2014 Annual Report

WEALTH GLORY HOLDINGS LIMITED
富 譽 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 8269

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This report, for which the directors (the "Directors") of Wealth Glory Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules (the "GEM Listing Rules") Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and (2) there are no other matters the omission of which would make any statement herein or this report misleading.

Contents

BOARD OF DIRECTORS

Executive Directors

Mr. Wong Ka Wah, Albert *(Chairman)*
Mr. Hong Sze Lung *(Chief Executive Officer)*

Non-executive Directors

Mr. Lau Wan Pui, Joseph
Mr. Law Chung Lam, Nelson
Mr. Kwong Yuk Lap

Independent Non-executive Directors

Mr. May Tai Keung, Nicholas
Mr. Tam Chak Chi
Mr. Chow Chi Fai

AUTHORISED REPRESENTATIVES

Mr. Wong Ka Wah, Albert

COMPLIANCE OFFICER

Mr. Wong Ka Wah, Albert
Mr. Lee Wai Ming

COMPANY SECRETARY

Mr. Lee Wai Ming

REGISTERED OFFICE

Cricket Square, Hutchins Drive,
P.O. Box 2681 Grand Cayman,
KY1-1111 Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

17/F., No. 8 Wyndham Street,
Central, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company (Cayman) Limited
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Grand Cayman KY1-1110,
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
18th Floor, Fook Lee Commercial Centre,
Town Place, 33 Lockhart Road,
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LEGAL ADVISER

Michael Li & Co.
19/F, Prosperity Tower
39 Queen's Road Central
Central, Hong Kong

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants

PRINCIPAL BANKERS

Industrial and Commercial Bank of China (Asia) Limited
DBS Bank (Hong Kong) Ltd.
China Citic Bank International Limited
Oversea-Chinese Banking Corporation Limited, Hong Kong Branch
Bank of China (Hong Kong) Limited

LISTING INFORMATION

The Stock Exchange of Hong Kong Limited
Ordinary shares (Stock Code: 8269)

COMPANY WEBSITE

www.lmfnoodle.com

Chairman's Statement

Dear Shareholders,

On behalf of the board of Directors (the "Board") of Wealth Glory Holdings Limited, I am pleased to present to you the annual results of the Group for the year ended 31 March 2014 (the "Current Financial Year").

The persistent downturn in the global economy further affect the Group's overall business in the Current Financial Year. Our noodle business recorded a significant drop of approximately 70% from previous year. The drop was caused by the decreasing demand in overseas customer orders which continued to diminish to a very low level. Overseas sales accounted for less than 10% of the sales of noodle as compared to previous year of over 80% of the turnover in this segment. On the other hand, the sales of noodle in mainland China experienced an encouraging growth which proved a correct move in previous year by reallocating resources in this segment from the oversea region towards the China region. However, coupled with the rises in raw material and labour costs, the Group's noodle business did not indicate any sign of turnaround from its loss status in the Current Financial Year although we are still prudently optimistic towards the noodle business in the near future.

To avoid the over-reliance on the diminishing noodle business, we started to diversify our business by tapping into the natural resources and commodities trading business in previous year through the acquisition of 33.3% equity interest in the coal trading business carried out by our associate group headed by Goldenbase Limited (together with its subsidiaries, the "Goldenbase Group"). We further acquired the iron ore trading business carried out by the then wholly-owned subsidiary, Digital Rainbow Holdings Limited (together with its subsidiaries, the "Digital Rainbow Group") in Current Financial Year. The Goldenbase Group has been trading coal products since October 2012 achieving a turnover of HK$265.8 million in the Current Financial Year and posted a modest operating profit of approximately HK$0.2 million. Unfortunately, due to, among others, the prolonged delay in executing the trading contracts signed by the Goldenbase Group and the drastic deterioration of the coal market condition, subsequent to the reporting date, the Goldenbase Group entered into settlement agreements with certain coal suppliers to terminate those relevant coal trading contracts with each of them. In light of the termination of the coal trading contracts, an impairment loss in respect of interest in the associate and share of losses of the associate of HK$35.4 million and HK$46.5 million respectively were recognized.

Despite the slowdown in the People's Republic of China's (the "PRC") overall economic growth last year, we believe that the continued urbanization and infrastructure projects commenced in 2013 will boost up the PRC domestic demand of natural resources like coal and steel to which the Group's trading products namely coal and iron ore will benefit. In the meantime, we have been exploring new businesses and other investment projects throughout the year. During the Current Financial Year, we signed a memorandum of understanding and subsequently, after the reporting date, an acquisition agreement to acquire 49% of the interest in a PRC company which operates a coal trading center, called "Southern Coal Trading Center" in Guizhou Province, the PRC. The other 51% interest in this PRC company is held by a subsidiary of a PRC conglomerate, AVIC International Holding Corporation. The coal trading center operates an electronic platform and aims to become a public investment platform providing standardized coal trading practice, trade financing solutions, logistic and storage solutions as well as provision of updated market information in relation to coal trading. The Board believes the participation of the Company in the interest of the coal trading center and the building up of such business relationship with such PRC giant corporation will have positive impact to the Group's future development across the region.

Subsequent to the reporting date, the Company also entered into a memorandum of understanding in respect of the possible acquisition of a coal mining company located in Liupenshui in Guizhou Province, the PRC. The Board believes the sluggish coal market condition provides a good opportunity for such investment at a lower cost than at a flourishing time and the acquisition will supplement our existing coal trading business as a result of a vertical integration.

The Board will continue to grasp any business and development opportunity to provide a sound return to our shareholders and the growth of the Group as a whole. Lastly, I would like to take this opportunity representing the Board to thank the management and all of our colleagues for their dedication and support to the Group in such challenging year. I would also like to express our sincere gratitude to our customers, suppliers and business partners for their continued support.

Wong Ka Wah, Albert
Chairman

Hong Kong, 25 June 2014

Management Discussion and Analysis

FINANCIAL REVIEW

For the year ended 31 March 2014, the Group achieved a consolidated revenue of HK$316.6 million (2013: 48.3 million), representing a growth by HK$268.3 million or an over-fivefold increase from 2013. The tremendous growth was brought about by the Group's commencement of the trading of natural resources and commodities in the year. A gross profit of approximately HK$4.7 million was recorded for the year ended 31 March 2014 (2013: HKHK7.9 million) with an overall profit margin of 1.5% (2013: 16.5%). The low overall profit margin was mainly attributed to the new natural resources and commodities trading business which posted a much lower gross profit margin rate due to the price transparency in the open markets.

Selling expenses for the year ended 31 March 2014 amounted to HK$1.4 million which was comparable to that in 2013 of HK$1.6 million despite of the increase in turnover.

Administrative expenses and other expenses (the "Operating Expenses") for the year amounted to HK$68.7 million as compared to HK$21.1 million in prior year. Excluding the major non-cash items in relation to amortization of other intangible assets, depreciation charges and share-based payments with an aggregate amount of HK$29.5 million (2013: HK$1.3 million), Operating Expenses would have amounted to HK$39.2 million (2013: HK$19.8 million) which represented a significant increase of HK$19.4 million as compared to prior year. Major increases included staff costs which accounted for approximately HK$5.5 million of the increase. Legal and professional fees incurred and consultancy services fees paid in connection with the acquisition related matters and various proposed fund raising activities accounted for approximately HK$6.3 million increase whereas office premises related costs accounted for another HK$1.5 million increase. Apart from the aforesaid non-cash items, there was an impairment of interest in an associate amounted to HK$35.4 million and share of its loss of HK$46.5 million being recognized in respect of the Group's interest in the coal trading business.

During the year ended 31 March 2014, the Group has issued corporate bonds for the purpose of financing business acquisition as well as working capital needs. Effective interests on these bonds charged to the profit and loss amounted to approximately HK$11.3 million (2013: Nil). Apart from those arising from corporate bonds, effective interests of HK$2.2 million (2013: Nil) was also recorded for a promissory note issued during the year as part of the consideration of acquiring the iron ore business.

Loss attributable to owners of the Company for the year amounted to approximately HK$159.4 million (2013: HK$13.9 million). With the exclusion of those non-cash impairment of interest in an associate, share of loss of an associate, the amortization of other intangible assets, share-based payments and the reversal of deferred tax etc., the Group would have recorded a loss attributable to owners of the Company of HK$51.6 million.

BUSINESS REVIEW

During the year ended 31 March 2014, the Group's business was organized in two segments namely (i) Packaged Food Segment; and (ii) Natural Resources and Commodities Segment.

Packaged Food Segment

Revenue generated from this segment represents the sale of noodles mainly in the mainland China. The diminishing demand from overseas purchase orders wipe out a major portion of the revenue in this segment leading to a plunge by nearly 70% of segment revenue from prior year of approximately HK$48.3 million to approximately HK$14.7 million in the current year. Although the escalating demand from mainland China has served as a mitigating cushion to the negative impact resulting from the drop in overseas purchase orders, the management is prudent towards the future of this segment.

Natural Resources and Commodities Segment

The Group's natural resources and commodities business segment has commenced operation in the second quarter and continued growing in the third and fourth quarters. During the year ended 31 March 2014, the Group was engaged in the trading of natural resources and commodities generating an aggregate revenue of approximately HK$302.0 million (2013: Nil).

Coal Trading Business

During the year ended 31 March 2014, the coal trading business was operated by an associate, Goldenbase Limited (together with its subsidiaries, the "Goldenbase Group"). The business was carried out under the coal trading license of its PRC co-operator pursuant to a Joint Cooperation Agreement entered into in 1 April 2012 for an initial term of 3 years. Since then, the Goldenbase Group encountered certain administrative delay from the relevant PRC tax authorities in carrying out its coal trading business with the coal operation license from its PRC co-operator. In the circumstances, the management of the Goldenbase Group decided to set up a new wholly-foreign owned enterprise (the "WFOE") in Qinghai Province, the PRC and it was originally expected that the same would be set up in or about September 2013, and thereafter, to arrange the WFOE to apply for a coal operation license in Qinghai Province, the PRC. It was originally expected by the management of the Goldenbase Group that the whole procedure can be completed in or about the third quarter of 2013.

In late November 2013, it was expected by the management of the Goldenbase Group that the establishment of the WFOE would be delayed to the end of January 2014, the reason of which, as was advised by the PRC legal adviser of the Goldenbase Group, was due to the then recent enactment of the revised "Coal Act" in the PRC. The management of Goldenbase Group was further advised by its PRC legal adviser that according to the revised "Coal Act", enterprises are no longer required to obtain any coal trading license for operation of coal trading business.

The Company was advised by the management of the Goldenbase Group that the WFOE obtained a business license (「營業執照」) and tax registration certificate (「稅務登記證」) on 15 December 2013 and 3 March 2014 respectively. Subsequently, part of the registered capital of the WFOE was paid up and a capital verification report (「驗資報告」) was issued on 25 March 2014 (with such capital verification report, the WFOE was able to apply for ordinary taxpayer qualification (「一般納稅人資格」) with its local tax bureau for issuing VAT invoices to its customers).

Termination of Coal Supply Agreements with Coal Suppliers

In early April 2014 the management of Goldenbase Group communicated to each of the coal suppliers under the coal supply agreements entered into among such coal suppliers and the Goldenbase Group prior to the date on which the Company acquired its interest in the Goldenbase Group for the purpose of reactivating the coal supply agreements. However, as informed by the management of the Goldenbase Group, the response from each of the coal suppliers was negative whom was of the view that it was unfair to reactivate the coal supply agreements given that the coal markets have been substantially deteriorated since May 2012 when such coal supply agreements were entered into. In early May 2014, each of the coal suppliers communicated their intention to terminate the coal supply agreements to the management of the Goldenbase Group. The Company was further advised by the management of the Goldenbase Group that, immediately following the above events, the Goldenbase Group had consulted its PRC legal adviser as to its legal position in the coal supply agreements, and was advised by its PRC legal adviser that each coal suppliers is entitled to rely on the grounds of changes in circumstances and has prospects of success to (a) apply to the PRC court for an order to terminate the coal supply agreements; or (b) resist the specific performance of the coal supply agreements, if an application was made by the Goldenbase Group.

Expiration of Coal Purchase Agreement with a Customer

There was a coal purchase agreement entered into between Goldenbase Group and a PRC customer prior to the date on which the Company acquired its interest in the Goldenbase Group. On or about 20 February 2014, when the coal purchase agreement was about to expire, the management of the Goldenbase Group communicated to the customer for a further extension of the coal purchase agreement. The customer indicated to the management of the Goldenbase Group that it was willing to extend the coal purchase agreement subject to certain amendments to be made on the provisions in the coal purchase agreement, including but not limited to the payment of the advance deposit as stipulated in the original coal purchase agreement, and it further proposed to postpone the negotiation of the extension of the coal purchase agreement until the WFOE has obtained all necessary approvals to issue VAT invoices. Thus, the coal purchase agreement expired on 28 February 2014.

The Company was further advised by the management of Goldenbase Group that as at the date of this report, as the WFOE is still in the course of changing its registered address to an economic & technological development zone in Xining City, Qinghai Province, the PRC for tax reason, the WFOE has not obtained the ordinary taxpayer qualification and has not commenced business operation.

In light of the prolonged delay in executing the coal supply agreements with the coal suppliers due to the inability to issue PRC tax invoices by the WFOE and the drastic deterioration of the coal product market condition of which relevant coal price in the current open market plunged over 30% since 2012 and after taking into consideration of a number of factors both from the commercial and legal perspectives, the management of the Goldenbase Group decided to enter into settlement agreements with these coal suppliers to terminate the original coal supply agreements (as supplemented by the subsequent supplemental agreements). Details of updates on coal trading business conducted by the Goldenbase Group was set out in the Company's announcement dated 13 June 2014.

Impairment Testing of Interest in an Associate

In view of the termination of the coal supply agreements with coal suppliers and the expiration of the coal purchase agreement with a customer of the Goldenbase Group, the Company engaged an independent valuer, Roma Appraisals Limited ("Roma Appraisal") to perform a business valuation of the associate group.

In determining the value in use of the investment, the Group, by making reference to the business valuation performed by Roma Appraisals, estimated the present value of the estimated future cash flows expected to arise from the operations of the associate and from its ultimate disposal, by using discount rate of 17% to discount the cash flow projections to net present values. A key assumption for the value in use calculation is the budgeted growth rate of 0%, which is determined based on management's estimation on the development of the associate in the trading of natural resources market. An impairment loss of HK$35,441,000 (2013: nil) has recognized to profit or loss during the year ended 31 March 2014.

Despite of the impairment recognized above, the Company was advised by the management of Goldenbase Group that, with its business connection, the management of Goldenbase Group has been vigorously liaising with other potential suppliers and customers in the coal industry and new trading contracts are signed and under negotiation. As such, the coal trading business of Goldenbase Group will be on-going. The Goldenbase Group also achieved a turnover of HK$265.8 million (2013: HK$3.0 million) and recorded an operating profit of HK$0.2 million (2013: loss of HK$1.3 million) for the year ended 31 March 2014.

Iron Ore Trading Business

On 6 September 2013, the Group has successfully acquired the entire equity interest in Digital Rainbow Holdings Limited. As detailed in the Company's circular dated 29 June 2013, the Digital Rainbow Group is engaged in the business of trading in magnetite sand concentrate. In relation to such business, the Digital Rainbow Group has separately entered into three legally binding offtake agreements (the "Supply Agreements") with three companies established in the Philippines (the "Suppliers"). Pursuant to the Supply Agreements, the Digital Rainbow Group secured the supply of an aggregate of not less than 23.5 million dry metric tonne ("DMT") magnetite sand concentrate (subject to (+/-) 10% fluctuation) from the Suppliers over the period from 1 March 2013 to 31 December 2018 extendable for one additional year to 31 December 2019 of which not less than aggregate of 5 million DMT magnetite sand concentrate will be supplied by the Suppliers. The Digital Rainbow Group also entered into a legally binding letter of intent with a state-owned enterprise of the PRC (the "Customer"), pursuant to which the Customer has agreed to buy an aggregate of not less than 23.5 million DMT magnetite sand concentrate (subject to (+/-) 10% fluctuation) over the period from 1 March 2013 to 31 December 2018 extendable for one additional year to 31 December 2019 on which not less than aggregate of 5 million DMT magnetite sand concentrate will be bought by the Customer (the "Purchase Schedule"). The Digital Rainbow Group has also managed to obtain pricing models with the Suppliers and the Customer separately so that the Digital Rainbow Group was able to secure a gross profit margin (excluding other expenses) of US$3 per DMT. Pursuant to the Purchase Schedule, 500,000 DMT magnetite sand concentrate will be purchased by the Customer from the Digital Rainbow Group by 31 December 2013.

On 29 November 2013, Digital Rainbow Group received a letter from the Customer notifying that it was unable to fulfill the Purchase Schedule of purchase of 500,000 DMT of magnetite sand concentrate by 31 December 2013 and requesting a postponement of the original Purchase Schedule. In view of the long-term business relationship with the Customer and after negotiating with the Suppliers, the Group agreed that the terms for the supply of magnetite sand concentrate to be supplied by the Group to the Customer and those for the supply of magnetite sand concentrate to be supplied by each of the three Suppliers to be revised from the period from 1 March 2013 to 31 December 2018 to the period from 1 March 2013 to 31 December 2019 and a supplemental letter of intent (the "Supplemental Letter of Intent") was entered into between the Group and the Customer on 15 January 2014 and three supplemental supply agreements (the "Supplemental Supply Agreements") were entered into between the Group and each of the three Suppliers respectively on 15 January 2014. Despite the amendments, the overall quantity of magnetite sand concentrate to be supplied by the Group remained unchanged. Nevertheless, the Group continued in negotiating with the Customer and the Suppliers as well as soliciting other potential supplier and customers with the objective to regain the deficit in trading volume arising from the revised trading schedules. The Group's iron ore trading activity was started subsequent to the reporting date. At the date of this report, purchase order together with letter of credit in relation to iron ore trading was received from the customer. Shipment of goods and other logistics are undergoing.

Other Natural Resources and Commodities Trading Business
During the year ended 31 March 2014, the Group started to engage in the trading of crude palm oil via its wholly-owned subsidiary, Grand Charm Commodities Limited and recorded a turnover of HK$293.5 million (2013: Nil). Although the profit margin from this product line was thin, there is positive contribution of HK$0.2 million (2013: Nil) being recorded from the trading of this product whereas, the underlining importance of engaging in such trading is the diversification of the products in the commodities trading business segment and widening the Group's business network and range of products in the field of commodities trading.

Financial Position

Net assets value of the Group as at 31 March 2014 amounted to HK$69.1 million compared to HK$147.7 million as at 31 March 2013. The drop was mainly due to the impairment of investment in an associate together with the Group's share of the associate's loss and the net loss of the Group of its own for the year.

The total non-current assets of the Group increased from HK$110.6 million as at 31 March 2013 to HK$172.1 million as at 31 March 2014. The rise was brought about by the acquisition of iron ore trading business which gave rise to the recognition of intangible assets of HK$112.4 million and goodwill of HK$29.7 million at the reporting date. The rise was partly offset by the impairment in value of interest in an associate amounted to HK$81.9 during the year.

Net current assets as at 31 March 2014 amounted to HK$18.9 million as compared to HK$37.0 million in prior year. The significant drop was caused by the inclusion in current liabilities the promissory note of HK$18.8 million which was to be repaid next year. The increase in prepayments and receivables depleted bank and cash balances from HK$31.5 million at 31 March 2013 to a balance of HK$18.9 million at 31 March 2014.

Non-current liabilities as at 31 March 2014 of HK$122.0 million (2013: Nil) included corporate bonds issued during the year as part of the consideration for acquiring the iron ore trading business as well as working capital needs. The aforementioned acquisition also gave rise to deferred tax liabilities upon recognition of intangible assets on acquisition.

Liquidity and Financial Resources

During the year ended 31 March 2014, the Group has net cash outflow in operating activities amounted to HK$44.9 million soaring from HK$4.9 million in prior year. The investing activities mainly related to the acquisition of iron ore trading business used up an aggregate of HK$92.8 million. These cash outflows were met by the issues of new shares and corporate bonds which provide an aggregate of HK$125.3 million cash inflow in the current year.

During the year ended 31 March 2014, the Group also issued corporate bonds of aggregate principal amount of HK$31.0 million (2013: Nil) to independent third parties. The bonds are unsecured, bearing effective interest ranging from 5% to 6.594% and with maturity dates ranging from 24 to 90 months and were all outstanding at 31 March 2014. The Group also has outstanding secured corporate bonds with principal value of HK$80.0 million (2013: Nil) which was issued for partial funding for the acquisition of iron ore business. The Group has obtained structured trade finance facilities from bank amounted to US$13.0 million (equivalent to approximately HK$101.4 million (2013: Nil)). The Group's gearing ratio as at 31 March 2014 was approximately 60% (2013: -27%). The Group defines gearing ratio as ratio of net debt over equity plus net debt in which net debt represents total of promissory note; bonds and other borrowings less cash and bank balances. The current ratio (ratio of current assets to current liabilities) of the Group as at 31 March 2014 was approximately 1.6 (2013: 9.2).

Financial Management Policy and Foreign Currency Risk

The Group's finance division manages the financial risks of the Group. One of the key objectives of the Group's treasury policy is to manage its exposure to fluctuations in foreign currency exchange rates. The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the respective Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group has assessed its foreign exchange rate risk exposure and has not entered into any foreign exchange hedging arrangement during the year and as at year end date. In any event, the Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Treasury Policies

The Group adopts a conservative approach towards its treasury policies. It strives to reduce exposure to credit risk by performing ongoing credit evaluations of the financial conditions of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

Contingent Liabilities and Pledge of Assets

As at 31 March 2014, the Group had no significant contingent liabilities and no charges on its assets (2013: Nil).

Commitments

As at 31 March 2014, the Group had no significant capital commitments. The operating lease commitments in respect of office premises, factory and office equipment of the Group amounted to HK$5.8 million (2013: HK$6.3 million).

Material Transactions

During the year, the Group entered into the following material transactions:

(a) On 3 May 2013, the Company entered into a conditional share placing agreement with a placing agent for the placing of up to an aggregate of 250,000,000 new ordinary shares at a placing price of the higher of (i) HK$0.20 per share; or (ii) the price per share which represented 30% discount of the average closing price per share as quoted on the Stock Exchange for the five trading days immediately prior to the date to be notified by the placing agent on which the placing price will be fixed for the purposes of the placing of shares. The share placing agreement was approved by the Company's shareholders at the extraordinary general meeting of the Company held on 25 July 2013. On 6 September 2013, the Company and the placing agent mutually agreed to terminate the share placing agreement. The Directors consider that the termination of the share placing agreement has no material adverse impact on the existing business and financial position of the Group.

(b) On 6 September 2013, the Group completed in acquiring the entire equity interest in Digital Rainbow Holdings Limited, a company to be engaged in the business of magnetite sand concentrate trading. The consideration of the acquisition was partially satisfied by the payment of cash of HK$85.0 million and the issue of promissory note in an amount of HK$23.0 million in favour of one of the vendors and the remaining satisfied by the issue of an aggregate of 193,000,000 ordinary shares of the Company to other vendors.

(c) On 17 January 2014, the Group entered into a non-legally binding memorandum of understanding with the relevant vendors in relation to the possible acquisition (the "Possible Acquisition") of the entire equity interests of Guangzhou Shouchuang Investment Limited (the "Target Company"), being a company established in the PRC with limited liability. On 6 January 2014, the Target Company entered into a share transfer agreement (the "Share Transfer Agreement") with Tianjin Bangchuang Investment Consultancy Limited ("Tianjin Bangchuang"), pursuant to which the Target Company has agreed to purchase and Tianjin Bangchuang has agreed to sell 49% equity interest in AVIC Southern Coal Trading Center Limited ("Project Company"), being a company incorporated in the PRC with limited liability and is principally engaged in the operation of a coal trading center in Guizhou Province, the PRC. Details of the Possible Acquisition were disclosed in the announcement of the Company dated 17 January 2014. On 1 April 2014, the Group entered into an acquisition agreement with the relevant vendors pursuant to which the Group conditionally agreed to acquire and the vendors conditionally agreed to dispose of the 100% equity interest in the Target Company, at an aggregate Consideration of RMB5,000,000 (equivalent to approximately HK$6,250,000). An arranger fee of HK$9,600,000 to be satisfied by the issue of 32,000,000 new shares of the Company will be payable to the arranger in connection with the Possible Acquisition upon completion. The acquisition has not yet completed at the date of this report.

(d) On 18 January 2014, the Company entered into the subscription agreement with a subscriber pursuant to which the Company has conditionally agreed to allot and issue and the subscriber has conditionally agreed to subscribe for a total of 58,824,000 shares in cash at the subscription price of HK$0.17 per share. The subscription was subsequently completed on 29 January 2014. The net proceeds from the subscription, after deducting related expenses, amounted to approximately HK$9.9 million. The net proceeds will be used for the general working capital of the Group and to fund the acquisition of equity interests in potential business(es) in the future.

(e) On 20 January 2014, the Company entered into another subscription agreement with another subscriber pursuant to which the Company has conditionally agreed to allot and issue and the subscriber has conditionally agreed to subscribe for a total of 52,624,000 shares in cash at the subscription price of HK$0.19 per share. The subscription was subsequently completed on 29 January 2014. The net proceeds from the subscription, after deducting related expenses, amounted to approximately HK$9.9 million. The net proceeds will be used for the general working capital of the Group and to fund the acquisition of equity interests in potential business(es) in the future.

(f) On 17 February 2014 the Company has granted share options to certain grantees to subscribe for a total of 39,000,000 ordinary shares of the Company at an exercise price of HK$0.24, subject to acceptance of the grantees, under the share option scheme adopted by the Company on 26 September 2010. The exercisable period was from 17 February 2014 to 16 February 2019.

(g) On 21 February 2014 the Company has conditionally granted share options to certain directors and employees to subscribe for a total of 98,000,000 ordinary shares of the Company at an exercise price of HK$0.26, subject to acceptance of the grantees, under the share option scheme adopted by the Company on 26 September 2010. The exercisable period was from 21 February 2014 to 20 February 2019. The grant was subsequently approved by the Company's shareholders at the extraordinary general meeting of the Company held on 15 April 2014.

(h) On 28 February 2014, the Company entered into a subscription agreement with a subscriber in relation to (i) the share subscription; and (ii) the warrants issue. Pursuant to the subscription agreement, the Company has conditionally agreed to issue and the subscriber has conditionally agreed to subscribe (i) in cash for a total of 45,448,000 shares at the subscription price of HK$0.22 per share; and (ii) for the 38,456,000 warrants conferring the rights to subscribe for an initial aggregate of 38,456,000 warrant shares (subject to adjustment in the event of a consolidation, subdivision and reclassification of the shares) at the initial exercise price of HK$0.26 per warrant share (subject to adjustment). Each warrant will carry the right to subscribe for initially one warrant share (subject to adjustment in the event of a consolidation, subdivision and reclassification of the shares) at an initial exercise price of HK$0.26 per warrant share, subject to adjustment. The subscription right will be exercisable within twelve (12) months from the date of the issue of the warrants. The subscription was subsequently completed on 7 March 2014. The net proceeds from the subscription, after deducting related expenses, amounted to approximately HK$9.9 million. The net proceeds will be used for the general working capital of the Group.

(i) On 21 March 2014, the Company entered into a project investment agreement in relation to, among others, the Company's potential participation as a strategic investor in a project in connection with the proposed establishment and operation of a commodity trading center named Guizhou Qian Lang Commodity Trading Center (貴州乾朗大宗商品交易中心) in Yunyan District of Guiyang in the Guizhou Province, the PRC (subject to final approval from the relevant government authority) for trading mainly iron and steel. Details of the potential project investment were disclosed in the announcement of the Company dated 21 March 2014. As at the date of this report, the Company does not have any financial commitment under the project investment agreement.

Subsequent Events

(a) On 30 April 2014, the Company entered into a memorandum of understanding for the establishment of the joint venture in Hong Kong which will be principally engaged in project investments. The memorandum of understanding does not constitute legally-binding commitment in respect of the possible establishment of the joint venture. The establishment of the Joint Venture is subject to the execution and completion of a formal agreement.

(b) On 9 May 2014, the Company entered into a non-legally binding memorandum of understanding with two vendors in relation to the possible acquisition of the entire equity interests in a company established in the PRC with limited liability. The group headed by this PRC company was principally engaged in coal mines development and investment, coal mining, sale of construction materials, electrical and mechanical equipment and metallic materials etc. It owns and/or will own a series of coal mining rights in respect of certain coal mines in Guizhou Province, the PRC covering an aggregate area of approximately 19,000,000 square meters. Based on the information provided by the vendors, the original valid periods of the licenses for the coal mining rights ranged from approximately 3 years to 10 years with an aggregate planned production scale of approximately 2,400,000 tonnes per annum.

Employees and Remuneration Policies

As at 31 March 2014, the Group had 86 (2013: 76) employees, including the Directors. Staff remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. It comprised of monthly salaries, mandatory provident fund contributions, medical benefits, other allowances and discretionary share options issued based on their contribution to the Group. Year-end bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. The Group also participates in a retirement benefit scheme for its staff in the PRC and a defined statutory mandatory provident fund scheme to its employees in Hong Kong. The Group has adopted a share option scheme of which the Board may, at its discretion, grant options to eligible participants of the share option scheme. As at the date of this report, a total of 157,000,000 share options remain unexercised.

Outlook

With the changing condition in the coal trading market, the Group will readjust its business development strategies. The possible acquisition of the 49% interest in Southern Coal Trading Center (南方煤炭交易中心) in Guizhou Province, the PRC enabled the Group to capture the opportunity in participating in the reform of the coal trading market in the PRC. Capitalizing on the supportive government policies on promoting electronic coal trading platform, the management believes that acquisition is the first step forward in cooperating with PRC conglomerate in meeting the challenge of the industry and it will strengthen the Group's presence in the coal-related business and provide the Group access to more business and investment opportunities in the PRC and enhance the profitability of the Group ultimately.

Regarding the natural resources and commodities trading business, the management will use its best endeavour in soliciting new trades by utilizing its wide-spread business connections while in the meantime, it will also pursue the execution of the trading contracts on hand.

To further diversify its business, the Group has been granted the money lenders license in May 2014 to carry on business as a money lender in Hong Kong through a subsidiary of the Group and this will become another revenue stream to contribute to the Group as a whole in the near future.

Directors and Senior Management Biographies

DIRECTORS

MR. WONG KA WAH, ALBERT, Chairman and Executive Director

Mr. Wong Ka Wah, Albert ("Mr. Wong"), aged 40, was appointed as an executive Director (the "Executive Director") in August 2012 and was appointed as chief executive officer (the "Chief Executive Officer") of the Company, a member of the executive committee (the "Executive Committee"), the Nomination Committee (the "Nomination Committee") and the Remuneration Committee (the "Remuneration Committee") of the Company on 11 September 2013. He resigned as Chief Executive Officer and was appointed as chairman (the "Chairman") of the Company and chairman of the Executive Committee on 18 October 2013 and appointed as chairman of Nomination Committee on 18 November 2013. Mr. Wong has been appointed as an authorised representative and the compliance officer of the Company since September 2013. He is also a director of various subsidiaries of the Company.

Mr. Wong graduated from the Australian National University with a Bachelor degree of Commerce and is a specialist in corporate strategy and business engineering with extensive experience in the industries of fund management, asset management, private equity, and wealth management. Prior to joining the Company, Mr. Wong held senior positions in various institutions as well as collective investment vehicles. Mr. Wong is mainly responsible for formulating the Group's business strategies, supervising and managing the Group's business development and operation in its mineral trading business.

MR. HONG SZE LUNG, Chief Executive Officer and Executive Director

Mr. Hong Sze Lung ("Mr. Hong"), aged 42, was appointed as the Chief Executive Officer and an Executive Director and a member of the Executive Committee on 18 October 2013. Mr. Hong holds directorship in a number of subsidiaries of the Company.

Mr. Hong has approximately 19 years working experience and extensive knowledge in the field of corporate finance and recovery, investments as well as corporate investor relations in Hong Kong and Mainland China. Mr. Hong had served at senior management level respectively at PricewaterhouseCoopers, a private equity investment Company as well as two companies the shares of which listed on the Main Board of the Stock Exchange, being Soundwill Holdings Limited (stock code: 878) and Silver Base Group Holdings Limited (stock code: 886). Currently, Mr. Hong is an independent non-executive director of Madex International (Holdings) Limited (stock code: 0231), the shares of which are listed on the Main Board of the Stock Exchange. He is also a Certified Public Accountant of Hong Kong Institute of Certified Public Accountants and Fellow Member of the Association of Chartered Certified Accountants and a Chartered Financial Analyst of CFA Institute. In 1995, Mr. Hong obtained a Bachelor of Arts Honours Degree in Accountancy from the Hong Kong Polytechnic University.

MR. LAU WAN PUI, JOSEPH, Non-executive Director

Mr. Lau Wan Pui, Joseph ("Mr. Lau"), aged 62, was appointed as a non-executive Director (the "Non-executive Director") in September 2013. He has extensive experience in finance and planning, marketing and international business. He is currently chairman and Co-founder of Rockhound Limited, a mineral professional firm. Previously, he had successfully developed and implemented new business expansion strategies for a number of listed public companies in Hong Kong under the position as a senior executive. He was an executive director and chief executive officer of WLS Holdings Limited (stock code: 8021), the shares of which are listed on the GEM of the Stock Exchange for the period from 2002 to 2004 and was executive director of Tse Sui Luen Jewellery (International) Limited (stock code: 0417), the shares of which are listed on the Main Board of the Stock Exchange for the period from 1997 to 1999 and Build King Holdings Limited (previously known as Seapower International Holdings Limited) (stock code: 0240), the shares of which are listed on the Main Board of the Stock Exchange for the period from 1995 to 1996 and was an independent non-executive director of Larry Jewelry International Company Limited (stock code: 8351), the shares of which are listed on the GEM of the Stock Exchange during 10 November 2012 to 1 June 2013, and acted as its non-executive director during 1 June 2013 to 3 December 2013. He has been a director of Dynasty Gaming Inc., a company listed on the Toronto Venture Exchange, since November 2006.

Mr. Lau obtained his Bachelor of Science degree in Chemistry from Concordia University and his Master of Business Administration degree from the University of Ottawa (Canada). He is currently a Dean's Advisory Board Member of Telfer School of Management of the University of Ottawa and he was Advisory Board Member of the EMBA program under the Telfer School of Management of the University of Ottawa for the period from 1997 to 2003. He is also a member of the Chemical Institute of Canada and a member of the Canadian Institute of Mining Metallurgy and Petroleum.

MR. LAW CHUNG LAM, NELSON, Non-executive Director

Mr. Law Chung Lam, Nelson ("Mr. Law"), aged 51, was appointed as a Non-executive Director in September 2013. He has 10 years extensive experience in corporate banking sector. Mr. Law has served a senior management position in Chemical Bank (now Chase Morgan) during the 1980s. He was also working for by a subsidiary of the China State Construction Engineering Corp for 5 years at Philippines on project finance. Specialized in organization and method, he has devoted in corporate re-structuring for several industries and that included garment production, IT, construction, agricultural and minerals trading. Mr. Law holds several directorships in certain subsidiaries of the Company.

MR. KWONG YUK LAP, Non-executive Director

Mr. Kwong Yuk Lap ("Mr. Kwong"), aged 38, was appointed as a Non-executive Director in December 2013. He is graduated from Charles Sturt University in the Australia with a Master of Science degree in Information Technology. Mr. Kwong also obtained a Bachelor of Science degree in Electronics from The Open University of Hong Kong. Mr. Kwong has extensive experience in project engineering and project coordination in the metal and mining industry. He also provides technical advices on IT system.

MR. MAY TAI KEUNG, NICHOLAS, Independent Non-executive Director

Mr. May Tai Keung, Nicholas ("Mr. May"), aged 52, was appointed as an independent non-executive Director (the "Independent Non-executive Director") and a member of the Audit Committee in September 2013. He has over 20 years of accounting, finance and general management experience. He holds a Bachelor of Arts degree in Economics from Macquarie University and Master's degree in Commerce from University of New South Wales. He is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

Mr. May has worked at the audit department of Deloitte Touche Tohmatsu. After leaving Deloitte Touche Tohmatsu, he has worked at senior management level in a number of sizeable private enterprises and listed groups including Hopewell Group (stock code: 0054) as group financial controller and Hopewell Highway Infrastructure (stock code: 0737), the shares of which are listed on the Main Board of the Stock Exchange as alternate director; and China Resources Property Limited as chief financial officer and internal audit director. Currently, Mr. May is a consultant in accounting, tax, internal control and finance.

MR. TAM CHAK CHI, Independent Non-executive Director

Mr. Tam Chak Chi, aged 37, was appointed as an Independent Non-executive Director and a member of the Audit Committee, the Nomination Committee and the Remuneration Committee in September 2013. He holds a bachelor's degree of commerce from the University of Toronto. He has more than 10 years of experience in providing accounting, auditing and financial services and has served various senior positions at various private and listed companies (the shares of which have been listed on the Main Board and the GEM of the Stock Exchange as well as NASDAQ). He is a FCPA of the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants. He was previously an executive director of Seamless Green China (Holdings) Limited (stock code: 8150) and an independent non-executive director of Rising Power Group Holdings Limited (formerly known as China Neng Xiao Technology (Group) Limited) (stock code: 8047), both companies' share are listed on the GEM of the Stock Exchange. Further, he is currently the chief financial officer and company secretary of a company listed on GEM of the Stock Exchange.

MR. CHOW CHI FAI, Independent Non-executive Director

Mr. Chow Chi Fai ("Mr. Chow"), aged 43, was appointed as an Independent Non-executive Director and a member of the Audit Committee, the Nomination Committee and the Remuneration Committee in September 2013. He was re-designated as the chairman of each of the Audit Committee and the Remuneration Committee on 18 November 2013. Mr. Chow is a member of The Hong Kong Institute of Certified Public Accountants. He holds a bachelor's degree in Accountancy from University of South Australia. Mr. Chow Chi Fai is currently the company secretary and financial controller in Sino Resources Group Limited (stock code: 0223), the shares of which are listed on the Main Board of the Stock Exchange.

SENIOR MANAGEMENT

Mr. Lee Wai Ming ("Mr. Lee"), aged 46, is the company secretary (the "Company Secretary") and financial controller of the Company and is responsible for the Group's financial planning and management, company secretarial and corporate governance matters. He joined the Group in October 2013. He is a fellow member of the Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. He has over 20 years of experience in auditing and accounting field. Prior to joining the Group, Mr. Lee had served various senior positions at various private and listed companies (the shares of which have been listed on the Growth Enterprise Market of the Stock Exchange). He had also served as a professional accountant in the audit department of an international audit firm for over 10 years.

DISCLOSURE ON CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the changes in details of the Directors' information subsequent to the date of the interim report of the Company for the six months ended 30 September 2013 are set out below:

Biographical details

Name	Details Changes
Mr. Wong Ka Wah, Albert	appointed as chairman of the Nomination Committee of the Company with effect from 18 November 2013.
Mr. Hong Sze Lung	appointed as an independent non-executive director of Madex International (Holdings) Limited (stock code: 0231), the shares of which are listed on the Main Board of the Stock Exchange, with effect from 15 May 2014.
Mr. Chow Chi Fai	appointed as the chairman of each of the Audit Committee and the Remuneration Committee of the Company with effect from 18 November 2013.
Mr. Tam Chak Chi	resigned as an independent non-executive director of Rising Power Group Holdings Limited (formerly known as China Neng Xian Technology (Group) Limited) (stock code: 8047) with effect from 2 May 2014.

The Directors present their report and the audited financial statements of the Group for the year ended 31 March 2014.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The subsidiaries of the Company are principally engaged in (i) the supply and sale of dried noodles including bowl noodles and packed noodles; (ii) the manufacture and sale of fresh noodles, including but not limited to hefen, wonton noodles and yi mein; (iii) investment holding in coal trading business; and (iv) trading of natural resources and commodities.

The principal activities and other particulars of the principal subsidiaries of the Company as at 31 March 2014 are set out in note 36 to the financial statements.

RESULTS AND FINANCIAL POSITION

The Group's results for the year ended 31 March 2014 and the state of affairs of the Group are set out in the consolidated financial statements on pages 49 to 111. The state of affairs of the Company as at 31 March 2014 is set out on page 112.

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 27 to the financial statements.

RESERVES

The movements in the reserves of the Company and the Group during the year are set out in the statement of financial position of the Company on page 112 and in the consolidated statement of changes in equity on page 52 respectively.

DIVIDENDS

The Board does not recommend the payment of the final dividend in respect of the year ended 31 March 2014 (2013: Nil).

PROPERTY, PLANT AND EQUIPMENT

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

DISTRIBUTABLE RESERVES

At 31 March 2014, the Company's reserves available for distribution to shareholders comprising shares premium account less accumulated losses (2013: share premium and retained earnings) amounted to approximately HK$20,477,000 (2013: HK$116,613,000). Under the Companies Law (Revised) of the Cayman Islands, the share premium account of the Company is available for distributions or payment of dividends to shareholders of the Company subject to the provisions of the articles of association (the "Articles of Association") of the Company, provided that immediately following the distribution of dividends, the Company is able to pay off its debts as and when they fall due in the ordinary course of business.

DIRECTORS

The Directors of the Company who held office during the year and up to the date of this report were:

Executive Directors

Mr. Wong Ka Wah, Albert *(Chairman)*
Mr. Hong Sze Lung *(Chief Executive Officer)* (appointed with effect from 18 October 2013)
Ms. Lee Yau Lin, Jenny (resigned with effect from 18 November 2013)
Mr. Wong Wing Fat (resigned with effect from 11 September 2013)

Non-executive Directors

Mr. Lau Wan Pui, Joseph (appointed with effect from 11 September 2013)
Mr. Law Chung Lam, Nelson (appointed with effect from 11 September 2013)
Mr. Kwong Yuk Lap (appointed with effect from 31 December 2013)

Independent Non-executive Directors

Mr. Chow Chi Fai (appointed with effect from 11 September 2013)
Mr. May Tai Keung, Nicholas (appointed with effect from 11 September 2013)
Mr. Tam Chak Chi (appointed with effect from 11 September 2013)
Mr. Ho Wai Hung (resigned with effect from 11 September 2013)
Ms. Cheung Kin, Jacqueline (resigned with effect from 11 September 2013)
Ms. Mak Yun Chu (resigned with effect from 18 November 2013)

In accordance with Articles 84(1) and 84(2) of the Company's Articles of Association, Mr. Wong Ka Wah, Albert; Mr. Chow Chi Fai and Mr. Tam Chak Chi shall retire as Directors by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

All other existing Directors shall continue in office.

Biographical details of all the Directors are set out on pages 15 to 18 of this annual report.

DIRECTORS' SERVICE CONTRACTS

Each of the Executive Directors has entered into a service contract with the Company for a term of three years, which may be terminated by not less than three months' prior notice in writing served by either party on the other.

The Non-executive Directors and the Independent Non-executive Directors have been appointed for a term of three years in accordance with their respective appointment letters, which may be terminated by not less than two months' prior notice in writing served by either party on the other.

Save as disclosed above, no Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES AND SHARE OPTIONS

As at 31 March 2014, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO") which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive of the Company were deemed or taken to have under such provisions of the SFO), or which were required to be kept by the Company under Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Aggregate long positions in shares or underlying shares

Name of Directors	Capacity of interests	Number of shares held	Number of share options held		Total interests	Approximate percentage of total issued shares
Mr. Wong Ka Wah, Albert	Beneficial owner	–	15,000,000	*(note 1)*	15,000,000	1.11%
Mr. Hong Sze Lung	Beneficial owner	8,992,000	15,000,000	*(note 1)*	23,992,000	1.78%
Mr. Lau Wan Pui, Joseph	Beneficial owner	–	5,000,000	*(note 2)*	5,000,000	0.37%
Mr. Law Chung Lam, Nelson	Beneficial owner	–	5,000,000	*(note 2)*	5,000,000	0.37%
Mr. Kwong Yuk Lap	Beneficial owner	–	2,000,000	*(note 2)*	2,000,000	0.15%
Mr. Chow Chi Fai	Beneficial owner	–	1,000,000	*(note 2)*	1,000,000	0.07%
Mr. May Tai Keung, Nicholas	Beneficial owner	–	1,000,000	*(note 2)*	1,000,000	0.07%
Mr. Tam Chak Chi	Beneficial owner	–	1,000,000	*(note 2)*	1,000,000	0.07%

Notes:

1. As at 31 March 2014, these share options were conditionally granted to two executive directors of the Company. Such grants were subject to (i) the approval of the independent shareholders at the extraordinary general meeting to be held on 15 April 2014 (the "EGM"); and (ii) the approval of the proposed refreshment of the existing scheme mandate limit under the Share Option Scheme (the "Proposed Refreshment") by the shareholders at the EGM. The proposed grants were approved by shareholders at the EGM on 15 April 2014.

2. As at 31 March 2014, these share options were conditionally granted to other directors of the Company. Such grants are subject to the approval of the Proposed Refreshment by the shareholders at the EGM. The proposed grants were approved by shareholders at the EGM on 15 April 2014.

Save as disclosed above, as at 31 March 2014, none of the Directors and chief executive of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were deemed or taken to have under such provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company under Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosures on the share options granted to the Directors in the section headed "Directors' and Chief Executive's Interests in Shares and Share Options" above, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective associates, or were any such rights exercised by them; or was the Company or any of its subsidiaries, or its holding company, or any of its fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

CONTROLLING SHAREHOLDER'S INTERESTS IN CONTRACTS

At no time during the year ended 31 March 2014 had the Company or any of its subsidiaries, and the controlling shareholders or any of its subsidiaries entered into any contract of significance for the provision of services to the Company or any of its subsidiaries by the controlling shareholder or any of its subsidiaries.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 31 March 2014, so far as was known to the Directors, the interests and short positions of the persons (other than the interests and short positions of the Directors or chief executive of the Company as disclosed above) in the shares and/or underlying shares of the Company (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or as otherwise notified to the Company are set out below:

Aggregate long positions in shares or underlying shares

Name of shareholder	Capacity of interests	Number of shares in interest	Approximate percentage of total issued shares
Mega World Resources Limited ("Mega World") *(note 1)*	Person having security interest in shares	392,000,000	29.06%
Conrich Investments Limited ("Conrich") *(note 2)*	Beneficial owner	306,880,000	22.75%
Ms. Lee Yau Lin, Jenny *(note 3)*	Interest in controlled corporation/ Beneficial owner	310,880,000	23.04%
Mr. Leung Kai Tong, Tommy *(note 4)*	Spouse	310,880,000	23.04%
Adamas Asset Management (HK) Limited ("Adamas") *(note 5)*	Investment manager	130,000,000	9.64%

Notes:

1. Mega World, a limited company incorporated in the British Virgin Islands, and is a special purpose vehicle wholly-owned by Greater China Credit Fund LP, a discretionary fund, the investment advisor of which is Adamas and the manager of which is Adamas Global Alternative Investment Management Inc. These shares in interests are aggregate number of shares over which fixed charges have been executed by the shareholders of these shares and have been granted in favour of Mega World pursuant to a placing agreement dated 3 May 2013 entered into between the Company and a placing agent in relation to the placing of bonds of HK$80 million. Mega World is the sole bondholder of the bonds of HK$80 million issued by the Company.

2. Conrich is an investment holding company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is wholly and beneficially owned by Ms. Lee Yau Lin, Jenny, a former Director of the Company. These shares in interests are duplicated in the interests held by Ms. Lee Yau Lin, Jenny and Mr. Leung Kai Tong, Tommy.

3. Ms. Lee Yau Lin, Jenny is the beneficial owner of 100% of the issued share capital of Conrich. Ms. Lee Yau Lin, Jenny is deemed to be interested in, and duplicated the interests of, the 306,880,000 shares held by Conrich under Section 316(2) the SFO. The remaining interests in 4,000,000 shares of the Company are share options granted by the Company to Ms. Lee Yau Lin, Jenny on 11 July 2011.

4. Mr. Leung Kai Tong, Tommy is the spouse of Ms. Lee Yau Lin, Jenny and is deemed to be interested in, and duplicated the interest of, all shares held by Ms. Lee Yau Lin, Jenny under Section 316(1) of the SFO.

5. Adamas is the investment advisor of Mega World.

SHARE OPTION SCHEME

Details of the Company's share option scheme are set out in note 32 to the financial statements.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURE

Share options are granted to the Directors under the Scheme. Details of the Company's share option scheme are set out in note 32 to the financial statements.

Save as disclosed above, at no time during the year was the Company, its subsidiaries or its ultimate holding company or any subsidiary of such ultimate holding company a party to any arrangement to enable the Directors of the Company to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

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

MANAGEMENT CONTRACT

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

EMOLUMENT POLICY

The emolument policy for the employees of the group is formulated on the basis of their merit, qualifications and competence and it is the Group's policy to compensate each employee fairly and equitably.

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

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the scheme is set out in note 32 to the financial statements.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the Independent Non-executive Director, an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers all of the Independent Non-executive Directors are independent.

CONNECTED TRANSACTIONS

Save as disclosed in note 33 to the financial statements, the Directors are not aware of any connected transactions of the Group that shall be disclosed in this annual report.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the year and up to the date of this report, the Directors are not aware of any business or interest of the Directors, the controlling shareholders of the Company and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

PRE-EMPTIVE RIGHTS

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

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the Directors of the Company, as at the latest practicable date prior to the issue of this annual report, there is sufficient public float in the issued share capital of the Company pursuant to the GEM Listing Rules.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group's five largest customers accounted for approximately 96.0% of the Group's revenue and the largest customer included therein accounted for approximately 43.2% of the Group's revenue.

During the year, the Group's five largest suppliers accounted for approximately 99.0% of the Group's purchases and the largest supplier included therein accounted for approximately 94.9% of the Group's purchases.

At all times during the year, none of the Directors, their associates or any shareholders of the Company (which to the knowledge of the Directors, owned more than 5% of the Company's issued share capital) have an interest in any of the Group's five largest customers and suppliers.

RETIREMENT BENEFITS SCHEMES

Particulars of the retirement benefits schemes are set out in note 31 to the financial statements.

GROUP FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 113 of this annual report.

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

There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of any listed securities of the Company during the year.

CORPORATE GOVERNANCE

A report on the principal corporate governance practice adopted by the Company is set out in pages 26 to 41 of this annual report.

EVENTS AFTER THE REPORTING PERIOD

Those events after the reporting period are set out in note 35 to the financial statements.

INDEPENDENT AUDITOR

In February 2014, RSM Nelson Wheeler resigned as auditors of the Company and Deloitte Touche Tohmatsu were appointed by the Board to fill in such casual vacancy and to hold office until the conclusion of the next annual general meeting of the Company. There have been no other changes of auditors in the past three years.

The financial statements for the year ended 31 March 2014 have been audited by Deloitte Touche Tohmatsu, the external auditor of the Company. A resolution for the re-appointment of Deloitte Touche Tohmatsu as the independent auditor of the Company is to be proposed at the forthcoming annual general meeting.

REVIEW OF ANNUAL REPORT

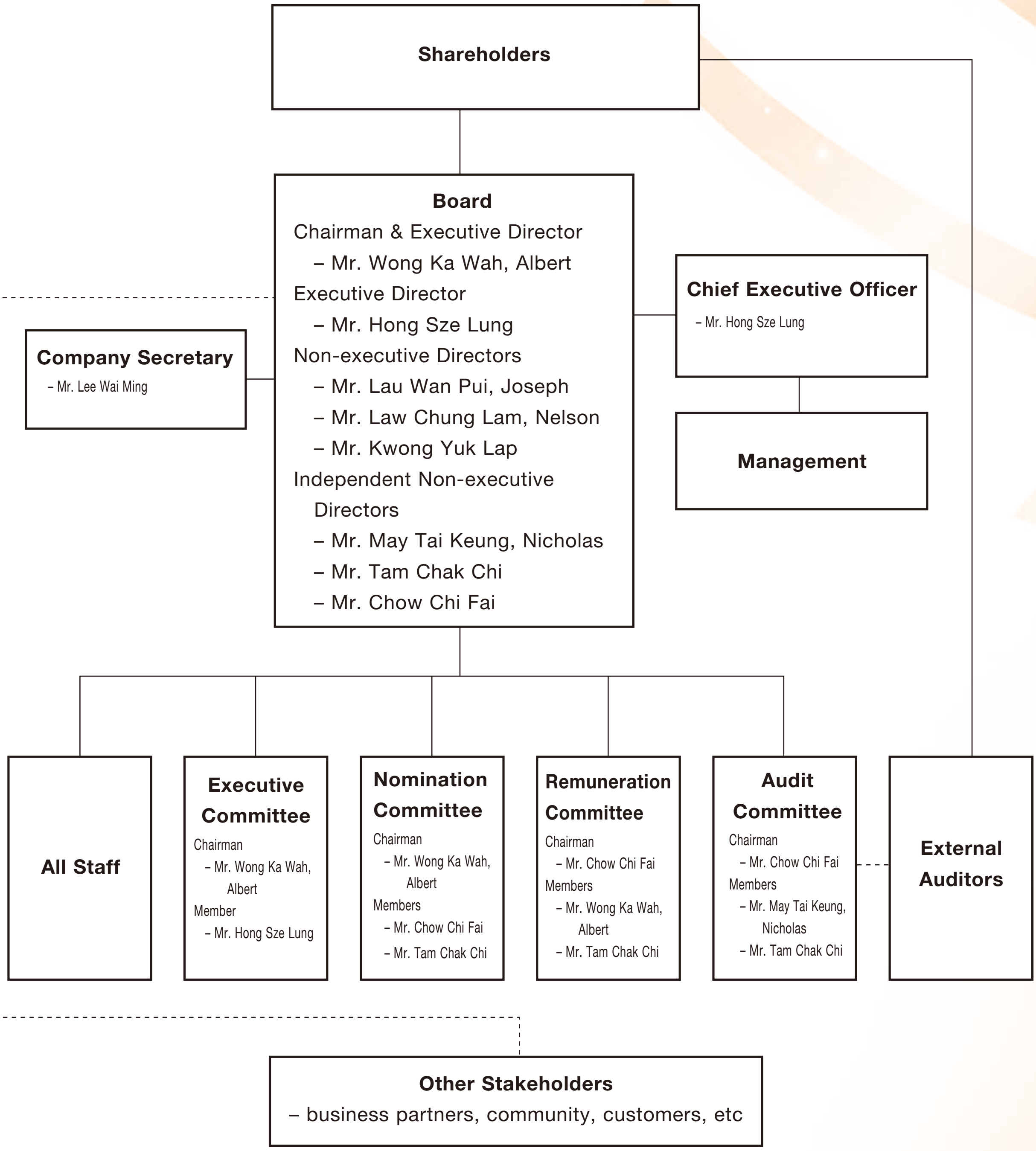
This annual report for the year ended 31 March 2014 has been reviewed by the Audit Committee of the Company, which was of the opinion that the information contained therein had complied with the disclosure requirements of the GEM Listing Rules, and that adequate disclosures had been made.

By order of the Board
Wong Ka Wah, Albert
Chairman

Hong Kong, 25 June 2014

The Board is pleased to present this Corporate Governance Report in the Company's annual report for the year ended 31 March 2014.

CORPORATE GOVERNANCE FRAMEWORK



CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance to protect the interests of shareholders and enhance shareholder value.

The Company acknowledges the important role of its Board in providing effective leadership and direction to the Group's business, and ensuring accountability, transparency, fairness and integrity of the Company's operations.

Throughout the year ended 31 March 2014, the Company has complied with the code provisions (the "CG Code") on Corporate Governance Code and Corporate Governance Report contained in Appendix 15 of the GEM Listing Rules.

The Board will continue to monitor and review the corporate governance principle and practices to ensure compliance.

1. THE BOARD OF DIRECTORS

1.1 Responsibilities and Delegation

The Board is responsible for establishing policies, strategic direction, providing leadership in creating value and overseeing the Company's financial performance on behalf of the shareholders. The Board is also responsible for supervising the management of the Group and has delegated the responsibility for day-to-day operations and management of the Group's businesses to the management.

1.1.1 Matters Reserved by the Board

The Board reserves for its decisions major strategic and business matters, including the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those may involve conflict of interests), financial information, Board composition and remuneration, corporate governance matters, and other significant financial and operational matters.

All Directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary and the senior management, with a view to ensuring that Board procedures and all applicable laws and regulations are followed. Each Director is able to seek independent professional advice in appropriate circumstances at the Company's expenses, upon making reasonable request to the Board.

1.1.2 Division of Roles of the Board and the Management

The Board has delegated a schedule of responsibilities to the Chief Executive Officer and senior management of the Company. These responsibilities include, but not limited to, implementing decisions of the Board and directing and co-ordinating day-to-day operation and management of the Company.

The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions being entered into by the foregoing officers and senior management.

1.2 Board Composition

As at 31 March 2014, the Board consists of the following Directors:–

Executive Directors

Mr. Wong Ka Wah, Albert *(Chairman of the Board, the Executive Committee and the Nomination Committee)*

Mr. Hong Sze Lung *(Chief Executive Officer)* (Appointed on 18 October 2013)

Non-executive Directors

Mr. Lau Wan Pui, Joseph (Appointed on 11 September 2013)

Mr. Law Chung Lam, Nelson (Appointed on 11 September 2013)

Mr. Kwong Yuk Lap (Appointed on 31 December 2013)

Independent Non-executive Directors

Mr. May Tai Keung, Nicholas (Appointed on 11 September 2013)

Mr. Tam Chak Chi (Appointed on 11 September 2013)

Mr. Chow Chi Fai *(Chairman of the Audit Committee and the Remuneration Committee)* (Appointed on 11 September 2013)

The list of all Directors (by category) is set out under the section headed "Corporate Information" in this annual report and is also disclosed in all corporate communications issued by the Company pursuant to the GEM Listing Rules from time to time. The biographical details of the Directors are set out under the section headed "Directors and Senior Management Biographies" in this annual report.

The Board composition is regularly reviewed to ensure that it has a balance of skills and experience appropriate for the effective leadership of the Group. A balanced composition of Executive Directors, Non-executive Directors and Independent Non-executive Directors is maintained to ensure independence and effective management.

The Company has complied with the requirements under Rules 5.05A, 5.05(1) and (2) of the GEM Listing Rules during the year. Rule 5.05A requires a listed issuer to appoint independent non-executive directors ("INED") representing at least one-third of the Board. Rule 5.05(1) requires that every board of directors of a listed issuer must include at least three INEDs and Rule 5.05(2) requires that at least one of the INEDs must have appropriate professional qualifications or accounting or related financial management expertise. All INEDs must also meet the guidelines for assessment of their independence set out in Rule 5.09 of the GEM Listing Rules.

1.2.1 Independency

The Company has received the annual confirmation from the Independent Non-executive Directors in respect of their independence pursuant to the requirements of the GEM Listing Rules. The Company considers all Independent Non-executive Directors as independent.

1.2.2 Relationships

All Directors do not have any financial, business, family or other material/relevant relationships with each other, and in particular, none exist between the Chairman and the Chief Executive Officer.

1.3 Chairman and Chief Executive Officer

The roles of the Chairman and the Chief Executive Officer are segregated and not performed by the same individual to avoid power being concentrated on any one individual.

The Chairman of the Board is Mr. Wong Ka Wah, Albert, who provides leadership for the Board and ensures effective running in all aspects. With the support of the senior management, the Chairman is also responsible for ensuring that the Directors receive adequate, complete and reliable information in a timely and constructive manner and appropriate briefing on issues arising at the Board meetings.

The Chief Executive Officer is Mr. Hong Sze Lung, who is in charge of the Company's day-to-day management and operations and focuses on implementing objectives, policies and strategies approved and delegated by the Board.

1.4 Appointment, Re-election and Removal of Directors

Each of the Executive Directors has entered into a service agreement with the Company for a term of three years. The Company has also issued a letter of appointment to each of the Non-executive Directors and the Independent Non-executive Directors for a term of three years.

In accordance with the Company's Articles of Association, one-third of the Directors are subject to retirements at each annual general meeting and all the Directors are subject to retirement by rotation at least once every three years and are eligible for re-election at annual general meetings of the Company. Any new Director appointed by the Board to fill a casual vacancy shall submit himself/herself for re-election by shareholders at the next following general meeting and any new director appointed by the Board as an addition to the existing Board shall submit himself/herself for re-election by shareholders at the next following annual general meeting.

Pursuant to the aforesaid provisions of the Company's Articles of Association, Mr. Wong Ka Wah, Albert, Mr. Chow Chi Fai, and Mr. Tam Chak Chi, shall retire at the forthcoming 2014 annual general meeting of the Company and, being eligible, will offer themselves for re-election at the meeting. The Company's circular for the coming annual general meeting will contain detailed information of all retiring Directors pursuant to the GEM Listing Rules.

The procedures and process of appointment, re-election and removal of directors are laid down in the Company's Articles of Association. The Company has established a Nomination Committee, which is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of Directors, monitoring the appointment and succession planning of Directors and assessing the independence of Independent Non-executive Directors. Details of the Nomination Committee and its work performed are set out in the "Board Committees" section below.

1.5 Continuous Professional Development

Every newly appointed Director receives a comprehensive and formal induction upon his appointment to ensure that he has a proper understanding of operations and business of the Group and the statutory and regulatory obligations of a director of a listed company. The Group provides continuing briefings and professional development to refresh the Directors' knowledge and skills, and updates all Directors on the latest developments in relation to the GEM Listing Rules and other applicable regulatory requirements to ensure compliance as well as to enhance their awareness of good corporate practices.

The Directors understand the need to continue developing and refreshing their knowledge and skills for making contributions to the Company. The Company provides regular updates, changes and developments relating to the Group's business and the legislative and regulatory requirements to the Directors.

All Directors have complied with Code Provision A.6.5 of the CG Code on Directors' training. All Directors have participated in continuous professional development to develop and refresh their knowledge and skills and kept a record of training they received for the year ended 31 March 2014.

The individual training record of each Director received for the year ended 31 March 2014 is summarised as follows:

Directors	Type of continuous professional development programmes
Executive Directors	
Mr. Wong Ka Wah, Albert	A & B
Mr. Hong Sze Lung (Appointed on 18 October 2013)	A & B
Ms. Lee Yau Lin, Jenny (Resigned on 18 November 2013)	N/A
Mr. Wong Wing Fat (Resigned on 11 September 2013)	N/A
Non-executive Directors	
Mr. Lau Wan Pui, Joseph (Appointed on 11 September 2013)	A & B
Mr. Law Chung Lam, Nelson (Appointed on 11 September 2013)	A & B
Mr. Kwong Yuk Lap (Appointed on 31 December 2013)	A & B
Independent Non-executive Directors	
Mr. May Tai Keung, Nicholas (Appointed on 11 September 2013)	A & B
Mr. Tam Chak Chi (Appointed on 11 September 2013)	A & B
Mr. Chow Chi Fai (Appointed on 11 September 2013)	A & B
Mr. Ho Wai Hung (Resigned on 11 September 2013)	N/A
Ms. Cheung Kin, Jacqueline (Resigned on 11 September 2013)	N/A
Ms. Mak Yun Chu (Resigned on 18 November 2013)	N/A

Notes:

A: attending seminars/forums/workshops/conferences relevant to the business or Directors' duties

B: reading regulatory updates

1.6 Board Meetings

1.6.1 Board Practices and Conduct of Meetings

The Board members meet regularly and at least 4 regular Board meetings a year are held at approximately quarterly intervals to discuss business development as well as the overall strategy of the Company. Schedules for regular Board meetings are normally agreed with the Directors in advance in order to facilitate them to attend. Apart from formal meetings, matters requiring Board approval were arranged by means of circulation of written resolutions. The Board and each Director also have separate and independent access to the senior management whenever necessary.

The Chairman, the Chief Executive Officer and other relevant senior management normally attend regular Board meetings and, where necessary, other Board and committee meetings to advise on business developments, financial and accounting matters, statutory compliance, corporate governance and other major aspects of the Group.

The Company Secretary assists the Chairman in preparing the agenda for each Board meeting, keeping minutes of Board meeting and meetings of Board Committees, and ensures that all applicable rules and regulations are complied. Draft Board minutes are circulated to all Directors for their respective comments as soon as possible after the meeting. The minutes of each Board meeting and Board Committees meeting have been kept by the Company Secretary and are open for inspection at any given time on reasonable notice by any Directors.

According to current Board practice, any material transaction, which involves a conflict of interest for a substantial shareholder or a Director, will be considered and dealt with by the Board at a duly convened Board meeting. The Company's Articles of Association contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

1.6.2 Directors' Attendance Records

The Board meets regularly for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company. Additional meetings are held when significant events or important issues are required to be discussed and resolved.

The attendance record of each Director at Board meetings, Audit Committee meetings, Remuneration Committee meetings, Nomination Committee meetings and shareholders' general meetings during the year ended 31 March 2014 is set out in the following table:

Meetings held between 1 April 2013 and 31 March 2014

Directors	**Board Meetings** *(attendance/ total no. of meetings held)*	**Audit Committee Meetings** *(attendance/ total no. of meetings held)*	**Remuneration Committee Meetings** *(attendance/ total no. of meetings held)*	**Nomination Committee Meetings** *(attendance/ total no. of meetings held)*	**Shareholders' General Meetings** *(attendance/ total no. of meetings held)*
Executive Directors					
Mr. Wong Ka Wah, Albert	29/29	N/A	3/3	2/2	2/2
Mr. Hong Sze Lung *(Note 1)*	19/19	N/A	N/A	N/A	N/A
Ms. Lee Yau Lin, Jenny *(Note 2)*	8/13	N/A	4/4	3/3	2/2
Mr. Wong Wing Fat *(Note 3)*	5/5	N/A	N/A	N/A	1/2
Non-executive Directors					
Mr. Lau Wan Pui, Joseph *(Note 4)*	24/24	N/A	N/A	N/A	N/A
Mr. Law Chung Lam, Nelson *(Note 4)*	24/24	N/A	N/A	N/A	N/A
Mr. Kwong Yuk Lap *(Note 5)*	14/14	N/A	N/A	N/A	N/A
Independent Non-executive Directors					
Mr. May Tai Keung, Nicholas *(Note 4)*	23/24	3/3	N/A	N/A	N/A
Mr. Tam Chak Chi *(Note 4)*	24/24	3/3	3/3	2/2	N/A
Mr. Chow Chi Fai *(Note 4)*	24/24	3/3	3/3	2/2	N/A
Mr. Ho Wai Hung *(Note 3)*	5/5	2/2	3/3	2/2	1/2
Ms. Cheung Kin, Jacqueline *(Note 3)*	5/5	2/2	N/A	N/A	0/2
Ms. Mak Yun Chu *(Note 2)*	8/13	3/3	4/4	3/3	1/2

Notes:

1. Appointed on 18 October 2013
2. Resigned on 18 November 2013
3. Resigned on 11 September 2013
4. Appointed on 11 September 2013
5. Appointed on 31 December 2013

1.7 Directors' Securities Transactions

The Company has adopted its securities dealing code (the "Own Code") regarding Directors' dealings in the Company's securities by the Directors, senior personnel and certain employees of the Group (who are likely to be in possession of unpublished inside information in relation to the Company or its securities) on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "Required Standard of Dealings"). Specific enquiry has been made of the Directors and all of them have confirmed that they have complied with the required standards set out in the Required Standard of Dealings and the Own Code throughout the year ended 31 March 2014.

No incident of non-compliance of the Required Standard of Dealings and the Own Code by the Directors and relevant employees was noted by the Company.

In case when the Company is aware of any restricted period for dealings in the Company's securities, the Company will notify its Directors and relevant employees in advance.

2. BOARD COMMITTEES

The Board has established four Board Committees, namely, the Executive Committee, the Audit Committee, the Remuneration Committee and the Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board Committees have been established with defined written terms of reference, which are available to shareholders upon request. All the Board Committees should report to the Board on their decisions or recommendations made.

The practices, procedures and arrangements in conducting meetings of Board Committees follow in line with, so far as practicable, those of the Board meetings set out in 1.6.1 above.

All Board Committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

The Board is responsible for performing the corporate governance duties set out in the CG Code which include (i) to develop and review the Company's policies and practices on corporate governance; (ii) to review and monitor the training and continuous professional development of the Directors and senior management; (iii) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (iv) to develop, review and monitor the code of conduct and compliance manual applicable to employees and the Directors; and (v) to review the Company's compliance with the CG Code and disclosures in the corporate governance report.

2.1 Executive Committee

The Executive Committee comprises all the Executive Directors with Mr. Wong Ka Wah, Albert acting as the chairman of the Executive Committee. The Executive Committee operates as a general management committee under the direct authority of the Board to increase the efficiency for the business decision. It monitors the execution of the Company's strategic plans and operations of all business units of the Group and discusses and makes decisions on matters relating to the management and day-to-day operations of the Company.

2.2 Audit Committee

The Audit Committee comprises a total of three members, namely, Mr. Chow Chi Fai (Chairman), Mr. May Tai Keung, Nicholas and Mr. Tam Chak Chi, all of whom are Independent Non-executive Directors, with written terms of reference.

The Company has complied with Rule 5.28 of the GEM Listing Rules in that at least one of the members of the Audit Committee (which must comprise a minimum of three members and must be chaired by an INED) is an INED who possesses appropriate professional qualifications or accounting or related financial management expertise. None of the members of the Audit Committee is a former partner of the Company's existing external auditor.

The principal role and function of the Audit Committee are to:

(i) review the financial statements and reports and consider any significant or unusual items raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or external auditor before submission to the Board;

(ii) review the relationship with the external auditor by reference to the work performed by the external auditor, their fees and terms of engagement, and make recommendation to the Board on the appointment, reappointment and removal of external auditor; and

(iii) review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures.

For the year ended 31 March 2014, the Audit Committee met five times with the relevant senior management of the Company, and one of which with the external auditor and performed, inter alias, the following major tasks:

– Reviewed and discussed the interim, quarterly and annual financial statements, results announcements and reports for the year ended 31 March 2013, three months ended 30 June 2013, six months ended 30 September 2013 and nine months ended 31 December 2013, the related accounting principles and practices adopted by the Group and the relevant audit findings;

– Reviewed and discussed the internal control system of the Group;

– Discussed and recommended of the appointment of external auditor; and

– Reviewed and approved the remuneration and terms of engagement of external auditor.

There is no disagreement between the Board and the Audit Committee regarding the appointment of external auditor.

2.3 Remuneration Committee

The Remuneration Committee comprises a total of three members, namely, Mr. Wong Ka Wah, Albert, Mr. Chow Chi Fai (Chairman) and Mr. Tam Chak Chi, the latter two of whom are Independent Non-executive Directors, with written terms of reference.

The principal role and function of the Remuneration Committee are to:

(i) make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and the establishment of a formal and transparent procedure for developing policy on such remuneration;

(ii) determine the remuneration packages of Executive Directors and senior management and make recommendation to the Board of the remuneration of Non-executive Directors; and

(iii) review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.

Details of the remuneration of each Director of the Company for the year ended 31 March 2014 are set out in note 10 to the financial statements contained in this annual report.

For the year ended 31 March 2014, the Remuneration Committee met six times and performed, inter alias, the following major tasks:

– Reviewed and recommended the development procedure for the remuneration policy;

– Reviewed the performance and approved the current remuneration package of Executive Directors and senior management of the Group; and

– Recommended the packages of Independent Non-executive Directors.

2.4 Nomination Committee

The Nomination Committee comprises a total of three members, namely, Mr. Wong Ka Wah, Albert (Chairman), Mr. Chow Chi Fai and Mr. Tam Chak Chi, the latter two of whom are Independent Non-executive Directors, with written terms of reference.

The principal role and function of the Nomination Committee are to:

(i) review the Board composition;

(ii) develop and formulate relevant procedures for the nomination and appointment of Directors;

(iii) identify qualified individuals to become members of the Board;

(iv) monitor the appointment and succession planning of Directors; and

(v) assess the independence of Independent Non-executive Directors.

For the year ended 31 March 2014, the Nomination Committee met four times and performed, inter alias, the following major tasks:

– Reviewed and discussed of the existing structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate to the requirements for the business of the Group;

– Recommended on the appointment of Executive Directors, Non-executive Directors and Independent Non-executive Directors;

– Assessed of the independence of the existing Independent Non-executive Directors; and

– Recommended on the re-appointment of retiring Directors at the 2013 and 2014 annual general meeting of the Company pursuant to the Company's Articles of Association.

3. DIRECTORS' RESPONSIBILITIES

3.1 Under Statutes, Rules and Regulations

All Directors, collectively and individually, are aware of their responsibilities to the shareholders of the Company for the conduct, business activities and development of the Company and shall perform their responsibilities in accordance with the CG Code. They have a proper understanding of the operations and business of the Company and are fully aware of their responsibilities under statutes and common laws, the Listing Rules, applicable legal requirements and other regulatory requirements and the business and governance policies of the Company.

3.2 Annual Report and Accounts

The Directors acknowledge their responsibility to prepare financial statements which give a true and fair view.

3.3 Accounting Policies

The Directors consider that in preparing the financial statements the Group uses appropriate accounting policies that are consistently applied, and that all applicable accounting standards are followed.

3.4 Accounting Records

The Directors are responsible for ensuring that the Group keeps accounting records which disclose with reasonable accuracy the financial position of the Group and which enable the preparation of financial statements in accordance with the Listing Rules, the Companies Ordinance and the applicable accounting standards.

3.5 Safeguarding Assets

The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

3.6 Going Concern

The Directors, having made appropriate enquiries, consider that the Group has adequate resources to continue in operational existence for the foreseeable future and has no material uncertainties and that, for this reason, it is appropriate to adopt the going concern basis in preparing the financial statements.

4. INTERNAL CONTROLS

The Board has overall responsibility for maintaining an adequate internal control system to safeguard the interests of the Company's shareholders and the Group's assets and, with the support of the Audit Committee, for reviewing the effectiveness of such system on an annual basis.

The Board has conducted review of the effectiveness of the internal control system of the Group during the year. The senior management reviews and evaluates the control process and monitors any risk factors on a regular basis and reports to the Board and the Audit Committee on any findings and measures to address the variances and identified risks.

5. EXTERNAL AUDITOR AND INDEPENDENT AUDITOR'S REMUNERATION

The statement of the external auditor of the Company on their reporting responsibilities for the Group's financial statements for the year ended 31 March 2014 is set out in the section headed "Independent Auditor's Report" in this annual report.

The Audit Committee is responsible for considering the appointment of the external auditor and reviewing any non-audit functions performed by the external auditor, including whether such non-audit functions could lead to any potential material adverse effect on the Company. During the year ended 31 March 2014, the total fee paid to RSM Nelson Wheeler, the previous external auditor of the Company in relation to other service amounted to HK$29,800 which is the balance of fees for service rendered in connection with the accountant's report contained in the circular to shareholders. RSM Nelson Wheeler resigned as external auditor of the Company with effect from 20 February 2014 and Deloitte Touche Tohmatsu was appointed to fill its casual vacancy and to hold office until the conclusion of the next annual general meeting of the Company.

During the year ended 31 March 2014, the total fee paid and payable to Deloitte Touche Tohmatsu in relation to the audit service for the financial year ended 31 March 2014, amounted to HK$980,000. No other service was rendered by Deloitte Touche Tohmatsu during the year..

6. COMPANY SECRETARY

Mr. Lee Wai Ming, the Company Secretary who was appointed on 10 October 2013, is accessible by all Directors for advice and services with a view of ensuring that Board procedures are followed. He assists the Chairman of the Board and its committees in preparing agendas for meetings and in preparing and disseminating Board papers to the Directors and Board Committees members in a timely and comprehensive manner. The Company Secretary is also directly responsible for the overall corporate governance and compliance with the continuing obligations of the Listing Rules, Companies Ordinance and the SFO, including timely dissemination of announcements and information relating to the Group to the market and ensuring that proper notification of Directors' dealings in securities of the Group is made. During the year ended 31 March 2014, Mr. Lee has taken no less than 15 hours of relevant professional trainings to update his skills and knowledge. Mr Lee's qualification has been set out under the section "Directors and Senior Management Biographies".

7. COMPLIANCE OFFICER

Mr. Wong Ka Wah, Albert, the Compliance Officer appointed pursuant to Rule 5.19 of the GEM Listing Rules, is responsible for advising on and assisting the Board in implementing procedures to ensure that the Company complies with the GEM Listing Rules and other relevant laws and regulations applicable to the Company; and responding promptly and efficiently to all enquiries directed at him by the Stock Exchange. Mr. Wong's qualification has been set out under the section "Directors and Senior Management Biographies".

8. DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Insurance cover has been taken out for Directors' and Officers' Liability to provide adequate cover, as determined by the Board, in respect of the Board members and senior management members of the Company. The insurance coverage is reviewed on an annual basis.

9. COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Company has adopted a shareholder communication policy with the objective of ensuring that the shareholders of the Company and potential investors are provided with ready, equal, and timely access to balanced and comprehensible information about the Company.

The Company has established a number of channels to communicate with the shareholders of the Company as follows:

(i) corporate communications such as annual reports, quarterly reports, interim reports and circulars are issued in printed form and are available on the Stock Exchange's website at www.hkex.com.hk and the Company's website at www.lmfnoodle.com;

(ii) periodic announcements are made through the Stock Exchange and published on the respective websites of the Stock Exchange and the Company;

(iii) corporate information is made available on the Company's website;

(iv) annual and extraordinary general meetings provide a forum for the shareholders of the Company to make comments and exchange views with the Directors and senior management; and

(v) the Company's branch share registrar in Hong Kong serves the shareholders of the Company in respect of share registration, dividend payment and related matters.

The Company has arranged for the notice to shareholders for annual general meeting of the Company to be sent at least 20 business days before the meeting and to be sent at least 10 business days for all other general meetings. The chairpersons of the Board and of the Audit Committee, Remuneration Committee and Nomination Committee, or in their absence, other members of the respective Board Committees, were invited to attend the annual general meeting of the Company to answer questions from Shareholders. External auditors were also invited to attend the annual general meeting of the Company to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence. Separate resolutions were proposed by the chairman of general meetings in respect of each substantial issue, including the election of individual Directors. The poll results were posted on the websites of the Company and the Stock Exchange on the same business day of the general meeting.

During the year, there was no significant change in the Company's memorandum and articles of association. A copy of the latest consolidated version of the memorandum and articles of association of the Company is posted on the websites of the Company and the Stock Exchange.

Shareholders and investors may also write directly to the Company's principal place of business in Hong Kong at 17/F., No. 8 Wyndham Street, Central, Hong Kong or via email to info@wealthglory.com for any inquiries. Inquiries are dealt with in an informative and timely manner.

10. SHAREHOLDERS' RIGHTS

As one of the measures to safeguard shareholders' interests and rights, separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual Directors, for shareholders' consideration and voting. Besides, various rights of shareholders, including the right to propose resolutions, are contained in the Articles of Association.

All resolutions put forward at shareholders' meetings will be voted by poll pursuant to the GEM Listing Rules and the Articles of Association of the Company and the poll voting results will be posted on the GEM website "www.hkgem.com" and the Company's website "www.lmfnoodle.com" after the relevant shareholders' meetings.

Extraordinary general meeting may be convened by the Board on requisition of shareholders of the Company holding not less than one-tenth of the paid up capital of the Company or by such shareholders of the Company who made the requisition (the "Requisitionists") (as the case may be) pursuant to Article 58 of the Company's Articles of Association. Such requisition must state the object of business to be transacted at the meeting and must be signed by the Requisitionists and deposited at the registered office of the Company or the Company's principal place of business in Hong Kong. shareholders of the Company should follow the requirements and procedures as set out in such Article on convening an extraordinary general meeting. Shareholders of the Company may put forward proposals at general meeting of the Company by sending the same to the Company at the principal office of the Company in Hong Kong.

For putting forward any enquiries to the Board, shareholders of the Company may send written enquiries to the Company. Shareholders of the Company may send their enquiries or requests in respect of their rights to the Company's principal place of business in Hong Kong.

NOTICE IS HEREBY GIVEN THAT the annual general meeting for the year 2014 (the "2014 AGM") of Wealth Glory Holdings Limited ("Company") will be held at 17/F., No. 8 Wyndham Street, Central, Hong Kong on Wednesday, 3 September 2014 at 3:00 p.m. for the following purposes:–

AS ORDINARY BUSINESS

1. To receive, consider and adopt the audited consolidated financial statements and the reports of the directors of the Company (the "Director(s)") and external auditor ("Auditor") for the year ended 31 March 2014.

2. (a) To re-elect:–

   (i) Mr. Wong Ka Wah, Albert as executive Director;

   (ii) Mr. Chow Chi Fai as independent non-executive Director; and

   (iii) Mr. Tam Chak Chi as independent non-executive Director; and

   (b) To authorise the board of Directors (the "Board") to fix the Directors' remuneration.

3. To re-appoint Deloitte Touche Tohmatsu as Auditor and to authorise the Board to fix their remuneration.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without amendments, the following resolutions as ordinary resolutions:

4. (a) "**THAT**:

   (I) subject to paragraph (III) below, pursuant to the Rules Governing the Listing of Securities on the Growth Enterprises Market (the "GEM Listing Rules") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with the unissued shares of the Company (the "Shares") and to make or grant offers, agreements, options, warrants and other securities to subscribe for or convertible into Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

   (II) the approval in paragraph (I) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options, warrants and other securities to subscribe for or convertible into Shares which might require the exercise of such powers after the end of the Relevant Period;

(III) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (I) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company (the "Articles") in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:

(i) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and

(ii) (provided that resolutions nos. 4(b) and (c) are passed) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution), and the authority pursuant to paragraph (I) of this resolution shall be limited accordingly; and

(IV) for the purpose of this resolution:–

"Relevant Period" means the period from the passing of this resolution until whichever is the earlier of:–

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable law of the Cayman Islands to be held; and

(iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company (the "Shareholder(s)") in general meeting.

"Rights Issue" means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to the Shareholders or any class thereof on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange)."

(b) "**THAT**:

(I) subject to paragraph (II) of this resolution, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (the "SFC") and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the SFC, the Stock Exchange and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;

(II) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (I) during the Relevant Period (as defined below) shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (I) of this resolution shall be limited accordingly; and

(III) for the purposes of this resolution:–

"Relevant Period" means the period from the passing of this resolution until whichever is the earlier of:–

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable law of the Cayman Islands to be held; and

(iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting."

(c) "**THAT** subject to the ordinary resolutions nos. 4(a) and (b) above being duly passed, the unconditional general mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with unissued Shares pursuant to resolution no. 4(a) above be extended by the addition thereon of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company subsequent to the passing of this resolution, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued Shares on the date of the passing of resolution no. 4(b)."

5. "**THAT** subject to the Stock Exchange granting the listing of, and permission to deal in, the ordinary Shares of HK$0.01 each in the capital of the Company to be issued pursuant to the exercise of options which may be granted under the Scheme Mandate Limit (as defined below) and pursuant to the share option scheme of the Company adopted on 26 September 2010 (the "Share Option Scheme"), approval be and is hereby generally and unconditionally granted for refreshing and renewing the Scheme Mandate Limit (as defined below) under the Share Option Scheme provided that (i) the total number of Shares which may be allotted and issued upon the exercise of the options to be granted under the Share Option Scheme and other share option schemes of the Company shall not exceed 10 per cent. of the total number of Shares in issue as at the date of the passing of this resolution (the "Scheme Mandate Limit"); and (ii) the overall limit on the number of Shares which may be issued upon the exercise of all options to be granted and yet to be exercised under the Share Option Scheme and other share option schemes of the Company must not exceed 30 per cent. of the Shares in issue from time to time and that the Directors be and are hereby authorised, at their absolute discretion, to grant options under the Share Option Scheme up to the Scheme Mandate Limit and to exercise all the powers of the Company to allot, issue and deal with the shares of the Company pursuant to the exercise of such options."

6. "**THAT**

   (a) the authorised share capital of the Company be and is hereby increased from HK$20,000,000 divided into 2,000,000,000 Shares of HK$0.01 each in the share capital of the Company to HK$40,000,000 divided into 4,000,000,000 Shares by the creation of an additional 2,000,000,000 new Shares (the "Increase in Authorised Share Capital"); and

   (b) any Directors be and is/are hereby authorised to do all such acts and things and execute all such documents which he/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Increase in Authorised Share Capital."

By order of the Board
Wealth Glory Holdings Limited
Wong Ka Wah, Albert
Chairman

Hong Kong, 25 June 2014

Notes:

1. Any Shareholder entitled to attend and vote at the 2014 AGM shall be entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a Shareholder but must be present in person at the 2014 AGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.

2. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, and deposit the same at the branch share registrar and transfer office of the Company in Hong Kong, Union Registrars Limited, at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the 2014 AGM or any adjournment thereof.

3. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the 2014 AGM or any adjournment thereof, should he so wish.

4. According to the Articles, all proposed resolutions in general meetings of the Company shall be put to vote by way of poll.

5. In the case of joint holders of Shares, any one of such holders may vote at the 2014 AGM, either personally or by proxy, in respect of such Shares as if he was solely entitled thereto, but if more than one such joint holders are present at the 2014 AGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.

6. The Chinese version of the notice is for reference only. Should there be any discrepancies, the English version will prevail.

INDEPENDENT AUDITOR'S REPORT

For the year ended 31 March 2014

Deloitte.
德勤

TO THE MEMBERS OF WEALTH GLORY HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Wealth Glory Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 49 to 111, which comprise the consolidated statement of financial position as at 31 March 2014, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagements, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 March 2014, and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Other Matter

The consolidated financial statements of the Group for the year ended 31 March 2013 were audited by another auditor who expressed an unqualified opinion, with an emphasis of matter paragraph in relation to material uncertainty on the impairment assessment of the investment in an associate and loan to an associate on those statements on 24 June 2013.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

25 June 2014

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2014

	Notes	2014 HK$'000	2013 HK$'000
Revenue	6	**316,634**	48,292
Cost of sales		**(311,971)**	(40,344)
Gross profit		**4,663**	7,948
Other income	7	**520**	843
Other gains and losses	8	**(1,168)**	–
Impairment losses recognised in respect of interest in an associate	16	**(35,441)**	–
Share of losses of an associate	16	**(46,500)**	
Selling expenses		**(1,385)**	(1,573)
Administrative expenses		**(34,065)**	(12,704)
Other expenses		**(34,600)**	(8,386)
Finance costs	9	**(13,563)**	–
Loss before taxation		**(161,539)**	(13,872)
Taxation	11	**2,076**	–
Loss for the year	12	**(159,463)**	(13,872)
Other comprehensive (expense) income:			
Item that may be subsequent reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		**(173)**	82
Total comprehensive expense for the year		**(159,636)**	(13,790)
Loss for the year attributable to:			
Owners of the Company		**(159,407)**	(13,872)
Non-controlling interests		**(56)**	–
		(159,463)	(13,872)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(159,580)**	(13,790)
Non-controlling interests		**(56)**	–
		(159,636)	(13,790)
Loss per share			
Basic and diluted	14	**14.1 HK cents**	1.7 HK cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2014

	Notes	2014 HK$'000	2013 HK$'000
Non-current assets			
Property, plant and equipment	15	**11,740**	10,355
Interests in an associate	16	**18,333**	100,274
Goodwill	17	**29,657**	–
Intangible assets	18	**112,417**	–
		172,147	110,629
Current assets			
Inventories	19	**845**	655
Trade receivables	20	**10,429**	1,366
Prepayments, deposits and other receivables	21	**15,460**	3,034
Loan to an associate	16	**6,220**	5,000
Bank balances and cash	22	**18,850**	31,515
		51,804	41,570
Current liabilities			
Trade payables	23	**9,799**	1,090
Accruals and other payables		**4,312**	3,452
Promissory note	24	**18,794**	–
		32,905	4,542
Net current assets		**18,899**	37,028
Total assets less current liabilities		**191,046**	147,657
Non-current liabilities			
Bonds	25	**103,432**	–
Deferred tax liabilities	26	**18,551**	3
		121,983	3
Net assets		**69,063**	147,654

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2014

	Notes	2014 HK$'000	2013 HK$'000
Capital and reserves			
Share capital	27	**13,491**	9,992
Reserves		**55,352**	137,639
Total equity attributable to owners of the Company		**68,843**	147,631
Non-controlling interests		**220**	23
Total equity		**69,063**	147,654

The financial statements on pages 49 to 111 were approved and authorised for issue by the Board of Directors on 25 June 2014 and are signed on its behalf by:

Wong Ka Wah, Albert	**Hong Sze Lung**
Chairman and Executive Director	*Executive Director and Chief Executive Officer*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2014

	Attributable to owners of the Company										
	Share capital HK$'000	Share premium HK$'000	Warrants reserve HK$'000	Merger reserve HK$'000 *(note a)*	Share-based payment reserve HK$'000	Translation reserve HK$'000	Legal reserve HK$'000 *(note b)*	Retained profits (accumulated losses) HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 April 2012	6,624	59,383	–	(4,246)	4,132	(465)	485	38,863	104,776	–	104,776
Other comprehensive income for the year	–	–	–	–	–	82	–	–	82	–	82
Loss for the year	–	–	–	–	–	–	–	(13,872)	(13,872)	–	(13,872)
Total comprehensive income (expense) for the year	–	–	–	–	–	82	–	(13,872)	(13,790)	–	(13,790)
Issue of shares upon placement and subscription	3,368	54,702	–	–	–	–	–	–	58,070	–	58,070
Transaction costs attributable to issues of shares	–	(1,425)	–	–	–	–	–	–	(1,425)	–	(1,425)
Capital contribution from a non-controlling shareholder of a subsidiary	–	–	–	–	–	–	–	–	–	23	23
At 31 March 2013	9,992	112,660	–	(4,246)	4,132	(383)	485	24,991	147,631	23	147,654
Other comprehensive expense for the year	–	–	–	–	–	(173)	–	–	(173)	–	(173)
Loss for the year	–	–	–	–	–	–	–	(159,407)	(159,407)	(56)	(159,463)
Total comprehensive expense for the year	–	–	–	–	–	(173)	–	(159,407)	(159,580)	(56)	(159,636)
Issue of warrants upon placing of bonds	–	–	3,527	–	–	–	–	–	3,527	–	3,527
Issue of shares upon acquisition of subsidiaries	1,930	30,494	–	–	–	–	–	–	32,424	–	32,424
Issue of shares upon subscription	1,115	18,885	–	–	–	–	–	–	20,000	–	20,000
Issue of shares and warrants	454	7,032	2,512	–	–	–	–	–	9,998	–	9,998
Transaction costs attributable to issues of shares	–	(557)	–	–	–	–	–	–	(557)	–	(557)
Capital contributions from non-controlling shareholders to subsidiaries	–	–	–	–	–	–	–	–	–	253	253
Transfer upon lapse of share options	–	–	–	–	(2,219)	–	–	2,219	–	–	–
Recognition of equity-settled share-based payments	–	–	–	–	15,400	–	–	–	15,400	–	15,400
At 31 March 2014	13,491	168,514	6,039	(4,246)	17,313	(556)	485	(132,197)	68,843	220	69,063

Notes:

(a) The merger reserve of the Group arose as a result of the reorganisation of the Group implemented in preparation for the listing on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

(b) Legal reserve represented reserve retained in accordance with the Article 377 of the Macau Commercial Code for the entities incorporated in Macau. The legal reserve represented the amount set aside from the consolidated statement of profit or loss and other comprehensive income and is not distributable to the owners.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2014

	Notes	2014 HK$'000	2013 HK$'000
OPERATING ACTIVITIES			
Loss before taxation		**(161,539)**	(13,872)
Adjustments for:			
Impairment loss recognised in respect of other receivables		**1,133**	–
Write-down of inventories		**–**	68
Depreciation of property, plant and equipment		**1,550**	1,346
Amortisation of intangible assets		**12,583**	–
Gain on disposal of property, plant and equipment		**–**	(80)
Impairment loss recognised in respect of interest in an associate		**35,441**	–
Share of losses of an associate		**46,500**	
Interest expense		**13,563**	–
Transaction costs directly attributable to the acquisition of subsidiaries		**4,128**	–
Interest income		**(470)**	(439)
Share-based payments		**15,400**	–
Operating cash flows before movements in working capital		**(31,711)**	(12,977)
Increase in inventories		**(190)**	(37)
(Increase) decrease in trade receivables		**(9,063)**	15,821
Increase in prepayments, deposits and other receivables		**(13,493)**	(2,282)
Increase (decrease) in trade payables		**8,709**	(7,072)
Increase in accruals and other payables		**810**	1,673
NET CASH USED IN OPERATING ACTIVITIES		**(44,938)**	(4,874)
INVESTING ACTIVITIES			
Acquisition of an associate		**–**	(100,000)
Loan to an associate		**(1,220)**	(5,000)
Purchase of property, plant and equipment		**(2,935)**	(2,340)
Proceeds from disposal of property, plant and equipment		**–**	118
Interest received		**470**	232
Acquisition of subsidiaries	29	**(84,998)**	–
Transaction costs directly attributable to the acquisition of subsidiaries		**(4,128)**	–
NET USED IN INVESTING ACTIVITIES		**(92,811)**	(106,990)
FINANCING ACTIVITIES			
New borrowings raised		**5,000**	–
Repayment of borrowings		**(5,000)**	–
Capital contribution from non-controlling shareholders of subsidiaries		**253**	–
Issue of new shares	27(d)	**20,000**	58,070
Issue of new shares and warrants	27(e)	**9,998**	–
Issue of bonds and warrants	25	**107,000**	–
Expenses of issue of shares, bonds and warrants		**(3,894)**	(1,425)
Interest paid		**(8,100)**	–
NET CASH FROM FINANCING ACTIVITIES		**125,257**	56,645

For the year ended 31 March 2014

	2014 HK$'000	2013 HK$'000
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(12,492)**	(55,219)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**31,515**	86,676
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**(173)**	58
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**18,850**	31,515
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	**18,850**	31,515

1. GENERAL

The Company is incorporated in the Cayman Islands with limited liability and its shares are listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. The addresses of the registered office and principal place of business of the Company are disclosed in Corporate Information to the annual report.

The Company acts as an investment holding company. The principal activities and other details of its subsidiaries are set out in note 36.

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

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

In the current year, the Company has applied the following Amendments to Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Amendments to HKFRSs	Annual improvements to HKFRSs 2009 – 2011 cycle
Amendments to HKFRS 7	Disclosures – Offsetting financial assets and financial liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance
HKFRS 10	Consolidated financial statements
HKFRS 11	Joint arrangements
HKFRS 12	Disclosure of interests in other entities
HKFRS 13	Fair value measurement
HKAS 19 (as revised in 2011)	Employee benefits
HKAS 27 (as revised in 2011)	Separate financial statements
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures
Amendments to HKAS 1	Presentation of items of other comprehensive income
HK(IFRIC) – INT 20	Stripping costs in the production phase of a surface mine

Except as described below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONT'D)

Impact of the application of HKFRS 10

HKFRS 10 replaces the parts of HKAS 27 "Consolidated and separate financial statements" that deal with consolidated financial statements and HK(SIC) INT-12 "Consolidation – special purpose entities". HKFRS 10 changes the definition of control such that an investor has control over an investee when (a) it has power over the investee, (b) it is exposed, or has rights, to variable returns from its involvement with the investee and (c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

As a result of the application of HKFRS 10, the Group has changed the accounting policy with respect to determining which investees are controlled by the Group.

The application of HKFRS 10 does not change any of the consolidation conclusions of the Group in respect of its involvement with investees as at 1 April 2012 or the conclusions reached for the acquisitions of subsidiaries in current and prior accounting periods.

HKFRS 12 Disclosure of interests in other entities

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements in relation to the Group's interest in an associate as disclosed in note 16.

Amendments to HKAS 1 Presentation of items of other comprehensive income

The Group has applied the amendments to HKAS 1 "Presentation of items of other comprehensive income". Upon the adoption of the amendments to HKAS 1, the Group's "statement of comprehensive income" is renamed as the "statement of profit or loss and other comprehensive income". Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONT'D)

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

Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities[1]
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation[5]
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations[5]
HKFRS 9	Financial instruments[3]
Amendments to HKAS 19	Defined benefit plans: Employees contributions[2]
Amendments to HKAS 32	Offsetting financial assets and financial liabilities[1]
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets[1]
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting[1]
Amendments to HKFRSs	Annual improvement to HKFRSs 2010 – 2012 cycle[4]
Amendments to HKFRSs	Annual improvement to HKFRSs 2011 – 2013 cycle[2]
HK(IFRIC) – INT 21	Levies[1]

1 Effective for accounting periods beginning on or after 1 January 2014.

2 Effective for accounting periods beginning on or after 1 July 2014.

3 Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.

4 Effective for accounting periods beginning on or after 1 July 2014, with limited exceptions.

5 Effective for accounting periods beginning on or after 1 January 2016.

HKFRS 9 Financial instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for hedge accounting.

Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 "Financial instruments: Recognition and measurement" are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting 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.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONT'D)

HKFRS 9 Financial instruments (cont'd)

Based on the Group's financial instruments as at 31 March 2014, the directors of the Company anticipate that the application of HKFRS 9 is not expected to have material impact on the consolidated financial statements.

Amendments to HKAS 36 Recoverable amount disclosures for non-financial assets

The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash generating unit ("CGU") to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements regarding the fair value hierarchy, key assumptions and valuation techniques used when the recoverable amount of an asset or CGU was determined based on its fair value less costs of disposal.

The directors of the Company anticipate that the application of these amendments to HKAS 36 may result in more disclosures on the Group's consolidated financial statements in respect of the Group's goodwill, intangible assets, property, plant and equipment and interest in an associate for which an impairment loss has been recognised.

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

The principal accounting policies are set out below.

Basis of consolidation

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

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

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

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

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 "Income taxes" and HKAS 19 "Employee benefits" respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 "Share-based payment" at the acquisition date (see the accounting policy below); and

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 "Non-current assets held for sale and discontinued operations" are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost less accumulated impairment losses and is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss for goodwill is not reversed in subsequent periods.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Goodwill (cont'd)

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

Interests in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date of which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "Impairment of assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue recognition

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

Revenue from the sale of goods is recognised upon delivery to customers at the time when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Deposits received from purchases prior to meeting the above criteria for revenue recognition are included in consolidated statement of financial position under current liabilities.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income from a financial asset is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Property, plant and equipment

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

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation method used reflects the pattern in which the relevant intangible asset's future economic benefits are expected to be consumed. If the pattern cannot be determined reliably, the straight line method is used. Specifically, amortisation for contract-based intangible assets with finite useful lives and fixed quantity of trading volume for the related transaction is provided using the unit of production method based on the actual trading volume over the contract trading volume. Amortisation for contract-based intangible assets with finite useful lives in which the trading volume for the related transaction cannot be reliably estimated is provided on a straight-line basis over the contract period.

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

Impairment losses on tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill above)

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately in profit or loss.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised as and included in profit or loss under the finance costs in the consolidated statement of profit or loss and other comprehensive income in the period in which they are incurred.

Taxation

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Taxation (cont'd)

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

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

Current and deferred tax is recognised in profit or loss.

Leasing

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

The Group as lessee
Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign currencies

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

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

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK$) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (the translation reserve).

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Retirement benefit costs

Payments to state-managed retirement benefit schemes and Mandatory Provident Fund Scheme are charged as an expense when employees have rendered service entitling them to the contributions.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified as loans and receivables.

Effective interest method

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade receivables, other receivables and deposits, loan to an associate and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of financial assets below). Interest income is recognised by applying the interest rate, except for short-term receivables where the recognition of interest would be immaterial.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial instruments (cont'd)

Impairment of loans and receivables

Loans and receivables are assessed for indicators of impairment at the end of each reporting period. Loans and receivables are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows have been affected.

Objective evidence of impairment could include:

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

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

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

The carrying amount of loans and receivables is reduced by the impairment loss directly for all loans and receivables with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When the trade receivables are considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial instruments (cont'd)

Financial liabilities and equity instruments

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Warrants

Warrants issued by the Company that will be settled by a fixed amount of cash for a fixed number of the Company's own equity instruments are equity instruments. The fair value of warrants at initial recognition are recognised in equity (warrants reserve). The warrants reserve will be transferred to share capital and share premium accounts upon the exercise of the warrants. When the warrants are still not exercised at the expiry date, the amount previously recognised in the warrants reserve will be transferred to retained earnings/accumulated losses.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities including trade payables, accruals and other payables, promissory note and bonds are subsequently measured at amortised cost, using the effective interest method.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

Contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments are recognised as derivative financial instruments with the exception of contracts that were entered into and continued to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

Embedded derivatives

Derivatives embedded in non-derivative host contracts are separated from the relevant host contracts (the debt component) and deemed as held-for-trading when the economic characteristics and risks of the embedded derivatives are not closely related to those of the host contracts, and the combined contracts are not measured at fair value through profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial instruments (cont'd)

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

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

Share-based payment transactions

Share options granted to employees

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share-based payment reserve).

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

At the time when the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits/accumulated losses.

The Group recognises an expense for the services rendered by employees when these services are received. When the employees began rendering their services in respect of a particular grant of share option prior to the grant date of that grant, the Group estimates the grant date fair value of the equity instrument by estimating the fair value of the equity instrument at the end of the reporting period for the purposes of recognising the services received. Once the date of grant has been established, the Group revises the earlier estimate to the grant date fair value of equity instrument.

Share options granted to consultants

Share options issued in exchange for services are measured at the fair values of the services received, unless that fair value cannot be reliably measured, in which case the services received are measured by reference to the fair value of the share options granted. The fair values of the services received are recognised as expenses, with a corresponding increase in equity (share option reserve), when the counterparties render services, unless the services qualify for recognition as assets.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Estimated impairment of goodwill, property, plant and equipment and intangible assets

Determining whether an impairment is required an estimation of recoverable amounts of the property, plant and equipment, intangible assets or the respective cash generating units ("CGU") in which the goodwill, property, plant and equipment and intangible assets belong, which is the higher of value in use and fair value less costs of disposal. If there is any indication that an asset may be impaired, recoverable amount shall be estimated for individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group shall determine the recoverable amount of the CGU to which the asset belongs. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the assets or CGUs and a suitable discount rate in order to calculate the present value. The discount rate represents a rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. Where the actual future cash flows or the revision of estimated future cash flows are less than original estimated future cash flow, a material impairment loss may arise. As at 31 March 2014, the carrying amounts of goodwill, property, plant and equipment and intangible assets are HK$29,657,000, HK$11,740,000 and HK$112,417,000 respectively (2013: nil, HK$10,355,000 and nil).

Impairment of interests in an associate

Determining whether interests in an associate are impaired requires an estimation of the recoverable amount of the associate which is higher of value in use and fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the associate, suitable discount rates and the proceeds on ultimate disposal of the associate. Where the actual future cash flows are less than or more than expected or upon the management's revision of estimated cash flows due to change in conditions, facts and circumstances, a material impairment loss or reversal of impairment loss may arise. As at 31 March 2014, the carrying amount of interests in an associate is HK$18,333,000, net of impairment losses of HK$35,441,000 recognised in profit or loss during the current year (2013: carrying amount of HK$100,274,000 with no impairment loss recognised).

Allowances for bad and doubtful debts

When there is objective evidence that trade and other receivables and loans receivables may be impaired, the Group estimates the future cash flows of those balances. The amount of the impairment loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial assets' original effective interest rate (i.e. the effective interest rate computed on initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. At 31 March 2014, the carrying amount of trade receivables was HK$10,429,000 (2013: HK$1,366,000).

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Depreciation

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the relevant assets, after taking into account their estimated residual value, if any. The Group reviews the estimated useful lives of the assets annually in order to determine the amount of depreciation expenses to be recorded during the periods. The useful lives are based on the Group's historical experience with similar assets taking into account anticipated technological changes. The depreciation expenses for future periods are adjusted if there are significant changes from previous estimates. At 31 March 2014, the carrying value of property, plant and equipment is HK$11,740,000 (2013: HK$10,355,000).

5. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2014	2013
	HK$'000	HK$'000
Financial assets		
Loans and receivables (including cash and cash equivalents)	**47,863**	40,097
Financial liabilities		
Amortised cost	**136,271**	4,542

Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, other receivables and deposits, loan to an associate, bank balances, trade payables, accruals and other payables, promissory note and bonds. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (interest rate risk and currency risk), credit risk and liquidity risk and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) *Currency risk*

Certain bank balances of the Group are denominated in foreign currencies which are different from functional currencies of respective group entities. As at 31 March 2014 and 2013, bank balances of respective group entities denominated in foreign currencies were immaterial. The Group does not have a foreign currency hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

5. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

Market risk (cont'd)

(ii) *Interest rate risk*

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances.

The Group is exposed to fair value interest rate risk in relation to the fixed-rate bonds through the impact of changes in market interest rate.

The Group currently does not have interest rate hedging policy. However, the management will consider hedging significant interest rate exposure should the need arise.

The management considers that the Group's exposure to cash flow interest rate risk on variable-rate bank balances as a result of the change of market interest rate is insignificant due to its short-term maturity and thus no sensitivity analysis is prepared for interest rate risk.

(iii) *Price risk*

The Group is exposed to price risk through its natural resources trading business of which their prices fluctuate directly with the commodity price (i.e. price of magnetite sand concentrate and palm oil). The commodity price is affected by a wide range of global and domestic factors which are beyond the control of the Group. The fluctuation in commodity prices may have favourable or unfavourable impacts to the Group. The management considered that the price risk is mitigated through entering into corresponding contracts with customers and the Group's pricing policy in relation to the suppliers' and customers' contracts. Accordingly, the exposure of the Group to price risk is considered insignificant by the management of the Group and hence no sensitivity analysis is presented.

Credit risk

The Group's credit risk is primarily attributable to trade receivables, other receivables, loan to an associate and bank balances for both years.

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

The Group has significant concentration of credit risk on loan to an associate as the credit risk is attributable to one counterparty for both years. The directors of the Company continuously monitor the credit quality and financial conditions of associate and the level of exposure to ensure the follow-up action is taken to recover the debt. Also, the Group has concentration of credit risks with exposure limited to certain customers as at 31 March 2014. A customer amounting to HK$8,459,000 (2013: nil) comprised entire trade receivables on trading of natural resources and commodities business. The management closely monitors the subsequent settlement of this customer. Other than these, there is no significant concentration of credit risk in receivables as the exposure spread over a number of counterparties and customers.

5. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

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

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Liquidity risk

The Group manages its liquidity risk by monitoring and maintaining a level of cash and cash equivalents secured adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowing and ensure compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows.

	Weighted average effective interest rate	Within 1 year or repayable on demand	Between 1 to 2 years	Between 2 to 5 years	Over 5 years	Total undiscounted cash flows	Carrying amount at the end of the reporting period
	%	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 31 March 2014							
Trade payables	N/A	9,799	–	–	–	9,799	9,799
Accruals and other payables	N/A	4,246	–	–	–	4,246	4,246
Promissory note	24.225	23,000	–	–	–	23,000	18,794
Bonds	20.338	17,050	110,050	–	10,000	137,100	103,432
		54,095	110,050	–	10,000	174,145	136,271
At 31 March 2013							
Trade payables	N/A	1,090	–	–	–	1,090	1,090
Accruals and other payables	N/A	3,452	–	–	–	3,452	3,452
		4,542	–	–	–	4,542	4,542

5. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

Fair value measurements of financial instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The management of the Group estimates the fair value of its financial assets and financial liabilities measured at amortised cost using the discounted cash flows analysis.

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated statement of financial position approximate their fair values.

Fair value measurement and valuation process

The chief financial officer of the Company is responsible to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available for items that are initially recognised at fair value, the Group engaged third party qualified valuers to perform the fair value estimation. During the year ended 31 March 2014, fair value of bonds, warrants, promissory note and intangible assets acquired through acquisition of subsidiaries at initial recognition are valued by third party qualified valuers. The chief financial officer works closely with qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

6. REVENUE AND SEGMENT INFORMATION

Revenue represents the amounts received and receivable for goods sold and services provided by the Group, less returns and allowances during the year.

Segment revenue and results

The Group determines its operating segment and measurement of segment profit based on the internal reports to executive directors, the Group's chief operating decision makers, for the purposes of resource allocation and performance assessment.

During the year ended 31 March 2014, natural resources and commodities business segment has become a substantial operating activity to the Group (such as trading of palm oil by the Group's existing subsidiary) as well as the Group acquired entire equity interest in Digital Rainbow Holdings Limited ("Digital Rainbow"), which is principally engaged in trading of magnetite sand concentrate, and therefore it is reported as a new reportable and operating segment.

During the year ended 31 March 2013, the Group has one single reportable segment which was managed as a single strategic business unit that engaged in the manufacturing and sale of packaged food including fresh and dried noodles (Packaged Food segment) with similar marketing strategy. Accordingly, no segment analysis is presented during the year ended 31 March 2013. After starting of trading palm oil and other natural resources products during the year ended 31 March 2014, the executive directors separately assessed the segment results of Packaged Food segment from natural resources and commodities business segment as well as the corporate income and expenses.

Figures in segment information for the year ended 31 March 2013 have been re-presented for comparative purposes.

During the year ended 31 March 2014, the Group's reportable and operating segments are therefore as follows:

(a) the natural resources and commodities business segment engages in the trading of natural resources and commodities including but not limited to iron ore, coal and crude palm oil etc ("Natural Resources and Commodities")

(b) the Packaged Food

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

6. REVENUE AND SEGMENT INFORMATION (CONT'D)

Segment revenue and results (cont'd)

	Revenue		Segment (loss) profit	
	For the year ended		For the year ended	
	31 March 2014 HK$'000	31 March 2013 HK$'000 (re-presented)	**31 March 2014 HK$'000**	31 March 2013 HK$'000 (re-presented)
Natural Resources and Commodities	**301,981**	–	**(2,256)**	–
Packaged Food	**14,653**	48,292	**(3,703)**	609
Total	**316,634**	48,292	**(5,959)**	609
Interest income			**470**	439
Amortisation of intangible assets			**(12,583)**	–
Impairment losses recognised in respect of interest in an associate			**(35,441)**	–
Share of losses of an associate			**(46,500)**	–
Unallocated corporate expenses			**(47,963)**	(14,920)
Finance costs			**(13,563)**	–
Loss before taxation			**(161,539)**	(13,872)

All of the segment revenue reported above is from external customers.

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies described in note 3. Segment loss represents the loss incurred by each segment without allocation of interest income, unallocated corporate expenses, finance costs, amortisation of intangible assets, impairment losses recognised in respect of interest in an associate and share of losses of an associate. This is the measure reported to the Group's management for the purpose of resource allocation and performance assessment.

6. REVENUE AND SEGMENT INFORMATION (CONT'D)

Segment assets and liabilities

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

As at 31 March 2014

	Natural Resources and Commodities HK$'000	Packaged Food HK$'000	Consolidated HK$'000
Segment assets	55,668	13,878	69,546
Intangible assets			112,417
Interest in an associate			18,333
Other unallocated assets			23,655
Consolidated assets			223,951
Segment liabilities	8,517	2,257	10,774
Unallocated liabilities			144,114
Consolidated liabilities			154,888

As at 31 March 2013 (re-presented)

	Natural Resources and Commodities HK$'000	Packaged Food HK$'000	Consolidated HK$'000
Segment assets	6,112	12,076	18,188
Interest in an associate			100,274
Other unallocated assets			33,737
Consolidated assets			152,199
Segment liabilities	110	1,442	1,552
Unallocated liabilities			2,993
Consolidated liabilities			4,545

6. REVENUE AND SEGMENT INFORMATION (CONT'D)

Segment assets and liabilities (cont'd)

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

- all assets are allocated to operating and reportable segments other than certain property, plant and equipment, intangible assets, interests in an associate, certain other receivables and bank balances and cash.

- all liabilities are allocated to operating and reportable segments other than certain accruals and other payables, promissory note, bonds and deferred tax liabilities.

Other segment information

For the year ended 31 March 2014

	Natural resources and commodities	Packaged food	Total	Unallocated	Consolidated
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Amounts included in the measure of segment results or segment assets:					
Depreciation of property, plant and equipment	–	1,334	1,334	216	1,550
Impairment loss recognised in respect of other receivables	1,133	–	1,133	–	1,133
Additions to property, plant and equipment	–	2,815	2,815	120	2,935

6. REVENUE AND SEGMENT INFORMATION (CONT'D)

Other segment information (cont'd)

For the year ended 31 March 2013 (re-presented)

	Natural resources and commodities	Packaged food	Total	Unallocated	Consolidated
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Amounts included in the measure of segment results or segment assets:					
Depreciation of property, plant and equipment	–	1,294	1,294	52	1,346
Write down of inventories	–	68	68	–	68
Additions to property, plant and equipment	–	516	516	1,032	1,548

Revenue from major products and services

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

	2014	2013
	HK$'000	HK$'000
Palm oil	**293,523**	–
Packaged food	**14,653**	48,292
Other natural resources products	**8,458**	–
	316,634	48,292

6. REVENUE AND SEGMENT INFORMATION (CONT'D)

Geographical information

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

	Revenue from external customers		Non-current assets	
	2014	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong	**–**	1,027	**142,959**	993
The PRC (except Hong Kong)	**21,730**	7,925	**29,188**	109,441
Indonesia	**293,523**	–	**–**	–
Australia	**–**	8,657	**–**	–
Dubai U.A.E.	**–**	3,600	**–**	–
Malaysia	**–**	7,388	**–**	–
New Zealand	**–**	5,616	**–**	195
Thailand	**–**	7,440	**–**	–
United Kingdom	**–**	3,790	**–**	–
Others	**1,381**	2,849	**–**	–
	316,634	48,292	**172,147**	110,629

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of total sales of the Group, deriving revenue from the Group's reportable and operating, are as follows:

	2014	2013
	HK$'000	HK$'000
Customer A	**136,632**[1]	N/A[2]
Customer B	**86,898**[1]	N/A[2]
Customer C	**69,994**[1]	N/A[2]
Customer D	**N/A**[2]	5,616[3]

[1] These customers are arisen from the Group's Natural Resources and Commodities segment.

[2] These customers' corresponding revenue did not contribute over 10% of the total revenue of the Group.

[3] This customer is arisen from the Group's Packaged Food segment.

7. OTHER INCOME

	2014 HK$'000	2013 HK$'000
Bank interest income	**69**	287
Interest income from loan to an associate	**401**	152
Gain on disposal of property, plant and equipment	**–**	80
Others	**50**	324
	520	843

8. OTHER GAINS AND LOSSES

	2014 HK$'000	2013 HK$'000
Net foreign exchange loss	**35**	–
Impairment losses recognised in respect of other receivables	**1,133**	–
	1,168	–

9. FINANCE COSTS

	2014 HK$'000	2013 HK$'000
Interests on other borrowings wholly repayable within one year	**100**	–
Effective interests on promissory note	**2,167**	–
Effective interests on bonds	**11,296**	–
	13,563	–

10. DIRECTORS', CHIEF EXECUTIVE AND EMPLOYEES' EMOLUMENTS

Directors' and chief executive emoluments

The emoluments paid or payable to each of the 13 (2013: 6) directors were as follows:

	For the year ended 31 March 2014					
	Directors' fees	Salaries and allowances	Bonus	Share-based payments	Retirement benefits scheme contributions	Total emoluments
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
			(Note 1)	(Note 7)		
Executive directors						
Mr. Wong Ka Wah, Albert (note 5)	–	2,427	200	1,997	15	4,639
Mr. Hong Sze Lung (note 3 & 5)	–	574	100	1,997	7	2,678
Ms. Lee Yau Lin, Jenny (note 4)	–	300	–	–	10	310
Mr. Wong Wing Fat (note 2 & 5)	–	295	145	–	8	448
Non-executive directors						
Mr. Lau Wan Pui, Joseph (note 2)	100	–	–	665	–	765
Mr. Law Chung Nam, Nelson (note 2)	100	–	–	665	–	765
Mr. Kwong Yuk Lap (note 6)	45	–	–	267	–	312
Independent non-executive directors						
Mr. May Tai Keung, Nicholas (note 2)	133	–	–	133	–	266
Mr. Tam Chak Chi (note 2)	133	–	–	133	–	266
Mr. Chow Chi Fai (note 2)	133	–	–	133	–	266
Mr. Ho Wai Hung (note 2)	27	–	–	–	–	27
Ms. Cheung Kin, Jacqueline (note 2)	27	–	–	–	–	27
Ms. Mak Yun Chu (note 4)	38	–	–	–	–	38
Total emoluments	736	3,596	445	5,990	40	10,807

10. DIRECTORS', CHIEF EXECUTIVE AND EMPLOYEES' EMOLUMENTS (CONT'D)

Directors' and chief executive emoluments (cont'd)

Notes:

(1) Incentive performance bonus for the year ended 31 March 2014 was determined by the remuneration committee having regard to the performance and duties of directors and the Group's operating results.

(2) Mr. Wong Wing Fat, Mr. Ho Wai Hung and Ms. Cheung Kin, Jacqueline were resigned on 11 September 2013. Mr. Lau Wan Pui, Joseph, Mr. Law Chung Lam, Nelson, Mr. Chow Chi Fai, Mr. May Tai Keung, Nicholas and Mr. Tam Chak Chi are appointed on 11 September 2013.

(3) Mr. Hong Sze Lung is appointed on 18 October 2013. Mr. Hong Sze Lung is an employee of the Group before 18 October 2013. His salaries and retirement benefits scheme were HK$692,000 and HK$8,000, respectively from 1 April 2013 to 18 October 2013.

(4) Ms. Lee Yau Lin, Jenny and Ms. Mak Yun Chu were resigned on 18 November 2013.

(5) Mr. Wong Wing Fat is also the Chief Executive Officer before his resignation on 11 September 2013, Mr. Wong Ka Wah, Albert was appointed as Chief Executive Officer on 11 September 2013 and resigned his office as Chief Executive Officer on 18 October 2013 and Mr. Hong Sze Lung has appointed as Chief Executive Officer on 18 October 2013 and their emoluments disclosed above include those for services rendered by them as the Chief Executive Officer.

(6) Mr. Kwong Yuk Lap is appointed on 31 December 2013.

(7) As disclosed in note 32, the grant of these share options is subject to approval of the shareholders and the estimated fair values are subject to revision once the grant date is established.

10. DIRECTORS', CHIEF EXECUTIVE AND EMPLOYEES' EMOLUMENTS (CONT'D)

	For the year ended 31 March 2013				
	Directors' fees HK$'000	Salaries and allowances HK$'000	Bonus HK$'000 (Note 1)	Retirement benefits scheme contributions HK$'000	Total emoluments HK$'000
Executive directors					
Ms. Lee Yau Lin, Jenny	–	480	–	15	495
Mr. Wong Wing Fat (note 3)	–	780	55	15	850
Mr. Wong Ka Wah, Albert (note 2)	–	750	–	10	760
Independent non-executive directors					
Mr. Ho Wai Hung	60	–	–	–	60
Ms. Cheung Kin, Jacqueline	60	–	–	–	60
Ms. Mak Yun Chu	60	–	–	–	60
Total emoluments	180	2,010	55	40	2,285

Notes:

(1) Incentive performance bonus for the year ended 31 March 2013 was determined by the remuneration committee having regard to the performance and duties of directors and the Group's operating results.

(2) Mr. Wong Ka Wah, Albert was appointed on 9 August 2012.

(3) Mr. Wong Wing Fat is also the Chief Executive Officer of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive Officer.

No directors of the Company waived any emoluments in any of the two years ended 31 March 2014.

10. DIRECTORS', CHIEF EXECUTIVE AND EMPLOYEES' EMOLUMENTS (CONT'D)

Employees' emoluments

Of the five individuals with the highest emoluments in the Group, three (2013: three) were directors of the Company whose emoluments are set out above. The emoluments of the remaining two individuals are as follows:

	2014	2013
	HK$'000	HK$'000
Salaries and other benefits	**575**	1,200
Contributions to retirement benefits schemes	**13**	24
Share-based payments	**1,208**	–
Incentive paid in joining	**210**	–
	2,006	1,224

Their emoluments were within the following bands:

	2014	2013
	Number of employees	Number of employees
Nil to HK$1,000,000	**1**	2
HK$1,000,001 to HK$1,500,000	**1**	–

Except for as disclosed above, no other emoluments were paid by the Group to the directors of the Company during the year ended 31 March 2014 and 2013 or the five highest paid individuals during the year ended 31 March 2013 as an inducement to join or upon joining the Group or as compensation for loss of office.

11. TAXATION

	2014 HK$'000	2013 HK$'000
The credit comprise of:		
Deferred tax credit (note 26)	**(2,076)**	–

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

No provision for Hong Kong Profits Tax has been made for the both years as the Group did not generate any assessable profits arising in Hong Kong.

According to the current applicable laws of the Macau Special Administrative Region, Macau Complementary Tax is calculated at a progressive rate from 9% to 12% (2013: 9% to 12%) on the estimated assessable profits for the year with the first two hundred thousand patacas assessable profits being free from tax. However, Greenfortune (Macao Commercial Offshore) Limited ("Greenfortune"), wholly-owned subsidiary of the Company, operating in Macau during the year is in compliance with the Decree-Law No. 58/99/M of Macau Special Administrative Region, and thus, the profits generated by the subsidiary is exempted from the Macau Complementary Tax. Further, in the opinion of the directors, that portion of the Group's profit is not at present subject to taxation in any other jurisdictions in which the Group operates.

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

	2014 HK$'000	2013 HK$'000
Loss before taxation	**(161,539)**	(13,872)
Tax at the income tax rate of 16.5% (2013: 16.5%)	**(26,654)**	(2,289)
Tax effect of expenses not deductible for tax purposes	**12,670**	2,460
Tax effect of income not taxable for tax purposes	**(78)**	(72)
Tax effect of the tax losses not recognised	**4,274**	352
Tax effect of share of results of an associate	**7,673**	–
Effect of different tax rates of subsidiaries operating in other jurisdictions	**39**	(123)
Effect of tax exemptions granted to Macau subsidiary	**–**	(328)
Taxation for the year	**(2,076)**	–

12. LOSS FOR THE YEAR

	2014 HK$'000	2013 HK$'000
Loss for the year has been arrived at after charging:		
Auditor's remuneration	**1,010**	853
Cost of inventories recognised as an expense	**311,971**	40,344
Write-down of inventories (included in cost of sales)	**–**	68
Depreciation of property, plant and equipment	**1,550**	1,346
Amortisation of intangible assets (included in other expenses)	**12,583**	–
Operating lease rentals in respect of:		
– land and buildings	**3,418**	1,973
– office equipment	**20**	11
Staff costs including directors' emoluments		
– Salaries, wages and other benefits	**12,827**	7,572
– Share-based payments	**8,045**	–
– Contributions to retirement benefits schemes	**1,047**	801
Total staff costs	**21,919**	8,373
Share-based payments to consultants (note 32) (included in other expenses)	**7,355**	–
Acquisition-related costs (included in other expenses)	**4,128**	–

13. DIVIDENDS

The directors do not recommend the payment of a final dividend for the year ended 31 March 2014 and 2013.

14. LOSS PER SHARE

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

	2014 HK$'000	2013 HK$'000
Loss for the purposes of basic loss per share (loss for the year attributable to owners of the Company)	**(159,407)**	(13,872)

	2014	2013
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**1,133,063,758**	823,108,844

The computation of diluted loss per share for the year ended 31 March 2014 and 2013 does not assume the exercise of the Company's share options and warrants as they would reduce loss per share.

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements	Plant and machinery	Furniture and equipment	Motor vehicles	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
COST					
At 1 April 2012	1,376	9,628	2,134	369	13,507
Exchange adjustments	13	20	18	5	56
Additions	873	137	168	370	1,548
Disposals	–	–	–	(374)	(374)
At 31 March 2013	2,262	9,785	2,320	370	14,737
Additions	37	2,807	91	–	2,935
At 31 March 2014	2,299	12,592	2,411	370	17,672
DEPRECIATION					
At 1 April 2012	537	879	1,592	332	3,340
Exchange adjustment	6	11	12	3	32
Provided for the year	205	940	146	55	1,346
Eliminated on disposals	–	–	–	(336)	(336)
At 31 March 2013	748	1,830	1,750	54	4,382
Provided for the year	336	1,028	118	68	1,550
At 31 March 2014	1,084	2,858	1,868	122	5,932
CARRYING VALUES					
At 31 March 2014	1,215	9,734	543	248	11,740
At 31 March 2013	1,514	7,955	570	316	10,355

The above items of property, plant and equipment are depreciated on straight-line basis to their residual values at the following rates per annum:

Leasehold improvements	10% – 20%
Furniture and equipment	10% – 20%
Plant and machinery	10% – 20%
Motor vehicles	20%

16. INTERESTS IN ASSOCIATE/LOAN TO AN ASSOCIATE

	2014 HK$'000	2013 HK$'000
Cost of investment in associate		
Unlisted	**100,274**	100,274
Share of post-acquisition results and other comprehensive expenses	**(46,500)**	–
Less: Impairment loss	**(35,441)**	–
	18,333	100,274
Loan to an associate	**6,220**	5,000

The loan to an associate is unsecured, interest-bearing at 10% (2013: 6%) per annum and repayable on or before 27 September 2014 (2013: 27 September 2013). The Group has not provided for impairment loss on loan to an associate after assessment of the financial position and the future business development of the associate and the amounts are still considered recoverable.

As at 31 March 2014 and 2013, the Group had interests in the following associate, there is no direct synergy between the Group's and the associate's operation:

Name of entity	Form of business structure	Place of incorporation/ registration	Principal place of operation	Class of share held	Proportion of registered capital held by the Group 2014 %	2013 %	Proportion of voting power held 2014 %	2013 %	Principal activities
Goldenbase Limited ("Goldenbase")	Incorporated	Republic of Seychelles	Hong Kong	Registered capital	33.3	33.3	33.3	33.3	Investment holdings
Subsidiaries of Goldenbase									
Royal Dragon Corporation Limited ("Royal Dragon")	Incorporated	Hong Kong	Hong Kong	Ordinary shares	33.3	33.3	33.3	33.3	Coal trading
Royal Wish Resources Trading Limited	Incorporated	Hong Kong	Hong Kong	Ordinary shares	33.3	–*	33.3	–	Coal trading
青海富譽恒盈資源有限公司 ("Qinghai Wealth Glory")	Incorporated	The PRC	The PRC	Ordinary shares	33.3	–*	33.3	–	Not yet commence business

* These subsidiaries of Goldenbase are established during the year ended 31 March 2014.

16. INTERESTS IN ASSOCIATES/LOAN TO AN ASSOCIATE (CONT'D)

The summarised consolidated financial information in respect of the Group's associate is set out below:

	2014 HK$'000	2013 HK$'000
Current assets	**23,840**	9,018
Non-current assets	**2,354**	186,000
Current liabilities	**(27,896)**	(10,913)
Non-current liabilities	**–**	(46,500)
Net (liabilities) assets	**(1,702)**	137,605
Group's share of net (liabilities) assets of associate	**(567)**	45,868
Revenue	**265,751**	3,039
Loss and total comprehensive expense for the year/period since the acquisition	**(139,307)**	(1,311)
Group's share of loss and total comprehensive expense of associate for the year/period since the acquisition	**(46,500)**	–

There are no significant restrictions on the ability of the associate to transfer funds to the Group in the form of cash dividends, or to repay loans or advance made by the Group.

Reconciliation of the above summarised consolidated financial information to the carrying amount of the interests in an associate recognised in the consolidated financial statements:

	2014 HK$'000	2013 HK$'000
Net (liabilities) assets of an associate	**(1,702)**	137,605
Proportion of the Group's ownership interest in an associate	**33.3%**	33.3%
Group's share of net (liabilities) assets of an associate	**(567)**	45,868
Others	**567**	632
Goodwill	**18,333**	53,774
Carrying amount of the Group's interest in an associate	**18,333**	100,274

16. INTERESTS IN ASSOCIATES/LOAN TO AN ASSOCIATE (CONT'D)

On 27 September 2012, the Group acquired approximately 33.3% equity interest in Goldenbase from an independent third party at a consideration of HK$100,000,000 in cash.

Under relevant regulations in the PRC at the material time of acquisitions of Goldenbase, entity should obtain coal trading license before commencing coal trading business. At the completion of the acquisition of Goldenbase by the Group, neither Goldenbase nor its subsidiary had a coal trading license. Accordingly, Royal Dragon, a subsidiary of Goldenbase, has commenced trial run of trading of coal products in Xining, Qinghai Province, the PRC under the coal trading license of its PRC co-operator (the "Zhanjiang Company"), which is independent to Goldenbase and the Group, since the end of October 2012 to test the practicality of such a trading arrangement.

Despite it is legally feasible to conduct coal trading business in Qinghai Province under the coal trading license of Zhanjiang Company which entails the raising of tax invoices in the Guangdong Province, Royal Dragon, when commenced its operation, has taken months to liaise with and explain to the tax bureau of Zhanjiang, Guangdong Province, the PRC in relation to the issuance of tax invoice in Guangdong Province in connection with each coal trade in Qinghai Province. Such administrative delay has significantly slowed down the trade cycle of the associate. In order to resolve such delay, the management of Goldenbase has decided to set up a wholly-foreign owned enterprise ("WFOE") and then to apply for a coal trading license in Qinghai Province instead during the year ended 31 March 2013.

During the year ended 31 March 2014, following the enactment of the revised law applicable to coal trading, enterprises are no longer required to obtain any coal trading license for operation of coal trading business. Accordingly, the coal trading business of the associate can be resumed upon the establishment of WFOE. The WFOE, Qinghai Wealth Glory, has been established during the year ended 31 March 2014 and has not commenced its business because it was still in the progress in its application for the ordinary taxpayer qualification at the date of authorisation for issue of the consolidated financial statements.

During the year ended 31 March 2014, the customer agreement existing at the date of acquisition of associate by the Group lapsed. At the same time, the management of Goldenbase communicated to the suppliers for the purpose of reactivating the coal supply contracts signed with these suppliers. However, the response from suppliers to reactivate such contracts was negative on the basis that the contracts have been suspended for nearly two years. Subsequent to the end of the reporting period, the associate entered into settlement agreements with each of the suppliers respectively so as to terminate the contracts (as supplemented by the subsequent supplemental contracts) signed prior to the date of acquisition of associate. Accordingly, the Group shared the loss of HK$46,500,000 (2013: nil) to profit or loss during the year ended 31 March 2014. The loss is mainly attributable to impairment losses provided in certain non-current assets.

16. INTERESTS IN ASSOCIATES/LOAN TO AN ASSOCIATE (CONT'D)

Moreover, the directors of the Company carried out impairment review during the year ended 31 March 2014 on the carrying amount of its interest in an associate individually as a single asset by comparing its recoverable amount based on the higher of value in use and fair value less costs of disposal with its carrying amount. In determining the value in use of the investment, the Group, by making reference to a business valuation performed by Roma Appraisals, estimated the present value of the estimated future cash flows expected to arise from the operations of the associate and from its ultimate disposal, by using discount rate of 17% to discount the cash flow projections to net present values. An impairment loss of HK$35,441,000 (2013: nil) was recognised to profit or loss during the year ended 31 March 2014 as a result of assessment.

17. GOODWILL

	HK$'000
CARRYING AMOUNTS	
At 1 April 2012 and 31 March 2013	–
Acquisition of subsidiaries (note 29)	29,657
At 31 March 2014	29,657

For the purpose of impairment testing, goodwill has been allocated to the CGU of Natural Resources and Commodities business segment. The recoverable amount of the CGU has been determined based on a value in use calculation, which approximates the fair value less costs of disposal. The calculation uses cash flow projections based on financial budgets approved by management covering a 5-years period and discount rate of 17% (2013: nil). The growth rate is based on the budgeted growth rate of 3%, which is determined by management's expectations for the market development, and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions of the value in use calculation include budgeted sales and gross margin on respective products from the CGU. No impairment on goodwill was considered necessary during the year ended 31 March 2014 and management believes that any reasonably possible change in any of the assumption would not cause the carrying amount of the CGU to exceed the recoverable amount of the CGU as at 31 March 2014.

18. INTANGIBLE ASSETS

	Trading contracts HK$'000
COST	
At 1 April 2012 and 31 March 2013	–
Acquisition of subsidiaries (note 29)	125,000
At 31 March 2014	125,000
AMORTISATION	
At 1 April 2012 and 31 March 2013	–
Amortisation for the year	12,583
At 31 March 2014	12,583
CARRYING AMOUNTS	
At 31 March 2014	112,417
At 31 March 2013	–

Trading contracts represented the estimated profit margin to be derived from customer agreement and suppliers' agreements on trading of magnetite sand concentrate. Amortisation for contract-based intangible assets with finite useful lives in which the trading volume for the related transaction cannot be reliably estimated is provided on a straight-line basis over the contract period.

At the date of acquisition, customer agreement and suppliers' agreements have remaining contract term of 5.32 years. Separate supplementary agreements are signed with customer and suppliers in January 2014 pursuant to which (a) customer and the Group agreed to extend the trading period to 31 December 2019; and (b) suppliers and the Group also agreed to extend the trading period to 31 December 2019. Thus, the remaining amortisation period is then revised to 5.96 years and intangible assets are amortised on a straight-line basis over this new term prospectively from this date based on the carrying amount of intangible assets before revision of amortisation period.

For the purpose of impairment testing of trading contracts, the recoverable amount of trading contracts has been determined based on a value in use calculation on the relevant trading contracts based on the cash flow expected to be derived from these contracts. The calculation uses cash flow projections based on financial budget approved by management covering the remaining contract term and a discount rate of 18% (2013: nil). The financial budget included the terms specified in customer agreement and suppliers' agreements on trading of magnetite sand concentrate. The key assumption of the value in use calculation of trading contracts is based on the budgeted cash inflows/outflows that trading contracts will be earned or expenses incurred through products sold. No impairment on trading contracts was considered necessary for the year ended 31 March 2014.

19. INVENTORIES

	2014 HK$'000	2013 HK$'000
Raw materials	**723**	459
Work in progress	**65**	22
Finished goods	**57**	174
	845	655

20. TRADE RECEIVABLES

The Group's credit terms on packaged food business generally range from 30 to 120 days. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors. The Group allows an average credit period of 30 days to its customer of natural resources and commodities business. An ageing analysis of the trade receivables net of allowance for doubtful debts presented based on the invoice date (which is approximate the revenue recognition date) at the end of the reporting period is presented below.

	2014 HK$'000	2013 HK$'000
Packaged food business		
0 – 90 days	**1,965**	1,339
91 – 180 days	**5**	27
	1,970	1,366
Trading of natural resources business		
0 – 30 days	**8,459**	–
	10,429	1,366

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Credit limits attributable to customers are reviewed regularly. Approximately 98% (2013: 88%) of trade receivables that are neither past due nor impaired have strong credit quality. These customers have no default of payment in the past and have good credit rating attributable under the credit review procedures used by the Group, including profitability, liquidity, financial leverage and operational performance quality of the counterparties.

The Group has a policy for allowance of bad and doubtful debts which is based on the evaluation of collectibility and ageing analysis of accounts and on management's judgement including the credit creditworthiness and the past collection history of each client.

20. TRADE RECEIVABLES (CONT'D)

Included in the Group's trade receivables are debtors with aggregate carrying amount of approximately HK$252,000 (2013: HK$160,000), which are past due as at the reporting date for which the Group has not provided for impairment loss as there has not been a significant change in credit quality of the trade receivable and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. The average age of these receivables is 80 days (2013: 81 days).

Ageing of trade receivables which are past due but not impaired

	2014 HK$'000	2013 HK$'000
0 to 90 days	**252**	160

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The trade receivables past due but not provided for as at the end of the reporting period were either subsequently settled or no historical default of payments was noted by the respective customers. Concentration of credit risk arising from trade receivables from packaged food business is limited due to the customer base being large and unrelated. The directors believe that there is no further credit provision required.

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2014 HK$'000	2013 HK$'000
Deposits paid to suppliers for purchase of palm oil and magnetite sand concentrate	**10,183**	–
Other deposits	**843**	1,114
Prepayments	**3,096**	689
Other receivables	**1,338**	1,231
	15,460	3,034

22. BANK BALANCES AND CASH

The bank balances receive variable interest at an average rate of 1% (2013: 1.1%) per annum. Included in the bank balances and cash was an amount of HK$$770,000 (2013: HK$1,521,000) denominated in RMB, which is not freely convertible into other currencies.

23. TRADE PAYABLES

The following is an ageing analysis of trade payable presented based on the invoice date at the end of the reporting period.

	2014	2013
	HK$'000	HK$'000
0 – 90 days	**9,741**	728
91 – 180 days	**58**	362
	9,799	1,090

The credit period ranged from 90 days to 120 days.

24. PROMISSORY NOTE

During the year ended 31 March 2014, the Group acquired entire equity interest of Digital Rainbow, which was partly satisfied by the Group issuing a promissory note with principal amount of HK$23,000,000. Details of the acquisition are set out in note 29.

The promissory note carries no interest and is repayable on 6 March 2015. The promissory note was initially recognised at fair value of HK$16,627,000 with effective interest rate of 24.225%. The promissory note was subsequently measured at amortised cost. During the year ended 31 March 2014, the Group incurred effective interest on promissory note of HK$2,167,000 (2013: nil) to profit or loss.

25. BONDS

On 6 September 2013, the Company issued bonds with principal amount of HK$80,000,000 to an independent third party. According to the terms of the bonds, the maturity date is two years from the issue date. At the maturity date, the Company may elect in its discretion to extend the term for another one year. The bonds carry interest at 20% per annum (the "Initial Interest Rate") during the first 24 months and thereafter at progressive interest rates by an addition of 2% per annum to the Initial Interest Rate for every 3 months in the event of an extension of the maturity date of the bonds. The Company may also redeem part or all of the bonds any time during the repayment term at principal amount and interest accrued up to redemption date. The extension option and early redemption option (collectively the derivative components) are considered not closely related to the host debt component. Both the host debt component and the derivative component, have been valued as at 6 September 2013 on the basis carried out at that date by Roma Appraisals Limited, an independent qualified professional valuer not connected with the Group. In the opinion of the directors, the fair value of derivative components of this bond is insignificant. At initial recognition, the bonds of HK$73,136,000 is recognised based on fair value of HK$76,473,000 after deducting the transaction cost incurred of HK$3,337,000 resulting with the effective interest rate of the bonds is 25.77% per annum. The Company issued 130,000,000 warrants to the then bondholder together with the bonds issued. Details of the warrants are disclosed in note 28.

During the year, the Company also issued unsecured bonds to independent third parties with an aggregate principal amount of HK$31,000,000. The aggregate consideration of these bonds amounted to HK$27,000,000 which have been netted with the fully prepaid interest of HK$4,000,000. The effective interest rates of these bonds ranged from 5% to 6.594%. The maturity dates of the bonds ranged from 2 years to 7.5 years.

25. BONDS (CONT'D)

The movement of the bonds for the year is set out as below:

	HK$'000
Bonds issued on 6 September 2013	73,136
Bonds issued from September 2013 to November 2013	27,000
Effective interest expense	11,296
Interest paid	(8,000)
As at 31 March 2014	103,432

Bonds issued on 6 September 2013 are secured by an aggregate of 392,000,000 shares of the Company and guaranteed by Eminent Along Limited and Ease Chance International Limited, the wholly-owned subsidiaries of the Company. All other bonds are unsecured.

26. DEFERRED TAXATION

The following are the major deferred tax liability recognised and movements thereon during the current year:

	Accelerated tax depreciation HK$'000	**Intangible assets** HK$'000	**Total** HK$'000
At 1 April 2012 and 31 March 2013	3	–	3
Acquisition of subsidiaries (note 29)	–	20,624	20,624
Credit to profit or loss (note 11)	–	(2,076)	(2,076)
At 31 March 2014	3	18,548	18,551

At the end of the reporting period, the Group has estimated unused tax losses of approximately HK$42,453,000 (2013: HK$16,550,000) available to offset against future profits. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams. As at 31 March 2014, the unrecognised tax losses of approximately HK$2,463,000, HK$2,016,000, HK$1,990,000, HK$1,351,000 and HK$456,000 will expire on 31 March 2015, 2016, 2017, 2018 and 2019 respectively. As at 31 March 2013, the unrecognised tax losses of approximately HK$3,764,000, HK$2,463,000, HK$2,016,000, HK$1,990,000 and HK$1,351,000 will expire on 31 March 2014, 2015, 2016, 2017 and 2018 respectively. Other tax losses may be carried forward indefinitely.

27. SHARE CAPITAL

	Number of shares '000	Share capital HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 April 2012	1,000,000	10,000
Increase in authorised share capital (note a)	1,000,000	10,000
At 31 March 2013 and 31 March 2014	2,000,000	20,000
Issued and fully paid:		
At 1 April 2012	662,400	6,624
Issue of shares on placement and subscription (note b)	336,848	3,368
At 31 March 2013	999,248	9,992
Issue of shares upon acquisition of subsidiaries (note c)	193,000	1,930
Issue of shares upon subscription (note d)	111,448	1,115
Issue of shares and unlisted warrants (note e)	45,448	454
At 31 March 2014	1,349,144	13,491

Notes:

(a) Pursuant to the extraordinary general meeting of shareholders of the Company passed on 3 August 2012, the Company's authorised share capital was increased from HK$10,000,000 to HK$20,000,000 by the creation of an additional 1,000,000,000 shares of HK$0.01 each.

27. SHARE CAPITAL (CONT'D)

Notes: (Cont'd)

(b) On 12 June 2012, the Company and the placing agent entered into a placing agreement, pursuant to which the placing agent agreed to procure not less than six placees to purchase up to 300,000,000 shares at placing price of HK$0.17 per share. The placing of 247,448,000 shares was completed on 27 September 2012 and the premium on the issue of shares, amounting to approximately HK$38,321,000, net of share issue expenses, was credited to the Company's share premium account.

On 19 September 2012, the Company, Conrich Investments Limited ("Conrich"), a company owned by Ms. Lee Yau Lin, Jenny (ex-director of the Company), Ms. Lee Yau Lin, Jenny and the placing agent entered into a placing and subscription agreement, pursuant to which Conrich agreed to place, and the placing agent agreed to procure not less than six placees to purchase 42,400,000 ordinary shares of HK$0.01 each at a price of HK$0.189 per share from Conrich and Conrich agreed to subscribe new shares equivalent to the number of placing shares of 42,400,000 shares at subscription price equivalent to the placing price of HK$0.189 per share from the Company. The placing and subscription were completed on 21 September 2012 and 27 September 2012 respectively and the premium on the issue of shares, amounting to approximately HK$7,449,000, net of share issue expenses, was credited to the Company's share premium account.

On 12 December 2012, the Company and the subscriber entered into a subscription agreement, pursuant to which the subscriber agreed to subscribe for and the Company agreed to allot and issue an aggregate of 47,000,000 shares at subscription price of HK$0.17 per share. The subscription was completed on 21 December 2012 and the premium on the issue of shares, amounting to approximately HK$7,507,000, net of share issue expenses, was credited to the Company's share premium account.

(c) On 6 September 2013, the Company issued 193,000,000 ordinary shares of HK$0.01 each as part of the consideration for the acquisition of Digital Rainbow. Details are referred to note 29.

(d) On 18 and 20 January 2014, the Company entered into subscription agreements with two subscribers pursuant to which the Company has agreed to allot and issue and the subscribers have agreed to subscribe for 58,824,000 shares and 52,624,000 shares in cash at the subscription price of HK$0.17 and HK$0.19 per share, respectively. The premium on issue of shares, amounting to approximately HK$18,449,000, net of share issue expenses, was credited to the Company's share premium account.

(e) On 28 February 2014, the Company entered into subscription agreement with the subscriber, whereby the Company has agreed to issue and the subscriber has agreed to subscribe (i) in cash for 45,448,000 shares at the subscription price of HK$0.22 per share; and (ii) for the 38,456,000 warrants conferring the rights to subscribe for an aggregate of 38,456,000 shares at the exercise price of HK$0.26 per share. The subscription was completed on 7 March 2014 and the premium on issue of shares, amounting to HK$6,911,000, net of share issue expenses and consideration allocated to warrant at initial recognition of HK$2,512,000, was credited to the Company's share premium account and warrant reserve respectively. Details of the warrants are disclosed in note 28.

28. WARRANTS

On 6 September 2013, the Company issued 130,000,000 warrants to the bondholder who subscribed for bonds with principal amount of HK$80,000,000 on the same date as referred to note 25. The warrants are transferable and each warrant carries the right to subscribe for one ordinary share of the Company at HK$0.24 per share at any time with maturity of 3 years from the date of issue. The fair values of the warrants as at the date of issue amounted to HK$3,527,000 were determined by reference to valuations performed by Roma Appraisals Limited, independent professional qualified valuer.

On 7 March 2014, the Company issued 38,456,000 warrants to the subscriber of the Company's shares as referred to note 27(e). The warrants are transferable and each warrant carries the right to subscribe for one ordinary share of the Company at HK$0.26 per share at any time with maturity of 1 year from the date of issue. Consideration of the subscription as the date of issue amounted to HK$2,512,000 were allocated to warrants by reference to valuations performed by Roma Appraisals Limited, independent professional qualified valuer.

The fair values of these warrants were determined using the Black Scholes Option Pricing Model.

The following assumptions were used to calculate the fair values of warrants:

	Warrants issued at 6 September 2013	**Warrants issued at 7 March 2014**
Exercise price	HK$0.24	HK$0.26
Grant date share price	HK$0.168	HK$0.245
Expected volatility (note)	40%	73.553%
Warrant life	3 years	1 year
Risk-free rate	0.743%	0.179%
Dividend yield	0%	0%
Fair value hierarchy	Level 3	Level 3

Note: Expected volatility for warrants is based on historical daily price movements of the Company over a historical period of 3 years and 1 year respectively.

29. ACQUISITION OF SUBSIDIARIES

On 6 September 2013, the Group acquired the entire equity interest in Digital Rainbow from an independent third party at an aggregate consideration at fair value of HK$134,051,000 which was satisfied by (i) the payment of cash of HK$85,000,000; (ii) the issue of a promissory note with principal amount of HK$23,000,000 by the Company; and (iii) the issue of 193,000,000 ordinary shares of the Company. This acquisition has been accounted for using the acquisition method. Digital Rainbow together with its subsidiaries is principally engaged in magnetite sand concentrate trading business. In the opinion of directors of the Company, the acquisition of Digital Rainbow is an opportunity for the Group to diversify the business into the natural resources industry.

Consideration transferred

	HK$'000
Cash	85,000
Promissory note at fair value	16,627
Ordinary shares of the Company issued at fair value	32,424
Total	134,051

Details of the promissory note are set out in note 24. As part of the consideration for acquisition of Digital Rainbow, 193,000,000 ordinary shares of the Company with par value of HK$0.01 each were issued. The fair value of the ordinary shares of the Company, determined using the quoted market price available at the date of the acquisition, amounted to approximately HK$32,424,000.

Acquisition-related costs amounting to approximately HK$4,128,000 have been excluded from the consideration transferred and have been recognised as an expense in the current period, within the other expenses line item in the consolidated statement of profit or loss and other comprehensive income.

Assets acquired and liabilities recognised at the date of acquisition:

	HK$'000
Intangible assets (note 18) (note i)	125,000
Other receivables	66
Bank balances and cash	2
Other payables	(50)
Deferred tax liabilities (note ii)	(20,624)
Net assets acquired	104,394

29. ACQUISITION OF SUBSIDIARIES (CONT'D)

Consideration transferred (cont'd)

Notes:

(i) The fair value of intangible assets of HK$125,000,000 is based on a valuation carried out by Roma Appraisals Limited, an independent professional valuer not connected with the Group, by applying income approach based on the estimated profit margin to be derived from customer agreement and suppliers' agreements on trading of magnetite sand concentrate covering the contract period on the relevant contracts and discount rate of 18%.

(ii) The deferred tax liabilities are arisen from the fair value of intangible assets recognised at acquisition date using the applicable tax rate of Digital Rainbow.

Goodwill arising on acquisition:

	HK$'000
Consideration transferred	134,051
Less: Net assets acquired	(104,394)
Goodwill arising on acquisition	29,657

Goodwill arose in the acquisition of Digital Rainbow because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of future market development in natural resources trading activities and the assembled workforce of Digital Rainbow. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising of the acquisition is expected to be deductible for tax purposes.

Cash outflow arising on acquisition:

	HK$'000
Cash consideration paid	(85,000)
Less: Bank balances and cash acquired	2
	(84,998)

Included in loss for the year is a loss of HK$86,000 attributable to Digital Rainbow. No revenue was generated from Digital Rainbow for the year ended 31 March 2014.

Had the acquisition been effected at the beginning of the reporting period, the total amount of loss of the Group for the year ended 31 March 2014 would have been HK$159,507,000, and there is no revenue generated by Digital Rainbow from the beginning of the reporting period to 31 March 2014. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the reporting period, nor is it intended to be a projection of the results.

30. LEASE COMMITMENTS

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

	2014 **HK$'000**	2013 HK$'000
Within one year	**3,050**	3,121
In the second to fifth year inclusive	**2,766**	3,131
	5,816	6,252

Operating lease payments represent rentals payable by the Group for offices, factory and office equipment. Leases are negotiated for terms of 2 to 15 years and rentals are fixed over lease terms.

31. RETIREMENT BENEFITS SCHEMES

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. Both the Group and the employees contribute a fixed percentage of the relevant payroll to the MPF Scheme. Effective from June 2012, the cap of contribution amount has been changed from HK$1,000 to HK$1,250 per employee per month.

The Group operates various benefits schemes for its full-time employees in the PRC in accordance with the relevant PRC regulations and rules, including provision of housing provident fund, medical insurance, retirement insurance, unemployment insurance, labour injury insurance and pregnancy insurance. Pursuant to the existing schemes, the Group contributes 7%, 5%, 17%, 2%, 0.5% and 0.5% of the basic salary of its employees to the housing provident fund, medical insurance, retirement insurance, unemployment insurance, labour injury and pregnancy insurance respectively.

Employees employed by the Group's operations in Macau are members of government-managed retirement benefits schemes operated by the Macau government. The Macau operations are required to pay a monthly fixed contribution to the retirement benefits schemes to fund the benefits.

The employer's contribution to the MPF Schemes and various benefits schemes in the PRC is disclosed in note 12.

32. SHARE OPTION SCHEMES

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants include the full-time and part-time employees, executives, officers, directors, business consultants, agents, legal and financial advisers of the Company and the Company's subsidiaries. The Scheme became effective on 26 September 2010 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of shares options in excess of this limit is subject to shareholders' approval in a general meeting.

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

The offer of a grant of share options may be accepted within 10 days from the date of the offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The share options vest immediately. The exercise period of the share options granted is determinable by the directors, and commences from the vesting date and ends on a date which is not later than ten years from the date of the offer of the share options or the expiry date of the Scheme, if earlier.

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares on the date of the offer.

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

32. SHARE OPTION SCHEMES (CONT'D)

Details of the share options outstanding during the year are as follows:

				Number of options				
Name	Date of grant	Exercise period *(note e)*	Exercise price per share *(HK$)*	Outstanding as at 1 April 2012 and 31 March 2013	Granted during the year	Lapsed during the year	Change in directorate	Outstanding as at 31 March 2014
Ms. Lee Yau Lin, Jenny (note b)	11 July 2011	11 July 2011 to 10 July 2016	0.355	4,000,000	-	-	(4,000,000)	-
Ms. Mak Yun Chu (note c)	11 July 2011	11 July 2011 to 10 July 2016	0.355	400,000	-	(400,000)	-	-
Mr. Wong Wing Fat (note b)	11 July 2011	11 July 2011 to 10 July 2016	0.355	4,000,000	-	-	(4,000,000)	-
Mr. Ho Wai Hung (note a)	11 July 2011	11 July 2011 to 10 July 2016	0.355	400,000	-	(400,000)	-	-
Ms. Cheung Kin, Jacqueline (note a)	11 July 2011	11 July 2011 to 10 July 2016	0.355	400,000	-	(400,000)	-	-
Employees	11 July 2011	11 July 2011 to 10 July 2016	0.355	24,000,000	-	(22,000,000)	8,000,000	10,000,000
Consultants	11 July 2011	11 July 2011 to 10 July 2016	0.355	10,000,000	-	-	-	10,000,000
	17 February 2014 (note d)	17 February 2014 to 16 February 2019	0.240	-	39,000,000	-	-	39,000,000
				43,200,000	39,000,000	(23,200,000)	-	59,000,000
Exercisable at the end of the year				43,200,000				59,000,000

Notes:

(a) Mr. Ho Wai Hung and Ms. Cheung Kin, Jacqueline resigned as independent non-executive directors with effect from 11 September 2013. Their options are lapsed on 10 December 2013.

(b) Mr. Wong Wing Fat and Ms. Lee Yau Lin, Jenny resigned as executive directors during the year ended 31 March 2014 but remained as directors of the Company's subsidiaries.

(c) Ms. Mak Yun Chu resigned as independent non-executive director with effect from 18 November 2013. Her options are lapsed on 17 February 2014.

(d) The Group granted share options to consultants for the provision of consultancy services rendered by the consultants include, among others, coordination of natural resources trading projects and advice on acquisition. In the opinion of the directors, the fair value of consultancy services rendered by the consultants cannot be reliably measured. Therefore, the fair value of the services received was measured by reference to the fair value of share options granted. The weighted average closing price of the shares immediately before 17 February 2014 on which the options were granted was HK$0.240 per share.

(e) These share options are vested immediately upon the grant date.

32. SHARE OPTION SCHEMES (CONT'D)

The fair value of options granted on 17 February 2014 determined at using the Binominal model was approximately HK$3,825,000.

The following assumptions were used to calculate the fair values of share options:

	17 February 2014
Share price	HK$0.233
Exercise price	HK$0.24
Option life	5 years
Expected volatility (note i)	63.359%
Dividend yield	–
Risk-free interest rate (note ii)	1.239%

Notes:

(i) Expected volatility for options is based on historical daily price movements of the Company over a historical period of 5 years.

(ii) The risk-free rate is determined by reference to the yield of 5-year Hong Kong Exchange Fund Notes.

The Binominal model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

On 21 February 2014, the Group proposed to grant an aggregate of 98,000,000 share options to the directors, employees and consultants of the Company for services rendered during year ended 31 March 2014 which vested immediately and is subject to the approval of the shareholders on the proposed refreshment of the existing scheme mandate limit under the share option scheme of the Company. The estimated fair value of options determined using the Binominal model was approximately HK$11,575,000.

32. SHARE OPTION SCHEMES (CONT'D)

The following assumptions were used to calculate the estimated fair values of 62,000,000 share options amounting to HK$8,045,000 proposed to be granted to directors and employees at 31 March 2014:

Estimated share price	HK$0.33
Exercise price	HK$0.26
Option life	5 years
Expected volatility (note i)	65.057%
Dividend yield	–
Risk-free interest rate (note ii)	1.295%

Notes:

(i) Expected volatility for options is based on historical daily price movements of the Company over a historical period of 5 years.

(ii) The risk-free rate is determined by reference to the yield of 5-year Hong Kong Exchange Fund Notes.

(iii) The estimated fair values are subject to revision once the grant date has been established, so that the amounts recognised for services received in respect of the grant are ultimately based on grant date fair value of the equity instruments.

The following assumptions were used to calculate the fair values of 36,000,000 share options amounting to HK$3,530,000 proposed to be granted to consultants:

	21 February 2014
Share price	HK$0.233
Exercise price	HK$0.26
Option life	5 years
Expected volatility (note i)	63.359%
Dividend yield	–
Risk-free interest rate (note ii)	1.239%

Notes:

(i) Expected volatility for options is based on historical daily price movements of the Company over a historical period of 5 years.

(ii) The risk-free rate is determined by reference to the yield of 5-year Hong Kong Exchange Fund Notes.

During the year ended 31 March 2014, total share-based payment expenses in respect of its share options of HK$15,400,000 (2013: nil) has been recognised in the consolidated statement of profit or loss and other comprehensive income with a corresponding adjustment recognised in the Group's share-based payment reserve.

33. RELATED PARTY TRANSACTIONS

(a) Apart from the loan to an associate as disclosed in note 16 during the year, the Group has entered into followings transactions between related parties:

	2014	2013
	HK$'000	HK$'000
Loan interest income from an associate	**401**	152
Consultancy expenses paid to a related party *(note)*	**180**	–

Note: During the year, the Group entered into an agreement with Rockhound Assets Management Limited ("Rockhound") pursuant to which Rockhound will provide technical support to the Group on technical issues regarding minerals engineering and minerals exploration at a monthly fee of HK$30,000 for a period of one year subject to renewal. Mr. Lau Wan Pui, Joseph, Non-executive Director of the Company, is a beneficial owner and a director of Rockhound. The transaction was a continuing connected transaction (as defined in the GEM Listing Rules) which was exempted from reporting, announcement and independent shareholders' approval requirements under the GEM Listing Rules.

(b) **Compensation of key management personnel**

The key management personnel of the Group are the directors of the Company. Details of the remuneration paid to them during the year are set out in note 10 to the consolidated financial statements.

34. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to owners through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes promissory note and bonds disclosed in notes 24 and 25, respectively, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued capital and reserves.

The management of the Group reviews the capital structure on a continuous basis taking into account the cost of capital and the risk associated with the capital. The Group will balance its overall capital structure through new share issues, repurchase of shares and the issue of new debt or the redemption of the existing debt.

The Group's overall strategy remains unchanged from prior year.

35. EVENTS AFTER THE REPORTING PERIOD

On 1 April 2014, Nice Glory (China) Limited, an indirect wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement with independent third parties to acquire 100% equity interest in the Guangzhou Shouchuang Investment Advisory Limited 廣州首創投資諮詢有限公司 ("GSIAL"), a limited liability company incorporated in the PRC, at a cash consideration of RMB5,000,000 (equivalent to approximately HK$6,250,000). GSIAL has 49% equity interest in a PRC incorporated company which principally engages in the operation of a coal trading centre in Guizhou Province, the PRC. The PRC incorporated company is an associate of GSIAL. The transaction was not completed at the date of authorisation for issue of the consolidated financial statements.

Pursuant to the extraordinary general meeting held on 15 April 2014, the refreshment of share option scheme mandate limit and grant of share options are approved by the shareholders. 98,000,000 share options as mentioned in note 32 are granted and accepted by the eligible participants on 15 April 2014. The grant is not expected to have a significant financial effect to the Group for the year ended 31 March 2015. Details of the grant of these share options are disclosed in the Circular dated 28 March 2014.

36. PARTICULARS OF SUBSIDIARIES

Particulars of the subsidiaries of the Company at 31 March 2014 and 31 March 2013 are as follows:

Name of subsidiary	Place of incorporation/ registration	Paid up issued/ registered share capital	Effective percentage of issued share capital/registered capital held by the Company 2014 %	2013 %	Principal activities
Billion Revenue Holdings Limited	BVI	US$1 ordinary	100	–	Investment holding
Bliss Castle Investments Limited	BVI	US$1 ordinary	100	–	Investment holding
Chance Winning Limited	BVI	US$50,000 ordinary	100	–	Investment holding
Digital Rainbow Holdings Limited	BVI	US$10,000 ordinary	100	–	Investment holding
Eminent Along Limited	BVI	US$100 ordinary	100	100	Investment holding
Loyalty Investment Holdings Limited	BVI	US$10,000 ordinary	70	70	Investment holding
Silver Summit Investments Limited	BVI	US$100 ordinary	100	100	Investment holding
Wealth Strategy International Limited	BVI	US$1 ordinary	100	–	Investment holding
Angel Fund Company Limited	Hong Kong	HK$1,000,000 ordinary	75	–	Money lender
Bright Billion Holdings Limited	Hong Kong	HK$1 ordinary	100	–	Coal trading
Ease Chance International Limited	Hong Kong	HK$10,000 ordinary	100	–	Iron ore trading

36. PARTICULARS OF SUBSIDIARIES (CONT'D)

Name of subsidiary	Place of incorporation/ registration	Paid up issued/ registered share capital	Effective percentage of issued share capital/registered capital held by the Company 2014 %	2013 %	Principal activities
Grand Charm Commodities Limited	Hong Kong	HK$1,000 ordinary	100	–	Palm oil trading
Liu Nik International Trading Limited	Hong Kong	HK$10,000 ordinary	70	–	Trading
Loyalty Resources Investments Limited	Hong Kong	HK$1 ordinary	70	–	Inactive
Nice Glory (China) Limited	Hong Kong	HK$1 ordinary	100	–	Not yet commence business
Pacific Asset International Limited	Hong Kong	HK$10,000 ordinary	100	100	Investment holding
Success Link Trading Limited	Hong Kong	HK$2 ordinary	100	100	Sales of packed foods
Wealth Glory Global Trading Limited	Hong Kong	HK$1,000,000 ordinary	100	–	Trading of natural resources products and general consumable products
Paraburdoo Limited	BVI	US$30,000 Ordinary	100	100	Investment holding
Greenfortune (Macao Commercial Offshore) Limited	Macau	MOP1,000,000 Ordinary	100	100	Wholesales of packed foods
Shui Ye Foods (Shanghai) Co., Limited*	The PRC	US$2,000,000 Ordinary	100	100	Manufactory and sales of packed foods

* This subsidiary is wholly foreign owned enterprise in the PRC.

None of the subsidiaries had issued any debt securities at the end of the year.

At the end of the reporting period, the Company has non-controlling interests that are not material to the Group that no further disclosures on the financial information of these individually immaterial subsidiaries with non-controlling interests are presented.

Information about the statement of financial position of the Company at the end of the reporting period includes:

	2014 HK$'000	2013 HK$'000
Property, plant and equipment	**885**	981
Investments in subsidiaries	**7,046**	7,046
Prepayments, deposits and other receivables	**4,474**	1,537
Amounts due from subsidiaries	**165,566**	106,929
Loan to an associate	**5,000**	5,000
Bank deposits balances and cash	**16,156**	28,489
Accruals and other payables	**(2,516)**	(2,180)
Bonds	**(103,432)**	–
Promissory note	**(18,794)**	–
Net assets	**74,385**	147,802
Share capital	**13,491**	9,992
Reserves	**60,894**	137,810
Total equity	**74,385**	147,802

	Share premium HK$'000	Warrants reserve HK$'000	Share-based payment reserve HK$'000	Contribution surplus HK$'000	Retained profits (accumulated losses) HK$'000	Total HK$'000
At 1 April 2012	59,383	–	4,132	17,065	32,808	113,388
Loss and total comprehensive expense for the year	–	–	–	–	(28,855)	(28,855)
Issue of shares on placement and subscription	54,702	–	–	–	–	54,702
Transaction costs attributable to issues of shares	(1,425)	–	–	–	–	(1,425)
At 31 March 2013	112,660	–	4,132	17,065	3,953	137,810
Loss and total comprehensive expense for the year	–	–	–	–	(154,209)	(154,209)
Issue of shares upon acquisition of subsidiaries	30,494	–	–	–	–	30,494
Issue of shares upon subscription	18,885	–	–	–	–	18,885
Issue of shares and warrants	7,032	2,512	–	–	–	9,544
Transaction costs attributable to issues of shares	(557)	–	–	–	–	(557)
Issue of warrants upon placing of bonds	–	3,527	–	–	–	3,527
Transfer upon lapse of share options	–	–	(2,219)	–	2,219	–
Recognition of equity-settled share-based payments	–	–	15,400	–	–	15,400
At 31 March 2014	168,514	6,039	17,313	17,065	(148,037)	60,894

Financial Summary

RESULTS

	Year ended 31 March				
	2014	2013	2012	2011	2010
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**316,634**	48,292	104,434	125,117	102,300
(Loss) profit attributable to owners of the Company	**(159,407)**	(13,872)	7,728	25,020	17,194

ASSETS AND LIABILITIES

	At 31 March				
	2014	2013	2012	2011	2010
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Total assets	**223,951**	152,199	115,238	72,692	34,583
Total liabilities	**(154,888)**	(4,545)	(10,462)	(10,461)	(10,792)
Total equity	**69,063**	147,654	104,776	62,231	23,791