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

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8098

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

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

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

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DIRECTORS

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

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

Independent Non-executive Directors
Mr. Au-Yeung Tai Hong Rorce
Mr. Chiu Wai Keung
Mr. Poon Wing Chuen

AUTHORISED REPRESENTATIVES

Mr. Lau Kin Hon
Mr. Yeung Ming Kong Kenneth

AUDIT COMMITTEE MEMBERS

Mr. Poon Wing Chuen *(Chairman)*
Mr. Au-Yeung Tai Hong Rorce
Mr. Chiu Wai Keung

NOMINATION COMMITTEE MEMBERS

Mr. Chiu Wai Keung *(Chairman)*
Mr. Kwok Kin Chung
Mr. Poon Wing Chuen

REMUNERATION COMMITTEE MEMBERS

Mr. Au-Yeung Tai Hong Rorce *(Chairman)*
Mr. Lau Kin Hon
Mr. Poon Wing Chuen

COMPLIANCE OFFICER

Lau Kin Hon, *Practicing solicitor in Hong Kong*

COMPANY SECRETARY

Yeung Ming Kong Kenneth *FCCA, CPA*

AUDITOR

HLM CPA Limited
Certified Public Accountants

REGISTERED OFFICE

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

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

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKERS

Bank of Communications
China Construction Bank (Asia)
Dah Sing Bank Limited
Hang Seng Bank
HSBC
Standard Chartered Bank

STOCK CODE

8098

WEBSITE OF THE COMPANY

www.cheongleesec.com.hk

CHAIRMAN'S STATEMENT

Dear Shareholders,

I am pleased to present to all shareholders the annual results of CL Group (Holdings) Limited (the "Company", with its subsidiaries, the "Group") for the year of 2014/15.

In 2014, the global economic recovery remained on track and major overseas stock markets had solid performances. In November 2014, the Shanghai-HK Stock Connect program was launched to provide mutual trading access between Shanghai and Hong Kong stock markets. Investors can trade eligible shares listed on the Shanghai and Hong Kong exchanges. The Hang Seng Index responded positively from the China Securities Regulatory Commission approval for securities investment funds to invest in H-shares on Hong Kong exchange via the Shanghai-HK Stock Connect program in late March 2015.

The Group recorded total revenues and investment income of approximately HK$59.5 million, representing an increase of approximately 6.7% as compared with the financial year of 2013/14. Profit attributable to the Owners of the Company in financial year 2014/15 amounted to approximately HK$22.7 million.

The Group's subsidiary entered into an long-term agreement to acquire the income rights of the photovoltaic power plant located in the People's Republic of China (the "PRC") in November 2014. The Group shall receive a fixed income for the forthcoming 20 years. As such, the asset class of the Group investment portfolio has been improved by such new class of investment. As at 31 March 2015, the value of Group investment portfolio was approximately HK$49.1 million (2014: approximately HK$25.2 million).

Our diversified revenue streams encompass both interest income (accounting for 53.5% of turnover) and non-interest income in the form of commissions, fees and other revenue. Despite the uncertainties over economic growth, the Group is continuously focusing its efforts to expand its business by broadening the customer base and strengthening our trading platform. In addition to delivering sustained profitability, the Group is committed to balanced growth and reaching out to the community to fulfill social responsibilities.

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

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

On behalf of the Board

Alexis Ventouras
Chairman

Hong Kong, 23 June 2015

MARKET REVIEW

In 2014, the Hong Kong market rose slightly on solid Mainland economic data, despite the other major stock markets around the world rose their record high. The market was less volatile and short-selling activity rose during 2014. The market worries an early exit of the quantitative easing programme in the US and the Mainland economic outlook.

As at 31 March 2015, the Hang Seng Index recorded as 24,901 representing approximately 12.4% increase as compared with 22,151 as at 31 March 2014.

The total value of transaction of the Hong Kong stock market for the year ended 31 March 2015 increased by approximately 26.4% as compared with the year ended 31 March 2014. The average daily value of transaction was approximately HK$73.5 billion.

BUSINESS REVIEW

Turnover

The Group's total turnover and investment income for the year was approximately HK$59.5 million, as compared with 2014 of approximately HK$55.7 million, increased by approximately 6.7% or approximately HK$3.8 million. The breakdown of turnover and investment income by business activities of the Group is set out below:

	Year ended 31 March				Increase/
	2015		2014		**(decrease)**
	HK$	**%**	*HK$*	%	**%**
Turnover					
Commission and brokerage fee from securities dealings	**7,760,680**	**15.3%**	5,525,824	12.1%	40.4%
Placing and underwriting commission	**8,658,621**	**17.1%**	9,381,944	20.5%	(7.7%)
Commission and brokerage fee from dealing in futures contracts	**51,934**	**0.1%**	60,084	0.1%	(13.6%)
Commission from securities advisory services	**1,000,000**	**2.0%**	–	0.0%	100.0%
Other service income	**29,695**	**0.1%**	435,955	1.0%	(93.2%)
Clearing and settlement fee	**2,447,805**	**4.8%**	1,204,179	2.6%	103.3%
Handling service and dividend collection fees	**2,518,423**	**5.0%**	448,862	1.0%	461.1%
Interest income					
from clients (including margin clients)	**26,534,871**	**52.5%**	28,107,240	61.5%	(5.6%)
from authorised financial institutions	**186,004**	**0.4%**	95,501	0.2%	94.8%
from others	**340,822**	**0.7%**	480,000	1.0%	(29.0%)
Income derived from income right and film right	**1,044,692**	**2.0%**	–	0.0%	100.0%
	50,573,547	**100.0%**	45,739,589	100.0%	10.6%
Gain on trading of financial assets at fair value through profit or loss	**3,066,816**	**34.5%**	5,284,385	53.0%	(42.0%)
Net changes in fair value of financial assets at fair value through profit or loss	**5,820,384**	**65.5%**	4,677,645	47.0%	24.4%
	8,887,200	**100.0%**	9,962,030	100.0%	(10.8%)
	59,460,747		55,701,619		6.7%

Securities and Futures Brokerage

Revenue from Securities and Futures Brokerage represent commission and brokerage fee and other fees including interest derived from cash and margin securities or futures accounts and interest from IPO financing.

The commission and brokerage fee from securities dealings increased by approximately 40.4% from approximately HK$5.5 million for the year ended 31 March 2014 to approximately HK$7.8 million for the year ended 31 March 2015. The total value of transaction increased by approximately 100.4% from approximately HK$57,765.4 million for the year ended 31 March 2014 to approximately HK$115,779.3 million for the year ended 31 March 2015.

The total value of transactions for securities dealings carried out by the Group for the year ended 31 March 2015 increased as compared with 2014. As a result, income relating to clearing and settlement fee also increased by approximately 103.3% from approximately HK$1.2 million for the year ended 31 March 2014 to approximately HK$2.5 million for the year ended 31 March 2015.

The commission and brokerage fee from dealing in futures contracts decreased by approximately 13.6% from HK$60,084 for the year ended 31 March 2014 to HK$51,934 for the year ended 31 March 2015.

The interest income derived from cash and margin securities accounts for the year ended 31 March 2015 was approximately HK$15.3 million represents an increase of approximately 95.6% from that of the year ended 31 March 2014 amounting approximately HK$7.8 million.

The other service income decreased by approximately 93.2% from HK$435,955 for the year ended 31 March 2014 to HK$29,695 for the year ended 31 March 2015.

Loan and Financing

The Group holds Money Lenders Licence to engage in money lending business for providing loan and financing to customers. During the reporting period, CLC Finance Limited, the Company's wholly-owned subsidiary, provides loan and financing service to customers. The interest income derived from providing loan and finance to customers for the year ended 31 March 2015 was approximately HK$11.3 million (2014: approximately HK$15.6 million).

Securities Advisory Service

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

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

Commission income from securities advisory service increased from no income for the year ended 31 March 2014 to HK$1 million for the year ended 31 March 2015.

Placing and Underwriting Business

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

During the year ended 31 March 2015, the placing and underwriting commission decreased by approximately 7.7% from approximately HK$9.4 million for the year ended 31 March 2014 to approximately HK$8.7 million for the year ended 31 March 2015 due to increase in fund raising activities in Hong Kong.

Investment Holding

The Group maintained a portfolio investments included the holding of listed equity securities, bonds, income right and film right. During the year under review, the Group acquired an income right of the photovoltaic power plant at the rooftop of a factory located at Hunan Province, the PRC in November 2014. The total value of the Group investment portfolio was increased to approximately HK$49.1 million from last year of approximately HK$25.2 million. As at 31 March 2015, the value of portfolio of listed securities was approximately HK$19.4 million (2014: approximately HK$17.0 million). This business segment has recorded a profit of approximately HK$7.7 million (2014: approximately HK$9.2 million) including gain on trading of financial assets at fair value through profit or loss of approximately HK$3.1 million and net changes in fair value of financial assets at fair value through profit of loss of approximately HK$5.8 million (2014: approximately HK$5.3 million and approximately HK$4.7 million respectively).

Administrative Expenses

During the year ended 31 March 2015, the administrative expenses increased by approximately 21.2% from approximately HK$26.3 million for the year ended 31 March 2014 to approximately HK$31.9 million for the year ended 31 March 2015.

Due to the total value of transaction increased by approximately 100.4% from approximately HK$57,765.4 million for the year ended 31 March 2014 to approximately HK$115,779.3 million for the year ended 31 March 2015, the related expenses such as CCASS charges was increased by approximately 91.5% from HK$1.4 million for the year ended 31 March 2014 to approximately HK$2.6 million for the year ended 31 March 2015.

Staff cost excluding the effects of fair value provision for share options were approximately HK$6.6 million for the year ended 31 March 2015 as compared to approximately HK$6.6 million for the year ended 31 March 2014.

Liquidity, Financial Resources and Capital Structure

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

The Group maintained a strong financial position, with pledged bank deposit and bank balance and cash in general accounts amounting to approximately HK$42.2 million as at 31 March 2015. This represented a decrease of approximately 9.6% as compared with the position as at 31 March 2014 of approximately HK$46.7 million. Most of the Group's cash and bank balances in general accounts were denominated in HK dollars.

The net current assets of the Group decreased from approximately HK$218.4 million as at 31 March 2014 to approximately HK$203.3 million as at 31 March 2015 which represents a decrease of approximately 6.9%. The current ratio of the Group as at 31 March 2015 was approximately 4.1 times (2014: approximately 5.3 times).

The Group had no secured loans (2014: HK$10,000,000).

The gearing ratio is calculated as total indebtedness divided by total capital. Total indebtedness is total bank borrowings (including current and non-current bank borrowings). Total capital is calculated as "equity", as shown in the consolidated statement of financial position. At the end of the reporting period, the Group has no bank borrowings and, accordingly, the gearing ratio is nil. (2014: 4.5%)

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

Charge on Group Assets and Guarantee

As at 31 March 2015, certain bank deposits of the Group's subsidiaries in the aggregate amount of HK$10 million were pledged and corporate guarantee from the Company for securing overdraft and revolving loan facilities amounted to HK$35 million (2014: HK$35 million) issued by the banks to Cheong Lee. As at 31 March 2015, included in the banking facilities granted by the banks, none of the amount has been utilised.

Contingent liabilities

As at 31 March 2015, the Group had no material contingent liabilities.

Capital commitments

As at 31 March 2015, the Group had no capital commitments.

Staff and remuneration policies

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

Total staff costs (including directors' emoluments) were approximately HK$6.6 million for the year ended 31 March 2015 as compared to approximately HK$6.6 million for the year ended 31 March 2014.

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

Future plans for material investments or capital assets
As at 31 March 2015, the Group had no plans for material investments or acquisition of capital assets, but will actively pursue opportunities for investments to enhance the profitability of the Group in its ordinary course of business.

Material Acquisitions of subsidiaries and affiliated companies
The Group has not made any material acquisitions and disposal of subsidiaries and associated companies. As at 31 March 2015 and up to the date of this annual report, the Group did not hold any significant investment.

Significant Investment
As at 31 March 2015, there was no significant investment held by the Group.

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

RISK MANAGEMENT CREDIT RISK

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

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

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

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

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

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

Liquidity Risk

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

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

Foreign Exchange Risk

Certain assets of the Group's business are denominated in foreign currencies which expose the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

OUTLOOK

With the recent economic growth in the PRC and US is slowdown, the US Federal Reserve delayed the first interest rate rise to end of 2015 and the PRC government's continued economic opening up strategy, the Hong Kong stock market will be affected by such uncertainties. The Group will leverage the knowledge and experience of our management team to seize opportunities as they arise. The Group will continue to grow its brokerage business and placing and underwriting business by broadening clients base and by strengthening our trading platform. The Group will continue to put efforts on expanding the margin and loan financing business and securities advisory service and on satisfying the needs of our customers.

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

Pursuant to Rule 18.44 of the GEM Listing Rules, the Board is pleased to present this corporate governance report for the year ended 31 March 2015. This report highlights the key corporate governance practices of the Company.

CORPORATE GOVERNANCE PRACTICES

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

Throughout the financial year ended 31 March 2015, the Company has complied with all the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 15 of the GEM Listing Rules, save and except for code provision A.6.7 and E.1.2 which deviations are explained in the relevant paragraphs in this Report.

CORPORATE GOVERNANCE STRUCTURE

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

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the code of conduct for securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had made specific enquiry to all the Directors and the Directors have confirmed compliance with this code of conduct throughout the financial year ended 31 March 2015. No incident of non-compliance was noted by the Company during this period.

BOARD OF DIRECTORS

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

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

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

Independent non-executive Directors
Mr. Au-Yeung Tai Hong Rorce
Mr. Chiu Wai Keung
Mr. Poon Wing Chuen

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

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

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

Generally, the responsibilities of the Board include:

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

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

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

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

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

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

DIRECTORS' ATTENDANCE RECORD AT MEETINGS

The Board meets regularly over the Company's affairs and operations. Details of the attendance of each member of the Board at the meetings of the Board and the general meetings during the year ended 31 March 2015 are as follows:

	Attendance/Number of meetings		
Name of Directors	**Regular Board meetings**	**Additional Board meetings**	**General Meetings**
Non-Executive Director			
Mr. Alexis Ventouras *(Chairman)*	4/4	8/11	1/1
Executive Directors			
Mr. Kwok Kin Chung *(Chief Executive Officer)*	4/4	11/11	1/1
Mr. Lau Kin Hon	4/4	11/11	1/1
Ms. Yu Linda	4/4	11/11	1/1
Independent non-executive Directors			
Mr. Au-Yeung Tai Hong Rorce	4/4	6/11	1/1
Mr. Chiu Wai Keung	4/4	5/11	0/1
Mr. Poon Wing Chuen (appointed on 30 June 2014)	3/4	2/11	1/1
Ms. Choy Wing Man (resigned on 30 June 2014)	1/4	1/11	0/1

During the year under review, Ms. Choy Wing Man resigned as independent non-executive director, Mr. Poon Wing Chuen appointed as independent non-executive to fill up the causal vacancy, both and effect from 30 June 2014.

Pursuant to code provision A.6.7 and E.1.2 of the CG Code that independent non-executive directors and the chairman of the board should attend general meetings. The independent non-executive Directors of the Company, Mr. Chiu Wai Keung did not attend the general meeting of the Company due to his business arrangement.

TRAINING AND SUPPORT OF DIRECTORS

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

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

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

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

NON-EXECUTIVE DIRECTORS

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

REMUNERATION COMMITTEE

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

During the year under review, Ms. Choy Wing Man resigned as member of Remuneration Committee, Mr. Poon Wing Chuen was appointed to fill up the causal vacancy from the resignation of Ms. Choy Wing Man.

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

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

For the year ended 31 March 2015, the Remuneration Committee held 2 meetings to review and discuss remuneration matters of the Group. The individual attendance of the Committee members is set out below:

Name of committee member	Number of meetings held	Number of meetings attended
Mr. Au-Yeung Tai Hong Rorce *(Chairman)*	2	2
Mr. Lau Kin Hon	2	2
Mr. Poon Wing Chuen (appointed on 30 June 2014)	2	1
Ms. Choy Wing Man (resigned on 30 June 2014)	2	0

NOMINATION COMMITTEE

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

During the year under review, Ms. Choy Wing Man resigned as member of Nomination Committee, Mr. Poon Wing Chuen was appointed to fill up the causal vacancy from the resignation of Ms. Choy Wing Man.

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

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

For the year ended 31 March 2015, the Nomination Committee held 2 meetings to review and discuss nomination matters of the Group. The individual attendance of the Committee members is set out below:

Name of committee member	**Number of meetings held**	**Number of meetings attended**
Mr. Chiu Wai Keung *(Chairman)*	2	2
Mr. Kwok Kin Chung	2	1
Mr. Poon Wing Chuen (appointed on 30 June 2014)	2	1
Ms. Choy Wing Man (resigned on 30 June 2014)	2	0

AUDIT COMMITTEE

The Company has established an Audit Committee on 21 February 2011 with written terms of reference that set out the authorities and duties of the Audit Committee adopted by the Board.

During the year under review, Ms. Choy Wing Man resigned as the Chairman of the Audit Committee, Mr. Poon Wing Chuen was appointed to fill up the causal vacancy from the resignation of Ms. Choy Wing Man.

The audit committee comprises the three independent non-executive Directors and headed by Mr. Poon Wing Chuen who has appropriate professional qualifications and experience in financial matters. The terms of reference of the Audit Committee are aligned with the provisions set out in the CG Code. The audit committee performs, amongst others, the following functions:

- Consider and recommend to the Board the appointment, re-appointment and removal of the external auditor, to approve the remuneration and terms of engagement of the external auditor and address any questions of resignation or dismissal of such auditor;

- ensure that co-operation is given by the Company's management to the external auditors where applicable;

- review the Group's quarterly, half yearly and annual results announcements and the financial statements prior to their recommendations to the Board for approval;

- review the Group's financial reporting process and internal control system; and

- review of transactions with interested persons.

For the year ended 31 March 2015, the Committee met on 4 occasions and up to the date of this annual report, the Audit Committee has reviewed the consolidated financial statements, including the accounting principles and practices adopted by the Group, which was of the opinion that such reports were prepared in accordance with the applicable accounting standards and requirements. The Audit Committee has also discussed with the Group's independent auditor and considers the system of the internal control of the Group to be effective and that the Group had adopted the necessary control mechanisms to its financial, operational, statutory compliance and risk management functions. The individual attendance of the Committee members is set out below:

Name of committee member	**Number of meetings held**	**Number of meetings attended**
Mr. Poon Wing Chuen *(Chairman)* (appointed on 30 June 2014)	4	4
Mr. Au Yeung Tai Hong Rorce	4	4
Mr. Chiu Wai Keung	4	4
Ms. Choy Wing Man (resigned on 30 June 2014)	4	1

AUDITOR'S REMUNERATION

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

For the financial year ended 31 March 2015, the remuneration paid/payable to the auditor of the Group is set out as follows:

Services rendered	**Paid/payable** *HK$*
Statutory audit services	480,000

INTERNAL CONTROLS

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

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

INTERNAL AUDIT

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

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

DIRECTORS AND OFFICERS INSURANCE

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

DIRECTORS RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

COMPANY SECRETARY

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

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

INVESTORS RELATIONS

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

SHAREHOLDERS' RIGHTS

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

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

NON-EXECUTIVE DIRECTOR

Mr. Alexis Ventouras, aged 48, is the Chairman and Non-executive Director of the Company. Mr. Ventouras was appointed as the Chairman and Executive Director of the Company in February 2012, he was redesignated as the Chairman and Non-executive Director of the Company in December 2012. Mr. Ventouras obtained a Bachelor degree in Economics from University of British Columbia, Vancouver, Canada. He is responsible for providing leadership to the Board of Directors and making contribution to strategic business planning. Mr. Ventouras has over 20 years' experience in the financial industry.

EXECUTIVE DIRECTORS

Mr. KWOK Kin Chung, aged 40, is the Chief Executive Officer and Executive Director of the Company. He also holds directorship in certain subsidiaries, Mr. Kwok obtained a Master degree in Finance in 2006 from Curtin University of Technology of Australia and a professional diploma in Corporate Finance from The Hong Kong Management Association. Mr. Kwok is responsible for managing daily operations and supervising dealing staff. He joined the Group in July 2010. Mr. Kwok has over 15 years of experience in securities and derivatives dealing.

Mr. LAU Kin Hon, aged 47, is an Executive Director of the Company. He also holds directorship in certain subsidiaries. Mr. Lau is a practicing solicitor in Hong Kong. Mr. Lau obtained a bachelor of laws degree with honours from University College, London, U.K.. and has been practicing law in Hong Kong for over 20 years. Mr. Lau is responsible for managing the compliance function of the Group and the provision of advice to the Group on legal and regulatory compliance matters. He joined the Group in January 2008. He is currently a Non-executive Director of Lisi Group (Holdings) Limited (stock code: 526) and Independent Non-executive Director of Mingfa Group (International) Company Limited (stock code: 846) and was a Non-executive Director of Evershine Group Holdings Limited (Formerly known as "TLT Lottotainment Group Limited") (stock code: 8022) from 4 March 2013 to 2 October 2013, all of which are listed on the Stock Exchange.

Ms. YU Linda, aged 42, is an Executive Director of the Company. She also holds directorship in certain subsidiaries. Ms. Yu is responsible for the Company's business development, marketing, maintenance of clients' relations and such other matters as the Board shall from time to time direct. She joined the Group in October 2007. Ms. Yu has over 15 years of experience in the securities industry.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. AU-YEUNG Tai Hong Rorce, aged 57, is an Independent Non-executive Director appointed on 21 February 2011. He obtained a Bachelor's Degree in Science (Business Administration (Accounting)) from San Jose State University and a Juris Doctor from Santa Clara University of the United States of America. Mr. Au-Yeung was admitted as an attorney and counselor at law of the State Bar of California on 11 December 1989. He is currently the Chief Executive Officer of Nova Solar Limited.

Mr. CHIU Wai Keung, aged 55, is an Independent Non-executive Director appointed on 15 August 2011. He obtained a Higher Certificate of Electronic Engineering from The Hong Kong Polytechnic University. Mr. Chiu currently is the General Manager of a medical science and technology company in the PRC.

Mr. POON Wing Chuen, aged 49, is an Independent Non-executive Director appointed on 30 June 2014. He is currently the Chief Financial Officer of a real estate development company listed on the Stock Exchange. Mr. Poon has over 25 years of experience in accounting and financial management. Mr. Poon obtained a professional diploma in accountancy from City University of Hong Kong. He is a fellow member of Association of Chartered Certified Accountants. In the three years preceding the Latest Practicable Date, Mr. Poon did not hold any directorship in any other listed companies.

REPORT OF DIRECTORS

The Directors of the Company ("Directors") submit herewith their annual report together with the audited consolidated financial statements for the year ended 31 March 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are set out in Note 39 to the consolidated financial statements. There were no significant changes in nature of Group's principal activities during the year.

SEGMENT INFORMATION

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

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2015 and the state of the affairs of the Group at that date are set out in the consolidated financial statements on pages 32 to 98.

The Directors proposed to declare a final dividend of HK2.0 cents per ordinary share for the year ended 31 March 2015, which will be subject to approval by our Shareholders at the forthcoming annual general meeting ("AGM") of our Company to be held on 3 August 2015. If approved, the proposed final dividend will be paid to our Shareholders on or before 14 August 2015.

PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries of the Company as at 31 March 2015 are set out in Note 39 to the consolidated financial statements.

PLANT AND EQUIPMENT

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

BORROWINGS

Particulars of bank loans of the Group and the Company are set out is Note 28 to the consolidated financial statements.

RESERVES

Movements in the reserves of the Group and of the Company during the year are set out in consolidated statement of changes in equity on page 35 and Note 31 to the consolidated financial statements respectively.

DISTRIBUTABLE RESERVES

At 31 March 2015, the Company's reserve available for distribution, calculated in accordance with the Companies Law of Cayman Islands, amounted to approximately HK$182.9 million. This includes the Company's share premium in the amount of approximately HK$142.0 million at 31 March 2015, which may be distributable provided that immediately follow the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

DONATION

The Group's charitable and other donations during the year amounted to HK$106,000 (2014: HK$166,793). No donations were made to political parties.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year, together with reasons therefore, are set out in Note 30 to the consolidated financial statements.

SUMMARY OF FINANCIAL INFORMATION

A summary of the results and of the assets and liabilities of the Group for last five financial years is set out on page 99.

MAJOR CUSTOMERS AND SUPPLIERS

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

– the largest customer	8.61%
– five largest customers combined	29.14%

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

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

DIRECTORS

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

Mr. Alexis Ventouras *(Chairman)*
Mr. Kwok Kin Chung *(Chief Executive Officer)*
Mr. Lau Kin Hon
Ms. Yu Linda
Mr. Au Yeung Tai Hong Rorce*
Mr. Chiu Wai Keung*
Mr. Poon Wing Chuen* (appointed on 30.6.2014)
Ms. Choy Wing Man* (resigned on 30.6.2014)

* *Independent Non-executive Director*

In accordance with the provisions of the Company's Articles of Association and to comply with the Corporate Governance Code as set out in Appendix 15 of the GEM Listing Rules, Mr. Kwok Kin Chung, Mr. Lau Kin Hon and Ms. Yu Linda will retire at the forthcoming AGM by rotation and, being eligible, offer themselves for re-election.

BIOGRAPHICAL DETAILS OF DIRECTORS

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

CHANGE IN INFORMATION OF DIRECTOR

There is no change in the information of Director since the publication of the 2014 Annual Report pursuant to the Rule 17.50B of the GEM Listing Rules.

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

As at 31 March 2015, save for the interest of the directors in share options as below, neither of the Directors nor the Chief Executive of the Company had interests and short positions in the shares of the Company ("Shares"), underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) ("SFO") which (i) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) were recorded in the register required to be kept under Section 352 of the SFO, or (iii) have to be notified to the Company and the Stock Exchange pursuant to the required standards of dealing by directors as referred to in Rule 5.46 of the GEM Listing Rules.

LONG POSITION IN SHARES, UNDERLYING SHARES OF THE COMPANY

Share Option

As at 31 March 2015, details of the share options granted under the Share Option Scheme are as follows:

					Changes during the period			
Grantees	Date of Grant (dd/mm/yyyy)	Exercise price per share HK$	Exercisable period (dd/mm/yyyy)	Balance as at 1 April 2014	Granted	Exercised	Cancelled/ lapsed	Balance as at 31 March 2015
Kwok Kin Chung, Executive Director	09/04/2014	0.455	09/04/2014–08/04/2023	–	10,000,000	–	–	10,000,000
Yu Linda, Executive Director	09/04/2014	0.455	09/04/2014–08/04/2023	–	10,000,000	–	–	10,000,000
Lau Kin Hon, Executive Director	09/04/2014	0.455	09/04/2014–08/04/2023	–	10,000,000	–	–	10,000,000
			Sub-total	–	30,000,000	–	–	30,000,000

note:

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

Save as disclosed above, none of the Directors or the Chief Executives of the Company had any interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations at 31 March 2015.

DIRECTORS' SERVICE CONTRACTS

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

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

As at 31 March 2015, none of the Directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

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

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

EMOLUMENT POLICY

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

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

The Company has adopted a Share Option Scheme as an incentive to Directors and eligible employees. Details of the scheme is set out in Note 33 to the consolidated financial statements.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

SHARE OPTION

Share Option Scheme

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

(i) Pre-IPO Share Option Scheme

The Company has adopted the Pre-IPO Share Option Scheme on 22 February 2011 under which the Company has conditionally granted options to certain Directors, senior management and employees of the Group to purchase shares of the Company with an exercise price equal to the offer price as defined in the prospectus of the Company dated 28 February 2011.

There are no share options granted and outstanding under the Pre-IPO Share Option Scheme as at 31 March 2015.

(ii) Share Option Scheme

The Company adopted the Share Option Scheme on 22 February 2011, which was approved by the shareholders' written resolutions, is valid and effective for a period of 10 years. It is a share incentive scheme and is established to recognise and acknowledge the contribution that the eligible participants have or may have made to the Group. Pursuant to the Share Option Scheme, the Board may, at its discretion, offer to grant an option to any Directors, employees, advisers, consultants, distributors, contractors, suppliers, customers, agents, business partners and service providers of any member of the Group.

Under the share option scheme, the Company may grant to directors (the "Directors") and employees of the Group and any other persons who, in the sole discretion of the Board, have contributed or will contribute to the Group which options granted shall be immediately vested. The maximum number of shares to be issued upon exercise of all outstanding options granted and yet to be exercised under the share option scheme and any other share option scheme of the Company must not in aggregate exceed 30% of the total number of shares in issue from time to time.

The total number of shares which may be issued upon exercise of all options to be granted under the share option scheme and any other share option scheme of the Company must not in aggregate exceed 10% of the shares in issue at the date of the passing of the relevant ordinary resolution. If any option is to be granted to connected person(s), it must be approved by independent non-executive directors or independent shareholders as the case may be.

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

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

The total number of shares in respect of which share options granted under the Share Option Scheme as at 31 March 2015 and not yet exercised was 50,000,000 which represented approximately 4.55% of the issued share capital of the Company as at 31 March 2015.

As at 31 March 2015, details of the share options granted under the Share Option Scheme are as follows:

Grantees	Date of Grant (dd/mm/yyyy)	Exercise price per share HK$	Exercisable period (dd/mm/yyyy)	Balance as at 1 April 2014	Changes during the period: Granted	Changes during the period: Exercised	Changes during the period: Cancelled/ lapsed	Balance as at 31 March 2015
Kwok Kin Chung, Executive Director	09/04/2014	0.455	09/04/2014–08/04/2023	–	10,000,000	–	–	10,000,000
Yu Linda, Executive Director	09/04/2014	0.455	09/04/2014–08/04/2023	–	10,000,000	–	–	10,000,000
Lau Kin Hon, Executive Director	09/04/2014	0.455	09/04/2014–08/04/2023	–	10,000,000	–	–	10,000,000
			Sub-total	–	30,000,000	–	–	30,000,000
Employees and Other Participants	09/04/2014	0.455	09/04/2014–08/04/2023	–	20,000,000	–	–	20,000,000
			Total	–	50,000,000	–	–	50,000,000
Weighted average exercise price				–	0.455	–	–	0.455

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

As at 31 March 2015, according to the register of interests kept by the Company under Section 336 of the SFO, the following parties (in addition to those disclosed above in respect of the Directors and Chief Executive of the Company) had interests or short positions in the shares or underlying shares of the Company which were required to be recorded in the register and/or were directly or indirectly interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group:

Long position in shares of the Company

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

note:

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

Save as disclosed above, as at 31 March 2015, the Directors are not aware of any other persons who had interests or short positions in the shares or underlying shares of the Company which were interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group or any persons (not being a Director) have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions in Divisions 2 and 3 of Part XV of the SFO.

MANAGEMENT CONTRACTS

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

RETIREMENT BENEFIT SCHEME

Particulars of the retirement benefit scheme of the Group are set out in Note 34 to the consolidated financial statements.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Non-exempt One-off Connected Transactions

For the year ended 31 March 2015, the Company has not entered into any non-exempt one-off connected transactions which were subject to the reporting, annual review, announcement and/or independent shareholders' approval requirements under the GEM Listing Rules.

Non-exempt Continuing Connected Transactions

For the year ended 31 March 2015, the Company has not entered into any connected transaction or continuing connected transaction which should be disclosed pursuant to the requirements of GEM Listing Rules.

Significant related party transactions entered by the Group during the year as disclosed in Note 38(a) to the consolidated financial statements, constitute connected transactions under the GEM Listing Rules.

Agreed upon procedures performed by the auditor

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

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

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

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

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

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

CONFIRMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

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

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

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

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

COMPETING INTERESTS

For the year ended 31 March 2015, the Directors are not aware of any business or interest of the Directors, the controlling shareholder(s) of the Company and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2015.

PRE-EMPTIVE RIGHTS

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

SUFFICIENCY OF PUBLIC FLOAT

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

AUDITORS

The consolidated financial statements for the year ended 31 March 2015 were audited by HLM CPA Limited who will retire and, being eligible, offer themselves for re-appointment. A resolution will be submitted at the forthcoming annual general meeting of the Company to re-appoint HLM CPA Limited as independent auditors of the Company.

On behalf of the board

Alexis Ventouras
Chairman

Hong Kong, 23 June 2015

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

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

We have audited the consolidated financial statements of CL Group (Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 32 to 98, 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, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

OPINION

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

HLM CPA Limited
Certified Public Accountants

Chan Lap Chi
Practising Certificate Number: P04084

Hong Kong, 23 June 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2015

	Notes	2015 HK$	2014 HK$
Turnover	7	**50,573,547**	45,739,589
Gain on trading of financial assets at fair value through profit or loss		**3,066,816**	5,284,385
Net change in fair value of financial assets at fair value through profit or loss		**5,820,384**	4,677,645
Net other income	8	**56,848**	152,519
Administrative expenses		**(31,891,230)**	(26,315,374)
Finance costs	10	**(29,632)**	(206,772)
Profit before tax	11	**27,596,733**	29,331,992
Income tax expenses	14	**(4,971,853)**	(4,528,380)
Profit and total comprehensive income for the year		**22,624,880**	24,803,612
Profit and total comprehensive income attributable to:			
Owners of the Company		**22,675,357**	24,784,305
Non-controlling interests		**(50,477)**	19,307
		22,624,880	24,803,612
Earnings per share			
– Basic	16	**2.06 cents**	2.47 cents
– Diluted	16	**2.06 cents**	2.47 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2015

	Notes	2015 HK$	2014 HK$
Non-current assets			
Plant and equipment	17	**1,784,164**	479,195
Intangible assets	18	**25,532,129**	2,900,250
Other assets	19	**1,730,797**	1,735,515
Deferred tax assets	29	**32,271**	9,986
		29,079,361	5,124,946
Current assets			
Trade receivables	20	**89,221,974**	66,303,019
Loan receivables	21	**55,725,529**	102,618,643
Other receivables, deposits and prepayments	22	**6,292,401**	1,740,583
Financial assets at fair value through profit or loss	23	**19,351,707**	22,338,348
Tax refundable		**–**	45,921
Pledged bank deposit	25	**10,000,000**	10,000,000
Bank balances and cash – trust accounts	25	**56,797,018**	29,356,730
Bank balances and cash – general accounts	25	**32,191,898**	36,682,421
		269,580,527	269,085,665
Current liabilities			
Trade payables	26	**62,833,349**	38,395,293
Other payables and accruals	27	**1,808,409**	2,291,620
Bank borrowing	28	**–**	10,000,000
Income tax payables		**1,594,552**	–
		66,236,310	50,686,913
Net current assets		**203,344,217**	218,398,752
Total assets less current liabilities		**232,423,578**	223,523,698
Net assets		**232,423,578**	223,523,698

	Notes	2015 HK$	2014 HK$
Capital and reserves			
Share capital	30	**11,000,000**	11,000,000
Reserves		**221,588,709**	212,638,352
Equity attributable to owners of the Company		**232,588,709**	223,638,352
Non-controlling interests		**(165,131)**	(114,654)
Total equity		**232,423,578**	223,523,698

The consolidated financial statements on pages 32 to 98 were approved and authorised for issue by the Board of Directors on 23 June 2015 and are signed on its behalf by:

Alexis Ventouras	**Kwok Kin Chung**
Director	*Director*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2015

	Share capital	Share premium	Merger reserve	Share option reserve	Retained profits	Attributable to owners of the Company	Non-controlling interests	Total
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
At 1 April 2013	10,000,000	112,473,021	32,500,000	211,906	33,085,670	188,270,597	(133,961)	188,136,636
Profit and total comprehensive Income for the year	–	–	–	–	24,784,305	24,784,305	19,307	24,803,612
Issue of shares	1,000,000	29,490,211	–	–	–	30,490,211	–	30,490,211
Recognition of equity-settled share-based payments	–	–	–	93,239	–	93,239	–	93,239
Share option expired	–	–	–	(305,145)	305,145	–	–	–
Dividend	–	–	–	–	(20,000,000)	(20,000,000)	–	(20,000,000)
At 31 March 2014 and 1 April 2014	11,000,000	141,963,232	32,500,000	–	38,175,120	223,638,352	(114,654)	223,523,698
Profit and total comprehensive Income for the year	–	–	–	–	22,675,357	22,675,357	(50,477)	22,624,880
Recognition of equity-settled share-based payments	–	–	–	8,275,000	–	8,275,000	–	8,275,000
Dividend	–	–	–	–	(22,000,000)	(22,000,000)	–	(22,000,000)
At 31 March 2015	11,000,000	141,963,232	32,500,000	8,275,000	38,850,477	232,588,709	(165,131)	232,423,578

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2015

	2015 HK$	2014 HK$
Operating activities		
Profit before tax	**27,596,733**	29,331,992
Adjustments for:		
Depreciation of plant and equipment	**796,789**	385,589
Amortisation of intangible assets	**981,946**	613,637
Net change in fair value of financial assets at fair value through profit or loss	**(5,820,384)**	(4,677,645)
Gain on trading of financial assets at fair value through profit or loss	**(3,066,816)**	(5,284,385)
Interest income	**(27,061,697)**	(28,682,741)
Interest expenses	**29,632**	206,772
Dividend income	**–**	(955)
Expense recognised in respect of equity-settled share-based payments	**8,275,000**	93,239
Gain on disposal of plant and equipment	**(1,913)**	(200)
Impairment loss on trade receivables	**455,903**	824,431
Impairment loss on other receivables	**800,000**	–
Write-off of trade receivables	**–**	2,000,000
Impairment loss on intangible assets	**317,625**	362,893
Operating cash flows before movements in working capital	**3,302,818**	(4,827,373)
(Increase)/decrease in trade receivables	**(23,374,858)**	14,963,045
Decrease/(increase) in loan receivables	**49,815,930**	(71,084,700)
(Increase)/decrease in other receivables, deposits and prepayments	**(551,818)**	845,419
Decrease/(increase) in other assets	**4,718**	(30,515)
Increase in pledged bank deposit	**–**	(5,000,000)
(Increase)/decrease in bank balances and cash – trust accounts	**(27,440,288)**	1,071,623
Increase in trade payables	**24,438,056**	6,755,817
(Decrease)/increase in other payables and accruals	**(483,211)**	906,440
Cash generated from/(used in) operations	**25,711,347**	(56,400,244)
Interest paid	**(29,632)**	(206,772)
Hong Kong Profits Tax paid	**(3,353,665)**	(4,606,875)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	**22,328,050**	(61,213,891)

	2015	2014
	HK$	*HK$*
Investing activities		
Interest received	**24,138,881**	25,535,448
Dividend received	**–**	955
Purchase of plant and equipment	**(2,101,945)**	(95,737)
Proceeds from disposal of plant and equipment	**2,100**	200
Purchase of financial assets at fair value through profit or loss	**(30,931,994)**	(48,292,724)
Proceeds from disposal of financial assets at fair value through profit or loss	**38,005,835**	51,694,629
Purchase of intangible assets	**(23,931,450)**	–
NET CASH GENERATED FROM INVESTING ACTIVITIES	**5,181,427**	28,842,771
Financing activities		
Dividends paid	**(22,000,000)**	(20,000,000)
Proceeds from issue of new shares	**–**	30,490,211
Bank borrowings raised	**10,000,000**	25,000,000
Repayment of bank borrowings	**(20,000,000)**	(15,000,000)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	**(32,000,000)**	20,490,211
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(4,490,523)**	(11,880,909)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	**36,682,421**	48,563,330
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	**32,191,898**	36,682,421
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	**32,191,898**	36,682,421

1. GENERAL

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

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

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

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

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

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

HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities
HKAS 32 (Amendments)	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendments)	Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets
HKAS 39 (Amendments)	Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies
Amendment to HKFRS 2 included in Annual Improvements 2010–2012 Cycle	Definition of Vesting Condition[1]
Amendment to HKFRS 3 included in Annual Improvements 2010–2012 Cycle	Accounting for Contingent Consideration in a Business Combination[1]
Amendment to HKFRS 13 included in Annual Improvements 2010–2012 Cycle	Short-term Receivables and Payables
Amendment to HKFRS 1 included in Annual Improvements 2011–2013 Cycle	Meaning of Effective HKFRSs

[1] Effective from 1 July 2014

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

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 Investment Entities

The Group has applied the amendments to HKFRS 10, HKFRS 12 and HKAS 27 Investment Entities for the first time in the current year. The amendments to HKFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

To qualify as an investment entity, a reporting entity is required to:

– obtain funds from one or more investors for the purpose of providing them with investment management services;

– commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

– measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to HKFRS 12 and HKAS 27 to introduce new disclosure requirements for investment entities.

As the Company is not an investment entity (assessed based on the criteria set out in HKFRS 10 as at 1 January 2014), the application of the amendments has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities

The Group has applied the amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities for the first time in the current year. The amendments to HKAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

As the Group does not have any financial assets and financial liabilities that qualify for offset, the application of the amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

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

Amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The Group has applied the amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets for the first time in the current year. The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by HKFRS 13 Fair Value Measurements.

The application of these amendments has had no material impact on the disclosures in the Group's consolidated financial statements.

New and revised HKFRSs issued but not yet effective

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

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010–2012 Cycle[6]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011–2013 Cycle[1]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012–2014 Cycle[2]
HKFRS 9	Financial Instruments[5]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
HKFRS 10 and HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception[2]
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations[2]
HKFRS 14	Regulatory Deferral Accounts[3]
HKFRS 15	Revenue from Contracts with Customers[4]
HKAS 1 (Amendments)	Disclosure Initiative[2]
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation[2]
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants[2]
HKAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions[1]
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements[2]

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

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

[1] Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.
[2] Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
[3] Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.
[4] Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
[5] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
[6] Effective for annual periods beginning on or after 1 July 2014 with limited exceptions. Earlier application is permitted.

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

HKFRS 9 Financial Instruments

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

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

HKFRS 9 Financial Instruments (continued)

Key requirements of HKFRS 9 are described below:

- 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 FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

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

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

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

HKFRS 9 Financial Instruments (continued)

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

Same as disclosed in 2013, the directors of the Company anticipate that the adoption of HKFRS 9 in the future may have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities. Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

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") (continued)

HKFRS 15 Revenue from Contracts with Customers (continued)

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 anticipate that the application of HKFRS 15 in the future may have impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

Amendments to HKAS 16 and HKAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to HKAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) when the intangible asset is expressed as a measure of revenue; or

b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Currently, the Group uses the straight-line method for depreciation and amortisation for its plant and equipment, and intangible assets respectively. The directors of the Company believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the directors of the Company do not anticipate that the application of these amendments to HKAS 16 and HKAS 38 will have a material impact on the Group's consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certificated Public Accountants (the " HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing in the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

Basis of preparation

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of preparation (continued)

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

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

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

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

The principal accounting policies are set out below.

Basis of consolidation

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations

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

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

- deferred tax assets or liabilities and assets or liabilities 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations (continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

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

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations (continued)

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

Revenue recognition

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

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

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

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

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

v) Securities advisory services fee income and other service income are recognised when the services are rendered.

vi) Income derived from income right is recognised when the right to receive payment is established.

vii) Revenue from the exploitation of film rights is recognised based upon the contractual terms of each agreement.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing costs

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

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

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

Retirement benefit costs

Retirement benefits are provided to eligible staff of the Group. Hong Kong employees enjoy retirement benefits under the Mandatory Provident Fund Scheme. The employer's monthly contribution is 5% of each employee's monthly salary with maximum amount of HK$1,250 per month for each employee on or before 31 May 2014 and HK$1,500 per month on or after 1 June 2014.

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

Share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 33.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before tax" as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's 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 bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)
Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Plant and equipment
Plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses if any. Depreciation is recognised so as to write off the cost or valuation of items of plant and equipment over their estimated useful lives and after taking into account their estimated residual value, using the straight-line method, at the following rate per annum:

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

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Intangible assets

Intangible assets acquired separately

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (continued)

Intangible assets acquired separately *(continued)*

Film rights
Film rights are stated at cost less accumulated amortisation and impairment losses. Their costs are amortised over the lifespan of the film rights with reference to development plan.

Income right
Income rights are stated at cost less accumulated amortisation and impairment losses. Their costs are amortised over the underlying contract period, with reference to contract condition.

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

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

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

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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

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

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

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

A financial asset is classified as held for trading if:

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets *(continued)*

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets *(continued)*

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

For all other financial assets, objective evidence of impairment could include:

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

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

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

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

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit and loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets *(continued)*

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

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

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

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

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

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

Interest expense is recognised on an effective interest basis.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Derecognition

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

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

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

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

Segment reporting

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

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

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

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

(2) has significant influence over the Group; or

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

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

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

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

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

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

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

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

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

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Key sources of estimation uncertainty

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

Depreciation and amortisation

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

Provision for impairment loss

The Group's provision policy for impairment loss is based on the evaluation of collectability and aging analysis of accounts and on management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment may be required. As at 31 March 2015, the carrying amount of trade receivables is HK$89,221,974 (2014: HK$66,303,019) (net of impairment loss of HK$2,799,690 (2014: HK$2,343,787)).

5. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. In addition, one subsidiary of the Group licensed by the Securities and Futures Commission ("SFC") are obliged to meet the regulatory liquid capital requirements under the Securities and Futures (Financial Resources) Rules ("FRR") at all times.

For the licensed subsidiary, the Group ensures to maintain a liquid capital level adequate to support the level of activities with sufficient buffer to accommodate for increases in liquidity requirements arising from potential increases in the level of business activities. During the financial year, the licensed subsidiary complied with the liquid capital requirements under the FRR at all times.

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

At the end of the reporting period, the Group has no bank borrowings and, accordingly, the gearing ratio is 0% (2014: 4.5%)

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2015	2014
	HK$	*HK$*
Financial assets		
Financial assets at fair value through profit or loss	**19,351,707**	22,338,348
Loans and receivables (including cash and cash equivalents)	**250,228,820**	246,701,396

(b) Financial risk management objectives and policies

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

6. FINANCIAL INSTRUMENTS (continued)

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

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

Credit risk

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

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

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

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

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

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

6. FINANCIAL INSTRUMENTS (continued)

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

Foreign currency risk

Certain assets of the Group are denominated in foreign currencies which expose the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's major foreign currency denominated monetary assets and monetary liabilities as the reporting date are as follows:

	2015		2014	
	Assets	**Liabilities**	Assets	Liabilities
	HK$	***HK$***	*HK$*	*HK$*
Renminbi ("RMB")	**983,036**	**–**	–	–

Sensitivity analysis

The Group is mainly exposed to the effects of fluctuation in HK$ against RMB.

The following table shows the sensitivity analysis of a 5% increase/decrease in HK$ against RMB, the effect in the profit or loss and other comprehensive income for the year is as follows:

	2015	2014
	HK$	*HK$*
Increase/decrease in profit or loss	**49,152**	–

Interest rate risk

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

Sensitivity analysis

At 31 March 2015, assuming the Hong Kong market interest rate had been 50 basis points (2014: 50 basis points) higher/lower and all other variables were held constant, the Group's profit before tax for the year ended 31 March 2015 would increased/decreased by approximately HK$1,173,353 (2014: increased/decreased by approximately HK$1,041,770).

6. FINANCIAL INSTRUMENTS (continued)

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

Price risk

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

Sensitivity analysis

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

If the prices of the respective equity instruments had been 5% (2014: 5%) higher/lower, the profit before tax for the year ended 31 March 2015 would increased/decreased by approximately HK$967,585 (2014: increased/decreased by approximately HK$1,116,917). This is mainly due to the changes in fair value of financial assets at fair value through profit or loss.

Liquidity risk

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

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

6. FINANCIAL INSTRUMENTS (continued)

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

Financial instruments carried at fair value

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

Financial assets	Classified as	Fair value as at 31 March 2015 HK$	Fair value as at 31 March 2014 HK$	Fair value hierarchy	basis of fair value measurement/Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Listed equity security in Hong Kong	Financial asset at fair value through profit or loss	19,077,800	17,010,000	Level 1	Quoted bid prices in an active market	N/A	N/A
Listed equity security in oversea	Financial asset at fair value through profit or loss	273,907	426,348	Level 1	Quoted bid prices in an active market	N/A	N/A
Debt instruments (Convertible bonds) in HK	Financial asset at fair value through profit or loss	–	4,902,000	Level 3	The fair value of the Convertible Bond was determined with the discount cash flow and Binomial Option Pricing Model.	Discount for lack of marketability	The higher the discount rate, the lower the fair value

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

7. TURNOVER

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

	2015	2014
	HK$	*HK$*
Commission and brokerage fees from securities dealing on The Stock Exchange of Hong Kong Limited	**7,760,680**	5,525,824
Placing and underwriting commission	**8,658,621**	9,381,944
Commission and brokerage fees from dealing in futures contracts	**51,934**	60,084
Commission from securities advisory services	**1,000,000**	–
Other service income	**29,695**	435,955
Clearing and settlement fees	**2,447,805**	1,204,179
Handling service and dividend collection fees	**2,518,423**	448,862
Interest income from		
– clients (including margin clients)	**26,534,871**	28,107,240
– authorised financial institutions	**186,004**	95,501
– others	**340,822**	480,000
Income derived from income right and film right	**1,044,692**	–
	50,573,547	45,739,589

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

8. NET OTHER INCOME

	2015	2014
	HK$	*HK$*
Gain on disposal of plant and equipment	**1,913**	200
Dividend income	**–**	955
Sundry income	**54,935**	151,364
	56,848	152,519

9. BUSINESS AND GEOGRAPHICAL SEGMENTS

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

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

Securities and futures broking	Provision of securities and futures broking services and margin financing
Placing and underwriting	Provision of placing and underwriting services
Loan and financing	Provision of money lending service
Securities advisory service	Provision of securities advisory service
Investment holding	Investment income and capital appreciation

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

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

9. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Business segments

Segment revenues and results

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

	2015					
	Securities and futures broking	**Placing and underwriting**	**Loan and financing**	**Securities advisory service**	**Investment holding**	**Consolidated**
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
Segment revenue	**26,359,444**	**8,658,621**	**13,106,941**	**1,000,000**	**1,448,541**	**50,573,547**
Segment results	**18,712,086**	**5,984,372**	**9,892,688**	**746,229**	**7,717,521**	**43,052,896**
Other income						**56,848**
Share-based payments						**(8,275,000)**
Unallocated other operating expenses						**(7,208,379)**
Finance costs						**(29,632)**
Profit before tax						**27,596,733**
Income tax expenses						**(4,971,853)**
Profit for the year						**22,624,880**

9. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Business segments (continued)

Segment revenues and results (continued)

	2014 (restated)					
	Securities and futures broking	Placing and underwriting	Loan and financing	Securities advisory service	Investment holding	Consolidated
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
Segment revenue	19,676,540	9,381,944	15,756,415	–	924,690	45,739,589
Segment results	10,727,515	6,753,739	12,323,408	(2,000,000)	9,214,919	37,019,581
Other income						152,519
Share-based payments						(93,239)
Unallocated other operating expenses						(7,540,097)
Finance costs						(206,772)
Profit before tax						29,331,992
Income tax expenses						(4,528,380)
Profit for the year						24,803,612

Revenue reported above represents revenue generated from external customers. There was no inter-segment transactions during the year (2014: HK$Nil).

9. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Business segments (continued)

Segment assets and liabilities

	2015					
	Securities and futures broking	**Placing and underwriting**	**Loan and financing**	**Securities advisory service**	**Investment holding**	**Consolidated**
	HK$	***HK$***	***HK$***	***HK$***	***HK$***	***HK$***
Assets						
Segment assets	**171,731,197**	**–**	**34,001,935**	**1,000,000**	**49,088,295**	**255,821,427**
Unallocated assets						**42,838,461**
Total assets						**298,659,888**
Liabilities						
Segment liabilities	**66,202,310**	**–**	**34,000**	**–**	**–**	**66,236,310**
Unallocated liabilities						**–**
Total liabilities						**66,236,310**

	2014 (restated)					
	Securities and futures broking	Placing and underwriting	Loan and financing	Securities advisory service	Investment holding	Consolidated
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
Assets						
Segment assets	128,916,117	–	83,358,204	1,300,000	25,256,926	238,831,247
Unallocated assets						35,379,364
Total assets						274,210,611
Liabilities						
Segment liabilities	49,932,863	–	750,000	–	–	50,682,863
Unallocated liabilities						4,050
Total liabilities						50,686,913

9. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Business segments (continued)

Segment assets and liabilities *(continued)*

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

- all assets are allocated to reportable segments other than pledged bank deposit, tax refundable, bank balances and cash – general accounts and other receivables. Assets used jointly by segments are allocated on the basis of the revenues earned by individual segments; and
- all liabilities are allocated to reportable segments other than part of other payables and accruals. Liabilities for which segments are jointly liable are allocated in proportion to segment assets.

Other information

	2015					
	Securities and futures broking	**Placing and underwriting**	**Loan and financing**	**Securities advisory service**	**Investment holding**	**Consolidated**
	HK$	***HK$***	***HK$***	***HK$***	***HK$***	***HK$***
Additions to plant and equipment	**2,055,531**	**–**	**46,414**	**–**	**–**	**2,101,945**
Amortisation of intangible assets	**–**	**–**	**–**	**–**	**981,946**	**981,946**
Depreciation of plant and equipment	**791,007**	**–**	**–**	**–**	**5,782**	**796,789**
Impairment loss on trade receivables	**455,903**	**–**	**–**	**–**	**–**	**455,903**
Impairment loss on other receivable	**–**	**–**	**–**	**–**	**800,000**	**800,000**
Impairment loss on intangible assets	**–**	**–**	**–**	**–**	**317,625**	**317,625**

	2014 (restated)					
	Securities and futures broking	Placing and underwriting	Loan and financing	Securities advisory service	Investment holding	Consolidated
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
Additions to plant and equipment	95,737	–	–	–	–	95,737
Amortisation of intangible assets	69,780	–	–	–	543,857	613,637
Depreciation of plant and equipment	385,589	–	–	–	–	385,589
Impairment loss on trade receivables	824,431	–	–	–	–	824,431
Write-off of trade receivables	–	–	–	2,000,000	–	2,000,000
Impairment loss on intangible assets	–	–	–	–	362,893	362,893

9. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Business segments (continued)

Geographical information

The Group operates in the two principal geographical areas – Hong Kong and the PRC.

The Group's turnover from external customers by location of operations and information about its non-current assets by location of assets are detailed as below:

	Revenue from external customers		Non-current assets*	
	2015	2014	**2015**	2014
	HK$	*HK$*	***HK$***	*HK$*
Hong Kong	**49,532,169**	45,739,589	**5,614,211**	5,114,960
The PRC	**1,041,378**	–	**23,432,879**	–
	50,573,547	45,739,589	**29,047,090**	5,114,960

* Non-current assets exclude financial instrument and deferred tax assets.

Information on major customers

A major customer of the Group accounted for approximately 9% (2014: 12%) of the total revenue during the year ended 31 March 2015. No other single customers contributed 10% or more to the Group's revenue for both 2015 and 2014.

10. FINANCE COSTS

	2015	2014
	HK$	*HK$*
Interest on bank borrowings wholly repayable within five years	**29,632**	206,772

11. PROFIT BEFORE TAX

	2015 HK$	2014 HK$
Profit before tax has been arrived at after (crediting) charging:		
Staff costs *(Note 12)*	**6,599,278**	6,551,591
Auditor's remuneration	**480,000**	506,000
Depreciation of plant and equipment	**796,789**	385,589
Amortisation of intangible assets	**981,946**	613,637
Write-off of trade receivables	**–**	2,000,000
Impairment loss on trade receivables	**455,903**	824,431
Impairment loss on other receivables	**800,000**	–
Impairment loss on intangible assets	**317,625**	362,893
Gain on disposal of plant and equipment	**(1,913)**	(200)
Operating lease payments in respect of rented premises	**3,545,930**	3,496,369
Equity-settled share-based payments	**8,275,000**	93,239

12. STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

	2015 HK$	2014 HK$
Salaries and allowances	**6,393,559**	6,352,878
Defined contribution retirement benefit scheme contributions	**205,719**	198,713
	6,599,278	6,551,591

13. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

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

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

Year ended 31 March 2015

	Fees	Salaries, allowance and benefit in kind	Discretionary bonuses	Defined contribution retirement benefit scheme contributions	Share based payment	Total
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
Executive directors						
Kwok Kin Chung	–	739,980	85,995	17,500	1,655,000	2,498,475
Lau Kin Hon	–	360,000	–	16,500	1,655,000	2,031,500
Yu Linda	–	546,817	–	17,500	1,655,000	2,219,317
Non-Executive director						
Alexis Ventouras	180,000	–	–	–	–	180,000
Independent non-executive directors						
Au Yeung Tai Hong Rorce	120,000	–	–	–	–	120,000
Choy Wing Man *(note i)*	30,000	–	–	–	–	30,000
Chiu Wai Keung	120,000	–	–	–	–	120,000
Poon Wing Chuen *(note ii)*	90,333	–	–	–	–	90,333
	540,333	1,646,797	85,995	51,500	4,965,000	7,289,625

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

(a) Directors' emoluments (continued)

Year ended 31 March 2014

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

note:

(i) Resigned as independent non-executive director on 30 June 2014

(ii) Appointed as independent non-executive director on 30 June 2014

(b) Five highest paid individuals

During the year, of the five highest paid individuals in the Group, three (2014: two) executive directors of the Company whose emoluments are set out above. The emoluments of the remaining two (2014: three) are as follows:

	2015	2014
	HK$	*HK$*
Salaries, allowances and benefit in kind	**1,089,706**	1,758,630
Discretionary bonuses	**126,000**	138,700
Defined contribution retirement benefit scheme contributions	**32,296**	43,750
Equity-settled share-based payments	**2,648,000**	10,969
	3,896,002	1,952,049

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

(b) Five highest paid individuals (continued)

The emoluments of the two (2014: three) individuals with the highest emoluments are within the following bands:

	Number of individuals	
	2015	2014
Nil to HK$1,000,000	**–**	3
HK$1,000,001 to HK$1,500,000	**1**	–
HK$1,500,001 to HK$2,000,000	**–**	–
HK$2,000,001 to HK$2,500,000	**1**	–

No emoluments were paid to the directors of the Company or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during each of the two years ended 31 March 2015 and 2014. None of the directors and five highest paid individuals of the Company has waived or agreed to waive any emoluments during the year.

14. INCOME TAX EXPENSES

	2015	2014
	HK$	*HK$*
Hong Kong Profits Tax		
– current year	**5,024,140**	4,616,369
– overprovision in prior year	**(30,002)**	(44,343)
Deferred tax		
– current year *(Note 29)*	**(22,285)**	(43,646)
	4,971,853	4,528,380

Hong Kong Profits tax is calculated at 16.5% of the estimated assessable profit for both years.

14. INCOME TAX EXPENSES (continued)

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

	2015 HK$	2014 HK$
Profit before tax	**27,596,733**	29,331,992
Tax at the domestic income tax rate of 16.5% (2014:16.5%)	**4,553,460**	4,839,778
Tax effect of expenses not deductible for tax purpose	**25,152**	494,998
Tax effect of income not taxable for tax purpose	**(1,016,990)**	(787,726)
Tax effect of temporary difference not recognised	**3,556**	3,688
Tax effect of tax loss not recognised	**1,436,677**	57,667
Utilisation of tax losses previously not recognised	**–**	(35,682)
Overprovision in prior year	**(30,002)**	(44,343)
Tax expenses for the year	**4,971,853**	4,528,380

At 31 March 2015, the Group had unused estimated tax losses of HK$13,185,921 (2014: HK$4,478,788) available for 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. The estimated tax losses may be carried forward indefinitely.

15. DIVIDEND

	2015 HK$	2014 HK$
2014 Final dividend paid – HK2.0 cents per share (2013 Final dividend paid – HK2.0 cents per share)	**22,000,000**	20,000,000

The board of directors proposed a final dividend of HK2.0 cents per ordinary share for the year ended 31 March 2015 (2014: HK2.0 cents). This proposed final dividend is not reflected as a dividend payable as of 31 March 2015, but will be recorded as a distribution of retained profits for the year ending 31 March 2016.

16. EARNINGS PER SHARE

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

	2015	2014
	HK$	*HK$*
Profit for the year attributable to owners of the Company	**22,675,357**	24,784,305

	2015	2014
Weighted average number of ordinary shares in issue during the year	**1,100,000,000**	1,001,917,808
Effect of dilutive potential ordinary shares:		
Share option issued by the Company	**–**	–
Weighted average number of ordinary shares and dilutive potential ordinary shares in issue during the year	**1,100,000,000**	1,001,917,808

The calculation of basic earnings per share is based on the Group's profit attributable to the owners of the Company of HK$22,675,357 (2014: HK$24,784,305) and the number of ordinary shares of 1,100,000,000 (2014: weighted average number of 1,001,917,808) during the year.

The diluted earnings per share is not presented because there were no potential dilutive effects during the year ended 31 March 2015 and 2014.

17. PLANT AND EQUIPMENT

	Leasehold improvement *HK$*	Furniture and equipment *HK$*	Computer equipment *HK$*	Total *HK$*
COST				
At 1 April 2013	1,116,600	603,584	4,062,146	5,782,330
Additions	–	5,600	90,137	95,737
Disposal	–	(1,178)	–	(1,178)
At 31 March 2014 and 1 April 2014	1,116,600	608,006	4,152,283	5,876,889
Additions	1,410,813	547,122	144,010	2,101,945
Disposal	–	(10,324)	(113,806)	(124,130)
At 31 March 2015	2,527,413	1,144,804	4,182,487	7,854,704
ACCUMULATED DEPRECIATION				
At 1 April 2013	1,104,488	393,530	3,515,265	5,013,283
Charge for the year	12,112	75,458	298,019	385,589
Eliminated upon disposals	–	(1,178)	–	(1,178)
At 31 March 2014 and 1 April 2014	1,116,600	467,810	3,813,284	5,397,694
Charge for the year	470,271	140,683	185,835	796,789
Eliminated upon disposals	–	(10,137)	(113,806)	(123,943)
At 31 March 2015	1,586,871	598,356	3,885,313	6,070,540
NET CARRYING AMOUNTS				
At 31 March 2015	940,542	546,448	297,174	1,784,164
At 31 March 2014	–	140,196	338,999	479,195

18. INTANGIBLE ASSETS

	Income right *HK$*	Futures trading right *HK$*	Film right *HK$*	Total *HK$*
COST				
At 1 April 2013	–	348,900	–	348,900
Transfer from other investment	–	–	3,807,000	3,807,000
At 31 March 2014 and 1 April 2014	–	348,900	3,807,000	4,155,900
Additions	23,931,450	–	–	23,931,450
At 31 March 2015	23,931,450	348,900	3,807,000	28,087,350
AMORTISATION				
At 1 April 2013	–	279,120	–	279,120
Charge for the year	–	69,780	543,857	613,637
At 31 March 2014 and 1 April 2014	–	348,900	543,857	892,757
Charge for the year	498,571	–	483,375	981,946
At 31 March 2015	498,571	348,900	1,027,232	1,874,703
ACCUMULATED IMPAIRMENT LOSS				
At 1 April 2013	–	–	–	–
Impairment loss recognised in profit or loss	–	–	362,893	362,893
At 31 March 2014 and 1 April 2014	–	–	362,893	362,893
Impairment loss recognised in profit or loss	–	–	317,625	317,625
At 31 March 2015	–	–	680,518	680,518
NET CARRYING AMOUNTS				
At 31 March 2015	23,432,879	–	2,099,250	25,532,129
At 31 March 2014	–	–	2,900,250	2,900,250

The following useful lives are used in the calculation of amortisation:

Income right	20 years
Future trading right	5 years
Film right	7 years

18. INTANGIBLE ASSETS (continued)

The Group's intangible asset in 2015 include three (2014: two) items, which are futures trading rights, film right and income right.

Futures trading rights is the eligibility rights acquired to trade on or through Hong Kong Futures Exchange Limited, are stated at cost less accumulated amortization and any impairment losses. Amortization is calculated on straight-line basis over their estimated useful lives of 5 years. Futures trading right was fully amortised as at 31 March 2014.

The values of the film right, is approximately HK$2,099,250 (2014: HK$2,900,250) at 31 March 2015 has been arrived at on the basis of a valuation carried out at that date by Peak Vision Appraisals Limited, independent qualified professional valuers not connected to the Group who has appropriate qualifications and recent experience in the valuation of film right. The value of the film right has been determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management covering a five-year period and discount rate of 15.39% per annum (2014: 13.44% per annum) based on market data of HSBC prime rate and six video and film entertainment listed companies in Hong Kong. Key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales, gross margin and discount rate, and such estimation is based on past experience and management's expectations of the market development.

On 7 November 2014, the Purchaser, a wholly owned subsidiary of the Company, entered into the Agreement with the Vendor pursuant to which the Purchaser has agreed to acquire the income rights of the Photovoltaic Power Plant for 20 years at the consideration of RMB19,000,000 in cash. The value of the income right of approximately RMB24,819,000 at 31 March 2015 has been arrived at on the basis of a valuation carried out at that day by Ascent Partners Valuation Service Limited, independent professional valuer not connected to the Group who has appropriate qualifications and recent experience in the valuation of similar income right. The value of income right is determined by discounting a projected cash flow series by using discount rate ranging from 4.5% to 5.5%. The discount rate used is based on the China government bond zero coupon rate plus a risk premium. The effective China government bonds zero coupon rate is expected to be fluctuated across 20 years and therefore no fixed discount rate is applied. The valuation takes into account of the guarantee for the RMB2 million annual fixed income of the following 19.5 years from the guarantor and assumed that there will be no material change in the existing political, legal, technological, fiscal or economic conditions which might adversely affect the economy in general and the business of photovoltaic power plant.

19. OTHER ASSETS

	2015	2014
	HK$	*HK$*
Admission fee paid to Hong Kong Securities Clearing Company Limited	**50,000**	50,000
Stamp duty deposit with The Stock Exchange of Hong Kong Limited	**30,000**	30,000
Contributions in cash to a guarantee fund with Hong Kong Securities Clearing Company Limited	**50,000**	50,000
Compensation fund with The Stock Exchange of Hong Kong Limited	**50,000**	50,000
Fidelity fund with The Stock Exchange of Hong Kong Limited	**50,000**	50,000
Deposit with HKFE Clearing Corporation Limited in contribution to the reserve fund	**1,500,797**	1,505,515
	1,730,797	1,735,515

20. TRADE RECEIVABLES

	2015	2014
	HK$	*HK$*
Trade receivables from the business of dealing in futures contracts:		
Clearing houses	**6**	669,851
Trade receivables from the business of dealing in securities:		
Cash clients	**256,700**	11,723,668
Margin clients	**83,383,243**	40,656,450
Clearing houses and brokers	**4,374,444**	11,953,050
Trade receivables from securities advisory service	**1,000,000**	1,300,000
Income receivables from the income right	**207,581**	–
	89,221,974	66,303,019

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

Listed securities of clients are held as collateral against secured margin loans. The fair value of the listed securities at 31 March 2015 held as collateral was HK$226,910,420 (2014: HK$227,384,793).

20. TRADE RECEIVABLES (continued)

The aging analysis of the trade receivables are as follows:

	2015 *HK$*	2014 *HK$*
Margin clients balances:		
No due date	**83,296,682**	40,113,986
Past due	**86,561**	542,464
	83,383,243	40,656,450
Cash clients balances:		
No due date	**119,612**	11,723,668
Past due	**–**	–
	119,612	11,723,668
Other balances		
Not yet due (within 30 days)	**4,719,113**	12,303,988
Past due	**1,000,006**	1,618,913
	5,719,119	13,922,901
	89,221,974	66,303,019

Provision of impairment loss on trade receivables:

	2015 *HK$*	2014 *HK$*
Balance at beginning of the year	**2,343,787**	1,787,359
Reverse of impairment loss	**–**	(118,003)
Write-off of provision of impairment loss	**–**	(150,000)
Impairment loss for the year	**455,903**	824,431
	2,799,690	2,343,787

20. TRADE RECEIVABLES (continued)

Age of receivables that are past due but not impaired:

	2015	2014
	HK$	*HK$*
Margin clients balances:		
Past due	**86,561**	542,464
Other balances		
Less than 1 month past due	**1,000,006**	16,892
1 to 3 months past due	**–**	–
Over 3 months but less than 1 year past due	**–**	301,392
Over 1 year past due	**–**	1,300,629
	1,000,006	1,618,913
	1,086,567	2,161,377

21. LOAN RECEIVABLES

	2015	2014
	HK$	*HK$*
Loan receivables and loan interest receivables	**55,725,529**	102,618,643

	2015	2014
	HK$	*HK$*
Securities on loan receivables		
Secured	**42,481,940**	83,641,345
Unsecured	**7,016,830**	15,673,355
	49,498,770	99,314,700

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

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

At 31 March 2015, HK$1,876,245 of the loan receivables were past due but not impaired. (2014: HK$1,107,220)

22. OTHER RECEIVABLES , DEPOSITS AND PREPAYMENTS

	2015	2014
	HK$	*HK$*
Other receivables	**5,348,989**	537,701
Rental and other deposits	**874,745**	965,109
Interest receivable	**–**	139,178
Prepayments	**68,667**	98,595
At 31 March	**6,292,401**	1,740,583

Other receivables included the amount of HK$4,000,000 which was due to the expiry of the debt instruments of convertible bond. The debt instruments of convertible bond amounting to HK$4,800,000 which was classified as financial assets at fair value through profit or loss in 2014 has expired on 1 December 2014. After negotiation between the bond issuer and the Group, the bond issuer agreed to repay the amount of HK$4,000,000 in a few months. The amount to be received from the convertible bond was classified as other receivable as at 31 March 2015.

The Group has subsequently received the principal amount of HK$4,000,000 from the issuer of the convertible bond. The remaining amount of HK$800,000 has been impaired as at 31 March 2015.

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2015	2014
	HK$	*HK$*
Listed securities		
– Equity securities in Hong Kong, at fair value	**19,077,800**	17,010,000
– Equity securities in overseas, at fair value	**273,907**	426,348
Unlisted securities		
– Debt instruments in Hong Kong, at fair value	**–**	4,902,000
	19,351,707	22,338,348

24. OTHER INVESTMENT

	2015	2014
	HK$	*HK$*
Film investment		
At 1 April	**–**	3,807,000
Addition	**–**	423,000
Disposal	**–**	(423,000)
Less: Transfer to intangible assets	**–**	(3,807,000)
At 31 March	**–**	–

25. BANK BALANCES AND CASH/PLEDGED BANK DEPOSIT

	2015	2014
	HK$	*HK$*
Bank balances		
– trust accounts	**56,797,018**	29,356,730
– general accounts and cash	**32,191,898**	36,682,421
Pledged bank deposit	**10,000,000**	10,000,000
	98,988,916	76,039,151

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

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

Pledged bank deposit represents deposit pledged to bank to secure banking facilities granted to the Group. Deposit amounting to HK$10,000,000 (2014: HK$10,000,000) has been pledged to secure bank overdrafts and is therefore classified as current assets.

26. TRADE PAYABLES

	2015	2014
	HK$	*HK$*
Trade payables from the business of dealing in futures contracts:		
Margin clients	**1,065,745**	1,983,732
Trade payables from the business of dealing in securities:		
Margin clients	**27,290,961**	16,646,693
Cash clients	**34,476,643**	19,764,868
	62,833,349	38,395,293

26. TRADE PAYABLES (continued)

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

Included in trade payables to cash clients and margin clients attributable to dealing in securities and futures contracts transaction is an amount of HK$56,797,018 (2014: HK$29,356,730) representing these clients' undrawn monies/excess deposits placed with the Group. The balances are repayable on demand.

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

27. OTHER PAYABLES AND ACCRUALS

	2015	2014
	HK$	*HK$*
Accrued charges	**820,073**	1,090,217
Stamp duty, trading levies and trading fee payables	**903,515**	396,602
Other payables	**84,821**	804,801
	1,808,409	2,291,620

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

28. BANK BORROWING

	2015	2014
	HK$	*HK$*
Bank loan, unsecured, interest bearing at floating rate 2.75% p.a. over 1 month Hong Kong Inter-bank Offered Rate and repayable within one year	**–**	10,000,000

29. DEFERRED TAX LIABILITIES/(ASSETS)

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

	Depreciation allowances in excess of the related depreciation	Amortisation of intangible assets	Total
	HK$	*HK$*	*HK$*
At 1 April 2013	22,147	11,513	33,660
Credit to consolidated statement of profit or loss and other comprehensive income *(Note 14)*	(32,133)	(11,513)	(43,646)
At 31 March 2014	(9,986)	–	(9,986)
Credit to consolidated statement of profit or loss and other comprehensive income *(Note 14)*	(22,285)	–	(22,285)
At 31 March 2015	(32,271)	–	(32,271)

30. SHARE CAPITAL

	Number of ordinary shares HK$0.01 each	*HK$*
At 1 April 2013, 31 March 2014, 1 April 2014 and 31 March 2015	5,000,000,000	50,000,000
Issued and fully paid:		
At 1 April 2013	1,000,000,000	10,000,000
Issue of shares *(note)*	100,000,000	1,000,000
At 31 March 2014, 1 April 2014 and 31 March 2015	1,100,000,000	11,000,000

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

31. RESERVES

The Company

	Share capital *HK$*	Share premium *HK$*	Merger reserve *HK$*	Share option reserve *HK$*	Retained profits *HK$*	Total *HK$*
At 1 April 2013	10,000,000	112,473,021	32,500,000	211,906	1,132,690	156,317,617
Profit and total comprehensive income for the year	–	–	–	–	19,842,429	19,842,429
Issue of share	1,000,000	29,490,211	–	–	–	30,490,211
Recognition of equity-settled share-based payments	–	–	–	93,239	–	93,239
Share option expired	–	–	–	(305,145)	305,145	–
Dividend	–	–	–	–	(20,000,000)	(20,000,000)
At 31 March 2014 and 1 April 2014	11,000,000	141,963,232	32,500,000	–	1,280,264	186,743,496
Profit and total comprehensive income for the year	–	–	–	–	20,861,867	20,861,867
Recognition of equity-settled share-based payments	–	–	–	8,275,000	–	8,275,000
Dividend	–	–	–	–	(22,000,000)	(22,000,000)
At 31 March 2015	11,000,000	141,963,232	32,500,000	8,275,000	142,131	193,880,363

The Group

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

The Company's reserves available for distribution to its shareholders comprise of share premium, merger reserve, share option reserve and retained profits which in aggregate amounted to HK$182,880,363 as at 31 March 2015 (2014: HK$175,743,496). Under the Companies Law (Revised) of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum and Articles of Association and provided that immediately following the payment of distributions or dividends, the Company is able to pay its debts as they fall due in the ordinary course of business. In accordance with the Company's Articles of Association, dividends shall be payable out of retained earnings or other reserves, including the share premium account, of the Company.

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

	2015	2014
	HK$	*HK$*
Non-current assets		
Investment in CL Group (BVI) Limited	**8**	8
Intangible asset	**2,099,250**	2,900,250
	2,099,258	2,900,258
Current assets		
Other receivables	**4,253,314**	649,178
Amounts due from subsidiaries	**166,926,675**	157,715,570
Financial assets at fair value through profit or loss	**–**	4,391,375
Bank balances and cash – general accounts	**20,603,412**	21,284,360
	191,783,401	184,040,483
Current liabilities		
Other payable	**–**	4,050
Amount due to a subsidiary	**2,296**	193,195
	2,296	197,245
Net current assets	**191,781,105**	183,843,238
Net assets	**193,880,363**	186,743,496
Capital and reserves		
Share capital	**11,000,000**	11,000,000
Reserves	**182,880,363**	175,743,496
	193,880,363	186,743,496

33. SHARE OPTION SCHEME

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

(a) Pre-IPO Share Option Scheme

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

There are no share options granted and outstanding under the Pre-IPO Share Option Scheme as at 31 March 2015 (2014: Nil).

(b) Share Option Scheme

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

The total number of shares in respect of which share options may be granted under the Share Option Scheme is not permitted to exceed 110,000,000 shares, representing 10% of the total number of shares of the Company as at 31 March 2015.

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

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

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

33. SHARE OPTION SCHEME (continued)

(b) Share Option Scheme (continued)

The following table discloses details of the Company's options under the Share Option Scheme held by directors and employees/consultants and the movements during the year ended 31 March 2015:

Grantees	Date of Grant *(dd/mm/yyyy)*	Exercise price per share *HK$*	Exercisable period *(dd/mm/yyyy)*	Balance as at 1 April 2014	Changes during the period: Granted	Exercised	Cancelled/ lapsed	Balance as at 31 March 2015
Kwok Kin Chung, Executive Director	09/04/2014	0.455	09/04/2014– 08/04/2023	–	10,000,000	–	–	10,000,000
Yu Linda, Executive Director	09/04/2014	0.455	09/04/2014– 08/04/2023	–	10,000,000	–	–	10,000,000
Lau Kin Hon, Executive Director	09/04/2014	0.455	09/04/2014– 08/04/2023	–	10,000,000	–	–	10,000,000
			Sub-total	–	30,000,000	–	–	30,000,000
Employees and Other Participants	09/04/2014	0.455	09/04/2014– 08/04/2023	–	20,000,000	–	–	20,000,000
			Total	–	50,000,000	–	–	50,000,000
Weighted average exercise price				–	0.455	–	–	0.455

The fair value of the total options granted in the year measured as at 9 April 2014 was HK$8,275,000. The following significant assumptions were used to derive the fair value using the Black-Scholes option Pricing Model:

1. an expected volatility was 55.019%;

2. an expected dividend yield was 5.860%;

3. the estimated expected life of the options granted in range (9 years); and

4. the risk free rate was 2.106%.

Base on the valuation parameters and analysis stated above, the market value of the Options is HK$0.1655, correcting to four decimal places.

34. RETIREMENT BENEFIT PLANS

The Group operates a Mandatory Provident Fund Scheme ("the MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the defined benefit retirement plan. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, with a maximum monthly contribution of HK$1,500 per person (the maximum monthly contribution is HK$1,250 per person before 1 June 2014). Contributions to the plan vest immediately.

35. BANKING FACILITIES

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

	2015	2014
	HK$	*HK$*
Overdraft facilities	**10,000,000**	10,000,000
Revolving loan facilities	**25,000,000**	25,000,000
	35,000,000	35,000,000

A bank fixed deposit amounted of HK$10,000,000 (2014: HK$10,000,000) have been pledged and corporate guarantee from the Company to secure the banking facilities granted to the Group.

36. OPERATING LEASES COMMITMENTS

The Group as lessee

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

	2015	2014
	HK$	*HK$*
Within one year	**1,440,000**	2,989,104
In the second to fifth year inclusive	**–**	1,440,000
	1,440,000	4,429,104

37. CAPITAL COMMITMENTS

As at 31 March 2015, the Group had capital commitments in respect of its leasehold improvement, contracted but not provided in the consolidated financial statements, amounting to HK$nil (2014: HK$130,000).

38. RELATED PARTY TRANSACTIONS

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

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

		2015	2014
		HK$	*HK$*
Commission and brokerage income from securities trading:			
– Au Suet Ming Clarea ("Ms. Au") and her associate	Substantial shareholder	**20,229**	27,175
– CAAL Capital Limited	Owned by Ms. Au	**333,396**	62,428
– China Merit International Holdings Limited	Owned by Ms. Au	**1,044**	2,877
– C.L. Management Services Limited	Owned by Ms. Au	**1,761**	–
– Au Yik Fei	Associate of Ms. Au	**4,795**	636
– Kitty Au Nim Bing	Associate of Ms. Au	**–**	50
– Au Yuk Kit	Associate of Ms. Au	**686**	967
– Yu Linda	Director	**50**	–
Commission and brokerage income from futures contracts trading:			
– Ms. Au	Substantial shareholder	**–**	7,189

38. RELATED PARTY TRANSACTIONS (continued)

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

		2015 HK$	2014 HK$
Amount due from/(to) related parties			
– Ms. Au	Substantial shareholder	**(442,916)**	3,629,858
– CAAL Capital Company Limited	Owned by Ms. Au	**(13,144,153)**	39,067
– China Merit International Holdings Limited	Owned by Ms. Au	**(331,555)**	(105,255)
– Au Yik Fei	Associate of Ms. Au	**(4,777)**	–
– Au Yuk Kit	Associate of Ms. Au	**(329,436)**	271,726
– Kitty Au Nim Bing	Associate of Ms. Au	**(291,055)**	(30,196)
– C.L. Management Services Limited	Owned by Ms. Au	**350,719**	–

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

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

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

	2015 HK$	2014 HK$
Short-term benefits	**2,273,125**	2,014,300
Post-employment benefits	**51,500**	39,500
Share-based payment	**4,965,000**	82,270
	7,289,625	2,136,070

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Name of company	Place of incorporation/ operation	Paid up capital/ Ordinary share capital	Attributable equity interest and voting power of the Group				Principal activities
			Directly		Indirectly		
			2015	2014	**2015**	2014	
CL Group (BVI) Limited	British Virgin Islands	Ordinary share US$1	**100%**	100%	**–**	–	Investment holding
Cheong Lee Securities Limited	Hong Kong	Paid up capital HK$40,000,000	**–**	–	**100%**	100%	Provision of securities and futures brokerage and trading, placing and underwriting services, loan and financing service and securities advisory services
CL Asset Management Limited	Hong Kong	Paid up capital HK$500,000	**–**	–	**100%**	100%	Investment holding
Green Wealth Group Limited	British Virgin Islands	Ordinary share US$1	**–**	–	**100%**	100%	Investment holding
Blooming Business Holdings Limited	British Virgin Islands	Ordinary share US$1	**–**	–	**100%**	100%	Investment holding
CLC Finance Limited	Hong Kong	Paid up capital HK$1	**–**	–	**100%**	100%	Provision of money lending service
CLC Immigration Consulting Limited	Hong Kong	Paid up capital HK$1	**–**	–	**100%**	100%	Inactive
Capital Global (BVI) Limited	British Virgin Islands	Ordinary share US$100	**–**	–	**91%**	91%	Investment holding
Capital Global Wealth Management Limited	Hong Kong	Paid up capital HK$100,000	**–**	–	**91%**	91%	Provision of wealth management service
Million Genius Investment Limited	Hong Kong	Paid up capital HK$1	**–**	–	**100%**	91%	Inactive

40. EVENT AFTER THE REPORTING PERIOD

The convertible bond amounting to HK$4,800,000 which was classified as financial assets at fair value through profit or loss in 2014 has expired on 1 December 2014. After negotiation between the bond issuer and the Group, the bond issuer agreed to repay the amount of HK$4,000,000 in a few months. The remaining amount of HK$800,000 has been impaired as at 31 March 2015. The Group has reclassified the said balance of HK$4,000,000 which was subsequently settled as other receivable at the year ended 31 March 2015.

41. COMPARATIVE FIGURES

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

FINANCIAL SUMMARY

For the year ended 31 March 2015

	2015	2014	2013	2012	2011
	HK$	*HK$*	*HK$*	*HK$*	*HK$*
Results					
Turnover	**50,573,547**	45,739,589	48,546,509	50,946,613	91,592,091
Profit from operations	**27,626,365**	29,538,764	27,096,231	27,516,771	43,892,742
Finance cost	**(29,632)**	(206,772)	–	(13)	–
Profit before tax	**27,596,733**	29,331,992	27,096,231	27,516,758	43,892,742
Income tax expenses	**(4,971,853)**	(4,528,380)	(4,602,219)	(4,808,216)	(7,713,137)
Profit for the year	**22,624,880**	24,803,612	22,494,012	22,708,542	36,179,605
Profit (loss) for the year attributable to:					
Owners of the Company	**22,675,357**	24,784,305	22,491,674	22,749,213	36,179,605
Non-controlling interests	**(50,477)**	19,307	2,338	(40,671)	–
	22,624,880	24,803,612	22,494,012	22,708,542	36,179,605
Basic earnings per share *(HK cents)*	**2.06**	2.47	2.25	2.27	4.72
Assets and liabilities					
Total assets	**298,659,888**	274,210,611	221,194,952	206,393,082	270,305,842
Total liabilities	**66,236,310**	50,686,913	33,058,316	21,025,691	87,818,121
Shareholders' funds	**232,423,578**	223,523,698	188,136,636	185,367,391	182,487,721