CL GROUP (HOLDINGS) LIMITED
昌利(控股)有限公司

(Incorporated in the Cayman Islands with limited liability) Stock Code: 8098

ANNUAL REPORT 2014

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a high investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the "Directors") of CL Group (Holdings) Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") 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 the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

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CORPORATE INFORMATION

DIRECTORS

Non-executive Director
Mr. Alexis Ventouras *(Chairman)*

Executive Directors
Mr. Kwok Kin Chung *(Chief Executive Officer)*
Mr. Lau Kin Hon
Ms. Yu Linda

Independent Non-executive Directors
Mr. Au-Yeung Tai Hong Rorce
Ms. Choy Wing Man
Mr. Chiu Wai Keung

AUTHORISED REPRESENTATIVES

Mr. Lau Kin Hon
Mr. Yeung Ming Kong Kenneth

AUDIT COMMITTEE MEMBERS

Ms. Choy Wing Man *(Chairman)*
Mr. Au-Yeung Tai Hong Rorce
Mr. Chiu Wai Keung

NOMINATION COMMITTEE MEMBERS

Mr. Chiu Wai Keung *(Chairman)*
Ms. Choy Wing Man
Mr. Kwok Kin Chung

REMUNERATION COMMITTEE MEMBERS

Mr. Au-Yeung Tai Hong Rorce *(Chairman)*
Ms. Choy Wing Man
Mr. Lau Kin Hon

COMPLIANCE OFFICER

Lau Kin Hon, *Practicing solicitor in Hong Kong*

COMPANY SECRETARY

Yeung Ming Kong Kenneth *FCCA, CPA*

AUDITOR

HLM CPA Limited
Certified Public Accountants

REGISTERED OFFICE

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

HEADQUARTERS, HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1106, 11th Floor
MassMutual Tower
38 Gloucester Road
Wanchai, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1–1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKERS

Bank of China
Bank of Communications
Dah Sing Bank Limited
Hang Seng Bank
HSBC
Standard Chartered Bank

STOCK CODE

8098

WEBSITE OF THE COMPANY

www.cheongleesec.com.hk

CHAIRMAN'S STATEMENT

Dear Shareholders,

I am pleased to present to all shareholders the annual results of CL Group (Holdings) Limited (the "Company", with its subsidiaries, the "Group") for the year of 2013/14.

During the year under review, major stock markets rose to record highs and investors concerns of downward corrections. Their concerns remained focused on Fed tapering, high debt ratios in Europe and the fears of a slowdown in China. The Group recorded revenues of approximately HK$45.7 million, representing a slight decrease of approximately 5.8% as compared with the financial year of 2012/13. Profit attributable to the Owners of the Company in financial year 2013/14 amounted to approximately HK$24.8 million.

Our diversified revenue streams encompass both interest income (accounting for 62.7% of turnover), and non-interest income in the form of commissions, fees and other revenue. As the global market remains uncertain, the Group is continuously focusing its efforts to expand its business by broadening the customer base and by strengthening our trading platform. In addition to delivering sustained profitability, the Group is committed to balanced growth and reaching out to the community to fulfill social responsibilities.

The Group plans to expand its core business, and explore new business opportunities. With the joint efforts of the Board, management and staff, we are confident that we will continue to achieve substantial gains for our shareholders.

On behalf of the Board, I would like to take this opportunity to thank the shareholders, customers and business partners for their trust in, understanding of and support to the Group over the years. Moreover, I would also like to thank all staff for their tremendous effort and contribution. With a focused senior management and professional team, I believe the Group will succeed in achieving our business goals. We will continue to explore new business opportunities in the challenging year ahead and strive for the best returns for our shareholders.

On behalf of the Board

Alexis Ventouras
Chairman

Hong Kong, 27 June 2014

MARKET REVIEW

In 2013, the Hong Kong market rose slightly on solid Mainland economic data, despite the other major stock markets around the world rose their record high. The market was less volatile and short-selling activity rose during 2013. The market worries an early exit of the quantitative easing programme in the US and the Mainland economic outlook.

As at 31 March 2014, the Hang Seng Index recorded as 22,151 representing approximately 0.7% decrease as compared with 22,299 as at 28 March 2013.

The total value of transaction of the Hong Kong stock market for the year ended 31 March 2014 increased by approximately 4.5% as compared with the year ended 31 March 2013. The average daily value of transaction was approximately HK$60.6 billion.

BUSINESS REVIEW

Turnover

The Group's turnover for the year was approximately HK$45.7 million, as compared with 2013 of approximately HK$48.5 million, decreased by approximately 5.8% or approximately HK$2.8 million. The breakdown of turnover by business activities of the Group is set out below:

	Year ended 31 March				**Increase/**
	2014		2013		**(decrease)**
	HK$	%	*HK$*	%	%
Commission and brokerage fee from securities dealings	**5,525,824**	**12.1%**	3,124,885	6.4%	76.8%
Commission and brokerage fee from dealing in futures contracts	**60,084**	**0.1%**	365,976	0.7%	(83.6%)
Commission from wealth management business	**435,955**	**1.0%**	919,698	1.9%	(52.6%)
Commission from securities advisory services	**–**	**0.0%**	14,700,000	30.3%	(100.0%)
Placing and underwriting commission	**9,381,944**	**20.5%**	8,723,890	18.0%	7.5%
Clearing and settlement fees	**1,204,179**	**2.6%**	270,410	0.6%	345.3%
Handling service and dividend collection fees	**448,862**	**1.0%**	916,119	1.9%	(51.0%)
Interest income					
– from authorised financial institutions	**575,501**	**1.2%**	1,214,818	2.5%	(52.6%)
– from clients	**28,107,240**	**61.5%**	18,310,684	37.7%	53.5%
– from others	**–**	**0.0%**	29	0.0%	(100%)
	45,739,589	**100%**	48,546,509	100%	

Securities and Futures Brokerage

The commission and brokerage fee from securities dealings increased by approximately 76.8% from approximately HK$3.1 million for the year ended 31 March 2013 to approximately HK$5.5 million for the year ended 31 March 2014. The total value of transaction increased by approximately 508.0% from approximately HK$9,500.9 million for the year ended 31 March 2013 to approximately HK$57,765.4 million for the year ended 31 March 2014.

The total value of transactions for securities dealings carried out by the Group for the year ended 31 March 2014 increased as compared with 2013. As a result, income relating to clearing and settlement fee also increased by approximately 345.3% from approximately HK$0.3 million for the year ended 31 March 2013 to approximately HK$1.2 million for the year ended 31 March 2014.

The commission and brokerage fee from dealing in futures contracts decreased by approximately 83.6% from approximately HK$0.4 million for the year ended 31 March 2013 to approximately HK$0.1 million for the year ended 31 March 2014.

The commission from wealth management business decreased by approximately 52.6% from HK$919,698 for the year ended 31 March 2013 to HK$435,955 for the year ended 31 March 2014.

Loan and Financing

Revenue form loan and financing represent interest income from margin financing, IPO financing and loans and advances to customers.

The interest income from margin and loan financing for the year ended 31 March 2014 was approximately HK$28.1 million represents an increase of approximately 54.2% from that of the year ended 31 March 2013 amounting approximately HK$18.2 million.

Securities Advisory Service

The Group holds licence under the Securities and Futures Ordinance to engage in Type 4 regulated activities – Advising on Securities. Revenue generated from this segment derived from services provided under this regulated activities.

During the reporting period, Cheong Lee Securities Limited ("Cheong Lee"), the Company's wholly-owned subsidiary, provides securities advisory service to customers.

Commission income from securities advisory service decreased by 100.0% from approximately HK$14.7 million for the year ended 31 March 2013 to HK$Nil for the year ended 31 March 2014.

Placing and Underwriting Business

Under normal circumstances, the Group acts as an underwriter or a sub-underwriter or a placing agent or a sub-placing agent on best effort basis for fund-raising activities. It would take the role on underwritten basis only if it received special requests from the issuers and/or their respective placing and underwriting agents.

During the year ended 31 March 2014, the placing and underwriting commission increased by approximately 7.5% from approximately HK$8.7 million for the year ended 31 March 2013 to approximately HK$9.4 million for the year ended 31 March 2014 due to increase in fund raising activities in Hong Kong.

Administrative Expenses

During the year ended 31 March 2014, the administrative expenses increased by approximately 5.3% from approximately HK$25.0 million for the year ended 31 March 2013 to approximately HK$26.3 million for the year ended 31 March 2014.

Due to the total value of transaction increased by approximately 508.0% from approximately HK$9,500.9 million for the year ended 31 March 2013 to approximately HK$57,765.4 million for the year ended 31 March 2014, the related expenses such as CCASS charges was increased by approximately 227.7% from HK$416,483 for the year ended 31 March 2013 to approximately HK$1.4 million for the year ended 31 March 2014.

Staff cost excluding the effects of fair value provision for pre-IPO share options were approximately HK$6.6 million for the year ended 31 March 2014 as compared to approximately HK$6.4 million for the year ended 31 March 2013.

Liquidity, Financial Resources and Capital Structure

The Group financed its operations by shareholders' equity and cash generated from operations.

The Group maintained a strong financial position, with pledged bank deposit and bank balance and cash in general accounts amounting to approximately HK$46.7 million as at 31 March 2014. This represented a decrease of approximately 12.8% as compared with the position as at 31 March 2013 of approximately HK$53.6 million. Most of the Group's cash and bank balances in general accounts were denominated in HK dollars.

The net current assets of the Group increased from approximately HK$185.6 million as at 31 March 2013 to approximately HK$218.4 million as at 31 March 2014 which represents an increase of approximately 17.7%. The current ratio of the Group as at 31 March 2014 was approximately 5.3 times (2013: approximately 6.6 times).

The Group had no secured loans (2013: Nil).

The gearing ratio is calculated as total indebtedness divided by total capital. Total indebtedness is total bank borrowings (including current and non-current bank borrowings). Total capital is calculated as "equity", as shown in the statement of financial position. At the end of the reporting period, the Group has bank borrowings of HK$10 million and, accordingly, the gearing ratio is 4.5%. (2013: 0%)

Taking into consideration the existing financial resources available to the Group, it is anticipated that the Group should have adequate financial resources to meet its ongoing operating and development requirements.

Charge on Group Assets and Guarantee

As at 31 March 2014, certain bank deposits of the Group's subsidiaries in the aggregate amount of HK$10 million were pledged and corporate guarantee from the Company for securing overdraft and revolving loan facilities amounted to HK$35 million (2013: HK$10 million) issued by the banks to Cheong Lee. As at 31 March 2014, included in the banking facilities granted by the banks, an amount of HK$10 million has been utilised.

Contingent liabilities

As at 31 March 2014, the Group had no material contingent liabilities.

Capital commitments

As at 31 March 2014, the Group had capital commitments in respect of its leasehold improvement amounting to HK$130,000.

Staff and remuneration policies

The Group believes that staff is our most valuable asset, they are encouraged to pursue excellence at work and career development. We encourage staff to maintain healthy balance between work and life, and communicate with staff to enhance staff morale and their sense of belonging.

Total staff costs (including directors' emoluments) were approximately HK$6.6 million for the year ended 31 March 2014 as compared to approximately HK$6.4 million for the year ended 31 March 2013.

Remuneration is determined based on the individual's qualification, experience, position, job responsibility and market conditions. Salary adjustments and staff promotion are based on evaluation of staff performance by way of annual review, and discretionary bonuses would be paid to staff with reference to the financial performance of the Group of the preceding financial year. Other benefits include contributions to statutory mandatory provident fund scheme to its employees in Hong Kong, pre-IPO share options and options that may be granted under the share option scheme.

Future plans for material investments or capital assets

As at 31 March 2014, the Group had no plans for material investments or acquisition of capital assets, but will actively pursue opportunities for investments to enhance the profitability of the Group in its ordinary course of business.

Material Acquisitions of subsidiaries and affiliated companies

The Group has not made any material acquisitions and disposal of subsidiaries and associated companies. As at 31 March 2014 and up to the date of this annual report, the Group did not hold any significant investment.

Significant Investment

As at 31 March 2014, there was no significant investment held by the Group.

Foreign exchange exposure

The Group's business is principally conducted in Hong Kong dollars, the Directors consider that potential foreign exchange exposure of the Group is limited.

RISK MANAGEMENT CREDIT RISK

Credit Risk

Credit risk exposure represents loans to customer, account receivables from brokers, clients and clearing houses which principally arise from our business activities. The Group has a credit policy in place and the credit risk is monitored on on-going basis.

For account receivables from clients, normally clients are required to settle the amount within 2 days (T+2). Responsible officers will regularly review the overdue balance. The credit risk arising from the account receivables from clients is considered as small.

For account receivables from margin clients, normally the Group obtains securities and/or cash deposits as collateral for providing margin financing to clients. Receivables from margin clients are repayable on demand. Market conditions and the adequacy of collateral of each margin clients are monitored by responsible officers on a daily basis. Margin calls and forced liquidation are required when necessary.

For account receivables from brokers and clearing houses, the Group considered that credit risk is low as those brokers and clearing houses are registered with regulatory bodies.

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

The Group does not provide any guarantees which would expose the Group to credit risk.

Liquidity Risk

The Group is subject to the statutory liquidity requirements as prescribed by the regulators. The Group has a monitoring system to ensure that it maintains adequate liquid capital to fund its business commitments and to comply with the Securities and Futures (Financial Resources) Rules (Cap.571N).

The Group has maintained stand-by banking facilities to meet any contingency in its operations. The Board believes that the Group's working capital is adequate to meet its long and short term financial obligations.

Foreign Exchange Risk

The Group's business is principally conducted in Hong Kong dollars, the foreign exchange risk exposure of the Group is limited.

OUTLOOK

With the possible reversals of fund flows from the markets, upon a tapering of the Federal Reserve System stimulus, as well as the slowdown in the Mainland economic growth, it is likely that Hong Kong stock market might still be affected by such uncertainties. The Group will leverage the knowledge and experience of our management team to seize opportunities as they arise. The Group will continue to grow its brokerage business and placing and underwriting business by broadening clients base and by strengthening our trading platform. The Group will continue to put efforts on expanding the margin and loan financing business and securities advisory service and on satisfying the needs of our customers.

The Group aims to become a leading financial service group in Hong Kong. The Group will continue looking for any potential business opportunities to bring in new sources of income and to further increase the profitability of the Group.

Pursuant to Rule 18.44 of the GEM Listing Rules, the Board is pleased to present this corporate governance report for the year ended 31 March 2014. This report highlights the key corporate governance practices of the Company.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to promoting high standards of corporate governance. The Directors of the Company believe that sound and reasonable corporate governance practices are essential for the growth of the Group and for safeguarding the shareholders' interests and the Group's assets.

Throughout the financial year ended 31 March 2014, the Company has complied with all the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 15 of the GEM Listing Rules, save and except for code provision A.6.7 and E.1.2 which deviations are explained in the relevant paragraphs in this Report.

CORPORATE GOVERNANCE STRUCTURE

The Board is primarily responsible for formulating strategies, monitoring performance and managing risks of the Group. At the same time, it also has the duty to enhance the effectiveness of the corporate governance practices of the Group. Under the Board, there are 3 board committees, namely audit committee, remuneration committee and nomination committee. All these committees perform their distinct roles in accordance with their respective terms of reference and assist the Board in supervising certain functions of the senior management.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the code of conduct for securities transactions by the Directors 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 Company had made specific enquiry to all the Directors and the Directors have confirmed compliance with this code of conduct throughout the financial year ended 31 March 2014. No incident of non-compliance was noted by the Company during this period.

BOARD OF DIRECTORS

At present, the Board of the Company comprises seven members as follows:

Non-executive Director
Mr. Alexis Ventouras *(Chairman)*

Executive Directors
Mr. Kwok Kin Chung *(Chief Executive Officer)*
Mr. Lau Kin Hon
Ms. Yu Linda

Independent non-executive Directors
Mr. Au-Yeung Tai Hong Rorce
Ms. Choy Wing Man
Mr. Chiu Wai Keung

Biographical details of the Directors are set out in the section of “Biographical Details of Directors” on pages 19 and 20.

The Board has the responsibility for leadership and control of the Company. They are collectively responsible for promoting the success of the Group by directing and supervising the Group’s affairs. The Board is accountable to shareholders for the strategic development of the Group with the goal of maximising long-term shareholder value, while balancing broader stakeholder interests.

The Board meets regularly on a quarterly basis. Apart from the regular board meetings of the year, the Board also meets on other occasions when a Board-level decision on a particular matter is required. All Directors are provided with details of agenda items for decisions making with reasonable notice. Directors have access to the advice and services of the Company Secretary who is responsible for ensuring that the Board procedures are complied with and advising the Board on compliance matters. Directors are also provided with access to independent professional advice, where necessary, in carrying out their obligations as Directors of the Company, at the expense of the Company. Directors who are considered to have conflict of interests or material interests in the proposed transactions or issues to be discussed would not be counted in the quorum of meeting and would abstain from voting on the relevant resolution.

Generally, the responsibilities of the Board include:

- Formulation of operational strategies and review of its financial performance and results and the internal control systems;
- Policies relating to key business and financial objectives of the Company;
- Material acquisitions, investments, disposal of assets or any significant capital expenditure;
- Appointment, removal or reappointment of Board members and auditors;
- Remuneration of Directors;
- Communication with key stakeholders, including shareholders and regulatory bodies; and
- Recommendation to shareholders on final dividend and the declaration of any interim dividends.

The posts of Chairman and Chief Executive Officer are separated to ensure a clear division between the Chairman’s responsibility to manage the Board and the Chief Executive Officer’s responsibility to manage the Company’s business. The separation ensures a balance of power and authority so that power is not concentrated in any one individual.

All Directors assume the responsibilities to the shareholders of the Company for the well-being and success of the Company. They are aware of their duties to act in good faith and in the best interests of the Company.

The Board is responsible for maintaining proper accounting records so as to enable the Directors to monitor the Company's overall financial position. The Board updates shareholders on the operations and financial position of the Group through quarterly, half yearly and annual results announcements as well as the publication of timely announcements of other matters as prescribed by the relevant rules and regulations.

The Company has three independent non-executive Directors, at least one of whom has appropriate financial management expertise, in compliance with the GEM Listing Rules. Each of the independent non-executive Director has made an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company is of the view that all independent non-executive Directors meet the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and are independent in accordance with the terms of the guidelines.

According to the Company's articles of association, newly appointed Directors shall hold office until the next following general meeting and shall be eligible for re-election at that meeting. Every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

DIRECTORS' ATTENDANCE RECORD AT MEETINGS

The Board meets regularly over the Company's affairs and operations. Details of the attendance of each member of the Board at the meetings of the Board and the general meetings during the year ended 31 March 2014 are as follows:

	Attendance/Number of meetings		
Name of Directors	**Regular Board meetings**	**Additional Board meetings**	**General Meetings**
Non-Executive Director			
Mr. Alexis Ventouras *(Chairman)*	1/4	1/8	0/1
Executive Directors			
Mr. Kwok Kin Chung *(Chief Executive Officer)*	4/4	8/8	1/1
Mr. Lau Kin Hon	4/4	8/8	0/1
Ms. Yu Linda	4/4	8/8	1/1
Independent non-executive Directors			
Mr. Au-Yeung Tai Hong Rorce	4/4	1/8	0/1
Ms. Choy Wing Man	2/4	1/8	0/1
Mr. Chiu Wai Keung	4/4	0/8	0/1

Pursuant to code provision A.6.7 and E.1.2 of the CG Code that independent non-executive directors and the chairman of the board should attend general meetings. The non-executive Director and Chairman of the Board, Mr. Alexis Ventouras, and the independent non-executive Directors of the Company, Mr. Au-Yeung Tai Hong Rorce, Ms. Choy Wing Man, and Mr. Chiu Wai Keung did not attend the general meeting of the Company due to their business arrangement.

TRAINING AND SUPPORT OF DIRECTORS

All Directors have been given relevant guideline materials regarding the duties and responsibilities of being a Director, the relevant laws and regulations applicable to the Directors, duty of disclosure of interest and business of the Group and such induction materials will also be provided to newly appointed Directors shortly upon their appointment as Directors. All Directors have been updated on the latest developments regarding the GEM Listing Rules and other applicable regulatory requirement to ensure compliance and enhance their awareness of good corporate governance practices. There is a procedure agreed by the Board to ensure Directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expenses.

The Directors confirmed that they have complied with the Code Provision A.6.5 of the Code effective on 1 April 2012 on Directors' training.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to the code provision A.2.1, the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and Chief Executive Officer should be clearly established and set out in writing.

Mr. Alexis Ventouras, being the non-executive chairman, is responsible for chairing meetings of the Board while Mr. Kwok Kin Chung, being the chief executive officer, is delegated with the authority and responsibility of overall management of daily operations.

The Company has complied with the code provisions as set out in the Code on Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules throughout the period under review.

NON-EXECUTIVE DIRECTORS

Under the Code Provision A.4.1, all the non-executive Directors should be appointed for a specific term, subject to re-election. Each of the independent non-executive Directors has entered into a service contract with the Company for an initial term of one year renewable for the year upon the expiration of the initial term and each subsequent one year term subject to termination in certain circumstance as stimulated in the relevant service contracts. At each annual general meeting, one third of the Directors for the time being (of if their number is not a multiple of three, then the number nearest to but not less than one third) will retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Any Director appointed to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed as an addition to the existing board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

REMUNERATION COMMITTEE

A remuneration committee was set up on 21 February 2011 to oversee the remuneration policy and structure for all Directors and senior management.

The remuneration committee comprises one executive Director and two independent non-executive Directors, namely Mr. Au-Yeung Tai Hong Rorce, Mr. Lau Kin Hon and Ms. Choy Wing Man and is chaired by Mr. Au-Yeung Tai Hong Rorce.

The terms of reference of the Remuneration Committee are aligned with the provisions set out in the CG Code. The role of the Remuneration Committee is to recommend to the Board a framework for remunerating the Directors and key executives and to determine specific remuneration packages for them. They are provided with sufficient resources by the Company to discharge its duties.

For the year ended 31 March 2014, the Remuneration Committee held 1 meeting to review and discuss remuneration matters of the Group. The individual attendance of the Committee members is set out below:

Name of committee member	Number of meetings held	Number of meetings attended
Mr. Au-Yeung Tai Hong Rorce *(Chairman)*	1	1
Mr. Lau Kin Hon	1	1
Ms. Choy Wing Man	1	1

NOMINATION COMMITTEE

The Board is empowered under the Company's articles of association to appoint any person as a director to fill a casual vacancy on or as an additional member of the Board. Qualified candidates will be proposed to the Board for consideration and the selection criteria are based on the assessment of their professional qualifications and experience, character and integrity.

The Company has established a nomination committee on 21 February 2011 for making recommendations to the Board on appointment of Directors and succession planning for the Directors. The terms of reference of the nomination committee are aligned with the provisions set out in CG Code.

The nomination committee comprises one executive Director and two Independent non-executive Directors, namely Mr. Chiu Wai Keung, Ms. Choy Wing Man and Mr. Kwok Kin Chung. Mr. Chiu Wai Keung is the Chairman of the nomination committee.

For the year ended 31 March 2014, the Nomination Committee held 1 meeting to review and discuss nomination matters of the Group. The individual attendance of the Committee members is set out below:

Name of committee member	Number of meetings held	Number of meetings attended
Mr. Chiu Wai Keung *(Chairman)*	1	1
Mr. Kwok Kin Chung	1	1
Ms. Choy Wing Man	1	1

AUDIT COMMITTEE

The Company has established an Audit Committee on 21 February 2011 with written terms of reference that set out the authorities and duties of the Audit Committee adopted by the Board. The audit committee comprises the three independent non-executive Directors and headed by Ms. Choy Wing Man who has appropriate professional qualifications and experience in financial matters. The terms of reference of the Audit Committee are aligned with the provisions set out in the CG Code. The audit committee performs, amongst others, the following functions:

- Consider and recommend to the Board the appointment, re-appointment and removal of the external auditor, to approve the remuneration and terms of engagement of the external auditor and address any questions of resignation or dismissal of such auditor;
- ensure that co-operation is given by the Company's management to the external auditors where applicable;
- review the Group's quarterly, half yearly and annual results announcements and the financial statements prior to their recommendations to the Board for approval;
- review the Group's financial reporting process and internal control system; and
- review of transactions with interested persons.

For the year ended 31 March 2014, the Committee met on 4 occasions and up to the date of this annual report, the Audit Committee has reviewed the consolidated financial statements, including the accounting principles and practices adopted by the Group, which was of the opinion that such reports were prepared in accordance with the applicable accounting standards and requirements. The Audit Committee has also discussed with the Group's independent auditor and considers the system of the internal control of the Group to be effective and that the Group had adopted the necessary control mechanisms to its financial, operational, statutory compliance and risk management functions. The individual attendance of the Committee members is set out below:

Name of committee member	Number of meetings held	Number of meetings attended
Ms. Choy Wing Man *(Chairman)*	4	4
Mr. Au Yeung Tai Hong Rorce	4	4
Mr. Chiu Wai Keung	4	4

AUDITOR'S REMUNERATION

The Audit Committee is responsible for considering the appointment of the external auditors and reviewing any non-audit functions performed by the external auditors, including whether such non-audit functions could lead to any potential material adverse effect on the Company.

For the financial year ended 31 March 2014, the remuneration paid/payable to the auditor of the Group is set out as follows:

Services rendered	Paid/payable *HK$*
Statutory audit services	461,000
Non-statutory audit services	45,000
	506,000

INTERNAL CONTROLS

The Board reviews the adequacy and effectiveness of the Company's internal financial controls, operational and compliance controls, and risk management policies and systems established by the management of the Company (collectively "internal controls").

The Board is responsible for the overall internal control framework and is fully aware of the need to put in place a system of internal controls within the Group to safeguard the interests of the Company's shareholders and the Group's assets, and to manage risks. The Board also acknowledges that no cost effective internal control system will preclude all errors and irregularities. A system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

INTERNAL AUDIT

The Company does not have in place an independent internal audit function as the board is of the view that the appointment is not imminent under current circumstances, taking into account the current operate structure and scope of the Group's operations.

The Group's external auditors, HLM CPA Limited, contribute an independent perspective on relevant internal controls arising from their audit and report findings to the audit committee.

DIRECTORS AND OFFICERS INSURANCE

Appropriate insurance cover on directors' and officers' liabilities have been in force to protect the directors and officers of the Group from their risk exposure arising from the business of the Group.

DIRECTORS RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors are ultimately responsible for the preparation of the financial statements for each financial year which gives a true and fair view. In preparing the financial statements, appropriate accounting policies and standards are selected and applied consistently.

The statement of the auditor of the Company about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 30 and 31 of this annual report.

COMPANY SECRETARY

Mr. Yeung Ming Kong, Kenneth ("Mr. Yeung") is the Company Secretary of the Company. He is responsible for ensuring that the board policy and procedures are followed and that the Board is briefed on legislative, regulatory and corporate governance developments.

Up to the date of this report, Mr. Yeung has undertaken not less than 15 hours of relevant professional training.

INVESTORS RELATIONS

The Company adheres to high standards with respect to the disclosure all necessary information to the shareholders in compliance with GEM Listing Rules. The Company strengthens its communications with shareholders through various channels including publication of interim and annual reports, press release and announcements of the latest development of the Company in its corporate website in a timely manner.

SHAREHOLDERS' RIGHTS

Under the Company's Articles of Association, in addition to regular Board meetings, the Board, on the requisition of shareholders of the Company holding not less than one-tenth of the paid-up capital of the Company, may convene a extraordinary general meeting to address specific issues of the Company within 21 days from the date of deposit of written notice to the registered office of the Company. The requisition must state the purposes of the meeting, and must be signed by the requisitionist(s).

Shareholders may send their enquiries requiring the Board's attention to the Company Secretary at the Company's principal office address at Room 1106, 11th Floor, MassMutual Tower, 38 Gloucester Road, Wanchai, Hong Kong.

NON-EXECUTIVE DIRECTOR

Mr. Alexis Ventouras, aged 47, is the Chairman and a non-executive Director of the Company. Mr. Ventouras was redesignated from executive director to non-executive director of the Company with effect from 12 December 2012. Mr. Ventouras obtained a Bachelor degree in Economics from University of British Columbia, Vancouver, Canada. He is responsible for formulating corporate strategies and overall management of the Group. He joined the Group in March 2012. Mr. Ventouras has over 20 years' experience in the financial industry.

EXECUTIVE DIRECTORS

Mr. KWOK Kin Chung, aged 39, is the Chief Executive Officer of the Company and an executive Director and a director and Responsible Officer of Cheong Lee. He has obtained a Master degree in Finance in 2006 from Curtin University of Technology of Australia and a professional diploma in Corporate Finance from The Hong Kong Management Association. Mr. Kwok is responsible for managing daily operations and supervising dealing staff. He joined the Group in July 2010. Mr. Kwok has over 12 years of experience in securities and derivatives dealing.

Mr. LAU Kin Hon, age 46, is an executive Director and a director of Cheong Lee. Mr. Lau is a practicing solicitor in Hong Kong. Mr. Lau obtained a bachelor of laws degree with honours from University College, London, U.K.. Mr. Lau has been practicing law in Hong Kong for over 20 years. Mr. Lau is responsible for managing the compliance function of the Group and the provision of advice to the Group on legal and regulatory compliance matters. He joined the Group in January 2008. He is currently a non-executive director of Lisi Group (Holdings) Limited (stock code: 526) and independent non-executive director of Mingfa Group (International) Company Limited (stock code: 846) and was a non-executive director of TLT Lottotainment Group Limited (stock code: 8022) from 4 March 2013 to 2 October 2013, all of which are listed on the Stock Exchange of Hong Kong.

Ms. YU Linda, aged 41, is an executive Director and a director and Responsible Officer of Cheong Lee. Ms. Yu is responsible for the Company's business development, marketing, maintenance of clients' relations and such other matters as the Board shall from time to time direct. She joined the Group in October 2007. Ms. Yu has over 15 years of experience in the securities industry.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. AU-YEUNG Tai Hong Rorce, aged 56, is an independent non-executive Director appointed on 21 February 2011. He obtained a Bachelor's Degree in Science (Business Administration (Accounting)) from San Jose State University and a Juris Doctor from Santa Clara University of the United States of America. Mr. Au-Yeung was admitted as an attorney and counselor at law of the State Bar of California on 11 December 1989. He currently is the Chief Executive Officer of Nova Solar Limited.

Ms. CHOY Wing Man, aged 36, is an independent non-executive Director appointed on 21 February 2011. Ms. Choy obtained a Bachelor of Commerce in Accounting and Finance from the University of New South Wales, Australia. She is a member of ISACA, the Information Systems Audit and Control Association, a Certified Practising Accountant of CPA Australia, and a member of the Institute of Internal Auditors. She is also a member of the Hong Kong Institute of Certified Public Accountants. Ms. Choy has over 4 years experience in an international accounting firm and has worked in an international high fashion company as Regional Auditor for more than 8 years. Ms. Choy currently is the Principal of A&CW CPA (Practising) Limited.

Mr. CHIU Wai Keung, aged 52, is an independent non-executive Director appointed on 15 August 2011. He obtained a Higher Certificate of Electronic Engineering from The Hong Kong Polytechnic University. Mr. Chiu currently is the General Manager of a Medical Science and technology company in the PRC.

REPORT OF DIRECTORS

The Directors of the Company ("Directors") submit herewith their annual report together with the audited consolidated financial statements for the year ended 31 March 2014.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are set out in Note 40 to the consolidated financial statements. There were no significant changes in nature of Group's principal activities during the year.

SEGMENT INFORMATION

An analysis of the Group's consolidated turnover and contribution to operating profit for the year by principal activities is set out in Note 9 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2014 and the state of the affairs of the Group at that date are set out in the consolidated financial statements on pages 32 to 94.

The Directors proposed to declare a final dividend of HK2.0 cents per ordinary share for the year ended 31 March 2014, which will be subject to approval by our Shareholders at the forthcoming annual general meeting ("AGM") of our Company to be held on 31 July 2014. If approved, the proposed final dividend will be paid to our Shareholders on or before 13 August 2014.

PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries of the Company as at 31 March 2014 are set out in Note 40 to the consolidated financial statements.

PLANT AND EQUIPMENT

Details of the movements in plant and equipment of the Group and of the Company are set out in Note 17 to the consolidated financial statements.

BORROWINGS

Particulars of bank loans of the Group and the Company are set out is Note 29 to the consolidated financial statements.

RESERVES

Movements in the reserves of the Group and of the Company during the year are set out in consolidated statement of changes in equity on page 35 and Note 32 to the consolidated financial statements respectively.

DISTRIBUTABLE RESERVES

At 31 March 2014, the Company's reserve available for distribution, calculated in accordance with the Companies Law of Cayman Islands, amounted to approximately HK$175.7 million. This includes the Company's share premium in the amount of approximately HK$142.0 million at 31 March 2014, which may be distributable provided that immediately follow the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

DONATION

The Group's charitable and other donations during the year amounted to HK$166,793 (2013: HK$324,397). No donations were made to political parties.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year, together with reasons therefore, are set out in Note 31 to the consolidated financial statements.

SUMMARY OF FINANCIAL INFORMATION

A summary of the results and of the assets and liabilities of the Group for last five financial years is set out on page 95.

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of turnover for the year attributable to the Group's major customers is as follows:

–	the largest customer	12.16%
–	five largest customers combined	37.49%

To the best of the Directors' knowledge, none of the Directors, their associates or any shareholder who owns more than 5% of the Company's share capital had an interest in any of the major customers above.

The Group had no major supplier due to the nature of principal activities of the Group.

DIRECTORS

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

Mr. Alexis Ventouras *(Chairman)*
Mr. Kwok Kin Chung *(Chief Executive Officer)*
Mr. Lau Kin Hon
Ms. Yu Linda
Mr. Au Yeung Tai Hong Rorce*
Ms. Choy Wing Man*
Mr. Chiu Wai Keung*

* *Independent Non-executive Director*

In accordance with the provisions of the Company's Articles of Association and to comply with the Corporate Governance Code as set out in Appendix 15 of the GEM Listing Rules, Mr. Alexis Ventouras, Mr. Au-Yeung Tai Hong Rorce and Mr. Chiu Wai Keung will retire at the forthcoming AGM by rotation and, being eligible, offer themselves for re-election.

BIOGRAPHICAL DETAILS OF DIRECTORS

Biographical information of the Directors of the Group are set out on pages 19 to 20 of this annual report.

CHANGE IN INFORMATION OF DIRECTOR

The change in the information of Director since the publication of the 2013 Interim Report are set out below pursuant to the Rule 17.50B of the GEM Listing Rules:

Mr. Lau Kin Hon resigned as an independent non-executive director of TLT Lottotainment Group Limited, a company listed on the GEM board of the Stock Exchange with effect from 2 October 2013.

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

As at 31 March 2014, save for the interest of the directors in share options as below, neither of the Directors nor the Chief Executive of the Company had interests and short positions in the shares of the Company ("Shares"), underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) ("SFO") which (i) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) were recorded in the register required to be kept under Section 352 of the SFO, or (iii) have to be notified to the Company and the Stock Exchange pursuant to the required standards of dealing by directors as referred to in Rule 5.46 of the GEM Listing Rules.

LONG POSITION IN SHARES, UNDERLYING SHARES OF THE COMPANY

Share Option

As at 31 March 2014, there were no outstanding share options of the Company granted to the Directors of the Company, details of which are summarised in the following table:

		Options to Subscribe for Shares of the Company							
Director	**Date of grant (dd/mm/yyyy)**	**Outstanding as at 1 April 2013**	**Granted during the year**	**Exercised during the year**	**Lapsed/ Expired during the year**	**Outstanding as at 31 March 2014**	**Option exercise period (dd/mm/yyyy)**	**Exercise price per share**	**Approximate percentage of shareholding**
Yu Linda	25/02/2011	1,000,000	–	–	1,000,000	–	08/03/2013 to 07/03/2014	HK$0.4850	–
Lau Kin Hon	25/02/2011	500,000	–	–	500,000	–	08/03/2013 to 07/03/2014	HK$0.4850	–
Total		1,500,000	–	–	1,500,000	–			–

note:

The above share options were granted pursuant to the Company's pre-IPO share option scheme adopted on 22 February 2011.

Each of the grantees to whom options have been conditionally granted under the Pre-IPO Share Option Scheme will be entitled to exercise the options in the following manner:

(i) a maximum of 500,000 of share under the options granted to him, or if the number of the shares under the options granted to him is less than 500,000, his maximum entitlements under the options granted to him, at any time during the period on or after from the date falling on the first anniversary of the Listing Date to the date of the second anniversary of the Listing Date; and

(ii) the remaining share, if any, under the options granted to him at any time during the period on or after the date falling on the date of the second anniversary of the Listing Date to the date immediately before the third anniversary of the Listing Date.

Save as disclosed above, none of the Directors or the Chief Executives of the Company had any interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations at 31 March 2014.

DIRECTORS' SERVICE CONTRACTS

Each of the independent non-executive Directors has entered into a service contract with the Company for an initial term of one year renewable for the year upon the expiration of the initial term and each subsequent one year term subject to termination in certain circumstance as stimulated in the relevant service contracts.

No Director has a service contract with the Company which is for a duration that may exceed 3 years or which requires the Company to, in order to terminate such contract, give a notice period of more than 1 year or pay compensation or make other payment equivalent to more than 1 years emolument.

As at 31 March 2014, none of the Directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance in relation to the Company's business to which the Company, its holding company, subsidiaries or fellow subsidiaries was a party and in which any Directors of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 5.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. The Company considers all of the independent non-executive Directors are independent.

EMOLUMENT POLICY

The Company's policy concerning the remuneration of the Directors is that the amount of remuneration is determined by reference to the relevant Director's experience, responsibilities, workload and the time devoted to the Group.

Employees' remuneration is determined based on the individual's qualification, experience, position, job responsibility and market conditions. Salary adjustments and staff promotion are based on evaluation of staff performance by way of annual review, and discretionary bonuses would be paid to staff with reference to the financial performance of the Group of the preceding financial year.

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 34 to the consolidated financial statements.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the paragraph headed "Directors' and Chief Executives' interests and short positions in shares, underlying shares and debentures" above and the "Share option scheme" below, at no time during the year have rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate granted to any director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors, their spouse or children under 18 years of age to acquire such rights in any other body corporate.

SHARE OPTION

Share Option Scheme

(i) *Pre-IPO Share Option Scheme*

The Company's pre-IPO share option scheme ("Pre-IPO Share Option Scheme") adopted on 22 February 2011 Principal terms of which were set out in the prospectus of the Company dated 28 February 2011, the there were 6,300,000 share options granted to the grantees. Up to 31 March 2014, there are no options granted and outstanding under the Pre-IPO share Option Scheme. Details of which were as follows:

		Options to Subscribe for Shares of the Company							
Director	**Date of grant (dd/mm/yyyy)**	**Outstanding as at 1 April 2013**	**Granted during the year**	**Exercised during the year**	**Lapsed/ Expired during the year**	**Outstanding as at 31 March 2014**	**Option exercise period (dd/mm/yyyy)**	**Exercise price per share**	**Approximate percentage of shareholding**
Yu Linda	25/02/2011	1,000,000	–	–	1,000,000	–	08/03/2013 to 07/03/2014	HK$0.4850	–
Lau Kin Hon	25/02/2011	500,000	–	–	500,000	–	08/03/2013 to 07/03/2014	HK$0.4850	–
Total		1,500,000	–	–	1,500,000	–			–

(ii) *Post-IPO Share Option Scheme*

The Company adopted the Share Option Scheme on 22 February 2011, which was approved by the shareholders' written resolutions, is valid and effective for a period of 10 years. It is a share incentive scheme and is established to recognise and acknowledge the contribution that the eligible participants have or may have made to the Group. Pursuant to the Share Option Scheme, the Board may, at its discretion, offer to grant an option to any Director, employee, advisor, consultant, distributor, contractor, supplier, customer, agent, business partner, joint venture business partner, promoter, service provider of any member of the Group.

The total number of shares in respect of which share options may be granted under the Share Option Scheme is not permitted to exceed 100,000,000 shares, representing 9.09% of the total number of shares of the Company as at 31 March 2014.

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme to eligible participants in any 12 months period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to the approval of shareholders in a general meeting.

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall not be less than the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of grant; or (iii) the nominal value of a Share.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2014, according to the register of interests kept by the Company under Section 336 of the SFO, the following parties (in addition to those disclosed above in respect of the Directors and Chief Executive of the Company) had interests or short positions in the shares or underlying shares of the Company which were required to be recorded in the register and/or were directly or indirectly interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group:

Long position in shares of the Company

Name of shareholder	**Number of shares**	**Approximate percentage holding**
Zillion Profit Limited	750,000,000	68.18%
Ms. Au Suet Ming Clarea *(note i)*	750,000,000	68.18%

note:

(i) Ms. Au Suet Ming Clarea is deemed to be interested in 750,000,000 shares through her controlling interest (100%) in Zillion Profit Limited.

Save as disclosed above, as at 31 March 2014, the Directors are not aware of any other persons who had interests or short positions in the shares or underlying shares of the Company which were interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group or any persons (not being a Director) have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions in Divisions 2 and 3 of Part XV of the SFO.

MANAGEMENT CONTRACTS

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

RETIREMENT BENEFIT SCHEME

Particulars of the retirement benefit scheme of the Group are set out in Note 35 to the consolidated financial statements.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Non-exempt One-off Connected Transactions

For the year ended 31 March 2014, the Company has not entered into any non-exempt one-off connected transactions which were subject to the reporting, annual review, announcement and/or independent shareholders' approval requirements under the GEM Listing Rules.

Non-exempt Continuing Connected Transactions

The following is a summary of the non-exempt continuing connected transactions of the Group entered into during the year ended 31 March 2014:

Cheong Lee has entered into a brokerage services agreement ("Ms. Au's Brokerage Services Agreement") with Ms. Au Suet Ming Clarea ("Ms. Au"), the ultimate controlling shareholder of the Company, on 22 February 2011, pursuant to which Cheong Lee may, upon request, provide or Cheong Lee may procure any other company amongst the Group to provide to Ms. Au (including her associates) the brokerage services, from time to time on normal commercial terms and at rates comparable to rates offered to other customers of the Group who are independent third parties (as defined under the GEM Listing Rules) of similar transaction turnover and/or credit standing, trading record and quality of collaterals given, and in accordance with the relevant policy of the Group from time to time. Ms. Au's Brokerage Services Agreement is for a term commencing from the Listing Date and ending on 31 March 2014 and the transaction amount should not exceed HK$4.8 million for each of the three years ending 31 March 2014. The total commission paid by Ms. Au's and/or her associates for the brokerage services provided by the Group amounted to HK$94,133 for the year ended 31 March 2014 which is also set out in Note 39(a) to the consolidated financial statements.

Save for the above, related party transactions entered by the Group during the year as disclosed in Note 39(a) to the consolidated financial statements, constitute connected transactions under the GEM Listing Rules.

Agreed upon procedures performed by the auditor

The Company has engaged its auditor to perform certain agreed-upon procedures in respect of continuing connected transactions of the Group. The procedures, where applicable, were performed solely to assist the Directors of the Company to evaluate, in accordance with Rule 20.38 of the GEM Listing Rules, whether the continuing connected transactions entered into by the Group for the Year:

(i) have been approved by the Board of Directors;

(ii) have been entered into in accordance with the terms of the agreement governing the transactions;

(iii) have been entered into in accordance with the pricing policies in respect of securities trading commissions, futures and options trading commission of the Group; and

(iv) have not exceeded the relevant cap amounts for the year in the Prospectus dated 22 February 2011.

The auditor has issued an unqualified letter containing the findings and conclusions in respect of the continuing connected transactions in accordance with Rule 20.38 of the GEM Listing Rules. A copy of the auditor's letter have been provided by the Company to the Stock Exchange.

CONFIRMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors have reviewed the above continuing connected transactions and confirmed that these transactions have been entered into:

(i) in the ordinary and usual course of business of the Group;

(ii) on normal commercial terms or on terms no less favourable to the Group than terms available to independent third parties (as defined under the GEM Listing Rules); and

(iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Save as disclosed above, no contracts of significance to which the Company or its subsidiaries or holding company or a subsidiary of the Company's holding company is a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

COMPETING INTERESTS

For the year ended 31 March 2014, the Directors are not aware of any business or interest of the Directors, the controlling shareholder(s) 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.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2014.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association and there is no restriction against such rights under the laws of the Cayman Islands.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company as at the date of this report, the Company has maintained the prescribed public float under the GEM Listing Rules.

AUDITORS

The consolidated financial statements for the year ended 31 March 2014 were audited by HLM CPA Limited who will retire and, being eligible, offer themselves for re-appointment. A resolution will be submitted at the forthcoming annual general meeting of the Company to re-appoint HLM CPA Limited as independent auditors of the Company.

On behalf of the board

Alexis Ventouras
Chairman

Hong Kong, 27 June 2014

恒健會計師行有限公司
HLM CPA LIMITED
Certified Public Accountants

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TO THE MEMBERS OF CL GROUP (HOLDINGS) LIMITED
昌利（控股）有限公司
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of CL Group (Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 32 to 94, 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 (Cap. 622), 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, 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 judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the Group's state of affairs as at 31 March 2014, and of its profits 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 (Cap. 622).

HLM CPA Limited
Certified Public Accountants

Chan Lap Chi
Practising Certificate Number: P04084

Hong Kong, 27 June 2014

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2014

	Notes	2014 HK$	2013 HK$
Turnover	7	**45,739,589**	48,546,509
Net other income	8	**10,114,549**	4,060,824
Impairment loss on goodwill		**–**	(531,658)
Administrative expenses		**(26,315,374)**	(24,979,444)
Finance costs	10	**(206,772)**	–
Profit before tax	11	**29,331,992**	27,096,231
Income tax expenses	14	**(4,528,380)**	(4,602,219)
Profit and total comprehensive income for the year		**24,803,612**	22,494,012
Profit and total comprehensive income attributable to:			
Owners of the Company		**24,784,305**	22,491,674
Non-controlling interests		**19,307**	2,338
		24,803,612	22,494,012
Earnings per share			
– Basic	16	**2.47 cents**	2.25 cents
– Diluted	16	**2.47 cents**	2.25 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2014

	Notes	2014 HK$	2013 HK$
Non-current assets			
Plant and equipment	17	**479,195**	769,047
Intangible assets	18	**2,900,250**	69,780
Other assets	19	**1,735,515**	1,705,000
Deferred tax assets	30	**9,986**	–
		5,124,946	2,543,827
Current assets			
Trade receivables	21	**66,303,019**	84,090,495
Loan receivables	22	**102,618,643**	28,386,650
Other receivables, deposits and prepayments	23	**1,740,583**	2,586,002
Financial assets at fair value through profit or loss	24	**22,338,348**	15,778,223
Tax refundable		**45,921**	11,072
Other investment	25	**–**	3,807,000
Pledged bank deposit	26	**10,000,000**	5,000,000
Bank balances and cash – trust accounts	26	**29,356,730**	30,428,353
Bank balances and cash – general accounts	26	**36,682,421**	48,563,330
		269,085,665	218,651,125
Current liabilities			
Trade payables	27	**38,395,293**	31,639,476
Other payables and accruals	28	**2,291,620**	1,385,180
Bank borrowing	29	**10,000,000**	–
		50,686,913	33,024,656
Net current assets		**218,398,752**	185,626,469
Total assets less current liabilities		**223,523,698**	188,170,296
Non-current liability			
Deferred tax liabilities	30	**–**	33,660
Net assets		**223,523,698**	188,136,636

	Notes	2014 HK$	2013 HK$
Capital and reserves			
Share capital	31	**11,000,000**	10,000,000
Reserves		**212,638,352**	178,270,597
Equity attributable to owners of the Company		**223,638,352**	188,270,597
Non-controlling interests		**(114,654)**	(133,961)
Total equity		**223,523,698**	188,136,636

The consolidated financial statements on pages 32 to 94 were approved and authorised for issue by the Board of Directors on 27 June 2014 and are signed on its behalf by:

Alexis Ventouras
Director

Kwok Kin Chung
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2014

	Share capital	Share premium	Merger reserve	Share option reserve	Retained profits	Attributable to owners of the Company	Non-controlling interests	Total
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
At 1 April 2012	10,000,000	112,473,021	32,500,000	298,168	30,232,501	185,503,690	(136,299)	185,367,391
Profit and total comprehensive income for the year	–	–	–	–	22,491,674	22,491,674	2,338	22,494,012
Recognition of equity-settled share-based payments	–	–	–	275,233	–	275,233	–	275,233
Share option expired	–	–	–	(361,495)	361,495	–	–	–
Dividend	–	–	–	–	(20,000,000)	(20,000,000)	–	(20,000,000)
At 31 March 2013 and 1 April 2013	10,000,000	112,473,021	32,500,000	211,906	33,085,670	188,270,597	(133,961)	188,136,636
Profit and total comprehensive income for the year	–	–	–	–	24,784,305	24,784,305	19,307	24,803,612
Issue of shares	1,000,000	29,490,211	–	–	–	30,490,211	–	30,490,211
Recognition of equity-settled share-based payments	–	–	–	93,239	–	93,239	–	93,239
Share option expired	–	–	–	(305,145)	305,145	–	–	–
Dividend	–	–	–	–	(20,000,000)	(20,000,000)	–	(20,000,000)
At 31 March 2014	11,000,000	141,963,232	32,500,000	–	38,175,120	223,638,352	(114,654)	223,523,698

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2014

	2014 *HK$*	2013 *HK$*
Operating activities		
Profit before tax	**29,331,992**	27,096,231
Adjustments for:		
Depreciation of plant and equipment	**385,589**	817,805
Amortisation of intangible assets	**613,637**	69,780
Net change in fair value of financial assets at fair value through profit or loss	**(4,677,645)**	(685,101)
Gain on trading of financial assets at fair value through profit or loss	**(5,284,385)**	(1,861,791)
Interest income	**(28,682,741)**	(19,525,531)
Interest expenses	**206,772**	–
Dividend income	**(955)**	(5,480)
Expense recognised in respect of equity-settled share-based payments	**93,239**	275,233
Write-off of plant and equipment	**–**	439,514
(Gain) loss on disposal of plant and equipment	**(200)**	3,611
Impairment loss on trade receivables	**824,431**	1,787,359
Write-off of trade receivable	**2,000,000**	–
Impairment loss on goodwill	**–**	531,658
Impairment loss on intangible assets	**362,893**	–
Operating cash flows before movements in working capital	**(4,827,373)**	8,943,288
Decrease in trade receivables	**14,963,045**	17,935,272
Increase in loan receivables	**(71,084,700)**	(15,230,000)
Decrease in other receivables, deposits and prepayments	**845,419**	208,637
(Increase) decrease in other assets	**(30,515)**	26,119
Increase in pledged bank deposit	**(5,000,000)**	–
Decrease (increase) in bank balances and cash – trust accounts	**1,071,623**	(12,938,862)
Increase in trade payables	**6,755,817**	13,729,513
Increase (decrease) in other payables and accruals	**906,440**	(1,626,541)
Cash (used in) generated from operations	**(56,400,244)**	11,047,426
Interest paid	**(206,772)**	–
Hong Kong Profits Tax paid	**(4,606,875)**	(3,755,028)
NET CASH (USED IN) GENERATED FROM OPERATING ACTIVITIES	**(61,213,891)**	7,292,398

	2014 HK$	2013 HK$
Investing activities		
Interest received	**25,535,448**	19,253,014
Dividend received	**955**	5,480
Purchase of plant and equipment	**(95,737)**	(76,840)
Proceeds from disposal of plant and equipment	**200**	22,230
Purchase of financial assets at fair value through profit or loss	**(48,292,724)**	(14,759,663)
Proceeds from disposal of financial assets at fair value through profit or loss	**51,694,629**	12,610,457
Increase in other investment	**–**	(3,807,000)
NET CASH GENERATED FROM INVESTING ACTIVITIES	**28,842,771**	13,247,678
Financing activities		
Dividends paid	**(20,000,000)**	(20,000,000)
Proceeds from issue of new shares	**30,490,211**	–
Bank borrowings raised	**25,000,000**	–
Repayment of bank borrowings	**(15,000,000)**	–
NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES	**20,490,211**	(20,000,000)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(11,880,909)**	540,076
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	**48,563,330**	48,023,254
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	**36,682,421**	48,563,330
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	**36,682,421**	48,563,330

1. GENERAL

The Company is incorporated in the Cayman Islands as an exempted company with limited liability. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section of the annual report.

The consolidated financial statements are presented in Hong Kong Dollars, which is also the functional currency of the Company.

The principal activities of the Company and its subsidiaries (collectively referred to as the "Group") are engaged in the provision of securities, futures and options broking and trading, margin and loan financing service, placing and underwriting service, wealth management service and securities advisory service.

The parent and ultimate holding company of the Group is Zillion Profit Limited, a private company incorporated in the British Virgin Islands with limited liability.

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

The following new and revised HKFRSs issued by Hong Kong Institute of Certified Public Accountants ("HKICPA") have been applied by the Group in the current year.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009–2011 Cycle except for the amendments to HKAS 1
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	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
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine

The adoption of the new or revised HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods, except as described below. Accordingly, no prior period adjustment has been required.

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

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 'consolidated statement of comprehensive income' is renamed as the 'consolidated statement of profit or loss and other comprehensive income'. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. 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.

New and revised HKFRSs issued but not yet effective

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

HKFRS 9	Financial Instruments[3]
HKFRS 9 and HKFRS 7 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities[1]
HKFRS 11 (Amendments)	Accounting for acquisition of interests in joint operations[6]
HKFRS 16 and HKFRS 38 (Amendments)	Clarification of acceptable methods of depreciation and amortisation[6]
HKFRS 14	Regulatory Deferral Accounts[5]
HKAS 19 (Amendments)	Defined Benefits Plans: Employee Contributions[2]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[1]
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets[1]
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting[1]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011–2013 Cycle[2]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010–2012 Cycle[4]
HK(IFRIC) – Int 21	Levies[1]

1 Effective for annual periods beginning on or after 1 January 2014.
2 Effective for annual 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 annual periods beginning on or after 1 July 2014, with limited exceptions.
5 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016.
6 Effective for annual periods beginning on or after 1 January 2016.

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

New and revised HKFRSs issued but not yet effective (continued)

Except as described below, the directors of the Company do not anticipate that the application of the above amendments will have a significant impact on the Group's consolidated financial statements.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

– 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.

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

The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

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

New and revised HKFRSs issued but not yet effective (continued)

HKFRS 9 Financial Instruments *(continued)*

The directors anticipate that the adoption of HKFRS 9 in the future may have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities. Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

Hong Kong Companies Ordinance (Cap. 622)

In addition, the requirements of Part 9, "Accounts and Audit", of the new Hong Kong Companies Ordinance (Cap. 622) come into operation from the Company's first financial year commencing after 3 March 2014 (that is, the Company's financial year which began on 1 April 2014) in accordance with section 358 of that Ordinance. The Group is in the process of making an assessment of the expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9. So far it has concluded that the impact is unlikely to be significant and will primarily only affect the presentation and disclosure of information in the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with all applicable HKFRSs, which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the HKICPA, and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the new Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. These financial statements also comply with the applicable disclosure provisions of the GEM Listing Rules. A summary of the significant accounting policies adopted by the Group is set out below.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for assets.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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.

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

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

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations (continued)
At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, 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 transactions of the acquiree or the replacement of an acquiree's share-based payment transactions with share-based payment transactions of the Group are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date; 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, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or another measurement basis required by another HKFRS.

When the consideration the Group transfers in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gain on bargain purchase. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. Measurement period does not exceed one year from the acquisition date.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations (continued)
The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39, or HKAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

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

For the purposes of impairment testing, goodwill is allocated to each of the Group's 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 when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less that its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable arising from financial services and is recognised on the following basis:

(i) Commission income for broking business of securities, futures and options dealing is recorded as income on a trade-date basis.

(ii) Underwriting commission income, sub-underwriting commission income, placing commission and related handling fee whether on an underwritten or on a best effort basis are recognised when the shares are allotted to the places.

(iii) Margin financing, money lending service and interest income from a financial assets is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(iv) Handling service fees and dividend collection fees are recognised when the agreed services have been provided.

(v) Profit and loss from trading in financial assets at fair value through profit or loss are recognised when the relevant contract notes are executed.

(vi) Securities advisory services fee income and wealth management fee income are recognised when the services are rendered.

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

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

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they capitalised in accordance with the Group's policy on borrowing costs (see the accounting policy below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasing (continued)

The Group as lessee *(continued)*

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. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, 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 entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at 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 carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see the accounting policies below); and

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong Dollars) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange difference arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of foreign currency translation reserve (attributed to non-controlling interests as appropriate).

Goodwill and fair value adjustments on identifiable assets acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in the foreign currency translation reserve.

Borrowing costs

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

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

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

Retirement benefit costs

Retirement benefits are provided to eligible staff of the Group. Hong Kong employees enjoy retirement benefits under the Mandatory Provident Fund Scheme. The employer's monthly contribution is 5% of each employee's monthly salary with maximum amount of HK$1,000 per month for each employee on or before 31 May 2012 and HK$1,250 per month on or after 1 June 2012.

Payment to defined contribution retirement benefit plans, state-managed retirement benefit schemes, the Mandatory Provident Fund Scheme, are charged as an expense when employees have rendered service entitling them to the contributions.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payment transactions

Share options granted by the Company to employees of the Group in an equity-settled share-based payment arrangement

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

At the end of 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 options reserve.

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

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

Taxation

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset 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 or deferred tax for the year is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Plant and equipment

Plant and equipment are stated at cost less depreciation and accumulated impairment losses. Depreciation is provided to write off the cost or valuation of items of plant and equipment over their estimated useful lives and after taking into account their estimated residual value, using the straight-line method, at the following rate per annum:

Leasehold improvement	50% or remaining lease term
Furniture and equipment	20%
Computer equipment	20%

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 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 profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets

Intangible assets acquired separately

Future trading right
Intangible assets represent the trading rights, with which the holders have the rights to trade on the Stock Exchange and Hong Kong Futures Exchange Limited ("HKFE"). Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Film rights
Film rights are stated at cost less accumulated amortisation and impairment losses. Their costs are amortised over the underlying licence period, with reference to projected revenue.

Derecognition of intangible assets
An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the consolidated statements of comprehensive income when the asset is derecognised.

Other investment
Other investments representing investment in film, it is measure at cost less any impairment.

Impairment of tangible assets other than goodwill
At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. 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.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimated 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 cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss.

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

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

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

Cash and cash equivalents
Cash includes cash equivalents include cash at bank and in hand, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Share capital
Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Any transaction costs associated with the issue of shares are deducted from share premium (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets 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

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss" ("FVTPL") and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

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

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Financial assets at FVTPL

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

A financial asset is classified as held for trading if:

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets *(continued)*

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

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

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earning on the financial asset and is included in the "other gains and losses" line item in the consolidated statement of profit or loss and other comprehensive income. Fair value is determined in the manner described in Note 6.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade receivables, deposits, prepayments and other receivables, bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets *(continued)*

Impairment of financial assets (continued)
For all other financial assets, objective evidence of impairment could include:

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

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

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

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

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets, 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 the consolidated statements of comprehensive income.

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

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

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

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

Other financial liabilities
Other financial liabilities (including accruals, deposit received and other payables) are subsequently measured at amortised cost using the effective interest method.

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

Interest expense is recognised on an effective interest basis.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the Group retains control), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

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

Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Segment reporting (continued)
Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material maybe aggregated if they share a majority of these criteria.

Related parties
A related party is a person or entity that is related to the Group.

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

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

(2) has significant influence over the Group; or

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

(ii) An entity is related to the Group if any of the following conditions applies:

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

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

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

(4) One entity is a joint venture of a third party and the other entity is an associate of the same third party or vice versa.

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

(6) The entity is controlled or jointly-controlled by a person identified in (i).

(7) A person identified in (i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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.

Depreciation and amortisation

The Group depreciates and amortises the plant and equipment and intangible assets over their estimated useful lives respectively and after taking into account their estimated residual values, using the straight line method. The estimated useful lives reflect the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's plant and equipment and intangible assets. The residual values reflect the directors' estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the assets were already of the age and in the condition expected at the end of its useful lives.

Income taxes

The Company is subject to income taxes in Hong Kong. Significant judgement is required in determining the provision for income taxes and the timing of payment of the related tax. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax provision in the period in which such determination is made.

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

Key sources of estimation uncertainty (continued)

Allowance for doubtful debts

The Group's provision policy for bad and doubtful debts is based on the evaluation of collectability and aging analysis of accounts and on management's judgement. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required. As at 31 March 2014, the carrying amount of trade receivables is HK$66,303,019 (2013: HK$84,090,495) (net of allowance for doubtful debts of HK$2,343,787 (2013: HK$1,787,359)).

5. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total indebtedness divided by total capital. Total indebtednesses is total bank borrowings (including current and non-current bank borrowings). Total capital is calculated as "equity", as shown in the statement of financial position.

At the end of the reporting period, the gearing ratio of the Group is 4.5%. (2013: 0%)

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2014 ***HK$***	2013 *HK$*
Financial assets		
Financial assets at fair value through profit or loss	**22,338,348**	15,778,223
Loans and receivables (including cash and cash equivalents)	**246,701,396**	199,054,830

6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, loan receivables, other receivables, deposits and prepayments, financial assets at fair value through profit or loss, bank balances and cash, trade payables, other payables and accruals and bank borrowing. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include credit risk, market risk (currency risk, interest rate risk and equity price risk) and liquidity risk.

The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

The Group's credit risk is primarily attributable to accounts receivable due from clients, brokers and clearing houses and loan receivables. Management has a credit policy in place and the exposure to the credit risk is monitored on an on-going basis.

In respect of accounts receivable due from clients, individual credit evaluations are performed on all clients. Cash clients are required to place deposits as prescribed by the Group's credit policy before execution of any purchase transactions. Receivables due from cash clients are due within the settlement period commonly adopted by the relevant market convention, which is usually within a few days from the trade date. Because of the prescribed deposit requirements and the short settlement period involved, credit risk arising from the accounts receivable due from cash clients is considered low. For futures broking, initial margin is required before opening of a trading position. Market conditions and adequacy of securities collateral and margin deposits of each futures account are monitored by management on a daily basis. Margin calls and forced liquidation are made where necessary.

In respect of accounts receivable from brokers and clearing houses, credit risks are considered low as the Group normally enters into transactions with brokers and clearing houses which are registered with regulatory bodies and with sound reputation in the industry.

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

The Group has no significant concentration of credit risk as credits are granted to a large population of clients.

6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk *(continued)*

The maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of each financial asset in the consolidated statement of financial position. The Group does not provide any other guarantees which would expose the Group to credit risk.

Foreign currency risk

The Group's business is principally conducted in Hong Kong dollars ("HK$") and most of the Group's monetary assets and liabilities are denominated in HK$. Accordingly, the directors consider the Group's exposure to foreign currency risk is minimal.

Interest rate risk

Interest rate risk is the risk of loss due to changes in interest rates. The Group's interest rate risk exposure arises predominantly from margin financing and loans to customer. The margin receivables, loan receivables, bank balances and bank borrowing have exposures to interest rates risk. The Group possesses the legal capacity to initiate recalls efficiently which enables the timely re-pricing of margin loans to appropriate levels, in which those particularly large sensitive positions can readily be identified. Interest spreads are managed with the objective of maximising spreads to ensure consistency with liquidity and funding obligations.

At 31 March 2014, assuming the Hong Kong market interest rate had been 50 basis point (2013: 50 basis point) higher/lower and all other variables were held constant, the Group's profit before tax for the year ended 31 March 2014 would increase/decrease by approximately HK$1,041,770 (2013 increase/decrease by approximately HK$928,958).

Price risk

The Group is exposed to equity price risk mainly through its investments in listed equity securities and debt securities. The Group's equity price risk is mainly concentrated on equity instruments quoted in the Stock Exchange.

Sensitivity analysis

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

If the prices of the respective equity instruments had been 5% (2013: 5%) higher/lower, the profit before tax for the year ended 31 March 2014 would increase/decrease by approximately HK$1,116,917 (2013: increase/decrease by approximately HK$788,911). This is mainly due to the changes in fair value of financial assets at fair value through profit or loss.

6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the raising of loans to cover expected cash demands, and to ensure compliance with the Financial Resources Rules. The Group's policy is to regularly monitor its liquidity requirement and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and funding in the short and longer term. All of the Group's current liabilities are expected to be settled within one year. And the carrying amounts of all financial liabilities equal to the contractual undiscounted cash outflow.

Financial instruments carried at fair value

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 and 3.

Financial assets	Classified as	Fair value as at 31 March 2014 *HK$*	Fair value hierarchy	basis of fair value measurement/Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Equity security in Hong Kong	Financial asset at fair value through profit or loss	17,010,000	Level 1	Quoted bid prices in an active market	N/A	N/A
Equity security in oversea	Financial asset at fair value through profit or loss	426,348	Level 1	Quoted bid prices in an active market	N/A	N/A
Debt instruments (Convertible bonds) in HK	Financial asset at fair value through profit or loss	4,902,000	Level 3	The fair value of the Convertible Bond was determined with the discount cash flow and Binomial Option Pricing Model.	Discount for lack of marketability	The higher the discount rate, the lower the fair value

There were no transfers between Level 1 and 3 during the year.

7. TURNOVER

An analysis of the Group's revenue for the year from continuing operations is as follows:

	2014	2013
	HK$	*HK$*
Commission and brokerage fees from securities dealing on The Stock Exchange of Hong Kong Limited	**5,525,824**	3,124,885
Commission and brokerage fees form dealing in futures contracts	**60,084**	365,976
Commission from wealth management business	**435,955**	919,698
Commission from securities advisory services	**–**	14,700,000
Placing and underwriting commission	**9,381,944**	8,723,890
Clearing and settlement fees	**1,204,179**	270,410
Handling service and dividend collection fees	**448,862**	916,119
Interest income from		
– authorised financial institutions	**575,501**	1,214,818
– clients	**28,107,240**	18,310,684
– others	**–**	29
	45,739,589	48,546,509

See Note 9 for an analysis of revenue by major services.

8. NET OTHER INCOME

	2014	2013
	HK$	*HK$*
Gain on trading of financial assets at fair value through profit or loss	**5,284,385**	1,861,791
Dividend income	**955**	5,480
Net change in fair value of financial assets at fair value through profit or loss	**4,677,645**	685,101
Gain on disposal of plant and equipment	**200**	–
Other income	**151,364**	1,508,452
	10,114,549	4,060,824

9. BUSINESS AND GEOGRAPHICAL SEGMENTS

Information reported to the Board, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of services provided. In addition, for 'Securities and futures broking', 'Placing and underwriting', 'Loan and financing' and 'Securities advisory service' the information reported to the Board of Directors is further analysed based on the different classes of customers.

Specifically, the Group's reportable segments under HKFRS 8 are as follow:

Securities and futures broking	Provision of securities and futures and other wealth management products broking services
Placing and underwriting	Provision of placing and underwriting services
Loan and financing	Provision of margin financing and money lending service
Securities advisory service	Provision of securities advisory service

The reportable segments have been identified on the basis of internal management reports prepared in accordance with accounting policies conforming to HKFRSs that are regularly reviewed by the executive directors of the Company being the CODM of the Group.

Segments profit represents profit earned by each segment without allocation of other revenue, central administration costs and finance costs. This is the basis of measurement reported to the CODM for the purposes of resource allocation and assessment of segment performance.

All of the activities of the Group are based in Hong Kong and all of the Group's revenue is derived from Hong Kong. Accordingly, no analysis by geographical segments is presented.

9. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Business segments

Segment revenues and results

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

	2014				
	Securities and futures broking *HK$*	Placing and underwriting *HK$*	Loan and financing *HK$*	Securities advisory service *HK$*	Consolidated *HK$*
Segment revenue	15,358,529	9,381,944	20,423,615	–	45,164,088
Segment results	7,209,681	6,779,739	16,996,241	(2,000,000)	28,985,661
Gain from investments					9,962,985
Other interest income					575,501
Other income					151,564
Impairment loss on intangible assets					(362,893)
Unallocated other operating expenses					(9,774,054)
Finance cost					(206,772)
Profit before tax					29,331,992
Income tax expenses					(4,528,380)
Profit for the year					24,803,612

9. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Business segments (continued)

Segment revenues and results (continued)

	2013				
	Securities and futures broking *HK$*	Placing and underwriting *HK$*	Loan and financing *HK$*	Securities advisory service *HK$*	Consolidated *HK$*
Segment revenue	4,885,977	8,723,890	19,021,824	14,700,000	47,331,691
Segment results	213,185	5,564,073	17,786,231	13,499,815	37,063,304
Gain from investments					2,552,372
Other interest income					1,214,818
Other income					1,508,452
Impairment loss on goodwill					(531,658)
Unallocated other operating expenses					(14,711,057)
Profit before tax					27,096,231
Income tax expenses					(4,602,219)
Profit for the year					22,494,012

Revenue reported above represents revenue generated from external customers. There was no inter-segment sale during the year (2013: HK$Nil).

9. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Business segments (continued)

Segment assets and liabilities

	2014				
	Securities and futures broking	**Placing and underwriting**	**Loan and financing**	**Securities advisory service**	**Consolidated**
	HK$	***HK$***	***HK$***	***HK$***	***HK$***
Assets					
Segment assets	**55,918,009**	**–**	**156,364,654**	**1,300,000**	**213,582,663**
Unallocated assets					**60,627,948**
Total assets					**274,210,611**
Liabilities					
Segment liabilities	**49,932,863**	**–**	**750,000**	**–**	**50,682,863**
Unallocated liabilities					**4,050**
Total liabilities					**50,686,913**

	2013				
	Securities and futures broking	Placing and underwriting	Loan and financing	Securities advisory service	Consolidated
	HK$	*HK$*	*HK$*	*HK$*	*HK$*
Assets					
Segment assets	34,823,533	–	104,597,625	8,700,000	148,121,158
Unallocated assets					73,073,794
Total assets					221,194,952
Liabilities					
Segment liabilities	29,890,154	31,200	3,053,302	–	32,974,656
Unallocated liabilities					83,660
Total liabilities					33,058,316

9. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Business segments (continued)

Segment assets and liabilities *(continued)*

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

- all assets are allocated to reportable segments other than deferred tax assets, financial assets at fair value through profit or loss, other investment, tax refundable, bank balances and cash – general accounts and other receivables. Assets used jointly by segments are allocated on the basis of the revenues earned by individual segments; and
- all liabilities are allocated to reportable segments other than other payables and accruals and deferred tax liabilities. Liabilities for which segments are jointly liable are allocated in proportion to segment assets.

Other information

	2014				
	Securities and futures broking	**Placing and underwriting**	**Loan and financing**	**Securities advisory service**	**Consolidated**
	HK$	***HK$***	***HK$***	***HK$***	***HK$***
Additions to plant and equipment	**95,737**	**–**	**–**	**–**	**95,737**
Depreciation of plant and equipment	**385,589**	**–**	**–**	**–**	**385,589**
Amortisation of intangible assets	**69,780**	**–**	**–**	**–**	**69,780**

	2013				
	Securities and futures broking	Placing and underwriting	Loan and financing	Securities advisory service	Consolidated
	HK$	*HK$*	*HK$*	*HK$*	*HK$*
Additions to plant and equipment	76,840	–	–	–	76,840
Depreciation of plant and equipment	817,805	–	–	–	817,805
Amortisation of intangible assets	69,780	–	–	–	69,780

Information on major customers

A major customer of the Group accounted for approximately 12% (2013: 16%) of the total revenue during the year ended 31 March 2014.

10. FINANCE COSTS

	2014 HK$	2013 HK$
Interest on bank borrowings wholly repayable within five years	**206,772**	–

11. PROFIT BEFORE TAX

	2014 HK$	2013 HK$
Profit before tax has been arrived at after (crediting) charging:		
Staff costs *(Note 12)*	**6,551,591**	6,420,281
Auditor's remuneration	**506,000**	513,000
Depreciation of plant and equipment	**385,589**	817,805
Amortisation of intangible assets	**613,637**	69,780
Write-off of plant and equipment	**–**	439,514
Write-off of trade receivables	**2,000,000**	–
Impairment loss on trade receivables	**824,431**	1,787,359
Impairment loss on intangible assets	**362,893**	–
(Gain) loss on disposal of plant and equipment	**(200)**	3,611
Operating lease payments in respect of rented premises	**3,496,369**	5,286,064
Equity-settled share-based payments	**93,239**	275,233

12. STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

	2014 HK$	2013 HK$
Salaries and allowances	**6,352,878**	6,206,101
Defined contribution retirement benefit scheme contributions	**198,713**	214,180
	6,551,591	6,420,281

13. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

Directors' emoluments disclosed pursuant to section 78 of Schedule 11 to the new Hong Kong Companies Ordinance (Cap. 622), with reference to section 161 of the predecessor Hong Kong Companies Ordinance (Cap. 32).

The emoluments paid or payable to each of the seven (2013: seven) directors for the Group in 2014 were as follows:

Year ended 31 March 2014

	Fees	Salaries, allowance and benefit in kind	Discretionary bonuses	Defined contribution retirement benefit scheme contributions	Share based payment	Total
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
Executive directors						
Kwok Kin Chung	–	704,700	54,600	15,000	–	774,300
Lau Kin Hon	–	195,000	–	9,500	27,423	231,923
Yu Linda	–	520,000	–	15,000	54,847	589,847
Non-executive director						
Alexis Ventouras	180,000	–	–	–	–	180,000
Independent non-executive directors						
Au Yeung Tai Hong Rorce	120,000	–	–	–	–	120,000
Choy Wing Man	120,000	–	–	–	–	120,000
Chiu Wai Keung	120,000	–	–	–	–	120,000
	540,000	1,419,700	54,600	39,500	82,270	2,136,070

13. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

(a) Directors' emoluments (continued)

Year ended 31 March 2013

	Fees	Salaries, allowance and benefit in kind	Discretionary bonuses	Defined contribution retirement benefit scheme contributions	Share based payment	Total
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
Executive directors						
Kwok Kin Chung	–	669,600	97,600	14,500	29,914	811,614
Lau Kin Hon	–	195,000	–	9,500	59,832	264,332
Yu Linda	–	520,000	–	14,500	89,748	624,248
Alexis Ventouras *(note i)*	126,247	–	–	–	–	126,247
Non-executive director						
Alexis Ventouras *(note i)*	53,753	–	–	–	–	53,753
Independent non-executive directors						
Au Yeung Tai Hong Rorce	120,000	–	–	–	–	120,000
Choy Wing Man	120,000	–	–	–	–	120,000
Chiu Wai Keung	120,000	–	–	–	–	120,000
	540,000	1,384,600	97,600	38,500	179,494	2,240,194

note:

(i) Resigned as executive director and appointed as non-executive director on 12 December 2012

(b) Five highest paid individuals

During the year, of the five highest paid individuals in the Group, two (2013: two) executive directors of the Company whose emoluments are set out above. The emoluments of the remaining three are:

	2014	2013
	HK$	*HK$*
Salaries, allowances and benefit in kind	**1,758,630**	1,691,504
Discretionary bonuses	**138,700**	201,250
Defined contribution retirement benefit scheme contributions	**43,750**	43,500
Equity-settled share-based payments	**10,969**	59,835
	1,952,049	1,996,089

13. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

(b) Five highest paid individuals (continued)

The emoluments of the aforementioned three (2013: three) highest paid individuals were within the band of nil to HK$1,000,000 for both years.

No emoluments were paid to the directors of the Company or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during each of the two years ended 31 March 2014 and 2013. None of the directors and five highest paid individuals of the Company has waived or agreed to waive any emoluments during the year.

14. INCOME TAX EXPENSES

	2014	2013
	HK$	*HK$*
Hong Kong Profits Tax		
– current year	**4,616,369**	4,713,270
– overprovision in prior year	**(44,343)**	(40,704)
Deferred tax		
– current year *(Note 30)*	**(43,646)**	(70,347)
	4,528,380	4,602,219

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

	2014	2013
	HK$	*HK$*
Profit before tax	**29,331,992**	27,096,231
Tax at the domestic income tax rate of 16.5% (2013:16.5%)	**4,839,778**	4,470,879
Overprovision in prior year	**(44,343)**	(40,704)
Tax effect of temporary difference not recognised	**3,688**	(5,580)
Tax effect of expenses not deductible for tax purpose	**494,998**	148,019
Tax effect of income not taxable for tax purpose	**(787,726)**	(103,231)
Tax effect of tax loss not recognised	**57,667**	132,836
Utilisation of tax losses previously not recognised	**(35,682)**	–
Tax expenses for the year	**4,528,380**	4,602,219

15. DIVIDEND

	2014	2013
	HK$	*HK$*
2013 Final dividend paid – HK2.0 cents per share (2012 Final dividend paid – HK2.0 cents per share)	**20,000,000**	20,000,000

The board of directors proposed a final dividend of HK2.0 cents per ordinary share for the year ended 31 March 2014 (2013: HK2.0 cents). This proposed final dividend is not reflected as a dividend payable as of 31 March 2014, but will be recorded as a distribution of retained profits for the year ending 31 March 2015.

16. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the Company and the weighted average number of the Company's ordinary shares in issue during the year.

	2014	2013
	HK$	*HK$*
Profit for the year attributable to owners of the Company	**24,784,305**	22,491,674

	2014	2013
Weighted average number of ordinary shares in issue during the year	**1,001,917,808**	1,000,000,000
Effect of dilutive potential ordinary shares:		
Share option issued by the Company	**–**	–
Weighted average number of ordinary shares and dilutive potential ordinary shares in issue during the year	**1,001,917,808**	1,000,000,000

The calculation of basic earnings per share is based on the Group's profit attributable to the owners of the Company of HK$24,784,305 (2013: HK$22,491,674) and the weighted average number of ordinary shares of 1,001,917,808 (2013: 1,000,000,000) during the year.

The diluted earnings per share is not presented because there were no potential dilutive effects during the year ended 31 March 2014 and 2013.

17. PLANT AND EQUIPMENT

	Leasehold improvement HK$	Furniture and equipment HK$	Computer equipment HK$	Total HK$
COST				
At 1 April 2012	1,936,850	615,452	4,012,471	6,564,773
Additions	–	27,165	49,675	76,840
Disposal	–	(39,033)	–	(39,033)
Write-off	(820,250)	–	–	(820,250)
At 31 March 2013 and 1 April 2013	1,116,600	603,584	4,062,146	5,782,330
Additions	–	5,600	90,137	95,737
Disposal	–	(1,178)	–	(1,178)
At 31 March 2014	1,116,600	608,006	4,152,283	5,876,889
ACCUMULATED DEPRECIATION				
At 1 April 2012	1,252,379	325,936	3,011,091	4,589,406
Charge for the year	232,845	80,786	504,174	817,805
Disposal	–	(13,192)	–	(13,192)
Write-off	(380,736)	–	–	(380,736)
At 31 March 2013 and 1 April 2013	1,104,488	393,530	3,515,265	5,013,283
Charge for the year	12,112	75,458	298,019	385,589
Disposal	–	(1,178)	–	(1,178)
At 31 March 2014	1,116,600	467,810	3,813,284	5,397,694
NET CARRYING VALUES				
At 31 March 2014	–	140,196	338,999	479,195
At 31 March 2013	12,112	210,054	546,881	769,047

18. INTANGIBLE ASSETS

	Futures trading right *HK$*	Film right *HK$*	Total *HK$*
COST			
At 1 April 2012, 31 March 2013 and 1 April 2013	348,900	–	348,900
Transfer from other investment	–	3,807,000	3,807,000
At 31 March 2014	348,900	3,807,000	4,155,900
AMORTISATION			
At 1 April 2012	209,340	–	209,340
Charge for the year	69,780	–	69,780
At 31 March 2013 and 1 April 2013	279,120	–	279,120
Charge for the year	69,780	543,857	613,637
At 31 March 2014	348,900	543,857	892,757
ACCUMULATED IMPAIRMENT LOSS			
At 1 April 2012, 31 March 2013 and 1 April 2013	–	–	–
Impairment loss provided for the year	–	362,893	362,893
At 31 March 2014	–	362,893	362,893
NET CARRYING VALUES			
At 31 March 2014	–	2,900,250	2,900,250
At 31 March 2013	69,780	–	69,780

The values of the Group's intangible asset, file right, is approximately HK$2,900,250 at 31 March 2014 has been arrived at on the basis of a valuation carried out at that date by Peak Vision Appraisals Limited, independent qualified professional valuers not connected to the Group. Peak Vision Appraisals Limited is a member of the Hong Kong Institute of Valuers, and has appropriate qualifications and recent experience in the valuation of film right. The valuation was determined by income approach which is measured by the present worth of the economic benefits to be received over the useful life of the intangible asset. Basis on the valuation and impairment loss of HK$362,893 has been recognised.

19. OTHER ASSETS

	2014 HK$	2013 HK$
Admission fee paid to Hong Kong Securities Clearing Company Limited	**50,000**	50,000
Stamp duty deposit with The Stock Exchange of Hong Kong Limited	**30,000**	5,000
Contributions in cash to a guarantee fund with Hong Kong Securities Clearing Company Limited	**50,000**	50,000
Compensation fund with The Stock Exchange of Hong Kong Limited	**50,000**	50,000
Fidelity fund with The Stock Exchange of Hong Kong Limited	**50,000**	50,000
Deposit with HKFE Clearing Corporation Limited in contribution to the reserve fund	**1,505,515**	1,500,000
	1,735,515	1,705,000

20. GOODWILL

	2014 HK$	2013 HK$
COST		
At 1 April and 31 March	**531,658**	531,658
ACCUMULATED IMPAIRMENT LOSSES		
At 1 April	**(531,658)**	–
Impairment loss provided for the year	**–**	(531,658)
At 31 March	**(531,658)**	(531,658)
NET CARRYING AMOUNT		
At 31 March	**–**	–

21. TRADE RECEIVABLES

	2014	2013
	HK$	*HK$*
Trade receivables from the business of dealing in futures contracts:		
Clearing houses	**669,851**	673,908
Trade receivables from the business of dealing in securities:		
Cash clients	**11,723,668**	33,910
Margin clients	**40,656,450**	73,569,880
Clearing houses and brokers	**11,953,050**	1,112,797
Trade receivables from securities advisory service	**1,300,000**	8,700,000
	66,303,019	84,090,495

The settlement terms of trade receivables arising from the business of dealing in securities are two days after the trade date, and trade receivables arising from the business of dealing in futures contracts are one day after the trade date.

Listed securities of clients are held as collateral against secured margin loans. The fair value of the listed securities at 31 March 2014 held as collateral was HK$227,384,793 (2013: HK$224,896,798).

The aging analysis of the trade receivables are as follows:

	2014	2013
	HK$	*HK$*
Margin clients balances:		
No due date	**40,113,986**	71,143,801
Past due	**542,464**	2,426,079
	40,656,450	73,569,880
Other balances		
Not yet due (within 30 days)	**24,027,656**	1,815,555
Past due	**1,618,913**	8,705,060
	25,646,569	10,520,615
	66,303,019	84,090,495

21. TRADE RECEIVABLES (continued)

Provision of impairment loss on trade receivables:

	2014 HK$	2013 HK$
Balance at beginning of the year	**1,787,359**	–
Reverse of impairment loss	**(118,003)**	–
Write-off of provision of impairment loss	**(150,000)**	–
Impairment loss for the year	**824,431**	1,787,359
	2,343,787	1,787,359

Age of receivables that are past due but not impaired:

	2014 HK$	2013 HK$
Margin clients balances:		
Past due	**542,464**	2,426,079
Other balances		
Less than 1 month past due	**16,892**	6,703,919
1 to 3 months past due	**–**	619
Over 3 months but less than 1 year past due	**301,392**	522
Over 1 year past due	**1,300,629**	2,000,000
	1,618,913	8,705,060
	2,161,377	11,131,139

22. LOAN RECEIVABLES

	2014	2013
	HK$	*HK$*
Loan receivables	**99,314,700**	28,230,000
Loan interest receivables	**3,303,943**	156,650
	102,618,643	28,386,650

	2014	2013
	HK$	*HK$*
Securities on loan receivables		
Secured	**83,641,345**	20,000,000
Unsecured	**15,673,355**	8,230,000
	99,314,700	28,230,000

All the loans bear interest at market interest rate and repayable within one year. The fair values of the Group's loan receivables at the end of reporting period are determined based on the present value of the estimated future cash flows discounted using the prevailing market rates at the end of each reporting period. The fair values of the Group's loan receivables approximate to the corresponding carrying amounts of the loan receivables.

The loan receivables have been reviewed by the directors to assess impairment which are based on the evaluation of collectability, aging analysis of accounts and on their judgement, including the current creditworthiness and the past collection statistics. The directors considered that no impairment is required to be provided for the year.

At 31 March 2014, it has HK$1,107,220 that are past due but not impaired. (2013: HK$Nil)

23. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2014	2013
	HK$	*HK$*
Other receivables	**537,701**	925,688
Rental and other deposits	**965,109**	1,429,250
Interest receivable	**139,178**	139,380
Prepayments	**98,595**	91,684
At 31 March	**1,740,583**	2,586,002

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to deposits and receivables for which there was no recent history of default.

24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2014	2013
	HK$	*HK$*
Listed securities		
– Equity securities in Hong Kong, at fair value	**17,010,000**	10,659,120
– Equity securities in overseas, at fair value	**426,348**	415,103
Unlisted securities		
– Debt instruments in Hong Kong, at fair value	**4,902,000**	4,704,000
	22,338,348	15,778,223

25. OTHER INVESTMENT

	2014	2013
	HK$	*HK$*
Film investment		
At 1 April	**3,807,000**	–
Addition	**423,000**	3,807,000
Disposal	**(423,000)**	–
Less: Transfer to intangible assets	**(3,807,000)**	–
At 31 March	**–**	3,807,000

26. BANK BALANCES AND CASH/PLEDGED BANK DEPOSIT

	2014	2013
	HK$	*HK$*
Bank balances		
– trust accounts	**29,356,730**	30,428,353
– general accounts and cash	**36,682,421**	48,563,330
Pledged bank deposit	**10,000,000**	5,000,000
	76,039,151	83,991,683

The Group maintains segregated trust accounts with licensed banks to hold clients' monies arising from its normal course of business. The Group has classified the clients' monies as cash held on behalf of customers under the current assets section of the consolidated statement of financial position and recognised the corresponding accounts payable to respective clients on the grounds that it is liable for any loss or misappropriation of clients' monies. The Group is not allowed to use the clients' monies to settle its own obligations.

The general accounts and cash comprise cash held by the Group and bank deposits bearing interest at commercial rates with original maturity of three months or less. The fair values of these assets at the end of the reporting period approximate their carrying amounts.

Pledged bank deposit represents deposit pledged to bank to secure banking facilities granted to the Group. Deposit amounting to HK$10,000,000 (2013: HK$5,000,000) has been pledged to secure bank overdrafts and is therefore classified as current assets.

27. TRADE PAYABLES

	2014	2013
	HK$	*HK$*
Trade payables from the business of dealing in futures contracts:		
Margin clients	**1,983,732**	1,649,197
Trade payables from the business of dealing in securities:		
Margin clients	**16,646,693**	2,973,302
Cash clients	**19,764,868**	27,016,977
	38,395,293	31,639,476

The settlement terms of trade payables arising from the business of dealing in securities are two days after trade date, and trade payables arising from the business of dealing in futures contracts are one day after trade date. No aging analysis is disclosed as in the opinion of the directors, the aging analysis does not give additional value in view of the nature of this business.

Included in trade payables to cash and margin clients attributable to dealing in securities and futures contracts transaction is an amount of HK$29,356,730 (2013: HK$30,428,353) representing these clients' undrawn monies/excess deposits placed with the Group. The balances are repayable on demand.

The directors consider that the carrying amounts of trade payables approximate their fair values.

28. OTHER PAYABLES AND ACCRUALS

	2014	2013
	HK$	*HK$*
Accrued charges	**1,090,217**	1,046,727
Stamp duty, trading levies and trading fee payables	**396,602**	207,094
Other payables	**804,801**	131,359
	2,291,620	1,385,180

All accrued expenses and other payables are expected to be settled or recognised as expenses within one year.

29. BANK BORROWING

	2014	2013
	HK$	*HK$*
Bank loan, unsecured, interest bearing at fixed rate 2.75% p.a. over 1 month Hong Kong Inter-bank Offered Rate and repayable within one year	**10,000,000**	–

30. DEFERRED TAX LIABILITIES/(ASSETS)

The following are the major deferred tax liabilities/(assets) recognised by the Group and movements thereon during the current and prior reporting year:

	Depreciation allowances in excess of the related depreciation	**Amortisation of intangible assets**	**Total**
	HK$	*HK$*	*HK$*
At 1 April 2012	80,980	23,027	104,007
Credit to consolidated statement of profit or loss and other comprehensive income *(Note 14)*	(58,833)	(11,514)	(70,347)
At 31 March 2013 and 1 April 2013	22,147	11,513	33,660
Credit to consolidated statement of profit or loss and other comprehensive income *(Note 14)*	(32,133)	(11,513)	(43,646)
At 31 March 2014	(9,986)	–	(9,986)

31. SHARE CAPITAL

	Number of ordinary shares HK$0.01 each	*HK$*
At 1 April 2012, 31 March 2013, 1 April 2013 and 31 March 2014	5,000,000,000	50,000,000
Issued and fully paid:		
At 1 April 2012, 31 March 2013 and 1 April 2013	1,000,000,000	10,000,000
Issue of shares *(note)*	100,000,000	1,000,000
At 31 March 2014	1,100,000,000	11,000,000

note: On 25 March 2014, 100,000,000 shares were issued by the Company as a result of a subscription agreement dated 11 March 2014. Shares were issued at a price of HK$0.305 giving the gross proceeds of approximately HK$30,490,000 for general working capital of the Company.

32. RESERVES

The Company

	Share capital HK$	Share premium HK$	Merger reserve HK$	Share option reserve HK$	(Accumulated losses)/ retained profits HK$	Total HK$
At 1 April 2012	10,000,000	112,473,021	32,500,000	298,168	(289,105)	154,982,084
Profit and total comprehensive income for the year	–	–	–	–	21,060,300	21,060,300
Recognition of equity-settled share-based payments	–	–	–	275,233	–	275,233
Share option expired	–	–	–	(361,495)	361,495	–
Dividend	–	–	–	–	(20,000,000)	(20,000,000)
At 31 March 2013 and 1 April 2013	10,000,000	112,473,021	32,500,000	211,906	1,132,690	156,317,617
Profit and total comprehensive income for the year	–	–	–	–	19,842,429	19,842,429
Issue of share	1,000,000	29,490,211	–	–	–	30,490,211
Recognition of equity-settled share-based payments	–	–	–	93,239	–	93,239
Share option expired	–	–	–	(305,145)	305,145	–
Dividend	–	–	–	–	(20,000,000)	(20,000,000)
At 31 March 2014	11,000,000	141,963,232	32,500,000	–	1,280,264	186,743,496

The Group

The movements in the Group's reserves for the reporting period are presented in the consolidated statement of changes in equity.

The Company's reserves available for distribution to its shareholders comprise of share premium, merger reserve, share options reserve and retained profits which in aggregate amounted to HK$175,743,496 as at 31 March 2014 (2013: HK$146,317,617). Under the Companies Law (Revised) of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum and Articles of Association and provided that immediately following the payment of distributions or dividends, the Company is able to pay its debts as they fall due in the ordinary course of business. In accordance with the Company's Articles of Association, dividends shall be payable out of retained earnings or other reserves, including the share premium account, of the Company.

33. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2014	2013
	HK$	*HK$*
Non-current assets		
Investment in CL Group (BVI) Limited	**8**	8
Intangible asset	**2,900,250**	–
	2,900,258	8
Current assets		
Other receivables	**649,178**	139,380
Amounts due from subsidiaries	**157,715,570**	130,183,920
Financial assets at fair value through profit or loss	**4,391,375**	4,214,000
Other investment	**–**	3,807,000
Bank balances and cash – general accounts	**21,284,360**	18,171,418
	184,040,483	156,515,718
Current liabilities		
Other payable	**4,050**	–
Amount due to a subsidiary	**193,195**	198,109
	197,245	198,109
Net current assets	**183,843,238**	156,317,609
Net assets	**186,743,496**	156,317,617
Capital and reserves		
Share capital	**11,000,000**	10,000,000
Reserves	**175,743,496**	146,317,617
	186,743,496	156,317,617

34. SHARE OPTION SCHEME

The Company has two share option schemes namely, the Pre-IPO Share Option Scheme and the IPO Share Option Scheme which were adopted on 22 February 2011.

(a) Pre-IPO Share Option Scheme

The Company has adopted a Pre-IPO Share Option Scheme (the "Pre-IPO Share Option Scheme") on 22 February 2011 under which the Company has conditionally granted options to certain Directors, senior management and employees of the Group to purchase shares of the Company with an exercise price equal to the offer price as defined in the Prospectus.

It has no share options granted under the Pre-IPO Share Option Scheme as at 31 March 2014 (2013: 1,700,000) which represented nil (2013: 0.17%) of the issued share capital of the Company as at 31 March 2014.

As at 31 March 2014, details of the share option granted under the Pre-IPO Share Option Scheme are as follows:

	Grantees	Date of grant *(note 1)*	Exercise price per share	Exercisable period *(note 2)*	At 1 April 2013	Lapsed/ expired during the year	At 31 March 2014	Approximate percentage of shareholding
		(dd/mm/yyyy)	*HK$*	*(dd/mm/yyyy)*				*(%)*
(i)	Yu Linda, Executive Director	25/02/2011	0.485	08/03/2013–07/03/2014	1,000,000	(1,000,000)	–	–
(ii)	Lau Kin Hon, Executive Director	25/02/2011	0.485	08/03/2013–07/03/2014	500,000	(500,000)	–	–
				Sub-total	1,500,000	(1,500,000)	–	–
(iii)	Employees	25/02/2011	0.485	08/03/2013–07/03/2014	200,000	(200,000)	–	–
				Total	1,700,000	(1,700,000)	–	–

34. SHARE OPTION SCHEME (continued)

(a) Pre-IPO Share Option Scheme (continued)

As at 31 March 2013, details of the share option granted under the Pre-IPO Share Option Scheme are as follows:

	Grantees	Date of grant *(note 1)* *(dd/mm/yyyy)*	Exercise price per share *HK$*	Exercisable period *(note 2)* *(dd/mm/yyyy)*	At 1 April 2012	Lapsed/ expired during the year	At 31 March 2013	Approximate percentage of shareholding *(%)*
(iv)	Yu Linda, Executive Director	25/02/2011	0.485	08/03/2012–07/03/2013	500,000	(500,000)	–	–
				08/03/2013–07/03/2014	1,000,000	–	1,000,000	0.10%
					1,500,000	(500,000)	1,000,000	0.10%
(v)	Lau Kin Hon, Executive Director	25/02/2011	0.485	08/03/2012–07/03/2013	500,000	(500,000)	–	–
				08/03/2013–07/03/2014	500,000	–	500,000	0.050%
					1,000,000	(500,000)	500,000	0.050%
(vi)	Kwok Kin Chung, Executive Director	25/02/2011	0.485	08/03/2012–07/03/2013	500,000	(500,000)	–	–
				Sub-total	3,000,000	(1,500,000)	1,500,000	0.15%
(vii)	Employees	25/02/2011	0.485	08/03/2012–07/03/2013	1,400,000	(1,400,000)	–	–
				08/03/2013–07/03/2014	200,000	–	200,000	0.02%
					1,600,000	(1,400,000)	200,000	0.02%
				Total	4,600,000	(2,900,000)	1,700,000	0.17%

notes:

(1) It was the date when the Company offered to the grantees the options under the Pre-IPO Share Option Scheme.

(2) Each of the grantees to whom options have been conditionally granted under the Pre-IPO Share Option Scheme will be entitled to exercise:

(i) up to 500,000 of the total number options granted at any time during the period commencing from the date of the first anniversary of the Listing Date to the date of the second anniversary of the Listing Date (both days inclusive); and

(ii) remaining options granted at any time during the period commencing from the date immediately following the date of the second anniversary of the Listing Date to the date of the third anniversary of the Listing Date (both days inclusive).

34. SHARE OPTION SCHEME (continued)

(a) Pre-IPO Share Option Scheme (continued)

The fair value of the options granted was determined by independent third party by using Black-Scholes-Merton Option Pricing Model, the assumptions used to determine the value for the Scheme were as follows:

Spot price *HK$*	Exercise price *HK$*	Risk-free rate	Nature of the share options	Expected life of the share option	Expected volatility	Expected dividend yield	Early exercise behavior
0.4522	0.485	0.667%	Call	3 years	64.273%	0%	220% of exercise price

The fair value of the granted option amounted for HK$1,130,841. HK$93,239 (2013: HK$275,233) has been recognised as share based payments to employees during the year.

(b) Share Option Scheme

The Company adopted the Share Option Scheme (the "Share Option Scheme") on 22 February 2011, which was approved by the shareholders' written resolutions, is valid and effective for a period of 10 years. It is established to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners and service providers of the Group and to promote the success of the business of the Group. Pursuant to the Share Option Scheme, the Board may, at its discretion and on such terms as it may think fit, offer to grant an option to any employee (full-time or part-time), director, consultant or adviser of the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group.

The total number of shares in respect of which share options may be granted under the Share Option Scheme is not permitted to exceed 100,000,000 shares, representing 9.09% of the total number of shares of the Company as at 31 March 2014.

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme to eligible participants in any 12 months period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to the approval of shareholders in a general meeting.

34. SHARE OPTION SCHEME (continued)

(b) Share Option Scheme (continued)

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall not be less than the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of grant; or (iii) the nominal value of a Share.

At 9 April 2014, the Group granted 50,000,000 share options under the Share Option Scheme.

35. RETIREMENT BENEFIT PLANS

The Group operates a Mandatory Provident Fund Scheme ("the MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the defined benefit retirement plan. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$25,000. Contributions to the plan vest immediately.

36. BANKING FACILITIES

At the end of the reporting period, the Group has the follow facilities:

	2014	2013
	HK$	*HK$*
Overdraft facilities	**10,000,000**	10,000,000
Revolving loan facilities	**25,000,000**	–
	35,000,000	10,000,000

A bank fixed deposit amounted of HK$10,000,000 (2013: HK$5,000,000) have been pledged and corporate guarantee from the Company to secure the banking facilities granted to the Group.

37. OPERATING LEASES COMMITMENTS

The Group as lessee

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

	2014	2013
	HK$	*HK$*
Within one year	**2,989,104**	2,190,912
In the second to fifth year inclusive	**1,440,000**	829,104
	4,429,104	3,020,016

38. CAPITAL COMMITMENTS

As at 31 March 2014, the Group had capital commitments in respect of its leasehold improvement, contracted but not provided in the consolidated financial statements, amounting to HK$130,000 (2013: HK$nil).

39. RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of the transactions between the Group and other related parties are disclosed below.

(a) During the year, the Group entered into the following transactions with related parties. The transactions were carried out at estimated market prices determined by the directors of the Company.

		2014	2013
		HK$	*HK$*
Commission and brokerage income from securities trading:			
– Au Suet Ming Clarea ("Ms. Au")	Substantial shareholder	**27,175**	9,907
– CAAL Capital Company Limited	Owned by Ms. Au	**62,428**	402,543
– China Merit International Holdings Limited	Owned by Ms. Au	**2,877**	6,859
– Au Yik Fei	Associate of Ms. Au	**636**	300
– Kitty Au Nim Bing	Associate of Ms. Au	**50**	260
– Au Yuk Kit	Associate of Ms. Au	**967**	208
Commission and brokerage income from futures contracts trading:			
– Ms. Au	Substantial shareholder	**7,189**	876

39. RELATED PARTY TRANSACTIONS (continued)

(b) Included in trade receivables and payables arising from the business of dealing in securities and futures contracts are amounts due from/(to) certain related parties, the net balance of which are as follows:

		2014	2013
		HK$	*HK$*
Amount due from/(to) related parties			
– Ms. Au	– Substantial shareholder	**3,629,858**	(6,505,333)
– CAAL Capital Company Limited	Owned by Ms. Au	**39,067**	(4,526,940)
– China Merit International Holdings Limited	Owned by Ms. Au	**(105,255)**	(5,030,124)
– Au Yik Fei	Associate of Ms. Au	**–**	(373,281)
– Au Yuk Kit	Associate of Ms. Au	**271,726**	(202,866)
– Kitty Au Nim Bing	Associate of Ms. Au	**(30,196)**	(302,672)

The fair values of the balances included in the accounts at the end of the reporting period approximate the corresponding carrying amounts.

The settlement terms of trade receivables/payables including transactions with related parties arising from the business of dealing in securities are T+2; and trade receivables/payables arising from the business of dealing in futures are T+1. The settlements terms are same as those with third parties. The related parties custodian, cash placed with the Group in it trust account were included in trade payables and would be settled upon request or the related party ceased to trade with the Group.

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

	2014	2013
	HK$	*HK$*
Short-term benefits	**2,014,300**	2,022,200
Post-employment benefits	**39,500**	38,500
Share-based payment	**82,270**	179,494
	2,136,070	2,240,194

40. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Name of company	Place of incorporation/ operation	Paid up capital/ Ordinary share capital	Attributable equity interest and voting power of the Group				Principal activities
			Directly		Indirectly		
			2014	2013	**2014**	2013	
CL Group (BVI) Limited	British Virgin Islands	Ordinary share US$1	**100%**	100%	**–**	–	Investment holding
Cheong Lee Securities Limited	Hong Kong	Paid up capital HK$40,000,000	**–**	–	**100%**	100%	Provision of securities and futures brokerage and trading, placing and underwriting services, loan and financing service and securities advisory services
CL Asset Management Limited	Hong Kong	Paid up capital HK$500,000	**–**	–	**100%**	100%	Investment holding
Green Wealth Group Limited	British Virgin Islands	Ordinary share US$1	**–**	–	**100%**	100%	Investment holding
Blooming Business Holdings Limited	British Virgin Islands	Ordinary share US$1	**–**	–	**100%**	100%	Inactive
CLC Finance Limited	Hong Kong	Paid up capital HK$1	**–**	–	**100%**	100%	Provision of money lending service
CLC Immigration Consulting Limited	Hong Kong	Paid up capital HK$1	**–**	–	**100%**	100%	Inactive
Capital Global (BVI) Limited	British Virgin Islands	Ordinary share US$100	**–**	–	**91%**	91%	Investment holding
Capital Global Wealth Management Limited	Hong Kong	Paid up capital HK$100,000	**–**	–	**91%**	91%	Provision of wealth management service
Capital Global Investment Immigration Limited	Hong Kong	Paid up capital HK$1	**–**	–	**91%**	91%	Inactive

41. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year's presentation.

FINANCIAL SUMMARY

For the year ended 31 March 2014

	2014	2013	2012	2011	2010
	HK$	*HK$*	*HK$*	*HK$*	*HK$*
Results					
Turnover	**45,739,589**	48,546,509	50,946,613	91,592,091	73,320,765
Profit from operations	**29,538,764**	27,096,231	27,516,771	43,892,742	46,452,292
Finance cost	**(206,772)**	–	(13)	–	(184,536)
Profit before tax	**29,331,992**	27,096,231	27,516,758	43,892,742	46,267,756
Income tax expenses	**(4,528,380)**	(4,602,219)	(4,808,216)	(7,713,137)	(7,609,382)
Profit for the year	**24,803,612**	22,494,012	22,708,542	36,179,605	38,658,374
Profit (loss) for the year attributable to:					
Owners of the Company	**24,784,305**	22,491,674	22,749,213	36,179,605	38,658,374
Non-controlling interests	**19,307**	2,338	(40,671)	–	–
	24,803,612	22,494,012	22,708,542	36,179,605	38,658,374
Basic earnings per share *(HK cents)*	**2.47**	2.25	2.27	4.72	5.15
Assets and liabilities					
Total assets	**274,210,611**	221,194,952	206,393,082	270,305,842	268,294,027
Total liabilities	**50,686,913**	33,058,316	21,025,691	87,818,121	199,020,228
Shareholders' funds	**223,523,698**	188,136,636	185,367,391	182,487,721	69,273,799

Notes:

1. The results for the years ended 31 March 2010 were extracted from the Prospectus of the Company dated 28 February 2011. The earnings per share for the two years were computed based on 750,000,000 ordinary shares that would have been in issue throughout the two years on the assumption that the Reorganisation has been completed as at 1 April 2008.

2. Total assets and total liabilities of the Group as at 31 March 2010 were extracted from the Prospectus of the Company dated 28 February 2011.