WEALTH GLORY HOLDINGS LIMITED

富 譽 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8269

ANNUAL REPORT 2015

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 higher 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.

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

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

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

Non-executive Directors

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

Independent Non-executive Directors

Mr. Leung Ka Tin
Mr. Tam Chak Chi
Mr. Chow Chi Fai

AUTHORISED REPRESENTATIVES

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

COMPLIANCE OFFICER

Mr. Wong Ka Wah, Albert

COMPANY SECRETARY

Mr. Lee Wai Ming

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Central, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House,
24 Shedden Road, George Town,
Grand Cayman KY1-1110,
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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Wanchai, Hong Kong

LEGAL ADVISERS

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19/F, Prosperity Tower
39 Queen's Road Central
Central, Hong Kong

Alpha & Leader Law Firm
22nd – 25th Floors, Shun Tak Business Centre
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Guangzhou, China

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants
35/F One Pacific Place
88 Queensway Central
Hong Kong

PRINCIPAL BANKERS

Industrial and Commercial Bank of China (Asia) Limited
DBS Bank (Hong Kong) Ltd.
Bank of Communications Co., Ltd., Hong Kong Branch
Fubon Bank (Hong Kong) Limited
Nanyang Commercial Bank Limited
Oversea-Chinese Banking Corporation Limited, Hong Kong Branch
Bank of China (Hong Kong) Limited

LISTING INFORMATION

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

COMPANY WEBSITE

www.wealthglory.com

Chairman's Statement

Dear Shareholders,

On behalf of the board of directors (the "Board") of Wealth Glory Holdings Limited, I am pleased to present to you the annual results of the Group for the year ended 31 March 2015 (the "Current Financial Year").

In previous years, the Group's business was mainly focused on the manufacture and sale of fresh and dried noodle. Starting from 2012, the Group changed its business strategies by engaging and investing in various businesses with a view to diversify its businesses. We started tapping in the natural resources and commodities trading business by acquiring businesses engaged in the trading of coal and iron ore. The Group also engaged in trading of crude palm oil by itself. We also tried to extend our natural resources trading activities by entering into a conditional acquisition agreement in the Current Financial Year to acquire a company with equity investment in a PRC company which operates a coal trading center. Although the project was eventually abandoned due to changes in the market environment of the coal related industry, the management continued to utilize its business connections in identifying other opportunities. With our presence in the resources sector since 2012, we took the opportunity to move the Group's business upstream in this sector, from investment and trading of natural resources products to storage and logistics operation of petrochemical products. We entered into a memorandum of understanding to acquire the entire equity interest in Southernpec Singapore Storage and Logistics Limited ("Southernpec Singapore") which are principally engaged in mid-stream storage and logistics operation of petrochemical products. At the date of this report, the Group is still in negotiation with the vendor of Southerpec Singapore.

Apart from the growth through acquisitions, the Group also started up new businesses from scratch. In the Current Financial Year, it set up the new money lending business segment which is carried out by a subsidiary of the Company which holds a money lenders license. We also invest in an associate company newly set up for the operation of restaurants. A stylish restaurant under the brand "FOVEA", situated at the heart of popular night entertainment in Hong Kong – Lan Kwai Fong, is currently under renovation as at the date of this report and the management of the associate company expected it to commence operation in the second half of 2015. Capturing from the local life-style by this stylish restaurant, we also tried to grasp opportunity to benefit from the ever-rising demand of luxury goods in the PRC market by entering into the supercar distribution business in the PRC. We were appointed as the authorized distributor and vested with a ten-year rights of distribution, marketing and service of sports car "Gumpert Apollo" in four cities in the PRC. Although both the restaurant operation and the supercar distribution business are at their initial preparatory stages, we believe that the diversification of the Group's existing business to the above-mentioned other businesses would benefit the Group as a whole in the future.

Subsequent to the reporting date, we also entered into a conditional sale and purchase agreement to acquired 51% of the equity interest in a company which through its subsidiaries owns and operates the online distribution platform, namely Letao. Letao is a well-established nationwide e-commerce platform for footwear. It underwent transformation and acquisition recently, and will carry out marketing with its new position. Letao plans to upgrade its upstream and downstream industrial chains by adopting the online to offline (O2O) business model as its core business, and will insist on development of online sale platform for footwear, combining production and sales into one whole, enhancing technological innovation and product innovation as well as maintaining and enhancing its lasting competitiveness. Meanwhile, Letao intends to provide footwear franchisers with one-stop services, which include interactive price quote information enquiry service, online ordering, movable specialty stores and logistic support. The acquisition, if realized, represents a milestone of the Group in entering into the e-Commerce sector with high growth potentials.

Looking forward, we will capitalize on our strong business connections to carry on our development and growth momentum in our businesses, while actively seizing new investment and growth opportunities through a diversified investment strategy to create a sound return for our shareholders. Lastly, I would like to represent the Board to take this opportunity to thank the management and all of our colleagues for their dedication and support to the Group in such challenging year. I would also like to express our sincere gratitude to our customers, suppliers and business partners for their continued support.

Wong Ka Wah, Albert
Chairman

Hong Kong, 26 June 2015

Management Discussion and Analysis

FINANCIAL REVIEW

For the year ended 31 March 2015, the Group's consolidated revenue was HK$277.3 million (2014: 316.6 million), representing a decline by HK$39.3 million or 12.4% from 2014. The decrease was mainly due to the slowdown in the Group's trading of natural resources and commodities in the year. A gross profit of approximately HK$6.6 million was recorded for the year ended 31 March 2015 (2014: HK$4.7 million) with an overall profit margin of 2.4% (2014: 1.5%) indicating an improvement from last year.

Selling expenses also recorded a mild drop for the year ended 31 March 2015 from HK$1.4 million last year to HK$1.1 million in current year which was commensurate with the decrease in revenue.

Administrative expenses and other expenses ("Operating Expenses") for the year ended 31 March 2015 amounted to HK$82.4 million as compared to HK$68.7 million in prior year. Included in the Operating Expenses were items which are non-cash in nature such as amortization of other intangible assets, depreciation charges and share-based payments with an aggregate amount of HK$34.9 million in the Current Financial Year (2014: HK$29.5 million). Excluding such non-cash expenses, Operating Expenses would have amounted to HK$47.5 million (2014: HK$39.2 million) which represented an increase of HK$8.3 million as compared to prior year mainly due to the increase in legal and professional fees and other services fees incurred as a consequence of the establishment of new businesses and other potential business projects. Apart from the aforesaid non-cash items, there were impairments of goodwill and intangible assets of HK$29.7 million and HK$95.9 million respectively arising from the iron ore trading business (2014: impairment loss of HK$35.4 million in respect of the interest in an associate in the coal trading business).

Finance costs incurred in the Current Financial Year amounted to HK$20.6 million (2014: HK$13.6 million) which was mainly composed of effective interests on the bonds and promissory notes issued for the purpose of financing business acquisition as well as working capital needs. During the year ended 31 March 2015, the Group redeemed and repaid a majority of such bonds and promissory notes some of which were done prior to their maturities and hence accelerated the recognition of their related finance costs.

Loss attributable to owners of the Company for the year ended 31 March 2015 amounted to approximately HK$202.6 million (2014: HK$159.4 million). With the exclusion of those non-cash items mentioned above together with the share of results of associate and the reversal of deferred tax, the Group would have recorded a loss attributable to owners of the Company of HK$61.5 million (2014: HK$50.0 million on the same basis).

BUSINESS REVIEW

During the year ended 31 March 2015, the Group's business was organized in three segments namely (i) Natural Resources and Commodities Segment; (ii) Packaged Food Segment; and (iii) Money Lending Segment.

Natural Resources and Commodities Segment

During the year ended 31 March 2015, the aggregate revenue generated from the trading of natural resources and commodities amounted to approximately HK$260.6 million (2014: HK$302.0 million) with a segment loss of approximately HK$2.1 million (2014: HK$2.3 million).

(a) Coal Trading Business

The Group's coal trading business was operated by an associate, Goldenbase Limited (together with its subsidiaries, the "Goldenbase Group"). During the year ended 31 March 2014, the Goldenbase Group has set up a new wholly-foreign owned enterprise (the "WFOE") in Qinghai Province, the PRC in carrying out its coal trading business in the PRC since August 2014 and was regarded as "mentoring period ordinary VAT payer" under its local tax practice until November 2014. The Group was advised by the management of the Goldenbase Group that during the "mentoring period", the monthly number and amount of VAT invoices issuable by the WFOE was capped at a low amount by the local tax bureau of the State Administration of taxation which, to certain extent, hindered the trading volume being undertaken by the WFOE. The trading volume has gradually picked up after the qualification of ordinary VAT payer which was granted to the WFOE in November 2014. During the year ended 31 March 2015, an aggregate of approximately 300,000 tonnes of coal were traded by the WFOE, which generated a turnover of approximately HK$131.1 million.

Management Discussion and Analysis

Impairment Testing of Interest in an Associate

The Group engaged an independent valuer, Roma Appraisals Limited ('Roma Appraisal") to perform a business valuation of the associate group.

In determining the value in use of the investment, the Group, by making reference to the business valuation performed by Roma Appraisals, estimated the present value of the estimated future cash flows expected to arise from the operations of the associate and from its ultimate disposal, by using discount rate of 14.6% to discount the cash flow projections to net present values. A key assumption for the value in use calculation is the budgeted growth rate of 0%, which is determined based on management's estimation on the development of the associate in the trading of natural resources market. Based on the impairment testing result, no impairment was made against the interest in the associate. The Group also engaged Roma Appraisals to perform a business valuation of the associate group last year and based on the impairment testing result, an impairment loss of HK$35.4 million was recognized to profit or loss during the year ended 31 March 2014.

The Group was advised by the management of Goldenbase Group that despite of the challenging market condition, the performance of the Goldenbase Group has been satisfactory and on the right track as expected. The Goldenbase Group achieved an aggregate turnover of HK$341.4 million (2014: HK$265.8 million) and recorded a net profit of HK$2.3 million for the year ended 31 March 2015, representing a turnaround from the net loss of HK$139.3 million in 2014.

(b) Iron Ore Trading Business

The Group's iron ore trading business was significantly underperformed due to the persistent weak market conditions. During the year ended 31 March 2015, the trading of iron ore only contributed a depressing HK$2.5 million to this segment's revenue. The sustained oversupply of iron ore in the global market has driven the global iron ore market price plunging from US$136 per tonne on 6 September 2013 (the date the Group acquired the iron ore trading business) to US$51.25 per tonne on 31 March 2015 and reached a new low in early April 2015 at US$47.5 per tonne, representing a 65% steep drop in price and its lowest since May 2009. According to well-regarded international analysis, the oversupply of iron ore was primarily due to the increased supply from the world's giant iron ore producers who are able to produce iron ore at a low cost than the rest of the supply chain such as small to medium suppliers. The strong performance of these major iron ore producers comes at the expense of those relatively high cost mid-tier suppliers who are scaling back investment and cutting production in response to the low prices and compressed margins. The Group's contracted suppliers are among those being severely affected by the persistent weakened iron ore price. The price decline affects the initiative of these suppliers in supplying goods at a discount as required under the supply agreements given that the cost of mining and production may outweigh the selling price after discount or wiping out their margin of trading.

As a consequence, the quantity of iron ore traded has significantly fallen behind the scheduled quantity as stipulated in the revised supply schedules contained in the supplemental letter of intent and the three supplemental supply agreements (collectively, the “Supplemental Supply Agreements”) entered into by the Group on 15 January 2014. In the light of the uncontrollable market condition in relation to iron ore trading, the Group has been negotiating with both the suppliers and the customer separately in formulating a revised schedule which is more commercially practicable for execution in light of the current market condition. In February 2015, subject to further negotiation between the Group and the suppliers, it was agreed in principle by certain relevant parties that the supply schedule under the Supplemental Supply Agreements be further extended for one year such that the aggregate of not less than 23.5 million DMT magnetite sand concentrate will be traded from 1 March 2013 to 31 December 2020 and that the price for each shipment of the magnetite sand concentrate to be supplied to the Group be adjusted such that it will be equal to 20% discount of the average daily “Platts or BEIJING IODES 62% Fe Ore CFR North China price (the index with the lower price shall be used)” per DMT during the month of the issue of the bill of ladings after the completion of the loading and further minus US$1.00 per DMT (as opposed to minus US$3.00 per DMT under the original supply agreements) for all future trades. In addition, in order to protect the interests of the Company and to minimize the risk of non-fulfillment of the revised delivery schedule for the supply of magnetite sand concentrate, the Group is also in negotiation with one of the suppliers, Aquiflex Holdings Inc. (“Aquiflex”) who has agreed in principle to procure its shareholder company to provide certain assets as security for its obligation under the new supply agreement to be entered into with the Group. Aquiflex has also indicated to the Group that it has the intention and willingness to take up, to the extent possible, the quantities which were originally to be supplied by the other two suppliers and requested the Group to procure the other suppliers to release their rights under the original respective off-take agreements dated 23 January 2013 (as supplemented by the supplemental agreements).

With the above basis, the Group performed an impairment test by reference to a business valuation performed by Roma Appraisals using a value in use calculation. Value in use calculation of this business cash-generating unit uses cash flow projections based on financial budgets approved by management covering a five-year period with a terminal growth rate of 3%. The growth rate used does not exceed the long term average growth rates for the relevant industry in which the cash-generating unit operates. The cash flows are discounted using a discount rate of 19.9% (2014: 17%). The discount rates used are pre-tax and reflect specific risks relating to the relevant segment. Based on the impairment test performed, an impairment loss in goodwill of HK$15.7 million (2014: Nil) has been provided in relation to the Group’s Natural Resources and Commodities business segment in the third quarter of this financial year.

The Group also performed an impairment testing of the trading contracts which were recorded as intangible assets in the Group's financial statements by making reference to business valuation performed by Roma Appraisals using a value in use calculation on the expected revised terms of the trading contracts based on the cash flow expected to be derived from these contracts. The calculation uses cash flow projections based on financial budget approved by management covering the remaining contract term and a discount rate of 22.6% (2014: 18%). The financial budget included the terms which were agreed upon, in principle, by certain relevant customer and suppliers to be specified in customer agreement and suppliers' agreements on trading of magnetite sand concentrate. The key assumption of the value in use calculation of trading contracts is based on the budgeted cash inflows/outflows that trading contracts will be earned or expenses incurred through products sold. Based on the impairment test performed, an impairment loss of HK$59.8 million (2014: Nil) has been provided on trading contracts in the third quarter of this financial year.

In assessing Aquiflex's request of taking up, to the extent possible, the quantities which were originally to be supplied by the other two suppliers, the Group has performed certain due diligence work in evaluating the ability of Aquiflex for taking up such supplies. As at the date of this report, the Group has not been able to obtain all the information to satisfy itself the certainty that Aquiflex is able to supply the quantity to be taken up by it and the sufficiency of value of the assets as security for its obligation under the new supply agreement. The Group also noticed that there is still no sign of supply with the reduced margin to US$1.00 per DMT in the trades. In view of these, the Group has not entered into any definitive agreement with these suppliers as at the date of this report.

By taking into consideration of the subsequent iron ore trading status, the Group considered it casts doubts on the execution of the trading contracts with the suppliers. Accordingly, full impairments of HK$14 million and HK$36.1 million against the remaining carrying amount of goodwill and intangible assets in respect of trading contracts respectively were made at 31 March 2015 (2014: Nil).

(c) Other Natural Resources and Commodities Trading Business

During the year ended 31 March 2015, the Group continued engaging in the trading of crude palm oil via its wholly-owned subsidiary, Grand Charm Commodities Limited ("Grand Charm") and recorded a turnover of HK$258.2 million (2014: HK$293.5 million). In prior year, Grand Charm has signed master trading agreements with both suppliers and customers. Such master trading agreements were expired in July 2014. In view of the thin margin derived from such trading, the Group has been negotiating with these suppliers and customers in order to achieve better trading terms for the renewal of the master agreements. The negotiations have been on-going and no new agreement has been entered into as at the date of this report. Despite of the expiry of the master trading agreement, the Group continued carrying out the trading in crude palm oil in the form of trade-by-trade basis which led to a decline in trading volume since then. Nevertheless, the reduction in trading volume did not have a significant impact to the Group's overall profit or loss for the reporting period.

Packaged Food Segment

The revenue generated from the Packaged Food Segment remained steady in the Current Financial Year in which HK$14.8 million was recorded as compared to the revenue of HK$14.7 million in the same period last year. A segment loss of HK$0.5 million (2014: HK$3.7 million) was recorded. Although the segment results indicated some improvement and the demand of packaged food in this segment was stable over the year, the Group did not expect this segment to achieve any significant growth in the near future.

Money Lending Segment

During the Current Financial Year, a subsidiary of the Company, Angle Fund Company Limited, was granted the money lenders license to carry on business as a money lender in Hong Kong. The subsidiary commenced its business in October 2014 and mainly engaged in provision of mortgage financing to various customers. As at 31 March 2015, the Group has loan portfolio of approximately HK$21.5 million (2014: Nil). During the year ended 31 March 2015, the Group's money lending business was still in its infant stage which only contributed a revenue of approximately HK$1.9 million (2014: Nil), representing the fee and interest income generated from the money lending, and recorded a loss of approximately HK$1.4 million (2014: Nil). The Group intended to further develop this business segment but at the same time will closely monitor the credit risks associated with such loans. An appropriate loan-to-value ratio will be maintained from time to time in order to mitigate the risks involved.

Other Businesses and Business Activities

(a) Vehicle Distribution

In September 2014, Bright Billion Holdings Limited, a wholly-owned subsidiary of the Group (the "Distributor"), entered into a distribution agreement with an independent third party. The Distributor was appointed as the authorised distributor and vested with a ten-year rights of distribution, marketing and service of sports car "Gumpert Apollo" in four cities in the PRC. Subsequent to the reporting date, the Group also entered into a sub-dealer agreement with a sub-dealer under which the sub-dealer will provide services, on a non-exclusive basis, for the purpose of sale and marketing of sports cars in the cities contracted under the distribution agreement. The vehicles distribution business is still in the preparatory stage and no immediate revenue is expected to be generated in the short term. However, the Group believes that the entering into of the distribution agreement would diversify the Group's business portfolio and allow the Group to enter into the supercar market in the PRC and broaden the Group's source of income, whereas the entering into of the sub-dealer agreement will assist the Group in carrying out its supercar distribution business in the PRC in a more efficient and effective way. Having considered the prospects of the supercar market in the PRC, and the aforesaid branded vehicles in particular, the Board is confident that the operation of the vehicle distributorship business will contribute positively to the Group in the future.

(b) Restaurant Operation

During the Current Financial Year, the Group also tap into the gourmet and entertainment sector by investing in an associate which will engage in the operation of a stylish restaurant under the brand of "FOVEA" providing fine dining and entertainment. The restaurant is situated in a new building at Lan Kwai Fong, the heart of Central in Hong Kong. As at the date of this report, the restaurant was still in the course of renovation. The management of the associate expected that the restaurant will commence business in the second half of 2015.

(c) Investments in Listed Securities

In view of the funding position of the Group and the capital market condition and taking into consideration of, among others, the expertise possessed by the management of the Company in the field of capital market, subsequent to the reporting date, the Group commenced certain new business activities involving investment in securities, which may include long-term and short-term investments in listed securities in Hong Kong and other recognised securities markets in the overseas as well as other related investment products offered by banks and other financial institutions. The Group is of the view that the commencement of such new business activities will be in the interest of the Company and its shareholders as a whole. The Group intends to finance these new business activities by its own internal resources.

Potential Businesses

(a) Mid-stream storage and logistics operation of the natural resources

In August 2014, the Company entered into a memorandum of understanding (as supplemented by the supplemental memorandum of understanding dated 9 October 2014, the second supplemental memorandum of understanding dated 30 January 2015 and the third supplemental memorandum of understanding dated 30 April 2015) with an independent third party (the "Vendor"), in relation to the possible acquisition (the "Acquisition") ("MOU") of a 100% equity interest in Southernpec Singapore which together with its subsidiaries own a total of eight vessels and are principally engaged in midstream storage and logistics operation of petrochemical products in the PRC, Hong Kong, Singapore and the Southeast Asia region. Subject to further negotiation between the Company and the Vendor, the consideration payable for the entire issued share capital of the Southernpec Singapore (the "Consideration") is intended to be within the range of US$200 million and US$250 million and the Consideration shall be payable by the Company by way of allotment and issuance of new shares at the price of HK$0.2198 per share or the issue of convertible bonds carrying rights to convert into new shares at the initial conversion price of HK$0.2198 per share, or a combination of any of the above or any other kind of consideration to the Vendor. The proposed acquisition of Southernpec Singapore (together with its subsidiaries, the "Target Group"), if materialises, would allow the Group to move upstream in the resources sector, from investment and trading of natural resources products to storage and logistics operation of petrochemical products. As at the date of this report, the Group is still in the course of the negotiating with the Vendors and no legally binding sale and purchase agreement has been entered into.

(b) E-Commerce business

Subsequent to the reporting date, on 23 June 2015, the Group also entered into a conditional sale and purchase agreement to acquired 51% of the equity interest in a company which through its subsidiaries owns and operates the online distribution platform, namely Letao. Letao is a well-established nationwide e-commerce platform for footwear. It underwent transformation and acquisition recently, and will carry out marketing with its new position. Letao plans to upgrade its upstream and downstream industrial chains by adopting the online to offline (O2O) business model as its core business, and will insist on development of online sale platform for footwear, combining production and sales into one whole, enhancing technological innovation and product innovation as well as maintaining and enhancing its lasting competitiveness. Meanwhile, Letao intends to provide footwear franchisers with one-stop services, which include interactive price quote information enquiry service, online ordering, movable specialty stores and logistic support. The aggregate consideration for the 51% equity interest is HK$204 million which will be satisfied by the Company by way of allotment and issuance of an aggregate of 816 million new shares of the Company at HK$0.25 per share. The acquisition, if realized, represents a milestone of the Group in entering into the e-Commerce sector with high growth potentials.

Financial Position

Net assets value of the Group as at 31 March 2015 amounted to HK$100.8 million compared to HK$69.1 million as at 31 March 2014. The increase was mainly due to the equity funds raised in the year offset by the net loss of the Group for the year.

The total non-current assets of the Group dropped from HK$172.1 million as at 31 March 2014 to HK$64.1 million as at 31 March 2015. The drop was mainly due to the impairment of goodwill and intangible assets in respect of the Group's iron ore trading business during the year.

Net current assets as at 31 March 2015 amounted to HK$64.3 million as compared to HK$18.9 million in prior year. The increase was mainly due to the inclusion of loan receivables and other receivables as a result of the money lending business as well as other business activities. The increase in prepayments and receivables depleted bank and cash balances from HK$18.9 million at 31 March 2014 to a balance of HK$9.4 million at 31 March 2015.

Non-current liabilities as at 31 March 2014 of HK$122.0 million included corporate bonds issued in prior year the majority of which were redeemed in current year which resulted in a significant drop in the balance of non-current liabilities to as low as HK$27.6 million at 31 March 2015. The redemption of these corporate bonds were funded by the equity funds raised in the year.

Liquidity and Financial Resources

The Group recorded a net cash outflow in operating activities for the current year of HK$92.6 million, representing an increase of HK$47.7 million as compared to last year of HK$44.9 million. Increase in operating cash outflow was mainly due to the increased loan receivables and other receivables as a result of the money lending business as well as other business activities. Investing activities used up an aggregate of HK$37.6 million (2014: HK$92.8 million) mainly for acquiring the supercars distribution rights in the year and the deposit as part of the consideration for the possible acquisition of Southernpec Singapore. These cash outflows were mainly met by the issues of new shares which provided an aggregate of HK$227.8 million in the current year.

During the year ended 31 March 2015, the Group issued corporate bonds and promissory notes in an aggregate principal amount of HK$6.1 million (2014: HK$107.0 million) to independent third parties. The bonds are unsecured, bearing an interest at 10% per annum and with maturity dates of 12 months and were all outstanding at 31 March 2015. The Group's gearing ratio as at 31 March 2015 was approximately 26% (2014: 60%) indicating a significant improvement. The Group defines gearing ratio as ratio of net debt over equity plus net debt in which net debt represents total of promissory note; bonds and borrowings less cash and bank balances. The current ratio (ratio of current assets to current liabilities) of the Group as at 31 March 2015 was approximately 3.6 (2014: 1.6) which also indicated a progress from prior year.

Management Discussion and Analysis

Financial Management and Policy and Foreign Currency Risk

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

Treasury Policies and Credit Risk Management

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluations of the financial conditions of its customers. In relation to the money lending business, the Group has also adopted internal control procedures for the identification and evaluation of the legal ownership and accurate valuation of property or other collaterals. The Group usually grants loans with a loan-to-value ratio of less than a benchmark of 70% of the value of the property subject to judgement made by the top management of the Group's money lending business after taking into consideration of different factors including market conditions, type of property and financial background of borrowers etc. For the valuation of the property, the Group will make reference to either a third party valuer or the internet valuation services provided by banks in Hong Kong. The Group holds collateral against loan receivables in the form of mortgages over property or other assets. The Group considers that the credit risk arising from the loan receivables is significantly mitigated by the property and other assets held as collateral, with reference to the estimated market value of the property or the relevant assets at the grant date. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

Contingent Liabilities and Pledge of Assets

Save as disclosed in note 27 to the consolidated financial statements, the Group had no significant charges on its assets nor any significant contingent liabilities at 31 March 2015 (2014: Nil).

Commitments

As at 31 March 2015, the Group had no significant capital commitments. The operating lease commitments in respect of office premises and factory of the Group amounted to HK$4.0 million (2014: HK$5.8 million).

Material Transactions

During the year ended 31 March 2015, the Group entered into the following material transactions:

(a) On 1 April 2014, the Group entered into an acquisition agreement with the relevant vendors, pursuant to which the Group conditionally agreed to acquire and the vendors conditionally agreed to dispose of the 100% equity interest in the Guangzhou Shouchuang Investment Limited, at an aggregate consideration of RMB5,000,000 (equivalent to approximately HK$6,250,000). Pursuant to an arranger agreement dated 1 April 2014 (as supplemented by a supplemental arranger agreement dated 23 April 2014) entered into between the Group and an independent third party, as arranger, an arranger fee of HK$9,600,000 to be satisfied by way of issue of 32,000,000 new shares of the Company will be payable to the arranger upon completion of the acquisition in consideration for the arranger in facilitating the acquisition. The acquisition was terminated on 29 August 2014 after arm's length negotiation among the Group and the relevant vendors in view of the changes in the market environment of the coal related industry. The arranger agreement was lapsed and ceased to have effect on 31 August 2014.

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

(c) On 9 May 2014, the Company entered into a non-legally binding memorandum of understanding with two vendors in relation to the possible acquisition of the entire equity interests in a company established in the PRC with limited liability. The group comprises such PRC company and its subsidiaries was principally engaged in coal mines development and investment, coal mining, sale of construction materials, electrical and mechanical equipment and metallic materials etc, and owns and/or will own a series of coal mining rights in respect of certain coal mines in Guizhou Province, the PRC covering an aggregate area of approximately 19,000,000 square meters. Based on the information provided by the vendors, the original valid periods of the licenses for the coal mining rights ranged from approximately 3 years to 10 years with an aggregate planned production scale of approximately 2,400,000 tonnes per annum. In view of the persistent sluggish market condition of the coal industry, the negotiation has come to a halt and no major progress has been achieved during the period. Pursuant to the provisions stipulated in the said memorandum of understanding, the memorandum of understanding was lapsed and ceased to have effect on 8 November 2014 upon the expiration of the exclusivity period, which was six months from date of entering the memorandum of understanding.

(d) On 1 August 2014, the Company entered into a memorandum of understanding (as supplemented by the supplemental memorandum of understanding dated 9 October 2014; the second supplemental memorandum of understanding dated 30 January 2015 and the third supplemental memorandum of understanding dated 30 April 2015) with an independent third party (the "Vendor"), in relation to the possible acquisition (the "Acquisition") ("MOU") of a 100% equity interest in Southernpec Singapore Storage and Logistics Limited ("Southernpec Singapore") which together with its subsidiaries own a total of eight vessels and are principally engaged in mid-stream storage and logistics operation of petrochemical products in the PRC, Hong Kong, Singapore and the Southeast Asia region. Subject to further negotiation between the Company and the Vendor, the consideration payable for the entire issued share capital of the Southernpec Singapore (the "Consideration") is intended to be within the range of US$200 million and US$250 million and the Consideration shall be payable by the Company by way of allotment and issuance of new shares at the price of HK$0.2198 per share or the issue of convertible bonds carrying rights to convert into new shares at the initial conversion price of HK$0.2198 per share, or a combination of any of the above or any other kind of consideration to the Vendor.

Pursuant to the MOU, the Vendor agreed that it will not and will procure that Southernpec Singapore and its directors, officers, employees, representatives and agents will not, directly or indirectly, for a period from the date of MOU up to 31 July 2015, (i) solicit, initiate or encourage enquiries or offers from; or (ii) initiate or continue negotiations or discussions with or furnish any information to; or (iii) enter into any agreement or statement of intent or understanding with, any person or entity other than the Company with respect to the sale or other disposition of the equity interest in or the sale, subscription, or allotment of any part thereof or any other shares of Southernpec Singapore. In the meantime, the Company agreed that it will not and will procure that its subsidiaries, directors, officers, employees, representatives and agents will not, directly or indirectly, for a period up to 31 July 2015, from the date of the MOU (i) solicit, initiate or encourage enquiries or offers from; or (ii) initiate or continue negotiations or discussions with or furnish any information to; or (iii) enter into any agreement or statement of intent or understanding with, any person or entity other than the Vendor with respect to the purchase or other acquisition of the equity interest in or the purchase or subscription of any part thereof or any other shares in any entities or companies whose operation involve mid-stream petrochemical business, including but not limited to logistics, storage, sales and distribution of petrochemical products, and professional services in relation to oilfield. Pursuant to the MOU, the Group is required to pay a sum of HK$10 million as a refundable deposit to the Vendor. Either the Group or the Vendor may terminate the MOU by giving at least 7-day prior written notice to the other party. Details of the MOU in relating to the proposed Acquisition were disclosed in the announcements of the Company dated 1 August 2014, 9 October 2014, 30 January 2015 and 30 April 2015 respectively.

On 1 August 2014, the Company also entered into an arranger agreement with another independent third party, pursuant to which the Company shall pay an arranger fee in the amount of HK$10.0 million to the arranger in facilitating the Company in liaising different parities in the Acquisition. The arranger fee shall be payable within 10 business days after completion of the Acquisition which shall be settled by the Company by way of allotment and issue of convertible bonds/new shares bearing the same terms as those of the convertible bonds/new shares to be issued to settle the consideration for the Acquisition.

(e) On 22 August 2014, the Company entered into a placing agreement (the "First Placing Agreement") with Kingsway Financial Services Group Limited (the "Placing Agent"), pursuant to which the Placing Agent agreed to place (the "First Placing"), on a best effort basis, up to an aggregate of 237,000,000 new shares at the placing price of HK$0.27 per share on behalf of the Company to not less than six placees who and whose ultimate beneficial owners are independent third parties. The closing price per share as quoted on the Stock Exchange on the date of the First Placing Agreement was HK$0.30. It was intended that the net proceeds from the First Placing of approximately HK$64.0 million would be used for the general working capital of the Company and settlement of certain liabilities of the Company. Completion of the First Placing took place on 3 September 2014. The actual use of proceeds is set out in paragraph (f) of this section below.

(f) On 18 September 2014, the Company entered into a placing agreement (the "Second Placing Agreement") with the Placing Agent, pursuant to which the Placing Agent agreed to place (the "Second Placing"), on a best effort basis, up to an aggregate of 317,000,000 new shares at the placing price of HK$0.297 per share on behalf of the Company to not less than six placees who and whose ultimate beneficial owners are independent third parties. The closing price per share as quoted on the Stock Exchange on the date of the Second Placing Agreement was HK$0.33. It was intended that the net proceeds from the Second Placing of approximately HK$90.3 million would be used for the general working capital of the Company and settlement of certain liabilities of the Company. Completion of the Second Placing took place on 29 September 2014.

The Company has utilized the aggregate net proceeds of the First Placing and the Second Placing for the redemption of bonds and settlement of promissory note with principal amount of HK$113 million and early redemption premium together with accrued interest of HK$10.4 million. The remaining proceeds were used for the payment of (i) portion of the license fee of HK$14.9 million of the distribution of supercar in the PRC, (ii) the legal and professional fees of the above transaction and the possible acquisition of Southernpec Singapore of an aggregate amount of HK$2.3 million, (iii) advance of HK$1 million to an associate for restaurant operation, (iv) working capital for general expenses, trading activities and other business activities of HK$8.7 million, and (v) the remaining balance is to be used as general working capital.

(g) On 23 September 2014, a wholly-owned subsidiary of the Company (the "Distributor") entered into a distribution agreement (as supplemented by the supplemental distribution agreement dated 17 October 2014) with an independent third party (the "Supplier") whereby the Distributor was appointed as an authorized distributor and vested with a ten-year rights of distribution, marketing and service of sports car "Gumpert Apollo" in four cities in the PRC. Under the aforesaid distribution agreement, the Distributor has paid a one-off license fee of HK$20 million to the Supplier.

(h) On 24 November 2014, the Company entered into a placing agreement (the "Third Placing Agreement") with the Placing Agent pursuant to which the Placing Agent agreed to place (the "Third Placing"), on a best effort basis, up to an aggregate of 220,000,000 new shares at the placing price of HK$0.30 per share on behalf of the Company to not less than six placees who and whose ultimate beneficial owners are independent third parties. The closing price per share as quoted on the Stock Exchange on the date of the Third Placing Agreement was HK$0.33. It was intended that the net proceeds from the Third Placing of approximately HK$63.3 million would be used for the general working capital of the Company and settlement of certain liabilities of the Company. Completion of the Third Placing took place on 3 December 2014.

The Company has utilized the net proceeds from the Third Placing for payment of (i) the refundable deposit of the possible acquisition of Southernpec Singapore, of HK$10 million, (ii) portion of the license fee of HK$5.1 million of the distribution of supercar in the PRC, (iii) the legal and professional fees of the above transactions of an aggregate amount of HK$0.8 million, (iv) advance of HK$7.7 million to an associate for restaurant operation, (v) redemption of bond of aggregate principal amount and interest thereon of HK$3.3 million, (vi) working capital for general expenses, trading activities and other business activities of HK$35.4 million, and (vii) the remaining balance is to be used as general working capital.

SUBSEQUENT EVENTS

(a) On 13 April 2015, the Company entered into a placing agreement (the "Fourth Placing Agreement") with CNI Securities Group Limited ("CNI Securities") pursuant to which CNI Securities agreed to place (the "Fourth Placing"), on a best effort basis, up to an aggregate of 162,000,000 new shares at the placing price of HK$0.21 per share on behalf of the Company to not less than six placees who and whose ultimate beneficial owners are independent third parties. The closing price per share as quoted on the Stock Exchange on the date of the Fourth Placing Agreement was HK$0.24. It was intended that the net proceeds from the Fourth Placing of approximately HK$33.3 million would be used for the general working capital of the Company and settlement of certain liabilities of the Company. Completion of the Fourth Placing took place on 24 April 2015.

(b) On 22 May 2015, the Company proposes to raise not less than approximately HK$201.2 million and not more than approximately HK$242.0 million, before expenses by way of open offer ("Open Offer") of not less than 1,149,572,000 Offer Shares and not more than 1,383,106,000 Offer Shares at the Subscription Price of HK$0.175 per Offer Share on the basis of one (1) Offer Share for every two (2) existing Shares held on the Record Date. It was intended that the net proceeds from the Open Offer of approximately HK$192.9 million would be used for (i) the development of existing and future business of the Group; (ii) settlement of certain liabilities of the Company; and (iii).general working capital of the Company. On the same date, the Company entered into an underwriting agreement with Enhanced Securities Limited ("Underwriter") pursuant to which the Underwriter has conditionally agreed to underwrite the Offer Shares not subscribed by the Qualifying Shareholders. The Open Offer has not yet completed as at the date of this report.

(c) Subsequent to the reporting date, on 23 June 2015, the Company also entered into a conditional sale and purchase agreement (the "Purchase Agreement") with various vendors in relation to the proposed acquisition (the "Acquisition") of 51% of the equity interest in a company (the "Target Company") which through its subsidiaries owns and operates the online distribution platform, namely Letao, at an aggregate consideration of HK$204,000,000, which shall be satisfied by allotment and issue of an aggregate of 816,000,000 new shares (the "Consideration Shares") by the Company at an issue price of HK$0.25 per Consideration Share. Pursuant to the terms and conditions of the Purchase Agreement, the Target Company shall issue and the Company shall subscribe for various tranches of convertible notes at various time intervals after the completion of the Acquisition (the "CN Subscription"). For details of the proposed Acquisition and the CN Subscription, please refer to the announcement of the Company dated 23 June 2015.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2015, the Group had 93 (2014: 86) employees, including the Directors. Staff remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. It comprised of monthly salaries, mandatory provident fund contributions, medical benefits, other allowances and discretionary share options issued based on their contribution to the Group. Year end bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. The Group also participates in a retirement benefit scheme for its staff in the PRC and a defined statutory mandatory provident fund scheme to its employees in Hong Kong. The Group has adopted a share option scheme of which the Board may, at its discretion, grant options to eligible participants of the share option scheme. As at the date of this report, a total of 337,068,000 share options remain unexercised.

OUTLOOK

During the year, the Group has been striving to seek suitable investment opportunities to further diversify its existing business portfolio and to broaden the Group's source of income. The proposed acquisition of Southernpec Singapore, if materialises, would allow the Group to move upstream in the resources sector, from investment and trading of natural resources products to storage and logistics operation of petrochemical products. Although this proposed acquisition may or may not proceed eventually, it indicated the Group's fortitude in identifying various business projects with a view to maximize its Shareholders' return. The entering into of the conditional sale and purchase agreement by the Group to effectively acquire 51% of the equity interest in the online distribution platform, namely Letao, is another move to further diversify the Group's business. The proposed acquisition of Letao, if materialized, will create a new facet of the Group. Letao will serve as the stepping stone for the Group to enter into the e-Commercial sector with high growth potential.

Directors and Senior Management Biographies

DIRECTORS

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

Mr. Wong Ka Wah, Albert ("Mr. Wong"), aged 41, was appointed as an executive Director in August 2012 and was appointed as chief executive officer (the "Chief Executive Officer") of the Company, a member of the executive committee (the "Executive Committee"), the nomination committee (the "Nomination Committee") and the remuneration committee (the "Remuneration Committee") of the Company on 11 September 2013. He resigned as Chief Executive Officer and was appointed as chairman (the "Chairman") of the Company and chairman of the Executive Committee on 18 October 2013 and appointed as chairman of Nomination Committee on 18 November 2013. Mr. Wong has been appointed as an authorised representative and the compliance officer of the Company since September 2013. He is also a director of various subsidiaries of the Company.

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

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

Mr. Hong Sze Lung ("Mr. Hong"), aged 43, was appointed as the Chief Executive Officer and an executive Director and a member of the Executive Committee on 18 October 2013. Mr. Hong holds directorship in a number of subsidiaries of the Company.

Mr. Hong has approximately 20 years working experience and extensive knowledge in the field of corporate finance and recovery, investments as well as corporate investor relations in Hong Kong and Mainland China. Mr. Hong had served at senior management level respectively at PricewaterhouseCoopers, a private equity investment Company as well as two companies the shares of which listed on the Main Board of the Stock Exchange, being Soundwill Holdings Limited (stock code: 878) and Silver Base Group Holdings Limited (stock code: 886). Currently, Mr. Hong is an independent non-executive director of Madex International (Holdings) Limited (stock code: 0231), the shares of which are listed on the Main Board of the Stock Exchange. He is also a certified public accountant of the Hong Kong Institute of Certified Public Accountants and fellow member of the Association of Chartered Certified Accountants and a chartered financial analyst of CFA Institute. In 1995, Mr. Hong obtained a Bachelor of Arts Honours Degree in Accountancy from the Hong Kong Polytechnic University.

Directors and Senior Management Biographies

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

Mr. Lau Wan Pui, Joseph ("Mr. Lau"), aged 63, was appointed as a non-executive Director in September 2013. He has extensive experience in finance and planning, marketing and international business. He is currently chairman and co-founder of Rockhound Limited, a mineral professional firm. Previously, he had successfully developed and implemented new business expansion strategies for a number of listed public companies in Hong Kong under the position as a senior executive. He was an executive director and chief executive officer of WLS Holdings Limited (stock code: 8021), the shares of which are listed on the GEM of the Stock Exchange for the period from 2002 to 2004 and was executive director of Tse Sui Luen Jewellery (International) Limited (stock code: 0417), the shares of which are listed on the Main Board of the Stock Exchange for the period from 1997 to 1999 and Build King Holdings Limited (previously known as Seapower International Holdings Limited) (stock code: 0240), the shares of which are listed on the Main Board of the Stock Exchange for the period from 1995 to 1996 and was an independent nonexecutive director of Larry Jewelry International Company Limited (stock code: 8351), the shares of which are listed on the GEM of the Stock Exchange during 10 November 2012 to 1 June 2013, and acted as its non-executive director during 1 June 2013 to 3 December 2013. He has been a director of Dynasty Gaming Inc., a company listed on the Toronto Venture Exchange, since November 2006.

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

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

Mr. Law Chung Lam, Nelson ("Mr. Law"), aged 52, was appointed as a non-executive Director in September 2013. He has over 10 years extensive experience in corporate banking sector. Mr. Law has served a senior management position in Chemical Bank (now Chase Morgan) during the 1980s. He was also working for by a subsidiary of the China State Construction Engineering Corp for 5 years at Philippines on project finance. Specialized in organization and method, he has devoted in corporate re-structuring for several industries and that included garment production, IT, construction, agricultural and minerals trading. Mr. Law holds several directorships in certain subsidiaries of the Company.

MR. KWONG YUK LAP, Non-executive Director

Mr. Kwong Yuk Lap ("Mr. Kwong"), aged 39, was appointed as a non-executive Director in December 2013. He is graduated from Charles Sturt University in the Australia with a master of science degree in information technology. Mr. Kwong also obtained a bachelor of science degree in electronics from The Open University of Hong Kong. Mr. Kwong has extensive experience in project engineering and project coordination in the metal and mining industry. He also provides technical advices on IT system.

Directors and Senior Management Biographies

MR. LEUNG KA TIN, Independent Non-executive Director

Mr. Leung Ka Tin ("Mr. Leung"), aged 61, was appointed as an independent non-executive Director and a member of the Audit Committee in July 2014. Mr. Leung holds a diploma in financial management (a joint program of the Hong Kong Management Association and the Hong Kong Polytechnic University). Mr. Leung has 25 years of management experience in banking, treasury operation, project finance, logistics and human resource management. He was a senior management team member of various financial institutions including First Pacific Group, Nedcor Asia, BfG Germany and Delta Asia Financial Group as well as companies in the logistics and telecommunication sectors including EAS Da Tong Group and Trident Telecom Ventures Limited.

Mr. Leung also has extensive experience in the corporate finance field. He served as project head for companies owning gold mines and diamond mines both in the PRC and overseas and is currently the project director of Galaxy Asset Management Limited, a renowned alternative investment company in Hong Kong.

MR. TAM CHAK CHI, Independent Non-executive Director

Mr. Tam Chak Chi, aged 38, was appointed as an independent non-executive Director and a member of the Audit Committee, the Nomination Committee and the Remuneration Committee in September 2013. He holds a bachelor's degree of commerce from the University of Toronto. He has more than 10 years of experience in providing accounting, auditing and financial services and has served various senior positions at various private and listed companies (the shares of which have been listed on the Main Board and the GEM of the Stock Exchange as well as NASDAQ). He is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants. He was previously an executive director of Seamless Green China (Holdings) Limited (stock code: 8150) and an independent non-executive director of Sky Forever Supply Chain Management Group Limited (formerly known as Rising Power Group Holdings Limited and China Neng Xiao Technology (Group) Limited) (stock code: 8047), both companies' share are listed on the GEM of the Stock Exchange. Further, he is currently the chief financial officer and company secretary of a company listed on GEM of the Stock Exchange.

MR. CHOW CHI FAI, Independent Non-executive Director

Mr. Chow Chi Fai ("Mr. Chow"), aged 44, was appointed as an independent non-executive Director and a member of the Audit Committee, the Nomination Committee and the Remuneration Committee in September 2013. He was re-designated as the chairman of each of the Audit Committee and the Remuneration Committee on 18 November 2013. Mr. Chow is a member of the Hong Kong Institute of Certified Public Accountants. He holds a bachelor's degree in accountancy from University of South Australia. Mr. Chow is currently the company secretary and financial controller in Sino Resources Group Limited (stock code: 0223), the shares of which are listed on the Main Board of the Stock Exchange.

Senior management

Mr. Lee Wai Ming ("Mr. Lee"), aged 47, is the company secretary and financial controller of the Company and is responsible for the Group's financial planning and management, company secretarial and corporate governance matters. He joined the Group in October 2013. He is a fellow member of the Association of Chartered Certified Accountants and a certified public accountant of the Hong Kong Institute of Certified Public Accountants. He has over 20 years of experience in auditing and accounting field. Prior to joining the Group, Mr. Lee had served various senior positions at various private and listed companies (the shares of which have been listed on the Growth Enterprise Market of the Stock Exchange). He had also served as a professional accountant in the audit department of an international audit firm for over 10 years.

Directors' Report

The Directors present their report and the audited financial statements of the Group for the year ended 31 March 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The subsidiaries of the Company are principally engaged in (i) trading of natural resources and commodities; (ii) money lending and secured financing business; (iii) investment holding in coal trading business; and (iv) manufacture and sale of fresh and dried noodle.

The principal activities and other particulars of the principal subsidiaries of the Company as at 31 March 2015 are set out in note 38 to the financial statements.

RESULTS AND FINANCIAL POSITION

The Group's results for the year ended 31 March 2015 and the state of affairs of the Group are set out in the consolidated financial statements on pages 51 to 116. The state of affairs of the Company as at 31 March 2015 is set out on page 117.

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 29 to the financial statements.

RESERVES

The movements in the reserves of the Company and the Group during the year are set out in the statement of financial position of the Company on page 117 and in the consolidated statement of changes in equity on page 54 respectively.

DIVIDENDS

The Board did not declare an interim dividend and did not recommend the payment of the final dividend in respect of the year ended 31 March 2015 (2014: Nil).

PROPERTY, PLANT AND EQUIPMENT

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

DISTRIBUTABLE RESERVES

At 31 March 2015, the Company's reserves available for distribution to shareholders comprising shares premium account less accumulated losses amounted to approximately HK$55,802,000 (2014: HK$20,477,000). Under the Companies Law (Revised) of the Cayman Islands, the share premium account of the Company is available for distributions or payment of dividends to shareholders of the Company subject to the provisions of the articles of association (the "Articles of Association") of the Company, provided that immediately following the distribution of dividends, the Company is able to pay off its debts as and when they fall due in the ordinary course of business.

Directors' Report

DIRECTORS

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

Executive Directors

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

Non-executive Directors

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

Independent Non-executive Directors

Mr. Chow Chi Fai
Mr. Tam Chak Chi
Mr. Leung Ka Tin (appointed with effect from 23 July 2014)
Mr. May Tai Keung, Nicholas (resigned with effect from 31 July 2014)

In accordance with Articles 84(1) and 84(2) of the Company's Articles of Association, Mr. Hong Sze Lung; Mr. Lau Wan Pui, Joseph and Mr. Law Chung Lam, Nelson shall retire as Directors by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

All other existing Directors shall continue in office.

Biographical details of all the Directors are set out on pages 19 to 21 of this annual report.

DIRECTORS' SERVICE CONTRACTS

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

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

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

Particulars of the emoluments of the Directors on a named basis for the year are set out in note 10 to the financial statements.

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

As at 31 March 2015, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO") which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive of the Company were deemed or taken to have under such provisions of the SFO), or which were required to be kept by the Company under Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Aggregate long positions in shares or underlying shares

Name of Directors	Capacity of interests	Number of shares held	Number of share options held	Total interests	Approximate percentage of total issued shares
Mr. Wong Ka Wah, Albert	Beneficial owner	–	15,000,000	15,000,000	0.70
Mr. Hong Sze Lung	Beneficial owner	10,992,000	15,000,000	23,992,000	1.22
Mr. Lau Wan Pui, Joseph	Beneficial owner	2,000,000	3,000,000	5,000,000	0.23
Mr. Law Chung Lam, Nelson	Beneficial owner	–	2,000,000	2,000,000	0.09
Mr. Kwong Yuk Lap	Beneficial owner	–	4,000,000	4,000,000	0.19
Mr. Chow Chi Fai	Beneficial owner	–	1,000,000	1,000,000	0.05
Mr. Tam Chak Chi	Beneficial owner	1,000,000	–	1,000,000	0.05
Mr. Leung Ka Tin	Beneficial owner	–	1,000,000	1,000,000	0.05

Save as disclosed above, as at 31 March 2015, none of the Directors and chief executive of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were deemed or taken to have under such provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company under Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

CONTROLLING SHAREHOLDER'S INTERESTS IN CONTRACTS

At no time during the year ended 31 March 2015 had the Company or any of its subsidiaries, and the controlling shareholders or any of its subsidiaries entered into any contract of significance for the provision of services to the Company or any of its subsidiaries by the controlling shareholder or any of its subsidiaries.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 31 March 2015, so far as was known to the Directors, the interests and short positions of the persons (other than the interests and short positions of the Directors or chief executive of the Company as disclosed above) in the shares and/or underlying shares of the Company (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or as otherwise notified to the Company are set out below:

Aggregate long positions in shares or underlying shares

Name of shareholder	Capacity of interests	Number of shares in interest	Approximate percentage of total issued shares
Conrich Investments Limited ("Conrich") *(note 1)*	Beneficial owner	230,032,000	10.76%
Ms. Lee Yau Lin, Jenny *(note 2)*	Interest in controlled corporation/Beneficial owner	234,032,000	10.95%
Mega World Resources Limited ("Mega World") *(note 3)*	Beneficial owner	130,000,000	6.08%
Adamas Asset Management (HK) Limited ("Adamas") *(note 4)*	Investment manager	130,000,000	6.08%

Notes:

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

2. Ms. Lee is the beneficial owner of 100% of the issued share capital of Conrich. Ms. Lee is deemed to be interested in, and duplicated the interests of, the 230,032,000 shares held by Conrich under Section 316(2) the SFO. The remaining interests in 4,000,000 shares of the Company are share options granted by the Company to Ms. Lee on 11 July 2011.

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

4. Adamas is the investment advisor of Mega World.

SHARE OPTION SCHEME

Details of the Company's share option scheme are set out in note 34 to the financial statements.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURE

Share options are granted to the Directors under the Scheme. Details of the Company's share option scheme are set out in note 34 to the financial statements.

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

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

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

MANAGEMENT CONTRACT

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

EMOLUMENT POLICY

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

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

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the scheme is set out in note 34 to the financial statements.

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

CONNECTED TRANSACTIONS

During the year, the Group had the following connected transactions:

(a) Pursuant to an agreement entered into between Rockhound Assets Management Limited ("Rockhound") and the Company, Rockhound will provide technical support to the Group on technical issues regarding minerals engineering and minerals exploration at a monthly fee of HK$30,000 for a period of one year subject to renewal. The fee was charged in accordance with the terms negotiated between relevant parties and was determined with reference to amounts charged by third parties. The amount of fees paid during the year ended 31 March 2015 was HK$180,000 (2014: HK$180,000). The aforementioned agreement expired during the year. Mr. Lau Wan Pui, Joseph is a non-executive director of the Company and a beneficial owner and a director of Rockhound. The transaction was a continuing connected transaction (as defined in the GEM Listing Rules) which was exempted from reporting, announcement and independent shareholders' approval requirements under the GEM Listing Rules.

(b) During the year, the Group has provided financial assistance amounted to HK$320,000 to Mr. Law Chung Lam, Nelson, a non-executive director of the Company and directors of certain subsidiaries of the Group. The transaction was a connected transaction (as defined in the GEM Listing Rules) which was exempted from reporting, announcement and independent shareholders' approval requirements under the GEM Listing Rules.

Save as disclosed above, the Directors are not aware of any other connected transactions of the Group that shall be disclosed in this annual report.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

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

PRE-EMPTIVE RIGHTS

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

SUFFICIENCY OF PUBLIC FLOAT

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

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group's five largest customers accounted for approximately 95.1% of the Group's revenue and the largest customer included therein accounted for approximately 39.9% of the Group's revenue.

During the year, the Group's five largest suppliers accounted for approximately 98.3% of the Group's purchases and the largest supplier included therein accounted for approximately 96.5% of the Group's purchases.

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

RETIREMENT BENEFITS SCHEMES

Particulars of the retirement benefits schemes are set out in note 33 to the financial statements.

GROUP FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 119 of this annual report.

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

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

CORPORATE GOVERNANCE

A report on the principal corporate governance practice adopted by the Company is set out in pages 30 to 43 of this annual report.

EVENTS AFTER THE REPORTING PERIOD

Those events after the reporting period are set out in note 37 to the financial statements.

INDEPENDENT AUDITOR

In February 2014, RSM Nelson Wheeler resigned as auditors of the Company and Deloitte Touche Tohmatsu were appointed by the Board to fill in such casual vacancy. Deloitte Touche Tohmatsu offered themselves for re-appointment as auditors of the Company at the annual general meeting of the Company held on 3 September 2014 and such re-appointment was approved by the Shareholders at that meeting. Save as disclosed above, there have been no other changes of auditors in the past three years.

The financial statements for the year ended 31 March 2015 have been audited by Deloitte Touche Tohmatsu, the external auditor of the Company. A resolution for the re-appointment of Deloitte Touche Tohmatsu as the independent auditor of the Company for the ensuing year will be proposed at the forthcoming annual general meeting of the Company.

REVIEW OF ANNUAL REPORT

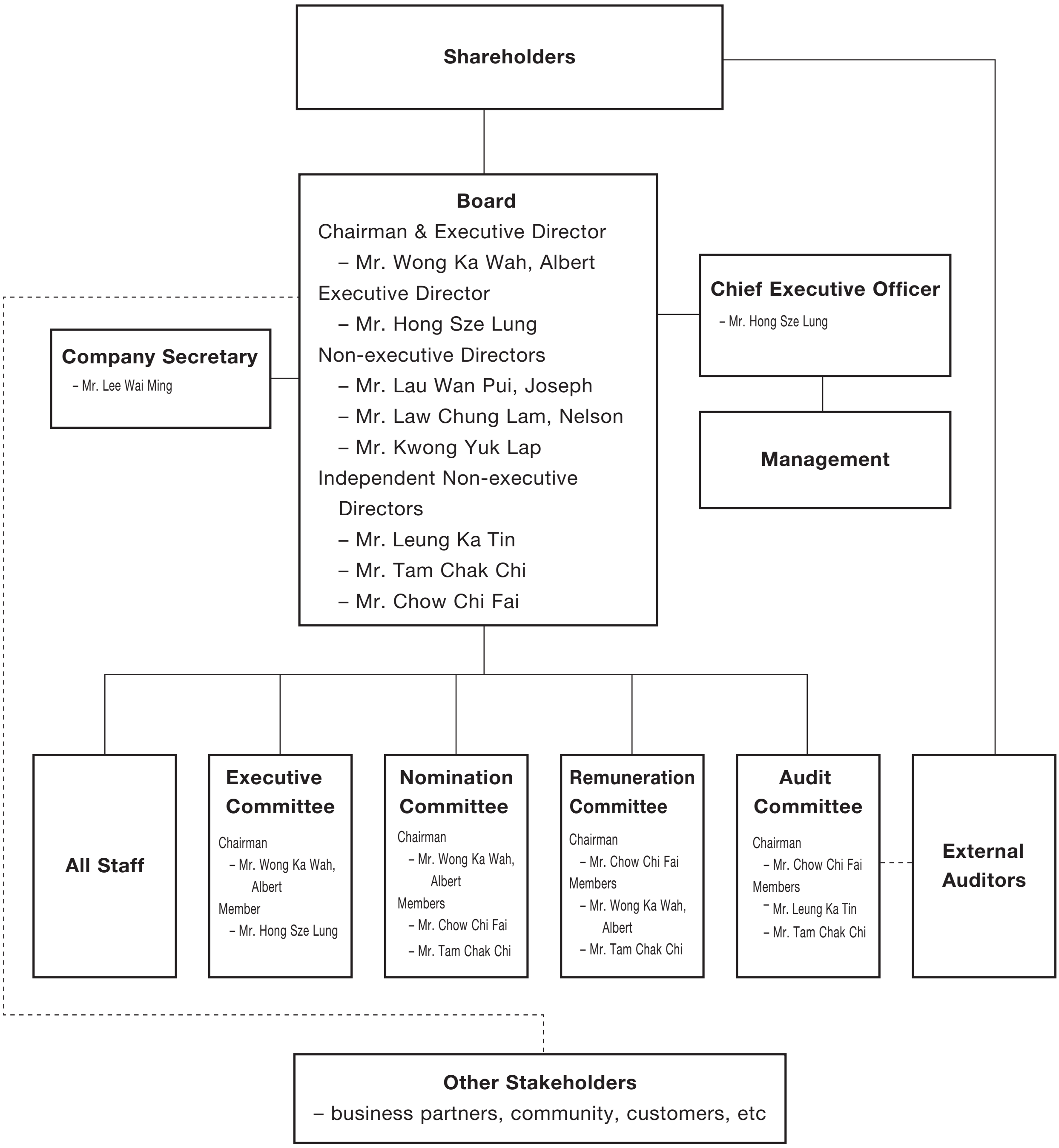
This annual report for the year ended 31 March 2015 has been reviewed by the Audit Committee of the Company, which was of the opinion that the information contained therein had complied with the disclosure requirements of the GEM Listing Rules, and that adequate disclosures had been made.

By order of the Board
Wong Ka Wah, Albert
Chairman

Hong Kong, 26 June 2015

The Board is pleased to present this Corporate Governance Report in the Company's annual report for the year ended 31 March 2015.

CORPORATE GOVERNANCE FRAMEWORK



Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance to protect the interests of shareholders and enhance shareholder value. The Company acknowledges the important role of its Board in providing effective leadership and direction to the Group's business, and ensuring accountability, transparency, fairness and integrity of the Company's operations.

Throughout the year ended 31 March 2015, the Company has complied with the code provisions (the "CG Code") on Corporate Governance Code and Corporate Governance Report contained in Appendix 15 of the GEM Listing Rules.

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

THE BOARD OF DIRECTORS

Responsibilities and Delegation

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

Matters Reserved by the Board

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

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

Division of Roles of the Board and the Management

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

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

Board Composition

As at 31 March 2015, the Board consists of the following Directors:–

Executive Directors

Mr. Wong Ka Wah, Albert *(Chairman of the Board, the Executive Committee and the Nomination Committee)*
Mr. Hong Sze Lung *(Chief Executive Officer)*

Non-executive Directors

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

Independent Non-executive Directors

Mr. Chow Chi Fai *(Chairman of the Audit Committee and the Remuneration Committee)*
Mr. Tam Chak Chi
Mr. Leung Ka Tin *(Appointed on 23 July 2014)*

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

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

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

Independency

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

Relationships

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

Chairman and Chief Executive Officer

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

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

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

Appointment, Re-election and Removal of Directors

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

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

Pursuant to the aforesaid provisions of the Company's Articles of Association, Mr. Hong Sze Lung, Mr. Lau Wan Pui, Joseph, and Mr. Law Chung Lam, Nelson, shall retire at the forthcoming 2015 annual general meeting of the Company and, being eligible, will offer themselves for re-election at the meeting. The Company's circular for the coming annual general meeting will contain detailed information of all retiring Directors pursuant to the GEM Listing Rules.

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

Continuous Professional Development

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

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

The Directors are encouraged to enroll in relevant professional development program to ensure that they are aware of their responsibilities under the legal and regulatory requirements. For the year ended 31 March 2015, all Directors have participated in continuous professional development to develop and refresh their knowledge and skills by attending conferences, seminars and in-house briefing. The company has provided to the Directors with materials on risk management, update on New Companies Ordinances and updates on financial reporting and tax, etc.

Board Practices and Conduct of Meetings

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

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

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

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

Directors' Attendance Records

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

The attendance record of each Director at Board meetings, Audit Committee meetings, Remuneration Committee meetings, Nomination Committee meetings and shareholders' general meetings during the year ended 31 March 2015 is set out in the following table:

Meetings held between 1 April 2014 and 31 March 2015

Directors	**Board Meetings** *(attendance/ total no. of meetings held)*	**Audit Committee Meetings** *(attendance/ total no. of meetings held)*	**Remuneration Committee Meetings** *(attendance/ total no. meetings held)*	**Nomination Committee Meetings** *(attendance/ of total no. of meetings held)*	**Shareholders' General Meetings** *(attendance/ total no. of meetings held)*
Executive Directors					
Mr. Wong Ka Wah, Albert	18/18	N/A	2/2	1/1	3/3
Mr. Hong Sze Lung	18/18	N/A	N/A	N/A	3/3
Non-executive Directors					
Mr. Lau Wan Pui, Joseph	18/18	N/A	N/A	N/A	3/3
Mr. Law Chung Lam, Nelson	18/18	N/A	N/A	N/A	2/3
Mr. Kwong Yuk Lap	18/18	N/A	N/A	N/A	3/3
Independent Non-executive Directors					
Mr. Tam Chak Chi	18/18	4/4	2/2	1/1	2/3
Mr. Chow Chi Fai	18/18	4/4	2/2	1/1	3/3
Mr. Leung Ka Tin *(Note 1)*	13/13	3/3	N/A	N/A	1/1
Mr. May Tai Keung, Nicholas *(Note 2)*	1/4	1/1	N/A	N/A	1/1

Notes:

1. Appointed on 23 July 2014
2. Resigned on 31 July 2014

Directors' Securities Transactions

The Company has adopted its securities dealing code regarding Directors' dealings in the Company's securities by the Directors, senior personnel and certain employees of the Group (who are likely to be in possession of unpublished inside information in relation to the Company or its securities) on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "Required Standard of Dealings"). Specific enquiry has been made of the Directors and all of them have confirmed that they have complied with the required standards set out in the Required Standard of Dealings and the Own Code throughout the year ended 31 March 2015.

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

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

BOARD COMMITTEES

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

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

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

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

Executive Committee

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

Audit Committee

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

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

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

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

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

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

For the year ended 31 March 2015, the Audit Committee met four times with the relevant senior management of the Company, and one of which with the external auditors and performed, inter alias, the following major tasks:

– Reviewed and discussed the interim, quarterly and annual financial statements, results announcements and reports for the year ended 31 March 2014, three months ended 30 June 2014, six months ended 30 September 2014 and nine months ended 31 December 2014, the related accounting principles and practices adopted by the Group and the relevant audit findings;

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

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

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

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

Remuneration Committee

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

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

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

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

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

Details of the remuneration of each Director of the Company for the year ended 31 March 2015 are set out in note 10 to the financial statements contained in this annual report.

For the year ended 31 March 2015, two meetings of the Remuneration Committee has been held to perform, inter alias, the following major tasks:

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

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

– Recommended the packages of Independent Non-executive Directors.

Nomination Committee

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

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

(i) review the Board composition;

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

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

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

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

For the year ended 31 March 2015, the Nomination Committee met once and performed, inter alias, the following major tasks:

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

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

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

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

DIRECTORS' RESPONSIBILITIES

Under Statutes, Rules and Regulations

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

Annual Report and Accounts

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

Accounting Policies

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

Accounting Records

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

Safeguarding Assets

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

Going Concern

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

INTERNAL CONTROLS

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

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

EXTERNAL AUDITOR AND INDEPENDENT AUDITOR'S REMUNERATION

The statement of the external auditor of the Company on their reporting responsibilities for the Group's financial statements for the year ended 31 March 2015 is set out in the section headed "Independent Auditor's Report" in this annual report.

The Audit Committee is responsible for considering the appointment of the external auditor and reviewing any non-audit functions performed by the external auditor, including whether such non-audit functions could lead to any potential material adverse effect on the Company. During the year ended 31 March 2015, the total fee paid and payable to Deloitte Touche Tohmatsu in relation to the audit and other services for the financial year ended 31 March 2015, amounted to HK$1,200,000 and HK$50,000 respectively. The sum for other service included the service rendered in connection with the accountant's report on the calculation of discounted estimated cash flow in connection with valuation of the fair value of certain contracts.

COMPANY SECRETARY

Mr. Lee Wai Ming has been appointed by the Board as the company secretary of the Company since October 2013 who is accessible by all Directors for advice and services with a view of ensuring that Board procedures are followed. The Company Secretary is also responsible for the overall corporate governance and compliance with the continuing obligations of the GEM Listing Rules, Companies Ordinance and the SFO, including timely dissemination of announcements and information relating to the Group to the market and ensuring that proper notification of Directors' dealings in securities of the Group is made. During the year ended 31 March 2015, Mr. Lee has duly complied with the relevant professional training requirement under Rule 5.15 of the GEM Listing Rules. Mr Lee's qualification has been set out under the section "Directors and Senior Management Biographies".

COMPLIANCE OFFICER

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

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

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

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

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

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

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

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

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

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

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

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

During the year ended 31 March 2015, there was no significant change in the Company's memorandum and articles of association. A copy of the latest consolidated version of the memorandum and articles of association of the Company is posted on the websites of the Company and the Stock Exchange.

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

SHAREHOLDERS' RIGHTS

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

All resolutions put forward at shareholders' meetings will be voted by poll pursuant to the GEM Listing Rules and the Articles of Association of the Company and the poll voting results will be posted on the GEM website "www.hkgem.com" and the Company's website "www.wealthglory.com" after the relevant shareholders' meetings. Extraordinary general meeting may be convened by the Board on requisition of shareholders of the Company holding not less than one-tenth of the paid up capital of the Company or by such shareholders of the Company who made the requisition (the "Requisitionists") (as the case may be) pursuant to Article 58 of the Company's Articles of Association. Such requisition must state the object of business to be transacted at the meeting and must be signed by the Requisitionists and deposited at the registered office of the Company or the Company's principal place of business in Hong Kong. Shareholders of the Company should follow the requirements and procedures as set out in such Article on convening an extraordinary general meeting. Shareholders of the Company may put forward proposals at general meeting of the Company by sending the same to the Company at the principal office of the Company in Hong Kong.

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

NOTICE IS HEREBY GIVEN THAT the annual general meeting for the year 2015 (the "2015 AGM") of Wealth Glory Holdings Limited ("Company") will be held at 17/F., No. 8 Wyndham Street, Central, Hong Kong on Friday, 7 August 2015 at 3:00 p.m. for the following purposes:–

AS ORDINARY BUSINESS

1. To receive, consider and adopt the audited consolidated financial statements and the reports of the directors of the Company (the "Director(s)") and external auditor ("Auditor") for the year ended 31 March 2015.

2. (a) To re-elect:–

   (i) Mr. Hong Sze Lung, as executive Director;

   (ii) Mr. Lau Wan Pui, Joseph as non-executive Director; and

   (iii) Mr. Law Chung Lam, Nelson as non-executive Director; and

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

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

AS SPECIAL BUSINESS

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

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

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

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

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

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

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

(IV) for the purpose of this resolution:–

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

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

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

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

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

(b) "**THAT**:

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

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

(III) for the purposes of this resolution:–

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

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

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

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

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

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

6. "**THAT**

   (a) the authorised share capital of the Company be and is hereby increased from HK$40,000,000 divided into 4,000,000,000 Shares of HK$0.01 each in the share capital of the Company to HK$100,000,000 divided into 10,000,000,000 Shares by the creation of an additional 6,000,000,000 new Shares (the "Increase in Authorised Share Capital"); and

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

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

Hong Kong, 26 June 2015

Notes:

1. Any Shareholder entitled to attend and vote at the 2015 AGM shall be entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a Shareholder but must be present in person at the 2015 AGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.

2. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, and deposit the same at the branch share registrar and transfer office of the Company in Hong Kong, Union Registrars Limited, at A18/F, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the 2015 AGM or any adjournment thereof.

3. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the 2015 AGM or any adjournment thereof, should he so wish.

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

5. In the case of joint holders of Shares, any one of such holders may vote at the 2015 AGM, either personally or by proxy, in respect of such Shares as if he was solely entitled thereto, but if more than one such joint holders are present at the 2015 AGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.

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

Independent Auditor's Report

For the year ended 31 March 2015

Deloitte.
德勤

TO THE MEMBERS OF WEALTH GLORY HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Wealth Glory Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 51 to 116, which comprise the consolidated statement of financial position as at 31 March 2015, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 March 2015 and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

26 June 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2015

	Notes	2015 HK$'000	2014 HK$'000
Revenue	6	**277,294**	316,634
Cost of sales		**(270,695)**	(311,971)
Gross profit		**6,599**	4,663
Other income	7	**639**	520
Other gains and losses	8	**–**	(1,168)
Impairment losses recognised in respect of interest in an associate		**–**	(35,441)
Impairment loss recognised in respect of goodwill		**(29,657)**	–
Impairment loss recognised in respect of intangible assets		**(95,935)**	–
Share of profits (losses) of associates	16	**775**	(46,500)
Selling expenses		**(1,112)**	(1,385)
Administrative expenses		**(33,567)**	(34,065)
Other expenses		**(48,882)**	(34,600)
Finance costs	9	**(20,572)**	(13,563)
Loss before taxation		**(221,712)**	(161,539)
Taxation	11	**18,551**	2,076
Loss for the year	12	**(203,161)**	(159,463)
Other comprehensive expense:			
Item that may be subsequent reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		**(78)**	(173)
Total comprehensive expense for the year		**(203,239)**	(159,636)
Loss for the year attributable to:			
Owners of the Company		**(202,603)**	(159,407)
Non-controlling interests		**(558)**	(56)
		(203,161)	(159,463)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(202,681)**	(159,580)
Non-controlling interests		**(558)**	(56)
		(203,239)	(159,636)
Loss per share			
Basic and diluted	14	**11.8 HK cents**	14.1 HK cents

Consolidated Statement of Financial Position

At 31 March 2015

	Notes	**2015** **HK$'000**	2014 HK$'000
Non-current assets			
Property, plant and equipment	15	**9,987**	11,740
Interests in associates	16	**19,108**	18,333
Loans to associates	16	**5,754**	–
Loans receivables	21	**240**	–
Deposits	22	**10,000**	–
Goodwill	17	**–**	29,657
Intangible assets	18	**19,000**	112,417
		64,089	172,147
Current assets			
Inventories	19	**875**	845
Trade receivables	20	**1,803**	10,429
Loans receivables	21	**21,485**	–
Prepayments, deposits and other receivables	22	**46,956**	15,460
Loan to associates	16	**8,701**	6,220
Bank balances and cash	23	**9,379**	18,850
		89,199	51,804
Current liabilities			
Trade payables	24	**1,284**	9,799
Accruals and other payables		**6,767**	4,312
Bonds	26	**13,539**	–
Promissory note	25	**3,299**	18,794
		24,889	32,905
Net current assets		**64,310**	18,899
Total assets less current liabilities		**128,399**	191,046
Non-current liabilities			
Bonds	26	**6,576**	103,432
Borrowings	27	**21,061**	–
Deferred tax liabilities	28	**–**	18,551
		27,637	121,983
Net assets		**100,762**	69,063

Consolidated Statement of Financial Position

At 31 March 2015

	Notes	2015 HK$'000	2014 HK$'000
Capital and reserves			
Share capital	29	**21,371**	13,491
Reserves		**79,579**	55,352
Total attributable to owners of the Company		**100,950**	68,843
Non-controlling interests		**(188)**	220
Total equity		**100,762**	69,063

The financial statements on pages 51 to 116 were approved and authorised for issue by the Board of Directors on 26 June 2015 and are signed on its behalf by:

Wong Ka Wah, Albert
Chairman and Executive Director

Hong Sze Lung
Executive Director and Chief Executive Officer

Consolidated Statement of Changes in Equity

For the year ended 31 March 2015

	Attributable to the owners of the Company										
	Share capital HK$'000	Share premium HK$'000	Warrants reserve HK$'000	Merger reserve HK$'000 (note a)	Share-based payment reserve HK$'000 (note b)	Translation reserve HK$'000	Legal reserve HK$'000	Retained profits (accumulated losses) HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 April 2013	9,992	112,660	–	(4,246)	4,132	(383)	485	24,991	147,631	23	147,654
Exchange differences arising on translation of foreign operations	–	–	–	–	–	(173)	–	–	(173)	–	(173)
Loss for the year	–	–	–	–	–	–	–	(159,407)	(159,407)	(56)	(159,463)
Total comprehensive expense for the year	–	–	–	–	–	(173)	–	(159,407)	(159,580)	(56)	(159,636)
Issue of warrants upon placing of bonds	–	–	3,527	–	–	–	–	–	3,527	–	3,527
Issue of shares upon acquisition of subsidiaries	1,930	30,494	–	–	–	–	–	–	32,424	–	32,424
Issue of shares upon subscription	1,115	18,885	–	–	–	–	–	–	20,000	–	20,000
Issue of shares and warrants	454	7,032	2,512	–	–	–	–	–	9,998	–	9,998
Transaction costs attributable to issues of shares	–	(557)	–	–	–	–	–	–	(557)	–	(557)
Capital contributions from non-controlling shareholders to subsidiaries	–	–	–	–	–	–	–	–	–	253	253
Transfer upon lapse of share options	–	–	–	–	(2,219)	–	–	2,219	–	–	–
Recognition of equity-settled share based payments	–	–	–	–	15,400	–	–	–	15,400	–	15,400
At 31 March 2014	13,491	168,514	6,039	(4,246)	17,313	(556)	485	(132,197)	68,843	220	69,063
Exchange differences arising on translation of foreign operations	–	–	–	–	–	(78)	–	–	(78)	–	(78)
Loss for the year	–	–	–	–	–	–	–	(202,603)	(202,603)	(558)	(203,161)
Total comprehensive expense for the year	–	–	–	–	–	(78)	–	(202,603)	(202,681)	(558)	(203,239)
Issue of shares upon placing	7,740	216,399	–	–	–	–	–	–	224,139	–	224,139
Issue of shares upon exercise of share options	140	3,500	–	–	–	–	–	–	3,640	–	3,640
Transaction costs attributable to issue of shares	–	(8,626)	–	–	–	–	–	–	(8,626)	–	(8,626)
Transfer upon exercise of share options	–	1,777	–	–	(1,777)	–	–	–	–	–	–
Transfer upon lapse of share options	–	–	–	–	(98)	–	–	98	–	–	–
Recognition of equity-settled share based payments	–	–	–	–	15,635	–	–	–	15,635	–	15,635
Transfer upon lapse of warrants	–	–	(2,512)	–	–	–	–	2,512	–	–	–
Change in shareholding in a subsidiary without losing control	–	–	–	–	–	–	–	–	–	150	150
At 31 March 2015	21,371	381,564	3,527	(4,246)	31,073	(634)	485	(332,190)	100,950	(188)	100,762

Notes:

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

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

Consolidated Statement of Cash Flows

For the year ended 31 March 2015

	Note	2015 HK$'000	2014 HK$'000
OPERATING ACTIVITIES			
Loss before taxation		**(221,712)**	(161,539)
Adjustments for:			
Impairment loss recognised in respect of other receivables		**–**	1,133
Impairment loss recognised in respect of goodwill		**29,657**	–
Depreciation of property, plant and equipment		**1,768**	1,550
Impairment loss in respect of intangible assets		**95,935**	–
Amortisation of intangible assets		**17,482**	12,583
Impairment loss recognised in respect of interest in an associate		**–**	35,441
Share of (profits) losses of associates		**(775)**	46,500
Interest expense		**20,572**	13,563
Transaction costs directly attributable to the acquisition of subsidiaries		**–**	4,128
Interest income		**(2,436)**	(470)
Share-based payments		**15,635**	15,400
Operating cash flows before movements in working capital		**(43,874)**	(31,711)
Increase in inventories		**(30)**	(190)
Decrease (increase) in trade receivables		**8,626**	(9,063)
Increase in loans receivable		**(21,725)**	–
Increase in prepayments, deposits and other receivables		**(31,496)**	(13,493)
(Decrease) increase in trade payables		**(8,515)**	8,709
Increase in accruals and other payables		**2,455**	810
Net cash used in operations		**(94,559)**	(44,938)
Interest received from money leading operation		**1,931**	–
NET CASH USED IN OPERATING ACTIVITIES		**(92,628)**	(44,938)
INVESTING ACTIVITIES			
Acquisition of intangible assets		**(20,000)**	–
Loan to an associate		**(8,701)**	(1,220)
Purchase of property, plant and equipment		**(15)**	(2,935)
Repayment from an associate		**466**	–
Deposits paid for acquisition		**(10,000)**	–
Interest received		**505**	470
Acquisition of subsidiaries	31	**–**	(84,998)
Transaction costs directly attributable to the acquisition of subsidiaries		**–**	(4,128)
Proceed from change in shareholding in a subsidiary without losing control		**150**	–
NET USED IN INVESTING ACTIVITIES		**(37,595)**	(92,811)

Consolidated Statement of Cash Flows

For the year ended 31 March 2015

	Note	2015 HK$'000	2014 HK$'000
FINANCING ACTIVITIES			
Repayment of borrowings		–	(5,000)
Repayment of bonds		(91,000)	–
Repayment of promissory notes		(23,000)	–
New borrowings raised		20,000	5,000
Capital contribution for non-controlling shareholders of subsidiaries		–	253
Issue of new shares	29	227,779	20,000
Issue of new shares and warrants	29	–	9,998
Issue of bonds and warrants		3,000	107,000
Issue of promissory notes		3,080	–
Expenses of issue of shares, bonds and warrants		(8,626)	(3,894)
Interest paid		(10,403)	(8,100)
NET CASH FROM FINANCING ACTIVITIES		120,830	125,257
NET DECREASE IN CASH AND CASH EQUIVALENTS		(9,393)	(12,492)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		18,850	31,515
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		(78)	(173)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		9,379	18,850
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances and cash		9,379	18,850

1. GENERAL

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

The Company acts as an investment holding company. The principal activities and other details of its subsidiaries are set out in note 38.

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

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

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities
Amendments to HKAS 32	Offsetting financial assets and financial liabilities
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting
HK(IFRIC) – INT 21	Levies

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

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

At the date of this report, the HKICPA has issued the following new and revised HKFRSs which are not yet effective.

HKFRS 9	Financial instruments[1]
HKFRS 15	Revenue from contracts with customers[5]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception[4]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[4]
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations[4]
Amendments to HKAS 1	Disclosure Initiative[4]
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation[4]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants[4]
Amendments to HKAS 19	Defined benefit plans: Employee contributions[2]
Amendments to HKAS 27	Equity method in separate financial statements[4]
Amendments to HKFRSs	Annual improvements to HKFRSs 2010-2012 cycle[3]
Amendments to HKFRSs	Annual improvements to HKFRSs 2011-2013 cycle[2]
Amendments to HKFRSs	Annual improvements to HKFRSs 2012-2014 cycle[4]

1 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.
3 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application permitted.
4 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
5 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

HKFRS 15 "Revenue from contracts with customers"

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction contracts" and the related Interpretations when it becomes effective.

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

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

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

HKFRS 15 "Revenue from contracts with customers" (cont'd)

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

The directors of the Company will assess the impact on the application of HKFRS 15. For the moment, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

HKFRS 9 Financial instruments

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

All recognised financial assets that are within the scope of HKAS 39 "Financial instruments: Recognition and measurement" are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

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

HKFRS 9 Financial instruments (cont'd)

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

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

The directors 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. The expected losses model may result in early recognition of impairment of financial assets if the credit risk on that financial assets have increased significantly since initial recognition. However, it is not practicable to provide a reasonable estimate of the effects of adoption until a detailed review has been completed.

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The principal accounting policies are set out below.

Basis of consolidation

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

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

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

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

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

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

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

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 (CONT'D)

Business combinations (cont'd)

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

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

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

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

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

Goodwill

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

For the purposes of impairment testing, goodwill is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss 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 amount of profit or loss on disposal.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Interests in associates

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

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

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

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

Revenue recognition

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

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue recognition (cont'd)

- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

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

Property, plant and equipment

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

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

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

Inventories

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

Intangible assets acquired in a business combination

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

Subsequent to initial recognition, intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Intangible assets acquired in a business combination (cont'd)

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

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

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

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

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

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

Borrowing costs

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Taxation

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

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

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

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

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

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

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

Current and deferred tax is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Leasing

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

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Foreign currencies

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

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

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

Retirement benefit costs

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

Financial instruments

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets

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

Effective interest method

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

Loans and receivables

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

Impairment of loans and receivables

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

Objective evidence of impairment could include:

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impairment of loans and receivables (cont'd)

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

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

Financial liabilities and equity instruments

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

Equity instruments

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

Warrants

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

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premium 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 (CONT'D)

Impairment of loans and receivables (cont'd)

Financial liabilities

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

Derivative financial instruments

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

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

Embedded derivatives

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

Derecognition

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

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

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

Share-based payment transactions

Share options granted to employees

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Share-based payment transactions (cont'd)

Share options granted to employees (cont'd)

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

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

Share options granted to consultants

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Determining whether there is an impairment is required an estimation of recoverable amounts of the property, plant and equipment, intangible assets or the respective cash generating units ("CGU") in which the goodwill, property, plant and equipment and intangible assets belong, which is the higher of value in use and fair value less costs of disposal. If there is any indication that an asset may be impaired, recoverable amount shall be estimated for individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group shall determine the recoverable amount of the CGU to which the asset belongs. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the assets or CGUs and a suitable discount rate in order to calculate the present value. The discount rate represents a rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. During the year ended 31 March 2015, the Group recognised impairment losses in respect of goodwill of HK$29,657,000 (2014: nil) and intangible assets of HK$95,935,000 (2014: nil), respectively. As at 31 March 2015, the carrying amounts of goodwill, property, plant and equipment and intangible assets are nil, HK$9,987,000 and HK$19,000,000 respectively (2014: HK$29,657,000, HK$11,740,000 and HK$112,417,000).

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

Impairment of interests in associates

Determining whether interests in associates are impaired requires an estimation of the recoverable amount of the respective associates which is higher of value in use and fair value less cost of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the associates, suitable discount rates and the proceeds on ultimate disposal of the associates. Where the actual future cash flows are less than or more than expected or upon the management's revision of estimated cash flows due to change in conditions, facts and circumstances, a material impairment loss or reversal of impairment loss may arise. As at 31 March 2015, the carrying amount of interests in associates is HK$19,108,000, net of impairment losses of HK$35,441,000 (2014: carrying amount of HK$18,333,000, net of impairment losses of HK$35,441,000). Details of the value in use calculation are disclosed in note 16.

Allowances for bad and doubtful debts

When there is objective evidence that trade receivables, loans receivables and loans to associates may be impaired, the Group estimates the future cash flows of those balances. The amount of the impairment loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial assets' original effective interest rate (i.e. the effective interest rate computed on initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. At 31 March 2015, the carrying amounts of trade receivables, loans receivables and loans to associates was HK$1,803,000, HK$21,725,000 and HK$14,455,000 (2014: HK$10,429,000, nil and HK$6,220,000), respectively.

Depreciation

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the relevant assets, after taking into account their estimated residual value, if any. The Group reviews the estimated useful lives of the assets annually in order to determine the amount of depreciation expenses to be recorded during the periods. The useful lives are based on the Group's historical experience with similar assets taking into account anticipated technological changes. The depreciation expenses for future periods are adjusted if there are significant changes from previous estimates. At 31 March 2015, the carrying amount of property, plant and equipment is HK$9,987,000 (2014: HK$11,740,000).

5. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2015	2014
	HK$'000	HK$'000
Financial assets:		
Loans and receivables (including cash and cash equivalents)	**81,008**	47,863
Financial liabilities:		
Amortised cost	**52,460**	136,271

Financial risk management objectives and policies

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

Market risk

(i) *Currency risk*

Certain bank balances of the Group are denominated in foreign currencies which are different from functional currencies of respective group entities. As at 31 March 2015 and 2014, bank balances of respective group entities denominated in foreign currencies were immaterial. The Group does not have a foreign currency hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

(ii) *Interest rate risk*

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances. The Group is exposed to fair value interest rate risk in relation to the fixed-rate loans to associates, loans receivables, bonds, promissory notes and borrowings through the impact of changes in market interest rate. The Group currently does not have interest rate hedging policy. However, the management will consider hedging significant interest rate exposure should the need arise.

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

5. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

Market risk (cont'd)

(iii) Price risk

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

Credit risk

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

As at 31 March 2015, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group has significant concentration of credit risk on loans to associates as the credit risk is attributable to two (2014: one) counterparties at 31 March 2015. The directors of the Company continuously monitors the credit quality and financial conditions of these associates and the level of exposure to ensure the follow-up action is taken to recover the debt. Also, the Group had concentration of credit risks with exposure limited to certain customers as at 31 March 2014. A customer amounting to HK$8,459,000 comprised entire trade receivables as at 31 March 2014 on trading of natural resources and commodities business. The management closely monitors the subsequent settlement of this customer. Other than these, there is no significant concentration of credit risk in receivables as the exposure spread over a number of counterparties and customers.

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

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

5. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

Liquidity risk

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

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

	Weighted average effective interest rate	Within 1 year or repayable on demand	Between 1 to 2 years	Between 2 to 5 years	Over 5 years	Total undiscounted cash flows	Carrying amount at the end of the reporting period
	%	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 31 March 2015							
Trade payables	–	1,284	–	–	–	1,284	1,284
Accruals and other payables	–	6,701	–	–	–	6,701	6,701
Promissory note	10.0	3,435	–	–	–	3,435	3,299
Bonds	5.8	13,800	–	–	10,000	23,800	20,115
Borrowings	12.0	2,400	22,400	–	–	24,800	21,061
		27,620	22,400	–	10,000	60,020	52,460
At 31 March 2014							
Trade payables	–	9,799	–	–	–	9,799	9,799
Accruals and other payables	–	4,246	–	–	–	4,246	4,246
Promissory note	24.225	23,000	–	–	–	23,000	18,794
Bonds	20.338	17,050	110,050	–	10,000	137,100	103,432
		54,095	110,050	–	10,000	174,145	136,271

5. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

Fair value measurements of financial instruments

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

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

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

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

Fair value measurement and valuation process

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

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

6. REVENUE AND SEGMENT INFORMATION

Revenue represents the amounts received and receivable for goods sold and services provided by the Group, net of discounts and sales related taxes during the year.

Segment revenue and results

The Group determines its operating segment and measurement of segment profit based on the internal reports to executive directors, the Group's chief operating decision maker (the "CODM"), for the purposes of resource allocation and performance assessment focuses on types of goods or services delivered or provided.

During the year ended 31 March 2015, the Group newly started the money lending operation and the chief operating decision maker considered it is a new reportable and operating segment to the Group. In addition, because the distribution of sports car operation is still in the preparation stage and no revenue is generated during the year, this operation is not included in the internal reports provided to the CODM and hence not considered as an operating segments.

During the year ended 31 March 2015, the Group's reportable and operating segments are therefore as follows:

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

(b) the manufacturing and trading of packaged food (i.e. noodles) ("Packaged Food"); and

(c) the money lending business ("Money Lending").

6. REVENUE AND SEGMENT INFORMATION (CONT'D)

Segment revenue and results (cont'd)

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

	Segment revenue		Segment loss	
	For the year ended		For the year ended	
	31.3.2015	31.3.2014	**31.3.2015**	31.3.2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Natural Resources and Commodities	**260,613**	301,981	**(2,108)**	(2,256)
Packaged Food	**14,750**	14,653	**(499)**	(3,703)
Money Lending	**1,931**	–	**(1,377)**	–
Total	**277,294**	316,634	**(3,984)**	(5,959)
Interest income			**505**	470
Amortisation of intangible assets			**(17,482)**	(12,583)
Impairment loss recognised in respect of goodwill			**(29,657)**	–
Impairment losses recognised in respect of intangible assets			**(95,935)**	–
Impairment losses recognised in respect of interest in an associate			**–**	(35,441)
Share of profits (losses) of associates			**775**	(46,500)
Unallocated corporate expenses			**(56,423)**	(47,963)
Finance costs			**(19,511)**	(13,563)
Loss before taxation			**(221,712)**	(161,539)

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

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

6. REVENUE AND SEGMENT INFORMATION (CONT'D)

Segment assets and liabilities

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

As at 31 March 2015

	Natural Resources and Commodities	**Packaged Food**	**Money lending**	**Consolidated**
	HK$'000	HK$'000	HK$'000	HK$'000
Segment assets	25,135	12,155	21,924	59,214
Intangible assets				19,000
Interests in associates				19,108
Loans to associates				14,455
Other unallocated assets				41,511
Consolidated assets				153,288
Segment liabilities	274	3,947	21,299	25,520
Unallocated liabilities				27,006
Consolidated liabilities				52,526

As at 31 March 2014

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

6. REVENUE AND SEGMENT INFORMATION (CONT'D)

Segment assets and liabilities (cont'd)

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

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

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

Other segment information

For the year ended 31 March 2015

	Natural resources and commodities	Packaged food	Money lending	Total	Unallocated	Consolidated
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Amounts included in the measure of segment results or segment assets:						
Depreciation of property, plant and equipment	–	1,533	–	1,533	235	1,768
Finance costs	–	–	1,061	1,061	19,511	20,572
Additions to property, plant and equipment	–	15	–	15	–	15

For the year ended 31 March 2014

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

6. REVENUE AND SEGMENT INFORMATION (CONT'D)

Revenue from major products and services

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

	2015 HK$'000	2014 HK$'000
Sales of:		
Crude palm oil	**258,158**	293,523
Packaged food	**14,750**	14,653
Other natural resources products	**2,455**	8,458
Interest income from money lending business	**1,931**	–
	277,294	316,634

Geographical information

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

	Revenue from external customers		Non-current assets	
	2015 HK$'000	2014 HK$'000	2015 HK$'000	2014 HK$'000
Hong Kong	**1,736**	–	**19,654**	142,959
The PRC (except Hong Kong)	**16,783**	21,730	**28,441**	29,188
Indonesia	**258,158**	293,523	**–**	–
Others	**617**	1,381	**–**	–
	277,294	316,634	**48,095**	172,147

Information about major customers

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

	2015 HK$'000	2014 HK$'000
Customer A	**110,684**[1]	86,898[1]
Customer B	**93,393**[1]	136,632[1]
Customer C	**54,081**[1]	69,994[1]

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

7. OTHER INCOME

	2015 HK$'000	2014 HK$'000
Bank interest income	**5**	69
Interest income from loan to an associate	**500**	401
Others	**134**	50
	639	520

8. OTHER GAINS AND LOSSES

	2015 HK$'000	2014 HK$'000
Net foreign exchange loss	**–**	35
Impairment losses recognised in respect of other receivables	**–**	1,133
	–	1,168

9. FINANCE COSTS

	2015 HK$'000	2014 HK$'000
Interests on other borrowings wholly repayable within one year	**–**	100
Interests on other borrowings wholly repayable more than one year but less than two years	**1,061**	–
Effective interests on promissory note	**4,425**	2,167
Effective interests on bonds	**15,086**	11,296
	20,572	13,563

10. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

Directors' and chief executive's emoluments

The emoluments paid or payable to each of the 9 (2014: 13) directors were as follows:

	For the year ended 31 March 2015					
	Directors' fees	Salaries and allowances	Bonus	Share-based payments	Retirement benefits scheme contributions	Total emoluments
	HK$'000	HK$'000	HK$'000 (Note 1)	HK$'000	HK$'000	HK$'000
Executive directors						
Mr. Wong Ka Wah, Albert	–	2,500	600	–	18	3,118
Mr. Hong Sze Lung (note 4)	–	1,250	600	–	18	1,868
Non-executive directors						
Mr. Lau Wan Pui, Joseph	180	–	–	–	–	180
Mr. Law Chung Nam, Nelson	180	300	–	–	9	489
Mr. Kwong Yuk Lap	180	–	–	156	–	336
Independent non-executive directors						
Mr. Leung Ka Tin (note 2)	166	–	–	78	–	244
Mr. Tam Chak Chi	240	–	–	–	–	240
Mr. Chow Chi Fai	240	–	–	–	–	240
Mr. May Tai Keung, Nicholas (note 3)	80	–	–	–	–	80
Total emoluments	1,266	4,050	1,200	234	45	6,795

Notes:

(1) Incentive performance bonus for the year ended 31 March 2015 was determined by the remuneration committee having regard to the performance and duties of directors and the Group's operating results.

(2) Mr. Leung Ka Tin is appointed on 23 July 2014.

(3) Mr. May Tai Keung, Nicholas is resigned on 31 July 2014.

(4) Mr. Hung Sze Lung is also the chief executive and his emoluments disclosed above include those for services rendered by him as the chief executive.

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

Directors' and chief executive's emoluments (cont'd)

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

Notes:

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

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

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

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

Directors' and chief executive's emoluments (cont'd)

Notes: (cont'd)

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

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

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

(7) As disclosed in note 34, the grant of these share options is subject to approval of the shareholders and the estimated fair values are subject to revision once the grant date is established.

No directors of the Company waived any emoluments in any of the two years ended 31 March 2015.

Employees' emoluments

Of the five individuals with the highest emoluments in the Group, three (2014: three) were directors of the Company whose emoluments are set out above. The emoluments of the remaining individuals are as follows:

	2015	2014
	HK$'000	HK$'000
Salaries and other benefits	**1,794**	575
Contributions to retirement benefits schemes	**35**	13
Share-based payments	**231**	1,208
Incentive paid in joining	**–**	210
	2,060	2,006

Their emoluments were within the following bands:

	2015	2014
	Number of employees	Number of employees
Nil to HK$1,000,000	**1**	1
HK$1,000,001 to HK$1,500,000	**1**	1

Save as described above, no emoluments were paid by the Group to the directors of the Company or the five highest paid individuals during the years ended 31 March 2014 and 2015 as an inducement to join or upon joining the Group or as compensation for loss of office.

11. TAXATION

	2015 HK$'000	2014 HK$'000
The credit comprise of:		
Deferred tax credit (note 28)	**18,551**	2,076

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

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

According to the current applicable laws of the Macau Special Administrative Region, Macau Complementary Tax is calculated at a progressive rate from 9% to 12% (2014: 9% to 12%) on the estimated assessable profits for the year with the first two hundred thousand patacas assessable profits being free from tax. However, Greenfortune (Macao Commercial Offshore) Limited ("Greenfortune"), wholly-owned subsidiary of the Company, operating in Macau during the year is in compliance with the Decree-Law No. 58/99/M of Macau Special Administrative Region, and thus, the profits generated by the subsidiary is exempted from the Macau Complementary Tax. No provision for profits tax in Macau has been made for both years as the Group did not generate any assessable profits arising in Macau.

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

	2015 HK$'000	2014 HK$'000
Loss before taxation	**(221,712)**	(161,539)
Tax at the income tax rate of 16.5% (2014: 16.5%)	**36,582**	26,654
Tax effect of expenses not deductible for tax purposes	**(13,809)**	(12,670)
Tax effect of income not taxable for tax purposes	**17**	78
Tax effect of the tax losses not recognised	**(4,394)**	(4,274)
Tax effect of share of results of an associate	**128**	(7,673)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**27**	(39)
Taxation for the year	**18,551**	2,076

12. LOSS FOR THE YEAR

	2015 HK$'000	2014 HK$'000
Loss for the year has been arrived at after charging:		
Auditor's remuneration	**1,200**	1,010
Cost of inventories recognised as an expense	**270,695**	311,971
Depreciation of property, plant and equipment	**1,768**	1,550
Amortisation of intangible assets (included other expenses)	**17,482**	12,583
Operating lease rentals in respect of:		
– land and buildings	**3,588**	3,418
– office equipment	**–**	20
Staff costs including directors' emoluments		
– Salaries, wages and other benefits	**12,465**	12,827
– Share-based payments	**620**	8,045
– Contributions to retirement benefits schemes	**1,265**	1,047
Total staff costs	**14,350**	21,919
Share-based payments to consultants (included in other expenses)	**15,015**	7,355
Acquisition-related cost (included in other expenses)	**–**	4,128

13. DIVIDENDS

The directors do not recommend the payment of a final dividend for the year ended 31 March 2015 and 2014.

14. LOSS PER SHARE

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

	2015 HK$'000	2014 HK$'000
Loss for the purposes of basic and diluted loss per share (loss for the year attributable to owners of the Company)	**(202,603)**	(159,407)

	2015	2014
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**1,723,291,945**	1,133,063,758

The computation of diluted loss per share for the year ended 31 March 2015 and 2014 does not assume the exercise of the Company's share options and warrants as they would reduce loss per share.

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK$'000	Plant and machinery HK$'000	Furniture and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
COST					
At 1 April 2013	2,262	9,785	2,320	370	14,737
Additions	37	2,807	91	–	2,935
At 31 March 2014	2,299	12,592	2,411	370	17,672
Additions	–	9	6	–	15
Disposals	–	(10)	–	–	(10)
At 31 March 2015	2,299	12,591	2,417	370	17,677
DEPRECIATION					
At 1 April 2013	748	1,830	1,750	54	4,382
Provided for the year	336	1,028	118	68	1,550
At 31 March 2014	1,084	2,858	1,868	122	5,932
Provided for the year	341	1,240	120	67	1,768
Eliminated on disposals	–	(10)	–	–	(10)
At 31 March 2015	1,425	4,088	1,988	189	7,690
CARRYING VALUES					
At 31 March 2015	874	8,503	429	181	9,987
At 31 March 2014	1,215	9,734	543	248	11,740

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

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

16. INTEREST IN ASSOCIATES/LOAN TO ASSOCIATES

	2015 HK$'000	2014 HK$'000
Cost of investment in an associate		
Unlisted	**100,274**	100,274
Share of post-acquisition results and other comprehensive expenses	**(45,725)**	(46,500)
Less: Impairment loss	**(35,441)**	(35,441)
	19,108	18,333
Loan to an associate (Non-current assets)	**5,754**	–
Loan to an associate (Current assets)	**8,701**	6,220
Total	**14,455**	6,220

The loan to Goldenbase (as defined below) of HK$5,754,000 (2014: HK$6,220,000) is unsecured, interest-bearing at 10% (2014: 10%) per annum and repayable on or before 27 September 2016 (2014: 27 September 2014). The Group has not provided for impairment loss on loan to an associate after assessment of the financial position and the future business development of the associate and the amounts are still considered recoverable for both years.

The loan to Joyful Ease (as defined below) of HK$8,701,000 (2014: nil) is unsecured and interest-free. The directors of the Company expect that the repayment will take place within twelve months from the end of the reporting period, and hence the amount is classified as a current asset.

16. INTEREST IN ASSOCIATES/LOAN TO ASSOCIATES (CONT'D)

As at 31 March 2015 and 2014, the Group had interests in the following associate:

Name of entity	Form of business structure	Country of incorporation	Principal place of operation	Class of share held	Proportion of registered capital held by the Group		Proportion of voting power held		Principal activities
					2015	2014	2015	2014	
					%	%	%	%	
Goldenbase Limited ("Goldenbase")	Incorporated	Republic of Seychelles	Hong Kong	Registered capital	33.3	33.3	33.3	33.3	Investment holdings
Joyful Ease Limited ("Joyful Ease")	Incorporated	British Virgin Islands	Hong Kong	Registered capital	49	–	49	–	Investment holdings
Subsidiaries of Goldenbase									
Royal Dragon Corporation Limited ("Royal Dragon")	Incorporated	Hong Kong	Hong Kong	Ordinary shares	33.3	33.3	33.3	33.3	Investment holdings
Royal Wish Resources Trading Limited	Incorporated	Hong Kong	Hong Kong	Ordinary shares	33.3	33.3	33.3	33.3	Coal trading
青海富譽恒盈資源有限公司 ("Qinghai Wealth Glory")	Incorporated	The PRC	The PRC	Ordinary shares	33.3	33.3	33.3	33.3	Coal trading
Subsidiaries of Joyful Ease									
Joy Access Corporation Limited	Incorporated	Hong Kong	Hong Kong	Ordinary shares	49	–	49	–	Operation of club and investments
FOVEA Club (HK) Limited	Incorporated	Hong Kong	Hong Kong	Ordinary shares	49	–	49	–	Operation of club and investments

16. INTEREST IN ASSOCIATES/LOAN TO ASSOCIATES (CONT'D)

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

Goldenbase and its subsidiaries

	2015	2014
	HK$'000	HK$'000
Current assets	39,721	23,840
Non-current assets	3,035	2,354
Current liabilities	(42,132)	(27,896)
Net assets (liabilities)	624	(1,702)
Group's share of net assets (liabilities) of Goldenbase	208	(567)
Revenue	341,426	265,751
Profit (loss) and total comprehensive income (expense) for the year	2,326	(139,307)
Group's share of profit (loss) and total comprehensive income (expense) of Goldenbase for the year	775	(46,500)

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

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

	2015	2014
	HK$'000	HK$'000
Net assets (liabilities) of Goldenbase	624	(1,702)
Proportion of the Group's ownership interest in Goldenbase	33.3%	33.3%
Group's share of net assets (liabilities) of Goldenbase	208	(567)
Others	567	567
Goodwill	18,333	18,333
Carrying amount of the Group's interest in Goldenbase	19,108	18,333

16. INTEREST IN ASSOCIATES/LOAN TO ASSOCIATES (CONT'D)

Joyful Ease and its subsidiaries

	2015	2014
	HK$'000	HK$'000
Current assets	**1,726**	–
Non-current assets	**9,469**	–
Current liabilities	**(11,642)**	–
Net liabilities	**(447)**	–
Group's share of net liabilities of Joyful Ease	**–**	–
Revenue	**–**	–
Loss and total comprehensive expense for the year	**(447)**	–

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

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

	2015	2014
	HK$'000	HK$'000
Net liabilities of Joyful Ease	**(447)**	N/A
Proportion of the Group's ownership interest in Joyful Ease	**49%**	N/A
Carrying amount of the Group's interest in Joyful Ease	**–**	N/A
The unrecognised share of loss of Joyful Ease for the year	**(219)**	–

16. INTEREST IN ASSOCIATES/LOAN TO ASSOCIATES (CONT'D)

In previous years, administrative delay (such as obtaining coal trading license by Goldenbase and its subsidiaries and issuance of tax invoices in Guangdong Province in connection with each coal trade in Qinghai Province) has significantly slowed down the trade cycle of Goldenbase. In order to resolve such delay, the management of Goldenbase has decided to set up a wholly-foreign owned enterprise ("WFOE") and then to obtain a coal trading license in Qinghai Province instead. During the year ended 31 March 2014, following the enactment of the revised law applicable to coal trading, enterprises are no longer required to obtain any coal trading license for operation of coal trading business. Accordingly, the coal trading business of Goldenbase can be resumed upon the establishment of WFOE. The WFOE, Qinghai Wealth Glory, was established during the year ended 31 March 2014 and has commenced its business during the year ended 31 March 2015 after obtaining the ordinary taxpayer qualification.

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

Moreover, the directors of the Company carried out impairment review during the years ended 31 March 2015 and 2014 on the carrying amount of its interest in an associate individually as a single asset by comparing its recoverable amount based on the higher of value in use and fair value less costs of disposal with its carrying amount. In determining the value in use of the investment, the Group, by making reference to a business valuation performed by Roma Appraisals, an independent qualified professional valuer not connected with the Group, estimated the present value of the estimated future cash flows expected to arise from the operations of the associate and from its ultimate disposal, by using discount rate of 14.6% (2014: 17%) to discount the cash flow projections to net present values. No impairment loss was recognised during the year ended 31 March 2015. An impairment loss of HK$35,441,000 was recognised to profit or loss during the year ended 31 March 2014 as a result of the assessment.

17. GOODWILL

	HK$'000
CARRYING VALUES	
At 1 April 2013	–
Acquisition of subsidiaries (note 31)	29,657
At 31 March 2014	29,657
Impairment loss recognised	(29,657)
At 31 March 2015	–

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

During the year ended 31 March 2015, the global market price of iron ore concentrate has been decreased from approximately US$120 per tonne in early April 2014 to approximately US$52 per tonne in late March 2015. The significant decrease in market price and the excessive global supply of iron ore concentrate affected the initiative of potential customers and suppliers in carrying out trades. Also, the Group is unable to sign additional trading contracts in iron ore concentrate, the management considered that there is no future cash flow generated from the CGU of trading of iron ore concentrate and a full impairment on goodwill of HK$29,657,000 (2014: nil) is recognised during the year ended 31 March 2015.

In the opinion of the directors of the Company, the Group will continue to place the best effort to source the trading contracts of iron ore concentrate in the future.

18. INTANGIBLE ASSETS

	Distribution rights in sports cars	Trading contracts in magnetite sand concentrate ("Trading Contracts")	Total
	HK$'000	HK$'000	HK$'000
COST			
At 1 April 2013	–	–	–
Acquisition of subsidiaries (note 31)	–	125,000	125,000
At 31 March 2014	–	125,000	125,000
Purchase	20,000	–	20,000
At 31 March 2015	20,000	125,000	145,000
AMORTISATION AND IMPAIRMENT			
At 1 April 2013	–	–	–
Amortisation	–	12,583	12,583
At 31 March 2014	–	12,583	12,583
Amortisation	1,000	16,482	17,482
Impairment loss recognised	–	95,935	95,935
At 31 March 2015	1,000	125,000	126,000
CARRYING AMOUNTS			
At 31 March 2015	19,000	–	19,000
At 31 March 2014	–	112,417	112,417

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

At the date of acquisition, customer agreement and suppliers' agreements have remaining contract term of 5.32 years. Separate supplementary agreements are signed with customer and suppliers in January 2014 pursuant to which (a) customer and the Group agreed to extend the trading period to 31 December 2019; and (b) suppliers and the Group also agreed to extend the trading period to 31 December 2019.

18. INTANGIBLE ASSETS (CONT'D)

Thus, the remaining amortisation period is then revised to 5.96 years and intangible assets are amortised on a straight-line basis over this new term prospectively from this date based on the carrying amount of intangible assets before revision of amortisation period.

For the purpose of impairment testing of trading contracts during the year ended 31 March 2014, the recoverable amount of trading contracts has been determined based on a value in use calculation on the relevant trading contracts based on the cash flow expected to be derived from these contracts. The calculation uses cash flow projections based on financial budget approved by management covering the remaining contract term and a discount rate of 18%. The financial budget included the terms specified in customer agreement and suppliers' agreements on trading of magnetite sand concentrate. The key assumption of the value in use calculation of trading contracts is based on the budgeted cash inflows/outflows that trading contracts will be earned or expenses incurred through products sold.

During the year ended 31 March 2015, the global market price of iron ore concentrate has been decreased from approximately US$120 per tonne in early April 2014 to approximately US$52 per tonne in late March 2015. Given that the Trading Contracts with suppliers and customer are priced based on a fixed percentage of discount relative to the prevailing market price at the date of the relevant transaction, the decrease in market price of iron ore concentrate affected the initiative of the trading parties in the transaction in particular the terms including in the Trading Contracts were no longer favourable to the suppliers. The suppliers have delayed the supply of iron ore concentrate because the suppliers' cost of mining and production outweigh the selling price as stated in the suppliers' agreements. In February 2015, the suppliers renegotiated the revised trading terms with the Group and accordingly, the Group also renegotiated with the customer in formulating a revised trading term so as to resume the business. No agreement was entered into with customer and suppliers on the revised timetable to resume the trading and selling/purchase price of the iron ore concentrate up to the date of approval for issuance of these consolidated financial statements.

The management takes into consideration of the subsequent iron ore concentrate price and the inability to obtain sufficient information to satisfy itself the ability of the customer and suppliers to resume the trading of iron ore concentrate, management decided to make a full impairment of HK$95,935,000 against the remaining carrying amount of Trading Contracts.

During the year ended 31 March 2015, Bright Billion Holdings Limited ("Bright Billion"), a wholly-owned subsidiary of the Company, signed a distribution agreement with the a supplier, pursuant to which, Bright Billion was appointed as an authorised distributor and granted the rights of distribution, marketing and service of sports car "Gumpert Apollo" at a consideration of HK$20,000,000 in cash. The distribution rights have finite useful lives and are amortised on a straight-line basis over 10 years.

19. INVENTORIES

	2015 HK$'000	2014 HK$'000
Raw materials	**612**	723
Work in progress	**38**	65
Finished goods	**225**	57
	875	845

20. TRADE RECEIVABLES

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

	2015 HK$'000	2014 HK$'000
Packaged food business		
0 – 90 days	**1,746**	1,965
91 – 180 days	**57**	5
	1,803	1,970
Trading of natural resources business		
0 – 30 days	**–**	8,459
	1,803	10,429

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Credit limits attributable to customers are reviewed regularly. Approximately 97% (2014: 98%) of trade receivables that are neither past due nor impaired have strong credit quality. These customers have no default of payment in the past and have good credit rating attributable under the credit review procedures used by the Group, including profitability, liquidity, financial leverage and operational performance quality of the counterparties.

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

Included in the Group's trade receivables are debtors with aggregate carrying amount of approximately HK$57,000 (2014: HK$252,000), which are past due as at the end of reporting period for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances. The average age of these receivables is 105 days (2014: 80 days).

20. TRADE RECEIVABLES (CONT'D)

Ageing of trade receivables which are past due but not impaired

	2015 HK$'000	2014 HK$'000
0 to 90 days	**57**	252

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

21. LOANS RECEIVABLE

	2015 HK$'000	2014 HK$'000
Unsecured fixed-rate loans receivable	**3,801**	–
Secured fixed-rate loans receivable	**17,924**	–
Total	**21,725**	–
Analysed as:		
Non-current	**240**	–
Current	**21,485**	–
Total	**21,725**	–

The exposure of the Group's loans receivable to interest rate risks and their contractual maturity dates are as follows:

	2015 HK$'000	2014 HK$'000
Within one year	**21,485**	–
More than one year, but not exceeding five years	**240**	–
	21,725	–

21. LOANS RECEIVABLE (CONT'D)

The Group seeks to apply strict control over its outstanding loans receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management.

As at 31 March 2015, secured loans receivables are secured by the residential properties pledged.

The loans receivable had contractual maturity dates between six months to a year (except for the one with maturity period of 5 years) as at 31 March 2015. The interest rate for the fixed-rate loans receivable was ranged from 10% to 42% per annum.

No loans receivable was past due at the end of reporting period and the directors of the Company consider that no impairment was necessary. There is no concentration of credit risk on loans receivable as the exposure spread over a number of customers.

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2015	2014
	HK$'000	HK$'000
Non-current assets:		
Refundable deposits paid for acquisition of an entity (note i)	**10,000**	–
Current assets:		
Deposits paid for purchases (note ii)	**32,369**	10,183
Other deposits	**959**	843
Prepayments	**13,310**	3,096
Other receivables	**318**	1,338
	46,956	15,460

Notes:

(i) On 1 August 2014, the Company signed a memorandum of undertaking ("MOU") with an independent third party (the "Vendor") in relation to the possible acquisition of 100% equity interest in Southernpec Singapore Storage and Logistics Limited, which is principally engaged in chartering of vessels in the PRC, Hong Kong, Singapore and the Southeast Asia region. On 9 October 2014, the Company signed a supplemental MOU with the Vendor that the Company agrees to pay HK$10,000,000 in cash to the Vendor as a refundable deposits. The acquisition is not yet completed as at the date of these consolidated financial statements are authorised for issuance which is subject to the negotiation on the terms of the acquisition between the Company and the Vendor and approval from the Stock Exchange and the shareholders of the Company.

(ii) Included in the deposits paid for purchases are amount due from a director of a subsidiary of HK$5,477,000 (2014: nil), because the Group paid deposits for purchases from suppliers through that director of a subsidiary.

23. BANK BALANCES AND CASH

The bank balances receive variable interest at an average rate of 1% (2014: 1%) per annum. Included in the bank balances and cash was an amount of HK$1,653,000 (2014: HK$770,000) denominated in RMB, which is not freely convertible into other currencies.

24. TRADE PAYABLES

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

	2015 HK$'000	2014 HK$'000
0 – 90 days	**1,255**	9,741
91 – 180 days	**29**	58
	1,284	9,799

The credit period ranged from 90 days to 120 days.

25. PROMISSORY NOTE

	HK$'000
At 1 April 2013	–
Issue upon acquisition of subsidiaries	16,627
Interest charged to profit or loss	2,167
At 31 March 2014	18,794
Issue during the year	3,080
Interest charged to profit or loss	4,425
Repayment	(23,000)
At 31 March 2015	3,299

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

The promissory note carries no interest and is repayable on 6 March 2015. The promissory note was initially recognised at fair value of HK$16,627,000 with effective interest rate of 24.225%. The promissory note was subsequently measured at amortised cost. During the year ended 31 March 2015, the Group incurred imputed interest on promissory note of HK$4,206,000 (2014: HK$2,167,000) to profit or loss.

During the year ended 31 March 2015, the Group issued promissory notes with principal amount of HK$3,080,000 to an independent third party. The promissory notes carried fixed interest of 10% per annum and were repayable on 7 July 2015. During the year ended 31 March 2015, the Group incurred interest on these promissory notes of HK$219,000 (2014: nil) to profit or loss.

26. BONDS

	HK$'000
Bonds issued on 6 September 2013	73,136
Bonds issued on 18 September 2013 and 18 October 2013, in aggregate	21,000
Bonds issued on 28 November 2013	6,000
Effective interest expense	11,296
Interest paid	(8,000)
As at 31 March 2014	103,432
Bonds issued on 11 April 2014	3,000
Effective interest expense	15,086
Interest paid	(10,403)
Early repayment	(91,000)
As at 31 March 2015	20,115

	2015	2014
	HK$'000	HK$'000
Analysed by:		
Current	**13,539**	–
Non-current	**6,576**	103,432
	20,115	103,432

On 6 September 2013, the Company issued bonds with principal amount of HK$80,000,000 to an independent third party. According to the terms of the bonds, the maturity date is two years from the issue date. At the maturity date, the Company may elect in its discretion to extend the term for another one year. The bonds carry interest at 20% per annum (the "Initial Interest Rate") during the first 24 months and thereafter at progressive interest rates by an addition of 2% per annum to the Initial Interest Rate for every 3 months in the event of an extension of the maturity date of the bonds. The Company may also redeem part or all of the bonds any time during the repayment term at principal amount and interest accrued up to redemption date. The extension option and early redemption option (collectively the derivative components) are considered not closely related to the host debt component. Both the host debt component and the derivative component, have been valued as at 6 September 2013 on the basis carried out at that date by Roma Appraisals, an independent qualified professional valuer not connected with the Group. In the opinion of the directors, the fair value of derivative components of this bond is insignificant on initial recognition and as at 31 March 2014. At initial recognition, the bonds of HK$73,136,000 is recognised based on fair value of HK$76,473,000 after deducting the transaction cost incurred of HK$3,337,000 resulting with the effective interest rate of the bonds is 25.77% per annum. The Company issued 130,000,000 warrants to the then bondholder together with the bonds issued. Details of the warrants are disclosed in note 30.

26. BONDS (CONT'D)

During the year ended 31 March 2014, the Company also issued unsecured bonds to independent third parties with an aggregate principal amount of HK$31,000,000. The aggregate consideration of these bonds amounted to HK$27,000,000 which has been netted with the fully prepaid interest of HK$4,000,000. The coupon and effective interest rates of these bonds ranged from 5% to 6.594%. The maturity dates of the bonds ranged from 2 years to 7.5 years.

On 11 April 2014, the Company also issued unsecured bonds to an independent third party with an aggregate principal amount of HK$3,000,000. The coupon and effective interest rates of this bond is 10%. The maturity date of this bond is 1 year.

Also, the Company redeemed an unsecured bond with the principal amount of HK$11,000,000 and a secured bond with the principal amount of HK$80,000,000 during the year ended 31 March 2015.

Bonds issued on 6 September 2013 are secured by 39.23% shares of the Company held by four shareholders of the Company and guaranteed by Eminent Along Limited and Ease Chance International Limited, the wholly-owned subsidiaries of the Company. The pledge is released upon repayment. All other bonds are unsecured.

27. BORROWINGS

	2015	2014
	HK$'000	HK$'000
Other borrowings – secured and due over one year but less than two years	**21,061**	–

The borrowings of HK$21,061,000 (2014: nil) are granted by the non-controlling shareholders of a subsidiary of the Company, which bears fixed-rate interests of 12% per annum and repayable in October 2016. The borrowings are secured by the loans receivable of HK$21,424,000 (2014: nil) as at 31 March 2015.

28. DEFERRED TAXATION

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

	Accelerated tax depreciation HK$'000	Intangible assets HK$'000	Total HK$'000
At 31 March 2013	3	–	3
Acquisition of subsidiaries (note 31)	–	20,624	20,624
Credit to profit or loss (note 11)	–	(2,076)	(2,076)
At 31 March 2014	3	18,548	18,551
Credit to profit or loss (note 11)	(3)	(18,548)	(18,551)
At 31 March 2015	–	–	–

At the end of the reporting period, the Group has estimated unused tax losses of approximately HK$66,620,000 (2014: HK$42,453,000) available to offset against future profits. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams. As at 31 March 2015, the unrecognised tax losses of approximately HK$2,016,000, HK$1,990,000, HK$1,351,000, HK$456,000 and HK$499,000 will expire on 31 March 2016, 2017, 2018, 2019 and 2020 respectively. As at 31 March 2014, the unrecognised tax losses of approximately HK$2,463,000, HK$2,016,000, HK$1,990,000, HK$1,351,000 and HK$456,000 will expire on 31 March 2015, 2016, 2017, 2018 and 2019 respectively. Other tax losses may be carried forward indefinitely.

29. SHARE CAPITAL

	Number of shares '000	Share capital HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 April 2013 and 31 March 2014	2,000,000	20,000
Increase in authorised share capital (note a)	2,000,000	20,000
At 31 March 2015	4,000,000	40,000
Issued and fully paid:		
At 31 March 2013	999,248	9,992
Issue of shares upon acquisition of subsidiaries (note b)	193,000	1,930
Issue of shares upon subscription (note c)	111,448	1,115
Issue of shares and unlisted warrants (note d)	45,448	454
At 31 March 2014	1,349,144	13,491
Issue of shares upon exercise of options	14,000	140
Issue of shares upon placing (note e)	774,000	7,740
At 31 March 2015	2,137,144	21,371

Notes:

(a) Pursuant to ordinary resolution of the Company's shareholders passed on 3 September 2014, the Company's authorised share capital was increased from HK$20,000,000 to HK$40,000,000 by the additional 2,000,000,000 authorised number of shares.

(b) On 6 September 2013, the Company issued 193,000,000 ordinary shares of HK$0.1 each as part of the consideration for the acquisition of Digital Rainbow. Details are referred to note 31.

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

(d) On 28 February 2014, the Company entered into subscription agreement with the subscriber, whereby the Company has conditionally agreed to issue and the subscriber has conditionally agreed to subscribe (i) in cash for 45,448,000 shares at the subscription price of HK$0.22 per share; and (ii) for the 38,456,000 warrants conferring the rights to subscribe for an aggregate of 38,456,000 shares at the exercise price of HK$0.26 per share. The subscription was completed on 7 March 2014 and the premium on issue of shares, amounting to HK$6,911,000, net of share issue expenses and fair value of warrant at initial recognition of HK$2,512,000, was credited to the Company's share premium account. Details of the warrants are disclosed in note 30.

(e) On 3 September 2014, 29 September 2014 and 3 December 2014, the Company entered into placing agreements pursuant to which the Company has agreed to allot and issue and the subscribers have agreed to subscribe for 237,000,000 shares, 317,000,000 shares and 220,000,000 shares in cash at the placing price of HK$0.270, HK$0.297 and HK$0.30 per share, respectively. The premium on issue of shares, amounting to approximately HK$207,773,000, net of share issue expenses, was credited to the Company's share premium account.

30. WARRANTS

On 6 September 2013, the Company issued 130,000,000 warrants to the bondholder who subscribed for bonds with principal amount of HK$80,000,000 on the same date as referred to note 26. The warrants are transferable and each warrant carries the right to subscribe for one ordinary share of the Company at HK$0.24 per share at any time with maturity of 3 years from the date of issue. The fair values of the warrants as at the date of issue amounted to HK$3,527,000 were determined by reference to valuations performed by Roma Appraisals, an independent qualified professional valuer not connected with the Group.

On 7 March 2014, the Company issued 38,456,000 warrants to the subscriber of the Company's shares as referred to note 29(d). The warrants are transferable and each warrant carries the right to subscribe for one ordinary share of the Company at HK$0.26 per share at any time with maturity of 1 year from the date of issue. The fair values of these warrants as the date of issue amounted to HK$2,512,000 were determined by reference to valuations performed by Roma Appraisals, an independent professional qualified valuer not connected with the Group.

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

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

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

31. ACQUISITION OF SUBSIDIARIES

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

31. ACQUISITION OF SUBSIDIARIES (CONT'D)

Consideration transferred

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

Details of the promissory note are set out in note 25. As part of the consideration for acquisition of Digital Rainbow, 193,000,000 ordinary shares of the Company with par value of HK$0.01 each were issued. The fair value of the ordinary shares of the Company, determined using the quoted market price available at the date of the acquisition, amounted to approximately HK$32,424,000.

Acquisition-related costs amounting to approximately HK$4,128,000 have been excluded from the consideration transferred and have been recognised as an expense in that period, within the other expenses line item in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2014.

Assets acquired and liabilities recognised at the date of acquisition:

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

Notes:

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

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

31. ACQUISITION OF SUBSIDIARIES (CONT'D)

Goodwill arising on acquisition:

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

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

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

Cash outflow arising on acquisition:

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

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

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

32. LEASE COMMITMENTS

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

	2015	2014
	HK$'000	HK$'000
Within one year	**3,023**	3,050
In the second to fifth year inclusive	**1,023**	2,766
	4,046	5,816

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

33. RETIREMENT BENEFITS SCHEMES

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. Both the Group and the employees contribute a fixed percentage of the relevant payroll to the MPF Scheme. Effective from June 2014, the cap of contribution amount has been changed from HK$1,250 to HK$1,500 per employee per month.

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

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

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

34. SHARE OPTION SCHEMES

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

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

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

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

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

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

34. SHARE OPTION SCHEMES (CONT'D)

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

				Number of options Outstanding								
Name	Date of grant	Exercisable period (note g)	Exercise price per share (HK$)	Outstanding as at 1 April 2013	Granted during the year	Lapsed during the year	Change in directorate	Outstanding as at 31 March 2014	Granted during the year	Lapsed during the year	Exercised during the year (note h)	Outstanding as at 31 March 2015
Ms. Lee Yau Lin, Jenny (note b)	11 July 2011	11 July 2011 to 10 July 2016	0.355	4,000,000	-	-	(4,000,000)	-	-	-	-	-
Ms. Mak Yun Chu (note c)	11 July 2011	11 July 2011 to 10 July 2016	0.355	400,000	-	(400,000)	-	-	-	-	-	-
Mr. Wong Wing Fat (note b)	11 July 2011	11 July 2011 to 10 July 2016	0.355	4,000,000	-	-	(4,000,000)	-	-	-	-	-
Mr. Ho Wai Hung (note a)	11 July 2011	11 July 2011 to 10 July 2016	0.355	400,000	-	(400,000)	-	-	-	-	-	-
Ms. Cheung Kin, Jacqueline (note a)	11 July 2011	11 July 2011 to 10 July 2016	0.355	400,000	-	(400,000)	-	-	-	-	-	-
Mr. Wong Ka Wah, Albert	15 April 2014 (note e)	15 April 2014 to 20 February 2019	0.260	-	-	-	-	-	15,000,000	-	-	15,000,000
Mr. Hong Sze Lung	15 April 2014 (note e)	15 April 2014 to 20 February 2019	0.260	-	-	-	-	-	15,000,000	-	-	15,000,000
Mr. Lau Wan Pui, Joseph	15 April 2014 (note e)	15 April 2014 to 20 February 2019	0.260	-	-	-	-	-	5,000,000	-	(2,000,000)	3,000,000
Mr. Law Chung Lam, Nelson	15 April 2014 (note e)	15 April 2014 to 20 February 2019	0.260	-	-	-	-	-	5,000,000	-	(3,000,000)	2,000,000
Mr. Kwok Yup Lap	15 April 2014 (note e)	15 April 2014 to 20 February 2019	0.260	-	-	-	-	-	2,000,000	-	-	2,000,000
	13 October 2014	13 October 2014 to 12 October 2016	0.370	-	-	-	-	-	2,000,000	-	-	2,000,000
Mr. Chow Chi Fai	15 April 2014 (note e)	15 April 2014 to 20 February 2019	0.260	-	-	-	-	-	1,000,000	-	-	1,000,000
Mr. Leung Ka Tin	13 October 2014	13 October 2014 to 12 October 2016	0.370	-	-	-	-	-	1,000,000	-	-	1,000,000
Mr. Tam Chak Chi	15 April 2014 (note e)	15 April 2014 to 20 February 2019	0.260	-	-	-	-	-	1,000,000	-	(1,000,000)	-
Mr. May Tai Keung, Nicholas (Note d)	15 April 2014 (note e)	15 April 2014 to 20 February 2019	0.260	-	-	-	-	-	1,000,000	-	(1,000,000)	-

34. SHARE OPTION SCHEMES (CONT'D)

Name	Date of grant	Exercisable period (note g)	Exercise price per share (HK$)	Number of options: Outstanding as at 1 April 2013	Granted during the year	Lapsed during the year	Change in directorate	Outstanding as at 31 March 2014	Granted during the year	Lapsed during the year	Exercised during the year (note h)	Outstanding as at 31 March 2015
Employees	11 July 2011	11 July 2011 to 10 July 2016	0.355	24,000,000	-	(22,000,000)	8,000,000	10,000,000	-	-	-	10,000,000
	15 April 2014 (note e)	15 April 2014 to 20 February 2019	0.260	-	-	-	-	-	17,000,000	-	(7,000,000)	10,000,000
	13 October 2014	13 October 2014 to 12 October 2016	0.370	-	-	-	-	-	5,000,000	-	-	5,000,000
Consultants (note f)	11 July 2011	11 July 2011 to 10 July 2016	0.355	10,000,000	-	-	-	10,000,000	-	-	-	10,000,000
	17 February 2014	17 February 2014 to 16 February 2019	0.240	-	39,000,000	-	-	39,000,000	-	-	-	39,000,000
	15 April 2014 (note e)	15 April 2014 to 20 February 2019	0.260	-	-	-	-	-	36,000,000	(1,000,000)	-	35,000,000
	14 July 2014	14 July 2014 to 13 July 2016	0.270	-	-	-	-	-	36,900,000	-	-	36,900,000
	13 October 2014	13 October 2014 to 12 October 2016	0.370	-	-	-	-	-	150,168,000	-	-	150,168,000
				43,200,000	39,000,000	(23,200,000)	-	59,000,000	293,068,000	(1,000,000)	(14,000,000)	337,068,000
Exercisable at the end of the year				43,200,000				59,000,000				337,068,000

Notes:

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

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

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

(d) Mr. May Tai Keung, Nicholas resigned as independent non-executive director of the Company on 31 July 2014.

(e) These share options were conditionally granted to directors of the Company, employees and consultants of the Group. Such grants are subject to the approval of the proposed refreshment by the shareholders at the extraordinary general meeting. The proposed grants were approved by shareholders at the extraordinary general meeting on 15 April 2014.

(f) The Group granted share options to these consultants for the provision of consultancy services rendered by the consultants include, among others, coordination of natural resources trading projects, advice on acquisition and advice on corporate financing. In the opinion of the directors, the fair value of consultancy services rendered by the consultants cannot be reliably measured. Therefore, the fair value of the services received was measured by reference to the fair value of share options granted. On 21 February 2014, the Group proposed to grant an aggregate of 36,000,000 share options to the consultants of the Company for services rendered during the year ended 31 March 2014 which vested immediately and is approved by the shareholders on 15 April 2014 regarding the proposed refreshment of the existing scheme mandate limit under the share option scheme of the Company.

34. SHARE OPTION SCHEMES (CONT'D)

Notes: (cont'd)

(g) These share options are vested immediately upon the grant date. The weighted average closing price of the shares on the date immediately before 17 February 2014, 15 April 2014, 14 July 2014 and 13 October 2014 and the dates on which the options were granted was HK$0.240, HK$0.233, HK$0.270 and HK$0.330 per share, respectively.

(h) The weighted average share price at the exercise date of these share options is HK$0.349 per share.

The fair values of options granted on 13 October 2014, 14 July 2014 and 17 February 2014 determined at using the Binominal model approximately were HK$12,202,000, HK$3,433,000 and HK$3,825,000, respectively. The fair value of options granted and approved by the shareholders on 15 April 2014 was HK$11,575,000.

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

	13.10.2014	14.7.2014	15.4.2014 (note i)	15.4.2014 (note ii)	17.2.2014
Grant date share price	HK$0.330	HK$0.270	HK$0.33	HK$0.233	HK$0.233
Exercise price	HK$0.370	HK$0.270	HK$0.26	HK$0.26	HK$0.24
Option life	2 years	2 years	5 years	5 years	5 years
Expected volatility (note iii)	67.217%	64.832%	65.057%	63.359%	63.359%
Dividend yield	–	–	–	–	–
Risk-free interest rate (note iv)	0.565%	0.291%	1.239%	1.295%	1.239%

Notes:

(i) The assumptions were used to calculate the estimated fair values of 62,000,000 share options amounting to HK$8,045,000 proposed to be granted to directors and employees. The grant date is established upon the approval of shareholders on the refreshment of the existing scheme mandate limit on 15 April 2014. The fair values based on the established grant date has no difference as previous estimated.

(ii) The assumptions were used to calculate the fair values of 36,000,000 share options amounting to HK$3,530,000 granted to consultants.

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

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

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

During the year ended 31 March 2015, an amount of share-based payment expenses in respect of the Company's share options of HK$15,635,000 (2014: HK$15,400,000) has been recognised in the consolidated statement of profit or loss and other comprehensive income with a corresponding adjustment recognised in the Group's share-based payment reserve.

35. RELATED PARTY TRANSACTIONS

(a) Apart from the loans to associates and borrowings as disclosed in notes 16 and 27, respectively, during the year, the Group has entered into followings transactions between related parties:

	2015	2014
	HK$'000	HK$'000
Loan interest income from an associate	**500**	401
Consultancy expenses paid to a related party	**180**	180
Finance cost payable to non-controlling shareholders of a subsidiary	**1,061**	–

Among the four shareholders of the Company securing its shares of the Company on the bonds with the principal amount of HK$80,000,000 issued on 6 September 2014, one shareholder with 30.71% interest in the Company has significant influence to the Company.

(b) Compensation of key management personnel

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

36. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of debt, which includes promissory note, bonds and borrowings disclosed in notes 25, 26 and 27, respectively, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued capital and reserves.

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

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

37. EVENTS AFTER THE REPORTING PERIOD

On 22 May 2015, the Company proposed to an open offer of not more than 1,383,106,000 offer shares at the subscription price of HK$0.175 per offer Share on the basis of one offer share for every two existing shares. The open offer is not yet completed at the date of approval for issuance of these consolidated financial statements.

On 23 June 2015, the Company entered into a sale and purchase agreement with four independent third parties pursuant to which the Company agreed to purchase an aggregate of 51.0% equity interest in Perfect Worth Investments Limited at a consideration of HK$204 million. The consideration will be settled by the allotment of 816,000,000 new shares of the Company. Perfect Worth Investments Limited and its subsidiaries are principally engaged in the business of online distribution of footwear in the PRC. The acquisition is not yet completed at the date of approval for issuance of these consolidated financial statements.

38. PARTICULARS OF SUBSIDIARIES

Particulars of the subsidiaries of the Company at 31 March 2015 and 31 March 2014.

Name of subsidiary	Place of incorporation/ registration	Paid up issued/ registered share capital	Effective percentage of issued share capital/registered capital held by the Company		Principal activities
			2015	2014	
			%	%	
Billion Revenue Holdings Limited	The British Virgin Islands (the "BVI")	US$1 ordinary	100	100	Investment holding
Bliss Castle Investment Limited	BVI	US$1 ordinary	100	100	Investment holding
Chance Winning Limited	BVI	US$50,000 ordinary	100	100	Investment holding
Digital Rainbow	BVI	US$10,000 ordinary	100	100	Investment holding
Eminent Along Limited	BVI	US$100 ordinary	100	100	Investment holding
Silver Summit Investment	BVI	US$100 ordinary	100	100	Investment holding
Speedy Track Inc.	BVI	US$1 ordinary	100	N/A	Not yet commenced business
Angel Fund Company Limited	Hong Kong	HK$1,000,000 ordinary	60	75	Money lender
Bright Billion	Hong Kong	HK$1 ordinary	100	100	Vehicle distribution
Ease Chance International Limited	Hong Kong	HK$10,000 ordinary	100	100	Iron ore concentrate trading
Grand Charm Commodities Company Limited	Hong Kong	HK$1,000 ordinary	100	100	Palm oil trading

38. PARTICULARS OF SUBSIDIARIES (CONT'D)

Name of subsidiary	Place of incorporation/ registration	Paid up issued/ registered share capital	Effective percentage of issued share capital/registered capital held by the Company		Principal activities
			2015	2014	
			%	%	
Liu Nik International Trading Limited	Hong Kong	HK$10,000 ordinary	70	70	Trading
Pacific Asset International Limited	Hong Kong	HK$10,000 ordinary	100	100	Investment holding
Success Link Trading Limited	Hong Kong	HK$2 ordinary	100	100	Sales of foods packed
Wealth Glory Global Trading Limited	Hong Kong	HK$1,000,000 ordinary	100	100	Inactive
Paraburdoo Limited	BVI	US$30,000 ordinary	100	100	Investment holding
Greenfortune Limited	Macau	MOP1,000,000 ordinary	100	100	Wholesales of packed foods
Shui Ye (Shanghai) Foods Limited*	The PRC	US$2,000000 ordinary	100	100	Manufactory and sales of packed foods

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

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

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

Statement of Financial Position of the Company

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

	2015	2014
	HK$'000	HK$'000
Property, plant and equipment	**654**	885
Investments in subsidiaries	**3,763**	7,046
Prepayments, deposits and other receivables	**23,475**	4,474
Amounts due from subsidiaries	**105,377**	165,566
Loans to associates	**14,435**	5,000
Loans receivable	**3,609**	–
Bank deposits balances and cash	**4,506**	16,156
Accruals and other payables	**(3,567)**	(2,516)
Bonds	**(20,115)**	(103,432)
Promissory note	**(3,299)**	(18,794)
Net assets	**128,838**	74,385
Share capital	**21,371**	13,491
Reserves	**107,467**	60,894
Total equity	**128,838**	74,385

Statement of Financial Position of the Company

	Share premium HK$'000	Warrants reserve HK$'000	Share-based payment reserve HK$'000	Contribution surplus HK$'000	Retained profits (accumulated losses) HK$'000	Total HK$'000
At 1 April 2013	112,660	–	4,132	17,065	3,953	137,810
Loss and total comprehensive expense for the year	–	–	–	–	(154,209)	(154,209)
Issue of shares upon acquisition of subsidiaries	30,494	–	–	–	–	30,494
Issued of shares upon subscription	18,885	–	–	–	–	18,885
Issued of shares and warrants	7,032	2,512	–	–	–	9,544
Shares issues expenses	(557)	–	–	–	–	(557)
Issue of warrants upon placing of bonds	–	3,527	–	–	–	3,527
Transfer upon lapse of share options	–	–	(2,219)	–	2,219	–
Recognition of equity-settled share-based payments	–	–	15,400	–	–	15,400
At 31 March 2014	168,514	6,039	17,313	17,065	(148,037)	60,894
Loss and total comprehensive expense for the year	–	–	–	–	(180,335)	(180,335)
Issued of shares upon placing	216,399	–	–	–	–	216,399
Issued of shares upon exercise of options	3,500	–	–	–	–	3,500
Shares issues expenses	(8,626)	–	–	–	–	(8,626)
Transfer upon exercise of share options	1,777	–	(1,777)	–	–	–
Transfer upon lapse of share options	–	–	(98)	–	98	–
Recognition of equity-settled share-based payments	–	–	15,635	–	–	15,635
Transfer upon lapse of warrants	–	(2,512)	–	–	2,512	–
At 31 March 2015	381,564	3,527	31,073	17,065	(325,762)	107,467

Financial Summary

RESULTS

	For the year ended 31 March				
	2015	2014	2013	2012	2011
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**277,294**	316,634	48,292	104,434	125,117
(Loss) profit attributable to owners of the Company	**(202,603)**	(159,407)	(13,872)	7,728	25,020

ASSETS AND LIABILITIES

	At 31 March				
	2015	2014	2013	2012	2011
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Total assets	153,288	223,951	152,199	115,238	72,692
Total liabilities	(52,526)	(154,888)	(4,545)	(10,462)	(10,461)
Total equity	100,762	69,063	147,654	104,776	62,231