**	(23,470,398)
– from discontinued operations		**(6,664,156)**	(10,067,209)
Loss for the year attributable to owners of the Company		**(197,882,191)**	(33,537,607)
Loss for the year attributable to non-controlling interests			
– from continuing operations		**(14,716)**	(1,062,695)
– from discontinued operations		**(1,188,013)**	(7,766,632)
Loss for the year attributable to non-controlling interests		**(1,202,729)**	(8,829,327)
		(199,084,920)	(42,366,934)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(200,149,098)**	(44,282,874)
Non-controlling interests		**(1,896,942)**	(15,977,351)
		(202,046,040)	(60,260,225)
Loss per share	*9*		
From continuing and discontinued operations			
– Basic and diluted *(HK cents)*		**(6.04)**	(1.45)
From continuing operations			
– Basic and diluted *(HK cents)*		**(5.83)**	(1.01)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2017

	Notes	2017 HK$	2016 HK$
Non-current assets			
Property, plant and equipment		**4,594,205**	63,531,515
Prepaid lease payments		**–**	1,251,386
Intangible assets		**–**	305,080,785
Prepayments for exploration and evaluation activities		**–**	8,526,297
Deferred tax asset		**138,112**	64,157
		4,732,317	378,454,140
Current assets			
Trade receivables	*10*	**10,391,604**	1,931,763
Loan and interest receivables	*11*	**231,903,888**	122,469,877
Other receivables, deposits and prepayments		**99,586,992**	34,556,312
Derivative component of convertible bonds		**–**	3,779,263
Bank balances and cash		**114,323,600**	62,712,761
		456,206,084	225,449,976
Current liabilities			
Trade and other payables	*12*	**43,601,911**	15,027,578
Advance subscriptions and licence fees received		**–**	1,952,611
Amounts due to non-controlling shareholders of subsidiaries		**4,375,651**	4,375,651
Tax payable		**1,809,441**	3,069,584
Bonds		**66,829,000**	–
		116,616,003	24,425,424
Net current assets		**339,590,081**	201,024,552
Total assets less current liabilities		**344,322,398**	579,478,692

	Notes	**2017**	2016
		HK$	*HK$*
Non-current liabilities			
Provision for reinstatement costs		**–**	757,323
Bonds		**–**	66,029,000
Convertible bonds		**–**	5,306,546
Deferred tax liabilities		**–**	73,438,582
		–	145,531,451
		344,322,398	433,947,241
Capital and reserves			
Share capital		**45,401,268**	24,305,532
Reserves		**299,327,384**	301,860,581
Equity attributable to owners of the Company		**344,728,652**	326,166,113
Non-controlling interests		**(406,254)**	107,781,128
Total Equity		**344,322,398**	433,947,241

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended 31 March 2017

1. GENERAL INFORMATION

Ban Loong Holdings Limited (the "Company") is incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The address of its principal place of business is Room 2709-10, 27/F., China Resources Building, No.26 Harbour Road, Wanchai, Hong Kong.

The principal activity of the Company is an investment holding company. The Company's subsidiaries (together with the Company collectively referred to as the "Group") are principally engaged in money lending business and trading of goods and commodities. The Group was also engaged in providing financial quotation services and wireless applications development which were discontinued in current year. The mining operation was de-consolidated from the Group with effect from 1 April 2016.

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

2.1 APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied, for the first time, a number of new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA that are relevant to its operations and effective for annual periods on or after 1 April 2016.

HKFRS 11 (Amendments)	Accounting for Acquisition of Interests in Joint Operations
HKFRS 14	Regulatory Deferral Accounts
HKAS 1 (Amendments)	Disclosure Initiative
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle

The application of the above new amendments to HKFRSs had no material effect on the results and financial positions of the Group for the current or prior accounting periods that have been prepared and presented. Accordingly, no prior period adjustment has been required.

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

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2014-2016 Cycle[5]
HKFRS 2 (Amendments)	Clarification and Measurement of Share-based Payment Transaction[2]
HKFRS 4 (Amendments)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[2]
HKFRS 9	Financial Instruments[2]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
HKFRS 15	Revenue from Contracts with Customers[2]
HKFRS 15 (Amendments)	Clarifications to HKFRS 15 Revenue from Contracts with Customers[2]
HKFRS 16	Leases[3]
HKAS 7 (Amendments)	Disclosure Initiative[1]
HKAS 12 (Amendments)	Recognition of Deferred Tax Assets for Unrealised Losses[1]

1 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
3 Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.
4 Effective for annual periods beginning on or after a date to be determined.
5 Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate.

HKFRS 9 Financial Instruments

HKFRS 9 introduces new requirements for the clarification and measurement of financial assets, financial liabilities, general hedge accounting and impairments for financial assets.

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

- All recognised financial assets that are within the scope of HKFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent reporting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial that are eligible for hedge accounting. In addition, the retrospective quantitative effectiveness test has been removed. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Company anticipate that the application of HKFRS 9 in the future may have an impact on the amounts reported and disclosures made in the consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect until a detailed review has been completed.

HKFRS 15 Revenue from Contracts with Customers

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

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

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

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

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The directors of the Company anticipate that the application of HKFRS 15 in the future may have an impact on the amounts reported as the timing of revenue recognition may be affected/and the amounts of revenue recognised are subject to variable consideration constraints, and more disclosures relating to revenue is required. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the directors of the Company perform a detailed review. In addition, the application of HKFRS 15 in the future may result in more disclosures in the consolidated financial statements.

HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 Leases and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all lessee by lessees, except for short-term leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents other operating lease payments as operating cash flows. Under HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing and financing cash flows respectively.

In contrast to lessee accounting, HKFRS 16 substantially carried forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

The directors of the Company do not anticipate that the applications of these will have a material effect on the Group's consolidated financial statements.

The Group is in the process of assessing the potential impact of the other new and revised HKFRSs upon initial application but is not yet in a position to state whether the above new and revised HKFRSs will have a significant impact on the Group's results of operations and financial position.

2.2 Basis of preparation

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

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or liability, the Group takes into account the characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are within the scope of HKAS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

De-consolidation

The management of the Company became aware during the current financial year of a civil ruling dated 9 January 2017 (the "First Civil Ruling") and a civil judgement dated 10 October 2016 (the "Second Civil Judgement"). The First Civil Ruling ordered, inter alia, the freezing of the entire equity holding of Tong Bai County Yin Di Mining Company Limited ("Yin Di Mining"), an indirect subsidiary of the Company, and the mining license owned by Yin Di Mining. The Second Civil Judgement ordered, inter alia, that the equity transfer agreement dated 28 February 2011 signed between Zhengzhou Jinfuyuan Mining Company Limited ("Jinfuyuan Mining"), an indirect subsidiary of the Company, and Henan Guiyuan Industry Co. Ltd ("Henan Guiyuan") for the transfer of equity of Yin Di Mining for the consideration of RMB28,000,000 payable in cash (the "Equity Transfer Agreement") be terminated and all equity holding of Yin Di Mining be re-transferred to Henan Guiyuan.

Also, upon searches of public records conducted by the Group's legal advisers, the management of the Company became aware of a ruling enforcement order dated 23 November 2016 (the "Enforcement Order") issued by Henan Province Zhengzhou City Intermediate People's Court ("Zhengzhou Court") ordering Jinfuyuan Mining to transfer the entire equity holding in Yin Di Mining to Henan Guiyuan. Subsequently, according to the public record searches, the 90% equity interest in Yin Di Mining held by Jinfuyuan Mining was purportedly transferred to Henan Guiyuan on 17 January 2017.

As revealed in the Second Civil Judgement, Henan Guiyuan alleged that Jinfuyuan Mining only paid RMB3,000,000 by way of deposit to Henan Guiyuan between March and November 2011 even though Henan Guiyuan had completed the transfer of the 95% equity of Yin Di Mining to Jinfuyuan Mining in April 2011 in performance of the terms of the Equity Transfer Agreement and that on 30 May 2011, both parties signed a supplemental agreement such that if Jinfuyuan Mining failed to pay the balance of RMB25,000,000 within 60 days, then it shall, inter alia, re-transfer the equity holding in Yin Di Mining to Henan Guiyuan unconditionally and allow the RMB3,000,000 deposit to be forfeited. Henan Guiyuan further alleged that on 18 December 2015, Jinfuyuan Mining signed a declaration and gave it to Henan Guiyuan, confirming that it owed the outstanding consideration to Henan Guiyuan and agreed to re-transfer its equity holding in Yin Di Mining to Henan Guiyuan.

Given the above circumstances, the Group faced obstructions in exercising control over, and gathering information and documents regarding, the De-consolidated Subsidiaries and the Group regards that it has lost control over the entire operations of Yin Di Mining and its subsidiary (collectively, the "De-consolidated Subsidiaries") and the directors of the Company have determined to exclude the financial position, results and cash flows of the De-consolidated Subsidiaries from the Group's consolidated financial statements as at and for the year ended 31 March 2017 (the "2017 Consolidated Financial Statements"). Hence the De-consolidated Subsidiaries have been deconsolidated with effect from 1 April 2016 in the 2017 Consolidated Financial statements. The resulting loss arising from the deconsolidation of HK$115,847,836 has been recognised in the consolidated statement of profit or loss and other comprehensive income and the resulting adjustments of approximately HK$908,026 and HK$99,376,259 have been made to the exchange reserve and non-controlling interests respectively.

Under Hong Kong Financial Reporting Standard 10 "Consolidated Financial Statements", the carrying amounts of assets and liabilities of, and non-controlling interests in, the De-consolidated Subsidiaries should be derecognised from the consolidated financial statements of the Group at the date when control over the De-consolidated Subsidiaries was lost. As at the date of approval for issuance of the 2017 Consolidated Financial Statements, the investigations by the PRC legal advisers into, inter alia, the factual circumstances and the claims and allegations of Henan Guiyuan, as instructed by the Company, was still in progress and the Company is not yet in a position to assess the impact of the First Civil Ruling and Second Civil Judgement on the operations and financial position of the Group. Further, we were unable to gain access to the books and records of the De-consolidated Subsidiaries. Consequently, we were unable to obtain sufficient appropriate audit evidence and explanation to assess the appropriateness of the accounting treatment adopted by the Group of treating the De-consolidated Subsidiaries as subsidiaries of the Group from 2011 onwards and until the date of their deconsolidation. We were also unable to obtain sufficient appropriate audit evidence and explanation to satisfy ourselves as to the date when the Group lost control over the De-consolidated Subsidiaries. Had we been able to assess these matters, many elements in the consolidated financial statements for the current financial year and previous financial years might have been materially affected, including the assets and liabilities of the Group as at 31 March 2016 and 2017, the loss and cash flows of the Group for the years ended 31 March 2016 and 2017, and the related disclosures thereof in the consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Information reported to the directors of the Company, being the chief operating decision maker ("CODM"), for the purpose of resources allocation and assessment of segment performance focus on types of goods or services delivered or provided. The directors of the Company have chosen to organise the Group around differences in products and services. No operating segments identified by the CODM have been aggregated in arriving at the reporting segments of the Group.

Specifically, the Group's reporting and operating segments under HKFRS 8 are as follows:

(i) Mining operations segment engages in sale of mineral products and leasing of mining right, exploration rights and related assets;

(ii) Money lending segment engages in the provision of financing services; and

(iii) Trading segment engages in the trading of goods and commodities.

The operations (the financial quotation services and encryption technology and products) were discontinued in the current and last year. The segment information reported on the next pages does not include any amounts for these discontinued operations, which are described in more detail in note 8.

During the year ended 31 March 2017, due to the obstructions faced by the Company in exercising control over, and gathering information and documents regarding, the De-consolidated Subsidiaries, the Company regards that it has lost control over the De-consolidated Subsidiaries. Given that it was impracticable for the directors of the Company to ascertain the segment information on mining operations, no representation is therefore made by the directors of the Company as to the completeness, existence and accuracy of the segment information on mining operations of the Company for the year ended 31 March 2017 as of the date of approval of the consolidated financial statements.

Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable and operating segments:

For the year ended 31 March 2017

Continuing operations

	Mining operations *HK$*	Money lending *HK$*	Trading *HK$*	Total *HK$*
Revenue	–	25,607,494	273,651,879	299,259,373
Segment profit/(loss)	–	23,743,941	(843,033)	22,900,908
Unallocated corporate income and gain				144,440
Fair value loss on derivative component of convertible bonds				(201,806)
Unallocated corporate expenses				(19,766,925)
Finance costs				(4,654,889)
Impairment loss of amounts due from De-consolidated Subsidiaries	(71,145,551)			(71,145,551)
Loss on de-consolidation of subsidiaries	(115,847,836)			(115,847,836)
Loss before tax				(188,571,659)

For the year ended 31 March 2016

Continuing operations

	Mining operations *HK$*	Money lending *HK$*	Trading *HK$*	Total *HK$* (restated)
Revenue	6,775,040	9,059,877	100,538,709	116,373,626
Segment (loss)/profit	(2,305,536)	8,098,597	(215,979)	5,577,082
Unallocated corporate income and gain				34,966
Fair value gain on derivative component of convertible bonds				558,546
Realised gain on held for trading investment				12,992
Gain on disposal of a subsidiary				215,058
Unallocated corporate expenses				(25,195,072)
Finance costs				(4,796,721)
Loss before tax				(23,593,149)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit/(loss) represents the profit/(loss) from each segment without allocation of directors' salaries, certain bank interest income included in other income and gain, fair value gain/(loss) on derivative component of convertible bonds, realised gain on held for trading investment, gain on disposal of subsidiaries, loss on de-consolidation of subsidiaries, impairment loss of amounts due from De-consolidated Subsidiaries, certain general and administrative expenses, and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

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

	2017 ***HK$***	2016 *HK$*
Segment assets		
Continuing operations		
Mining operations	**–**	376,017,582
Money lending	**235,708,888**	132,066,130
Trading	**145,926,521**	66,135,677
Unallocated corporate assets	**79,302,992**	8,356,042
Total segment assets	**460,938,401**	582,575,431
Assets relating to discontinued operation-financial quotation services	**–**	21,328,685
Consolidated assets	**460,938,401**	603,904,116

	2017	2016
	HK$	*HK$*
Segment liabilities		
Continuing operations		
Mining operations	**–**	90,902,830
Money lending	**2,620,022**	930,104
Trading	**40,048,122**	209,218
Unallocated corporate liabilities	**73,947,859**	73,139,849
Consolidated liabilities	**116,616,003**	165,182,001
Assets relating to discontinued operation-financial quotation service	**–**	4,774,874
Consolidated liabilities	**116,616,003**	169,956,875

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

– all assets are allocated to reportable and operating segments other than certain property, plant and equipment, certain other receivables, deposits and prepayments, derivative component of convertible bonds and certain bank balances and cash which are managed on a group basis.

– all liabilities are allocated to reportable and operating segments other than certain other payables, bonds and convertible bonds which are managed on a group basis.

In measuring the Group's segment assets and liabilities, tax payable of HK$nil (2016: HK$2,139,480) and deferred tax liabilities of HK$nil (2016: HK$73,438,582) were allocated to the mining operations segment while tax payable of HK$1,809,441 (2016: HK$930,104) and deferred tax asset of HK$138,112 (2016: HK$64,157) were allocated to money lending segment. However, the relevant income tax expense of HK$2,661,092 (2016: HK$939,944) was not included in the measurement of segment results.

Other segment information

For the year ended 31 March 2017

Continuing operations

	Mining operations	**Money lending**	**Trading**	**Unallocated**	**Total**
	HK$	***HK$***	***HK$***	***HK$***	***HK$***
Amounts included in the measure of segment results or segment assets:					
Depreciation of property, plant and equipment	**–**	**509,920**	**110,962**	**439,772**	**1,060,654**
Additions to non-current assets *(note)*	**–**	**–**	**26,864**	**1,988,796**	**2,015,660**
Bank interest income	**–**	**–**	**(10,840)**	**–**	**(10,840)**
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment results or segment assets:					
Finance costs	**–**	**–**	**–**	**4,654,889**	**4,654,889**
Income tax expenses	**–**	**2,645,590**	**15,502**	**–**	**2,661,092**
Impairment of amounts due from De-consolidated Subsidiaries	**71,145,551**	**–**	**–**	**–**	**71,145,551**
Loss on de-consolidation of subsidiaries	**115,847,836**	**–**	**–**	**–**	**115,847,836**

For the year ended 31 March 2016

Continuing operations

	Mining operations *HK$*	Money lending *HK$*	Trading *HK$*	Unallocated *HK$*	Total *HK$* (restated)
Amounts included in the measure of segment results or segment assets:					
Depreciation of property, plant and equipment	2,114,323	503,643	138,168	1,065,352	3,821,486
Amortisation of prepaid lease payment	106,243	–	–	–	106,243
Additions to non-current assets *(note)*	18,371	835,912	1,529,914	2,024,814	4,409,011
Loss on write-off of property, plant and equipment	–	–	–	2,183,462	2,183,462
Loss on write-off of intangible assets	1,272,489	–	–	–	1,272,489
Loss on write-off of prepayment for exploration and evaluation activities	4,533,640	–	–	–	4,533,640
Bank interest income	–	–	–	(34,966)	(34,966)
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment results or segment assets:					
Realised gain on held for trading investment	–	–	–	(12,992)	(12,992)
Finance costs	–	–	–	4,796,721	4,796,721
Income tax expenses	73,997	865,947	–	–	939,944

Note: Non-current assets excluded available-for-sale investment and deferred tax asset.

Revenue from major product and services

The following is an analysis of the Group's revenue from continuing operations from sales of its major products and provision of services to external customers:

	2017 **HK$**	2016 *HK$* (restated)
Revenue from mining operations	**–**	6,775,040
Revenue from money lending	**25,607,494**	9,059,877
Revenue from trading of goods	**273,651,879**	100,538,709
	299,259,373	116,373,626

Geographical information

The Group's operations are located in Hong Kong and the People's Republic of China (the "PRC").

Information about the Group's revenue from continuing operations from external customers is presented based on the location of operations. Information about the Group's non-current assets, excluding those related to discontinued operation, financial instruments and deferred tax asset, is presented based on the geographical location of the assets.

	Hong Kong		PRC (excluding Hong Kong)		Total	
	2017	2016	**2017**	2016	**2017**	2016
	HK$	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*
		(restated)				(restated)
For the year ended 31 March						
Segment revenue	**25,607,494**	9,059,877	**273,651,879**	107,313,749	**299,259,373**	116,373,626
At 31 March						
Non-current assets	**4,033,753**	3,018,008	**560,452**	374,896,914	**4,594,205**	377,914,922

Information about major customers

Revenue from customers of the corresponding year contributing over 10% of the total revenue of the Group are as follows:

	2017	2016
	HK$	*HK$*
Customer A[1]	**N/A[2]**	20,734,532
Customer B[1]	**127,407,835**	–
Customer C[1]	**48,064,812**	–

1 Revenue from trading

2 The corresponding revenue did not contribute over 10% of the total revenue of the Group

4. FINANCE COSTS

	2017	2016
	HK$	*HK$*
Continuing operations		
Effective interest expense on bonds	**4,650,000**	4,650,000
Effective interest expense on convertible bonds	**4,889**	146,721
	4,654,889	4,796,721

5. LOSS BEFORE TAX

	2017	2016
	HK$	*HK$*
		(restated)
Continuing operations		
Amortisation of prepaid lease payment	–	106,243
Auditors' remuneration	**1,050,000**	1,121,000
Cost of inventories recognised as expense	**271,265,726**	99,566,131
Depreciation of property, plant and equipment	**1,060,654**	3,821,486
Exchange loss, net	**521,183**	353,845
Employee benefit expenses	**7,799,527**	9,754,025
Loss on write-off of property, plant and equipment	–	2,183,462
Minimum lease payment under operating leases in respect of land and buildings	**5,042,622**	2,965,792

During the year ended 31 March 2017, due to the obstructions faced by the Company in exercising control over, and gathering information and documents regarding, the De-consolidated Subsidiaries, the Company regards that it has lost control over the De-consolidated Subsidiaries. Given that it was impracticable for the directors of the Company to ascertain the segment information on mining operations, no representation is therefore made by the directors of the Company as to the completeness, occurrence and accuracy of those expenses for the year ended 31 March 2017 as of the date of approval of the consolidated financial statements.

6. INCOME TAX EXPENSES

	2017	2016
	HK$	*HK$*
Continuing operations		
Current tax:		
– Hong Kong Profits Tax	**2,735,047**	930,104
Deferred tax	**(73,955)**	9,840
	2,661,092	939,944

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the year ended 31 March 2017 and 2016.

Under the law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the subsidiaries registered in the PRC is 25% from 1 January 2008 onwards.

7. DIVIDEND

No dividend was paid or proposed during the year ended 31 March 2017, nor has any dividend been proposed since the end of the reporting period (2016: nil).

8. DISCONTINUED OPERATION

(i) Choudary Limited and its subsidiaries ("Choudary Group")

On 24 January 2017, the Group entered into a sale and purchase agreement to dispose of its entire equity interests in Choudary Group to an independent third party for a cash consideration of HK$1,750,000. Choudary Group were engaged in the operation of providing financial quotation services and wireless application development. The disposal was effected in order to reduce the operating loss derived from this segment and generate cash flows for the expansion of the Group's other business. Following the disposal of Choudary Group, the Group discontinued its operation in providing financial quotation services and wireless application development.

	2017	2016
	HK$	*HK$*
Loss for the period/year	**(2,424,517)**	(5,449,082)
Loss on disposal of subsidiaries	**(5,427,652)**	–
Loss for the period/year from discontinued operation	**(7,852,169)**	(5,449,082)

The results of the financial quotation services segment for the period from 1 April 2016 to 24 January 2017, which have been included in the consolidated statement of profit or loss and other comprehensive income, were as follows:

	Period from 1 April 2016 to 24 January 2017	Year ended 31 March 2016
	HK$	*HK$*
Revenue	**18,453,176**	30,526,327
Cost of sales	**(11,260,905)**	(20,986,429)
Other income	**68,460**	408,738
Selling and distribution expenses	**(1,151,873)**	(1,599,076)
Administrative expenses	**(8,533,375)**	(13,798,642)
Loss before tax	**(2,424,517)**	(5,449,082)
Income tax	**–**	–
Loss for the period/year	**(2,424,517)**	(5,449,082)
Loss for the period/year from discontinued operation attributable to:		
– owner of the Company	**(1,236,504)**	(2,779,032)
– non-controlling interests	**(1,188,013)**	(2,670,050)
	(2,424,517)	(5,449,082)

Loss for the period from discontinued operation included the following:

	Period from 1 April 2016 to 24 January 2017	Year ended 31 March 2016
	HK$	*HK$*
Depreciation of property, plant and equipment	**169,544**	225,997
Wages and salaries	**7,368,393**	11,174,744
Defined contribution scheme	**30,152**	434,453

During the period from 1 April 2016 to 24 January 2017, the Choudary Group recorded net cash outflows from operating activities of HK$2,710,678 (year ended 31 March 2016: HK$3,150,155) and net cash inflows from investing activities of HK$19,648 (year ended 31 March 2016: HK$239,223) respectively.

(ii) POMP and its subsidiaries ("POMP Group")

On 24 March 2016, the Company entered into a sale and purchase agreement with an independent third party to dispose of its 60% equity interest in POMP for a cash consideration of HK$4,000,000. POMP and its subsidiaries (collectively referred to as the "POMP Group") were engaged in the operation of encryption technology products development. The disposal was effected in order to reduce the operating loss derived from this segment and generate cash flows for the expansion of the Group's other business. The disposal was completed on 24 March 2016, the date control of POMP was passed to the acquirer. Following the disposal of POMP, the Group discontinued its operation in encryption technology and products development business.

	2016
	HK$
Loss for the period	(12,741,456)
Gain on disposal of subsidiaries	356,697
Loss for the period from discontinued operation	(12,384,759)

The results of the encryption technology and products development segment for the period from 1 April 2015 to 24 March 2016, which have been included in the consolidated statement of profit or loss and other comprehensive income, were as follows:

	Period from 1 April 2015 to 24 March 2016 *HK$*
Revenue	–
Amortisation of intangible asset	(8,939,466)
Impairment loss of intangible asset	(2,487,054)
Administrative expenses	(83,784)
Finance costs	(1,231,152)
Loss before tax	(12,741,456)
Income tax	–
Loss for the period	(12,741,456)
Loss for the period from discontinued operation attributable to:	
– owner of the Company	(7,644,874)
– non-controlling interests	(5,096,582)
	(12,741,456)

Loss for the period from discontinued operation included the following:

	Period from 1 April 2015 to 24 March 2016 *HK$*
Depreciation of property, plant and equipment	83,784
Wages and salaries	–
Defined contribution scheme	–

During the period from 1 April 2015 to 24 March 2016, the POMP Group recorded net cash out flows from operating activities of HK$36,073.

9. LOSS PER SHARE

For continuing and discontinued operations

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

	2017	2016
	HK$	*HK$*
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	**(197,882,191)**	(33,537,607)
		(restated)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**3,278,272,834**	2,318,309,510

The weighted average number of shares used in the calculation of basic and diluted loss per share for the year ended 31 March 2016 has been adjusted and restated for the shares issued under rights issue which took place on 5 January 2017.

The computation of diluted loss per share does not assume the conversion of the Company's outstanding convertible bonds since their exercise would result in a decrease in loss per share from continuing and discontinued operations for the year ended 31 March 2016. The convertible bonds were converted during the year ended 31 March 2017.

For continuing operations

The calculation of basic and diluted loss per share from the continuing operations attributable to owners of the Company is based on the following data:

	2017	2016
	HK$	*HK$*
Loss for the year attributable to owners of the Company	**(197,882,191)**	(33,537,607)
Less: Loss for the year from discontinued operation	**6,664,156**	10,067,209
Loss for the purpose of basic and diluted loss per share from continuing operations	**(191,218,035)**	(23,470,398)

The denominators used are the same as those detailed above for both basic and diluted loss per share.

For discontinued operations

For the year ended 31 March 2017, basic and diluted loss per share for the discontinued operation is 0.21 HK cents, based on the loss for the year from the discontinued operation of HK6,664,156 and the denominators detailed above for both basic and diluted loss per share.

For the year ended 31 March 2016, basic and diluted loss per share for the discontinued operation is 0.44 HK cents, based on the loss for the year from the discontinued operation of HK$10,067,209 and the denominators detailed above for both basic and diluted loss per share.

10. TRADE RECEIVABLES

	2017	2016
	HK$	*HK$*
Trade receivables	**10,391,604**	1,931,763

Trade receivables in relation to trading are having an average credit period of 90 days while trade receivables from financial quotation services are due upon the presentation of invoices.

The following is an ageing analysis of the Group's receivables presented based on the invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period:

	2017	2016
	HK$	*HK$*
0 – 3 months	**10,391,604**	1,763,649
4 – 6 months	**–**	155,370
6 – 12 months	**–**	12,744
	10,391,604	1,931,763

11. LOAN AND INTEREST RECEIVABLES

	2017	2016
	HK$	*HK$*
Loan receivables, repayable within one year and classified as current asset:		
Secured	**102,000,000**	16,000,000
Unsecured	**128,400,000**	105,600,000
	230,400,000	121,600,000
Interest receivables	**1,503,888**	869,877
	231,903,888	122,469,877

The secured and unsecured loans advanced to the customers arising under the Group's money lending business had an average loan period of 90 days to 1 year (2016: 90 days to 1 year). The loans provided to customers bore fixed interest rate ranging from 1.0% – 2.5% per month (2016: 0.8% – 3%), depending on the individual credit evaluations of the borrowers. These evaluations focus on the borrowers' financial background, individual credit rating, current ability to pay, and take into account information specific to the borrowers as well as the guarantees and/or security from the borrowers. The loans provided to borrowers are repayable in accordance with the loan agreement, in which interest portion will be repaid in monthly basis while the principal amounts are repayable on maturity.

The following is an aged analysis of loan and interest receivables, presented based on the dates which loans are granted to borrowers and interests are accrued.

	2017	2016
	HK$	*HK$*
Within 90 days	**29,003,888**	26,869,877
91 – 180 days	**70,600,000**	600,000
181 – 365 days	**132,300,000**	95,000,000
	231,903,888	122,469,877

The Group's financing advances to customers included in the loan receivables are due as of the due date specified in respective loan agreements. At 31 March 2017, all the loan and interest receivables are neither past due nor impaired (2016: nil) and represented loans granted to creditworthy borrowers for whom there were no recent history of default, good individual credit rating with reference to the TransUnion Credit Report, individual assets proof, and/or secured/guaranteed by the collaterals/guarantor which value was higher than the carrying value of the loan receivables.

12. TRADE AND OTHER PAYABLES

	2017	2016
	HK$	*HK$*
Trade payables *(notes (a) and (b))*	**–**	2,122,384
Receipt in advance	**13,950,050**	6,575,376
Other payables and accrued charges *(note (c))*	**29,651,861**	6,329,818
	43,601,911	15,027,578

Notes:

(a) The ageing of trade payables were within 3 months based on the invoice date at the end of the reporting period.

(b) An average credit period of 45 to 180 days is granted by the service providers. The average credit period on purchases of goods in trading segment is 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

(c) Balance included advances from certain independent third parties of HK$26,045,426 (2016: HK$2,746,299) that are interest-free, unsecured and repayable on demand.

13. EVENTS AFTER THE REPORTING PERIOD

There were no significant events that have occurred subsequent to the end of the reporting period.

14. COMPARATIVE FIGURES

As a result of the retrospective adjustment of the discontinued operation, certain comparative figures have been restated to conform to current year's presentation and to provide comparative amounts in respect of items disclosed in 2016.

EXTRACT OF INDEPENDENT AUDITORS' REPORT ON THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

Disclaimer of Opinion

We were engaged to audit the consolidated financial statements of Ban Loong Holdings Limited (the "Company") and its subsidiaries (collective referred to as the "Group") which comprise the consolidated statement of financial position as at 31 March 2017, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of the significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Bases for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements and as to whether the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Bases for Disclaimer of Opinion

(a) De-consolidation of subsidiaries

As disclosed in notes 3 and 36 to the consolidated financial statements, the management of the Company became aware during the current financial year of a civil ruling dated 9 January 2017 (the "First Civil Ruling") and a civil judgement dated 10 October 2016 (the "Second Civil Judgement"). The First Civil Ruling ordered, inter alia, the freezing of the entire equity holding of Tong Bai County Yin Di Mining Company Limited ("Yin Di Mining"), an indirect subsidiary of the Company, and the mining license owned by Yin Di Mining. The Second Civil Judgement ordered, inter alia, that the equity transfer agreement dated 28 February 2011 signed between Zhengzhou Jinfuyuan Mining Company Limited ("Jinfuyuan Mining"), an indirect subsidiary of the Company, and Henan Guiyuan Industry Co. Ltd ("Henan Guiyuan") for the transfer of equity of Yin Di Mining for the consideration of RMB28,000,000 payable in cash (the "Equity Transfer Agreement") be terminated and all equity holding of Yin Di Mining be re-transferred to Henan Guiyuan.

Also, upon searches of public records conducted by the Group's legal advisers, the management of the Company became aware of a ruling enforcement order dated 23 November 2016 (the "Enforcement Order") issued by Henan Province Zhengzhou City Intermediate People's Court ("Zhengzhou Court") ordering Jinfuyuan Mining to transfer the entire equity holding in Yin Di Mining to Henan Guiyuan. Subsequently, according to the public record searches, the 90% equity interest in Yin Di Mining held by Jinfuyuan Mining was purportedly transferred to Henan Guiyuan on 17 January 2017.

As revealed in the Second Civil Judgement, Henan Guiyuan alleged that Jinfuyuan Mining only paid RMB3,000,000 by way of deposit to Henan Guiyuan between March and November 2011 even though Henan Guiyuan had completed the transfer of the 95% equity of Yin Di Mining to Jinfuyuan Mining in April 2011 in performance of the terms of the Equity Transfer Agreement and that on 30 May 2011, both parties signed a supplemental agreement such that if Jinfuyuan Mining failed to pay the balance of RMB25,000,000 within 60 days, then it shall, inter alia, re-transfer the equity holding in Yin Di Mining to Henan Guiyuan unconditionally and allow the RMB3,000,000 deposit to be forfeited. Henan Guiyuan further alleged that on 18 December 2015, Jinfuyuan Mining signed a declaration and gave it to Henan Guiyuan, confirming that it owed the outstanding consideration to Henan Guiyuan and agreed to re-transfer its equity holding in Yin Di Mining to Henan Guiyuan.

Given the above circumstances, the Group faced obstructions in exercising control over, and gathering information and documents regarding, the De-consolidated Subsidiaries and the Group regards that it has lost control over the entire operations of Yin Di Mining and its subsidiary (collectively, the "De-consolidated Subsidiaries") and the directors of the Company have determined to exclude the financial position, results and cash flows of the De-consolidated Subsidiaries from the Group's consolidated financial statements as at and for the year ended 31 March 2017 (the "2017 Consolidated Financial Statements"). Hence the De-consolidated Subsidiaries have been deconsolidated with effect from 1 April 2016 in the 2017 Consolidated Financial statements. The resulting loss arising from the deconsolidation of HK$115,847,836 has been recognised in the consolidated statement of profit or loss and other comprehensive income and the resulting adjustments of approximately HK$908,026 and HK$99,376,259 have been made to the exchange reserve and non-controlling interests respectively.

Under Hong Kong Financial Reporting Standard 10 "Consolidated Financial Statements", the carrying amounts of assets and liabilities of, and non-controlling interests in, the De-consolidated Subsidiaries should be derecognised from the consolidated financial statements of the Group at the date when control over the De-consolidated Subsidiaries was lost. As at the date of approval for issuance of the 2017 Consolidated Financial Statements, the investigations by the PRC legal advisers into, inter alia, the factual circumstances and the claims and allegations of Henan Guiyuan, as instructed by the Company, was still in progress and the Company is not yet in a position to assess the impact of the First Civil Ruling and Second Civil Judgement on the operations and financial position of the Group. Further, we were unable to gain access to the books and records of the De-consolidated Subsidiaries. Consequently, we were unable to obtain sufficient appropriate audit evidence and explanation to assess the appropriateness of the accounting treatment adopted by the Group of treating the De-consolidated Subsidiaries as subsidiaries of the Group from 2011 onwards and until the date of their deconsolidation. We were also unable to obtain sufficient appropriate audit evidence and explanation to satisfy ourselves as to the date when the Group lost control over the De-consolidated Subsidiaries. Had we been able to assess these matters, many elements in the consolidated financial statements for the current financial year and previous financial years might have been materially affected, including the assets and liabilities of the Group as at 31 March 2016 and 2017, the loss and cash flows of the Group for the years ended 31 March 2016 and 2017, and the related disclosures thereof in the consolidated financial statements.

(b) Amounts due from the De-consolidated Subsidiaries

During the year ended 31 March 2017, the Group recorded an impairment of amounts due from the De-consolidated Subsidiaries of HK$71,145,551 due to the circumstances described in (a) above. We were unable to obtain sufficient appropriate audit evidence regarding the validity, existence and impairment assessment of the amounts due from the De-consolidated Subsidiaries because: (i) there was inadequate documentary evidence available for us to verify the validity, existence and nature of the amounts due from the De-consolidated Subsidiaries; (ii) we were unable to carry out any effective confirmation procedures in relation to the amounts due from the De-consolidated Subsidiaries for the purpose of our audit; (iii) there was inadequate documentary evidence available for us to satisfy ourselves as to whether the impairment testing in respect of the amounts due from the De-consolidated Subsidiaries were properly recorded and accounted for and in compliance with the requirements of applicable Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards ("HKFRSs"), including Hong Kong Accounting Standard 39 "Financial Instruments: Recognition and Measurement"; and (iv) there were no alternative audit procedures that we could perform to satisfy ourselves as to whether the amounts due from the De-consolidated Subsidiaries were free from material misstatement. In addition, the scope limitation explained in (a) above as to the date when the Group lost control over the De-consolidated Subsidiaries would also affect the appropriate accounting period in which the impairment loss should be recognised. Any adjustments that might have been found necessary may have a significant consequential effect on the carrying amount of, and impairment loss on, the amounts due from the De-consolidated Subsidiaries, the net assets of the Group as at 31 March 2017 and the loss and cash flows of the Group for the year ended 31 March 2017, and the related disclosures thereof in the consolidated financial statements.

(c) Contingent liabilities and commitments

As disclosed in notes 3 and 36 to the consolidated financial statements, due to circumstances described in (a) above, we have not been able to obtain sufficient appropriate audit evidence and explanations as to whether the contingent liabilities and commitments committed by the Group were properly recorded and accounted for and in compliance with the requirements of applicable HKFRSs, including Hong Kong Accounting Standard 37 "Provisions, Contingent Liabilities and Contingent Assets". There were no alternative audit procedures that we could perform to satisfy ourselves as to whether the contingent liabilities and commitments were free from material misstatements. Any adjustment that would be required may have a consequential significant effect on the net assets of the Group and the loss and cash flows of the Group for the year ended 31 March 2017, and the related disclosures thereof in the consolidated financial statements.

(d) Related party transactions

The scope limitation explained in (a) above as to the date when the Group lost control over the De-consolidated Subsidiaries would affect the disclosures of related party transactions in the 2017 Consolidated Financial Statements in the event that the date of loss of control is actually after 1 April 2016. Accordingly, we have not been able to obtain sufficient appropriate audit evidence as to whether the related party transactions disclosures were properly recorded and accounted for and in compliance with the requirements of applicable HKFRSs including Hong Kong Accounting Standard 24 "Related Party Disclosures". There were no practical alternative procedures that we could perform over the related party transactions which occurred during the year ended 31 March 2017.

(e) Opening balances and comparative information

As disclosed in notes 3 and 36 to the consolidated financial statements, due to circumstances described in (a) above, we have not been able to obtain sufficient appropriate audit evidence as to whether the opening balances as at 1 April 2016 and the comparative figures for the year ended 31 March 2016 were properly recorded and accounted for and in compliance with the requirements of applicable HKFRSs including Hong Kong Accounting Standard 1 "Presentation of Financial Statements". There were no alternative audit procedures that we could perform to satisfy ourselves as to whether the opening balances and the comparative figures were free from material misstatement. Any adjustments that would be required may have a consequential significant effect on the Group's assets and liabilities as at 31 March 2016 and 2017 and its results and cash flows for the years ended 31 March 2016 and 2017, and the presentation and disclosure thereof in the consolidated financial statements.

Report on Other Matters under sections 407(2) and 407(3) of the Hong Kong Companies Ordinance

In respect alone of the inability to obtain sufficient appropriate audit evidence as described in the Bases for Disclaimer of Opinion section of our report above:

- we were unable to determine whether adequate accounting records had been kept; and
- we have not obtained all the information or explanations that, to the best of our knowledge and belief, are necessary and material for the purpose of the audit.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING RESULTS

The financial results of the Group for the year ended 31 March 2017 were highlighted as follows:

- Revenue during the year ended 31 March 2017 was HK$299.3 million, representing an increase of approximately 157.2% from HK$116.4 million in 2015/2016. The increase was mainly attributable to (i) increase in income from money lending segment due to increase in number of borrowers and the expansion of lending ability of the Group; and (ii) full year of operation and revenue recognition of trading segment during the year 2016/2017, as compared with partial year of operation in 2015/2016 as our trading business only commenced in June 2015.

- Gross profit amounted to HK$28.0 million during the year ended 31 March 2017, representing an increase of 66.6% from HK$16.8 million in 2015/2016. Gross profit margin was 9.4% in the current year, while the gross profit margin was 14.4% in 2015/2016. Gross profit margin was a weighted average figure of all active operating segments. Money lending segment, which with high gross profit margin, was the main contributor of gross profit during the year ended 31 March 2017. The overall margin was diluted, especially by the trading segment where the gross profit margin was relatively thin.

- Loss of the Group for the year ended 31 March 2017 increased to HK$199.1 million, as compared to HK$42.4 million in 2015/2016. The increase in loss was due to the loss on de-consolidation of subsidiaries and impairment loss of amount due from De-consolidated Subsidiaries.

For the detailed financial results of each operating segment, please refer to the note 3 of the notes to the consolidated financial statements.

FINAL DIVIDEND

The Board did not propose a final dividend.

BUSINESS REVIEW

During the year, the Group's operations involved in three identifiable business segments namely the mining operations segment, the money lending segment and the trading segment. The mining operations segment, of which the segment was deconsolidated during the year, refers to the exploration and exploitation of mineral resources in China conducted by Jun Qiao Limited and its subsidiaries (the "Jun Qiao Group"). The money lending segment refers to the money lending business engaged in Hong Kong by Ban Loong Finance Company Limited ("Ban Loong Finance"), a wholly-owned subsidiary of the Company which is a licensed money lender in Hong Kong. The trading segment refers to the trading of goods and commodities in China by Wan Long Xing Ye Commercial Trading (Shenzhen) Limited (萬隆興業商貿(深圳)有限公司) ("Wan Long Xing Ye"), a wholly-owned subsidiary of the Company.

During the year, the Group had discontinued and ceased the business operation of the financial quotation segment conducted by Choudary Group.

The Mining Operations Segment

The mining operations of the Group is owned by Jun Qiao Limited (晉翹有限公司) ("Jun Qiao", a company incorporated in the British Virgin Islands with limited liability and a 60%-owned subsidiary of the Company. Jun Qiao owns 100% of the issued share capital of Xing Hua Yuan Investment Group Limited (興華源投資集團有限公司) ("Xing Hua Yuan", a limited liability company in Hong Kong), which in turn owns 90% of the equity interest in Jinfuyuan Mining, a sino-foreign equity joint venture established in the PRC, which in turn owns 90% of the equity interest in Yin Di Mining, a limited liability company established in the PRC. Yin Di Mining owns (a) the other 10% equity interest in Jinfuyuan Mining; (b) a mining license covering Yin Di Mining Area (銀地礦區) with an area of approximately 1.81 square kilometers situated at Tongbai County, Henan Province, the PRC; and (c) 95% of the equity interest in Xin Jiang Yuan Mining, a limited liability company established in the PRC, which in turn owns an exploration license which covers Hu Lei Si De Mining Area (呼勒斯德礦區) with an area of approximately 29.12 square kilometers situated at Ji Tai County (奇台縣), Xinjiang Uygur Autonomous Region (新疆維吾爾自治區), the PRC.

On 13 January 2017, the Company was informed by the management of its indirect subsidiary, Yin Di Mining, that it has received a copy of a civil ruling numbered (2017) Yu 1330 Min Chu No. 92 and dated 9 January 2017 (the "First Civil Ruling") issued by Tong Bai County People's Court ("Tong Bai Court") upon the asset-preserving application by Mr. Wang Huaqing (王華清) and Mr. Huang Suiyun (黃隨雲) on 9 January 2017 in respect of an alleged contractual dispute involving Yin Di Mining. Pursuant to the First Civil Ruling, it was ordered (inter alia) by Tong Bai Court that:

1. The entire equity holding of Yin Di Mining be frozen and all transfer procedures involving the entire equity holding of Yin Di Mining be suspended with effect from 9 January 2017 to 8 January 2018;

2. The mining license numbered C4100002014053220134362 (the "Mining License") owned by Yin Di Mining be frozen and all transfer procedures involving the said Mining License be suspended with effect from 9 January 2017 to 8 January 2018; and

3. Yin Di Mining shall not sell, pledge, charge or create encumbrance of any nature over the said frozen assets.

Upon searches of public records following the revelation of the First Civil Ruling on 13 January 2017, the Company was given to understand that the Second Civil Judgment was issued by Zhengzhou Court in respect of the civil action filed by Henan Guiyuan with Zhengzhou Court on 6 May 2016 relating to an alleged equity transfer dispute involving the equity of Yin Di Mining owned by Jinfuyuan Mining.

Henan Guiyuan requested Zhengzhou Court to order (inter alia) that: (a) the Equity Transfer Agreement be terminated and that all the equity holding in Yin Di Mining held by Jinfuyuan Mining be re-transferred to Henan Guiyuan; (b) loss and damages for breach of contract in the amount of RMB5,000,000 be awarded; and (c) costs to be borne by Jinfuyuan Mining.

Pursuant to the Second Civil Judgment, it was ordered (inter alia) by Zhengzhou Court that:

1. The Equity Transfer Agreement be terminated;

2. All equity holding of Yin Di Mining held by Jinfuyuan Mining be re-transferred to Henan Guiyuan;

3. Damages of RMB500,000 be awarded to Henan Guiyuan; and

4. Costs of RMB211,800 be borne by Jinfuyuan Mining.

Upon searches of public records conducted by the Group's legal advisers, the Company was given to understand that the Enforcement Order was issued by the Zhengzhou Court ordering Jinfuyuan Mining to transfer the entire equity holding in Yin Di Mining to Henan Guiyuan.

According to public record searches conducted by the Company and its legal advisers on the official web site of National Enterprise Credit Information Publicity System operated by the State Administration for Industry and Commerce of the PRC, the 90% equity of Yin Di Mining held by Jinfuyuan Mining was purportedly transferred to Henan Guiyuan on 17 January 2017 (the "Purported Transfer"). Due to the obstacles faced by the Group in exercising control over and gathering information and documents regarding the Mining Segment, the Group regards that it has lost control over the entire operations of the Mining Segment and all the mining assets held by Jun Qiao Group, including mining structure and plant and equipment, prepaid lease payment, mining right and reserves and exploration right, and prepayments for exploration and evaluation activities (the "Mining Assets") since then.

For the year ended 31 March 2017, Yin Di Mining ceased to consolidate into the consolidated financial statements of the Group since 1 April 2016 due to the obstructions faced by the Group in exercising control over, and gathering information and documents regarding, Yin Di Mining, which cause the Group to regard that it has lost control over the entire operations of all Mining Assets. No results of Yin Di Mining were consolidated to the Group and loss on de-consolidation of subsidiaries of HK$115.8 million was recognized for the year ended 31 March 2017.

It appears to the Company that certain individuals might have falsely held themselves out to have authority from Jinfuyuan Mining and produced fraudulent documents to the Zhengzhou Court during the course of the Litigation in an attempt to reverse the Equity Transfer Agreement and to cause the equity holding in Yin Di Mining to be transferred to Henan Guiyuan without the knowledge of the Company, Yin Di Mining and Jinfuyuan Mining.

The Group commenced civil actions seeking to recover the 90% equity of Yin Di Mining, and filed criminal complaints against any person(s)/entity(ies) who are suspected to have conducted unlawful activities in relation to the Purported Transfer. The Group has also filed criminal complaints with the relevant PRC law enforcement authorities about suspected conspiracy of fraud, false litigation and suspected use of forged documents during the course of the Litigations. The criminal case was accepted by the Public Security Bureau on 26 January 2017. Moreover, the Group has commenced civil retrial procedures with the Henan Higher People's court to overturn the Zhengzhou Court's judgment in relation to the Second Civil Judgment and Enforcement Order in March 2017. Based on the legal advice currently obtained by the Group, the Group should have sufficient evidential bases to successfully overturn the judgments made by the Zhengzhou Court and to recover the Mining Assets.

Due to the uncertainty of the conditions and situations of Yin Di Mining, the operating lease contract with Henan Heng Yi Mining Company Limited (the "Leasee") (the "Operating Lease Contract") was terminated since January 2017.

The Money Lending Segment

Ban Loong Finance is a money lender licensed to carry out money lending business in Hong Kong. Its business primarily focuses in the area of short-term personal and corporate loans. As restricted by the available financial resources of the Group, Ban Loong Finance does not conduct business in retail level. Potential borrowers were sought from the social and business networks of the management and marketing team. To safeguard assets of the Group, the management and credit control team will review and assess the credit risk of each loan application carefully to ensure recoverability of each lending. The management will then conduct background check on borrowers, including, where necessary, obtaining credit reports issued by independent credit rating agent and examining borrowers' assets backing. Depending on the result of the cost and benefit analysis, Ban Loong Finance may request loan applicants to provide adequate security and/or guarantee before approving a loan application. Generally speaking, borrowers would be requested to pay interest monthly, in order to facilitate the management's continual monitoring of the financial stability of borrowers.

During the year ended 31 March 2017, the business performance of the money lending segment was summarised below:

– Aggregate amount of lending	HK$255.0million (2016: HK$146.6 million)
– Total number of lending	27 (2016:13)
– Range of effective annual percentage rate ("APR")	10.0%-42.6% (2016: 10.0%-42.6%)
– Weighted average APR	16.6% (2016: 19.0%)

During the year ended 31 March 2017, revenue generated from the segment, contributed essentially by interest received and accrued, increased from approximately HK$12.0 million in 2015/2016 to approximately HK$25.6 million.

Trading Segment

Wan Long Xing Ye carried out trading of goods and commodities business in China. During the year ended 31 March 2017, Wan Long Xing Ye mainly engaged in the trading of refined edible oil (2015/2016: refined edible oil and stainless steel coil). The trading of stainless steel coil was ceased during the year 2016/2017. During the year ended 31 March 2017, trading revenue amounted to approximately HK$273.7 million (2015/2016: HK$100.5 million), whereas trading of 40,747 tonnages (2015/2016: 1,088.69 tonnages) of refined edible oil and no stainless steel coil (2015/2016: 15,301.61 tonnages) were completed.

Discontinued Operation – The Financial Quotation Services Segment

During the year, the Group had discontinued the financial quotation services segment conducted by Choudary Group. The segment used to provide financial quotation services and develop wireless applications. The financial quotation services segment had performed unsatisfactorily since around 2012. Despite the efforts of the Company's management, no improvement was seen in the business performance of the Choudary Group. To minimize the ongoing loss, the management considered that the operation of this segment be discontinued.

On 24 January 2017, the Company and Mr. Zhou Zhichang (the "Purchaser") entered into a sale and purchase agreement (the "Sale and Purchase Agreement") pursuant to which the Company conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, 51% of the issued share capital of the Choudary Group, at a consideration of HK$1.75 million. The disposal was completed and the consideration fully received by the Company on 24 January 2017.

The loss for the year amounted to approximately HK$2.4 million was essentially arrived at by deducting from the gross profit of approximately HK$7.2 million by the staff related cost and rental of approximately HK$7.4 million and HK$1.1 million, respectively.

SELLING AND DISTRIBUTION EXPENSES

The Group did not incur any selling and distribution expenses during the year ended 31 March 2017 (2015/2016: HK$0.2 million).

GENERAL AND ADMINISTRATIVE EXPENSES

During the year ended 31 March 2017, the Group's general and administrative expenses (which mainly comprises legal and professional fees, salaries, directors' fees and office rentals) amounted to approximately HK$24.9 million (2015/2016: HK$30.4 million), which were 18.3% lower than that in 2015/2016 mainly because of the deconsolidation of Yin Di Mining during the year.

FINANCE COSTS

Finance costs decreased by 2.3% from HK$4.8 million to HK$4.7 million. The finance costs were mainly due to interest incurred on bonds and convertible bonds issued in previous years.

INCOME TAX EXPENSES

During the year ended 31 March 2017, income tax expenses amounted to HK$2.7 million (2015/2016: HK$0.9 million) were incurred. The increase in the income tax expenses was mainly because of the significant increase of profit generated from the money lending segment during the year.

LOSS PER SHARE

During the year ended 31 March 2017, the basic and diluted loss per share from continuing operations amounted to 6.04 HK cents, which is 4.59 HK cents more than the basic and diluted loss per share from continuing operations of 1.45 HK cents in 2015/2016.

INTANGIBLE ASSETS

The Group's intangible assets of HK$305.1 million as at 31 March 2016 represented the mining right and reserves and exploration right resulted from the acquisition of Jun Qiao Group in the prior years. All the intangible assets were derecognized during the year ended 31 March 2017 after the deconsolidation of Yin Di Mining.

TRADE RECEIVABLES

The Group's trade receivables as at 31 March 2017 amounted to approximately HK$10.4 million which represented an increase of approximately HK$8.5 million as comparing with the trade receivables of approximately HK$1.9 million as at 31 March 2016. The change was mainly contributed by the increase in revenue in the trading segment that occurred near the year end. The management did not foresee any recoverability problem as most of the amount has been settled as at the announcement date. The management will constantly review the ageing and credit standing of customers to ensure trade receivables can be fully recovered.

OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

The breakdown of other receivables, deposits and prepayments were as follows:

	31 March 2017	31 March 2016
	HK$	*HK$*
Other receivables	**67,509,817**	21,103,996
Deposits	**903,615**	2,777,515
Prepayment	**31,173,560**	10,674,801
	99,586,992	34,556,312

The increase in the overall balance was due to some short-term interest-free advances to certain independent third parties and staff amounted to HK$62,261,126 (31 March 2016: HK$20,838,119). Included in advances to independent third parties is HK$67,365,271 which was fully recovered subsequent to the end of the reporting period. The remaining balances were not material to the Group.

DEFERRED TAX LIABILITIES

As at 31 March 2017, deferred tax liabilities attributable to Jun Qiao, mainly on the increase in fair value of intangible assets in accordance with the relevant accounting principle, of HK$73.4 million were all credited to the profit and loss due to the derecognition of the related intangible assets during the year ended 31 March 2017.

FINANCIAL POSITION

The Group's consolidated statement of financial position remained solid. Shareholders' equity increased from HK$326.2 million to HK$344.7 million. Total assets decreased by 23.7% to HK$460.9 million mainly due to the derecognition of the Mining Assets after the deconsolidation of Yin Di Mining. Net assets decreased by 20.7% to HK$344.3 million was primarily due to the issue of new shares upon placing/conversion of the convertible bonds/ rights issue and the loss incurred during the year.

As disclosed in the Company's Interim Report 2016/2017, as at 30 September 2016, the Group had outstanding Bonds. The repayment obligations of the Company under the instruments of the Bonds is guaranteed by Jun Qiao. Under the terms of the subscription agreements in relation to the Bonds, to the extent which is legally permissible, the Company and Jun Qiao undertook to continue to maintain its interests in the Mining Assets and not to dispose of, transfer or sell any of the Mining Assets until the maturity of the Bonds, unless the consent of the majority of the bondholders is obtained. The Company will be advised by its legal advisers in upholding its right in matters relating to the incidents arising from the First Civil Ruling, the Second Civil Judgment, the Enforcement Order and the Bonds.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2017, the Group's cash and cash equivalents amounted to HK$114.3 million (31 March 2016: HK$62.7 million).

As at 31 March 2017, the Group had outstanding unsecured 5.5% per-annum 7-years (due between January and July 2021) Bonds with aggregate principal sum of HK$70 million. Under the terms of the subscription agreements in relation to the Bonds, to the extent which is legally permissible, the Company undertook to continue to maintain its interests in the Mining Assets and not to dispose of, transfer or sell any of the Mining Assets until the maturity of the Bonds, unless the consent of the majority of the bondholders is obtained.

During the year ended 31 March 2017, due to the obstructions faced by the Company in exercising control over, and gathering information and documents regarding, the Deconsolidated Subsidiaries, the Company regards that it has lost control over the Deconsolidated Subsidiaries. The Company will be advised by its legal advisers in upholding its right in matters relating to the incidents arising from the First Civil Ruling, the Second Civil Judgment, the Enforcement Order and the Bonds.

	As at 31 March 2017	As at 31 March 2016
Current ratio (current assets/current liabilities)	**3.9 times**	9.2 times
Gearing ratio (total liabilities/total assets)	**25%**	28%

The Group's liquidity remains healthy. Nevertheless, as the Company is still keen on looking for strategic investment to diversify its business operation, additional financing might be requested when suitable investment opportunity was identified. The management will assess and consider various possible fund raising alternatives to strengthen the capital base and financial position of the Company and to make sure that the Company will have sufficient working capital to support its future operational and investment needs.

SHARE CAPITAL

As at 31 March 2017, the total number of issued ordinary shares of the Company was 4,540,126,800 shares (31 March 2016: 2,430,553,200 shares).

Increase in Authorised Share Capital

At the annual general meeting of the Company held on 29 September 2016, an ordinary resolution was passed for the increase of the authorized share capital of the Company and the authorised share capital the Company has been increased from HK$60,000,000.00 divided into 6,000,000,000 Shares to HK$200,000,000.00 divided into 20,000,000,000 Shares by the creation of additional 14,000,000,000 Shares, which rank pari passu in all respects with each other.

The increase of authorised share capital can provide the Company with more flexibility for fund raising by allotting and issuing new Shares in the future as and when appropriate.

ACTUAL USE OF PROCEEDS OF PAST EQUITY FUND-RAISING ACTIVITIES

(1) Share placing announced on 19 January 2017

On 19 January 2017, the Company announced a placing of shares ("January 2017 Placing"), on best effort basis, for a maximum of 534,132,000 shares at a price of HK$0.11 per Share under the general mandate granted to the Directors at the annual general meeting of the Company held on 29 September 2016. The January 2017 Placing was completed on 1 February 2017 whereby a total of 534,132,000 placing shares have been successfully placed. The net proceeds raised in the January 2017 Placing were approximately HK$57.14 million, which was originally intended to be used for the repayment of part of the Bonds. The Company wishes to update shareholders and the investing public that due to ongoing negotiation with the representatives of the holders of the Bonds, the net proceeds of the January 2017 Placing were temporarily applied to short-term or repayable-on-demand loans to the Group's customers by way of treasury management. The Company is of the view that such short term treasury management of the net proceeds will be able to generate interest income to offset the possible continual accruing of interest expenses on the Bonds.

(2) Rights issue announced on 14 November 2016

On 14 November 2016, the Company announced a rights issue ("2016 Rights Issue") of 1,335,331,600 shares at the subscription price of HK$0.11 per share on the basis of one rights share for every two existing shares, which became unconditional on 28 December 2016. The net proceeds raised in the 2016 Rights Issue were approximately HK$142.7 million, which was originally intended to be used: (a) as to approximately HK$55 million for the development of the Group's money lending business; (b) as to approximately HK$50 million for the development of the Group's trading business; and (c) as to approximately HK$37.7 million for general working capital of the Group. The Company wishes to update shareholders and the investing public that the net proceeds of the 2016 Rights Issue were actually used: (a) as to HK$70 million for the provision of a loan to Queensway Asia Limited (as part of the Group's money lending business), as disclosed by the Company on 12 December 2016 and 12 January 2017; (b) as to HK$40 million for the capital injection into Wan Long Xing Ye Commercial Trading (Shenzhen) Limited (as part of the Group's trading business); (c) as to HK$3 million for the establishment of a new investment entity in Hong Kong engaging in trading, marketing and supply-chain management, as disclosed by the Company on 12 December 2016; and (d) as to approximately HK$29.7 million, of which (i) HK$12.9 million was set aside for the repayment of the Bonds, if and required to do so; and (ii) HK$16.8 million was left for general working capital, of which HK$12.3 million was set aside for payment of operating expenses and was all used as original intention during the period from December 2016, after the completion of the 2016 Rights Issue, to 31 May 2017 (including salaries and remuneration of HK$4.0 million, bond interest of HK$1.9 million, rental expenses of HK$1.6 million and other operating expenses of HK$4.8 million); and HK$4.5 million was set aside for the settlement of professional fee (such as legal fees in Hong Kong and China, audit fee and printing costs). The actual uses of proceeds are largely consistent with the intended uses, but were slightly adjusted to fit the actual funding needs of the Group's money lending and trading businesses and the Group's staff costs and overheads incurred from time to time.

(3) Share placing announced on 6 June 2016

On 6 June 2016, the Company announced a placing of shares ("June 2016 Placing"), on best effort basis, for a maximum of 190,110,640 shares at a price of HK$0.09 per Share under the general mandate granted to the Directors at the annual general meeting of the Company held on 30 September 2015. The June 2016 Placing was completed on 15 June 2016 whereby a total of 190,110,000 placing shares have been successfully placed. The net proceeds raised in the June 2016 Placing were approximately HK$16.60 million, which was originally intended to be used for financing the Group's money lending business. The Company wishes to update shareholders and the investing public that the net proceeds of the June 2016 Placing were actually used as intended.

(4) Convertible bond placing announced on 19 February 2016

On 19 February 2016, the Company announced a placing of convertible bonds ("February 2016 CB Placing"), on best effort basis, with a principal amount of up to HK$52,800,000 carrying rights to convert to Shares at the conversion price of HK$0.12 per Share under the general mandate granted to the Directors at the annual general meeting held on 30 September 2015. The February 2016 CB Placing was completed on 4 March 2016 whereby convertible bonds with an aggregate principal amount of HK$30,000,000 have been successfully placed. The net proceeds raised in the February 2016 CB Placing were approximately HK$29.35 million, which was originally intended to be used for financing the Group's money lending business. The Company wishes to update shareholders and the investing public that the net proceeds of the 2016 Rights Issue were actually used: (a) as to approximately HK$26 million for financing the Group's money lending business and (b) as to approximately HK$3.35 million used for working capital (comprising mostly staff costs and office overheads). The actual uses of proceeds are largely consistent with the intended uses, but were slightly adjusted to cater for the Group's staff costs and overheads incurred from time to time.

EVENTS AFTER THE REPORTING PERIOD

There were no significant events that have occurred subsequent to the end of the reporting period.

PLEDGE OF ASSETS

As at 31 March 2017, no assets of the Group were pledged to secure general banking facilities granted to the Group.

CAPITAL COMMITMENTS

As at 31 March 2017, the Group had no material capital commitments.

CONTINGENT LIABILITIES

As at 31 March 2017, the Group had no material contingent liabilities.

FOREIGN EXCHANGE EXPOSURE

Most of the operations and trading transaction, assets and liabilities of the Group were denominated in Hong Kong dollar and Renminbi. During the year ended 31 March 2017, the Group had an insignificance amount of exchange difference.

The Group adopted a conservative treasury policy, with most of the bank deposits being kept in Hong Kong dollars and Renminbi, to minimize exposure to foreign exchange risks. As at the year end and during the year, the Group had no foreign exchange contracts, interest or currency swaps, or other financial derivatives for hedging purposes.

COMMODITY PRICE RISK

The price of the Group's products of the mining operations is influenced by international and domestic market prices and changes in global supply and demand for such products. Price volatility of metals is also affected by the global and the PRC economic cycles as well as the fluctuations of the global currency market. Both the international and domestic market price of metals as well as the volatility of their supply and demand are beyond the control of the Company. Therefore, the volatility of commodity price may affect the revenue from the Group's mining operation and thus the comprehensive income of the Group. The Group did not engage in nor enter into any trading contracts and price arrangements to hedge the risk of volatility of metals prices.

EMPLOYEE REMUNERATION POLICY

As at 31 March 2017, the Group had 25 employees (31 March 2016: 63 employees). Total salaries, commissions, incentives and all other staff related costs incurred for the year ended 31 March 2017 amounted to approximately to HK$15.2 million (31 March 2016: HK$21.4 million). Our remuneration policies are in line with prevailing market practices and formulated on the basis of the performance and experience of individual employees. Apart from basic salaries, other staff benefits included provident funds, life insurance and medical assistance benefit. The Company may also grant share options to eligible employees to motivate their performance and contribution to the Group.

PROSPECTS

The Mining Operations

During the year ended 31 March 2017, due to the obstructions faced by the Company in exercising control over, and gathering information and documents regarding, the De-consolidated Subsidiaries, the Company regards that it has lost control over the De-consolidated Subsidiaries. The Company commenced civil actions seeking to recover the 90% equity of Yin Di Mining, and filed criminal complaints against any person(s)/entity(ies) who are suspected to have conducted unlawful activities in relation to the Purported Transfer. Based on the legal advice currently obtained by the Group, the Group should have sufficient evidential bases to successfully overturn the judgments made by the Zhengzhou Court.

Before the de-consolidation, the scale of the Group's mining operations is considered small and limited. The Group can only be a market follower, and has no influence on the market price and sales of ores and ores concentrates in the local market. The segmental results of the mining operations segment of the Group had not been performing well in the past few years.

The Company will be advised by its legal advisers in upholding its right in matters relating to the incidents arising from the First Civil Ruling, the Second Civil Judgment and the Enforcement Order.

Money Lending Business

During and subsequent to the year ended 31 March 2017, the Group has made several short-term loans to customers. These customers are mainly corporations or individuals who either have stable business track records or reasonable asset backing, with careful assessment by the Group on the cost and benefit analysis by comparing the rate of return and the risk exposure. Depending on risk assessment, the Group may request customers to provide adequate guarantees before releasing the loans. The management considered the potential of the segment was high and the segment could help to provide a constant cash inflow to the Group. The Group has planned for an increase of overall loan portfolio size to achieve better economy of scale and efficiency optimisation.

The Group is also considering to expand its money lending business into the PRC micro-lending market, where opportunities arise from the related policies support and guidance from the General Office of the State Council of the People's Republic of China.

The management expected the money lending segment will remain as one of the major revenue and profit contributors of the Group in the coming years.

Trading Segment

Wan Loong Xing Ye is the flagship company of the Group in the PRC which engages in the domestic trading of goods and commodities in the PRC. At present, it trades mainly refined edible oil. The Group intends to further broaden the categories of goods involved in the trading business so as to minimise the concentration risk in trading a particular type of goods.

The management has planned to broaden the categories of goods traded and increase the size of trading volume with a view to achieving economy of scale and improving the gross profit margin. The segment is expecting to remain as the main revenue contributor of the Group in the coming years.

As disclosed in the Company's announcement dated 23 February 2017, the Company entered into a joint venture agreement (the "JV Agreement") with 雲南白藥清逸堂實業有限公司 (Yunnan Baiyao Qingyitang Industry Co., Ltd.) ("Yunnan Baiyao Qingyitang") in relation to the establishment of a joint venture company (the "JV Company") to cooperate on the market development of Yunnan Baiyao Qingyitang's products and other personal care products in Asean countries. The JV Company will be owned as to 60% by the Company and 40% by Yunnan Baiyao Qingyitang. The initial size of investment of the JV Company will be RMB2 million (approximately HK$2.3 million).

Yunnan Baiyao Qingyitang is a limited liability company established in the People's Republic of China (the "PRC") which is principally engaged in the manufacture and sale of personal care products and other household products. Yunnan Baiyao Qingyitang is a 40% owned subsidiary of 雲南白藥集團股份有限公司 (Yunnan Baiyao Group Co., Ltd.) ("Yunnan Baiyao Group"). Yunnan Baiyao Group is a joint stock limited liability company established in the PRC whose A shares are listed on the Shenzhen Stock Exchange with stock code: 000538.

The management considers the entering into of the JV Agreement is consistent with the Group's strategy to diversify the product range of its trading business. Under China's initiative of "One Belt One Road", the Company is optimistic with the cooperation with Yunnan Baiyao Group in the joint development of the personal care products market in Asean countries.

The JV Company has not yet commenced business up to the date of this announcement.

Other

The management always believes that it is in the best interest of the Company and the shareholders to diversify the Group's business portfolio. The Company will continue to identify appropriate potential investment opportunities.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Group had in the year under review complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of 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 deviation:

Code Provision A.2.1

Under the code provision A.2.1, the roles of chairman and chief executive should be separate and should not be performed by the same individual. From 23 January 2017 onwards, the roles of chairman and chief executive of the Company were performed by Mr. Chow Wang.

The Board considers that vesting the roles of chairman of the Board and chief executive of the Company in the same individual is beneficial to the business prospects and management of the Company. The Board will nevertheless review this structure from time to time and will consider the segregation of the two roles at the appropriate time.

Code Provision A.4.1

Under the code provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. All non-executive directors of the Company were not appointed for a specific term, but every director of the Company will be subject to retirement no later than the third annual general meeting after his election, under the Company's Bye-Laws. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are not less exacting than those in the Code.

Code Provision A.6.7

Code Provision A.6.7 stipulates that independent non-executive directors ("INEDs") and other non-executive directors ("NEDs") should attend general meeting. Out of three INEDs of the Company, only one INED attended the annual general meeting of the Company held on 29 September 2016 (the "2016 AGM") and two INEDs and one NED were unable to attend the 2016 AGM due to other business engagement.

SHARE OPTION SCHEME

The new share option scheme of the Company was adopted on 30 September 2013 (the "New Option Scheme"). Pursuant to the New Option Scheme, the Directors are authorized to grant options to any executive or non-executive directors, any executives and employees and those persons who have contributed or will contribute to the Group as incentive schemes and rewards. Apart from the New Option Scheme, the Company did not have any other share option scheme.

During the period under review, no options were granted or exercised under the New Option Scheme.

BOARD DIVERSITY POLICY

With an aim to achieve diversity on the Board of the Company, the Board has approved and adopted a Board Diversity Policy (the "Policy") and revision to the terms of reference of the Nomination Committee of the Board to ensure the appropriate implementation of the Policy. The Policy was made with a view to achieving a sustainable and balanced development of the Company, of which, among others, all Board appointments will be based on meritocracy, and candidates will be considered against appropriate criteria, having due regard for the benefits of diversity on the Board.

The Company commits to selecting the best person for the role. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural background and ethnicity, in addition to educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Board's composition (including gender, age, length of service) will be disclosed in the Corporate Governance Report annually.

The Nomination Committee will report annually, in the Corporate Governance Report, on the Board's composition under diversified perspectives, and monitor the implementation of this Policy.

The Nomination Committee will review this Policy, as appropriate, to ensure the effectiveness of this Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its own code of Conduct regarding securities transactions by the directors of the Company. All Directors have confirmed that they fully complied with the Model Code during the period under review.

AUDIT COMMITTEE AND REVIEW OF ACCOUNTS

The Audit Committee has been set up by the Board with specific terms of reference, comprising three independent non-executive directors, namely, Mr. Jiang Zhi, Mr. Leung Ka Kui, Johnny and Ms. Wong Chui San, Susan *(Chairman)* have reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal control, risk management and financial reporting matters including the review of the audited accounts for the year ended 31 March 2017. The Audit Committee has reviewed the audited financial results of the Group for the year ended 31 March 2017.

NOMINATION COMMITTEE

The Nomination Committee has been established on 29 March 2012 with specific terms of reference for the purpose of reviewing the Board composition, advising the Board on the appointment and succession planning of Directors and assessing the independence of Independent Non-executive Directors. The Nomination Committee consists of two executive directors, namely, Mr. Chow Wang *(Chairman)* and Mr. Chu Ka Wa and three independent non-executive directors, namely, Mr. Jiang Zhi, Mr. Leung Ka Kui, Johnny and Ms. Wong Chui San, Susan.

REMUNERATION COMMITTEE

The Remuneration Committee has been set up by the Board with specific terms of reference for the purpose of reviewing the remuneration of Directors and the remuneration policies of the Group. Currently, the Remuneration Committee consists of two executive directors, namely, Mr. Chow Wang and Mr. Chu Ka Wa and three independent non-executive directors, namely, Mr. Jiang Zhi, Mr. Leung Ka Kui, Johnny *(Chairman)* and Ms. Wong Chui San, Susan.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the full set of Model Code set out in Appendix 10 of the Listing Rules as the code of conduct regarding directors' securities transactions (the "Model Code"). The prohibitions on securities dealing and disclosure requirements in the Model Code apply to specified individuals including the Group's senior management and also persons who are privy to price sensitive information of the Group. Having made specific enquiry of all directors, the Board confirms that the Directors of the Company have complied with the Model Code regarding directors' securities transactions during the year and up to the date of publication of this announcement.

PUBLICATION OF FINANCIAL INFORMATION

This result announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.0030hk.com). The Company's annual report for 2016/17 will be dispatched to the shareholders of the Company and available on the above websites in due course.

By Order of the Board of
Ban Loong Holdings Limited
Chow Wang
Chairman & Chief Executive Officer

Hong Kong, 28 June 2017

As at the date of this announcement, the Board of the Company comprises:

Executive Directors:
Mr. Chow Wang *(Chairman & Chief Executive Officer)*
Mr. Chu Ka Wa *(Chief Financial Officer)*
Mr. Wang Zhaoqing *(Chief Operating Officer)*

Non-Executive Director:
Mr. Fong For

Independent Non-executive Directors:
Mr. Jiang Zhi
Mr. Leung Ka Kui, Johnny
Ms. Wong Chui San, Susan