UNION ASIA ENTERPRISE HOLDINGS LTD
萬亞企業控股有限公司

(於開曼群島註冊成立之有限公司)
(Incorporated in the Cayman Islands with limited liability)
(Stock Code 股份代號 : 8173)

ANNUAL REPORT 年報 2016

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

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

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

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This report, for which the directors of Union Asia Enterprise Holdings Limited (the "Directors") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Union Asia Enterprise Holdings Limited. 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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BOARD OF DIRECTORS

Executive Directors

Ms. Yip Man Yi *(Chairman) (appointed on 14 November 2015 and appointed as Chairman on 31 December 2015)*

Mr. Shiu Chi Tak, Titus *(appointed on 14 November 2015)*

Mr. Michael Koh Tat Lee *(resigned as Chairman on 31 December 2015 and resigned on 29 March 2016)*

Mr. Cheung Hung Man *(removed on 23 May 2016)*

Mr. Tan Chong Gin *(resigned on 19 November 2015)*

Non-executive Directors

Mr. Liang Tongwei

Mr. Wong Chi Man *(appointed on 13 October 2015)*

Independent Non-executive Directors

Mr. Chu Hung Lin, Victor

Mr. Tong Wan Sze

Mr. Fung Kwok Leung

Dr. Wan Ho Yuen, Terence *(appointed on 14 November 2015)*

Mr. Li Kwok Chu *(appointed on 31 December 2015)*

Mr. Lau Shu Yan *(appointed on 31 December 2015)*

COMPANY SECRETARY

Ms. Leung Pui Ki *(appointed on 1 December 2015)*

Mr. Chan Ming Cho, Joe *(resigned on 30 November 2015)*

AUTHORISED REPRESENTATIVES

Mr. Shiu Chi Tak, Titus *(appointed on 1 December 2015)*

Ms. Leung Pui Ki *(appointed on 1 December 2015)*

Mr. Michael Koh Tat Lee *(resigned on 30 November 2015)*

Mr. Chan Ming Cho, Joe *(resigned on 30 November 2015)*

COMPLIANCE OFFICER

Ms. Yip Man Yi *(appointed on 1 December 2015)*

Mr. Tan Chong Gin *(resigned on 19 November 2015)*

AUDIT COMMITTEE

Mr. Tong Wan Sze *(Chairman)*

Mr. Chu Hung Lin, Victor

Mr. Fung Kwok Leung

Mr. Li Kwok Chu *(appointed on 31 December 2015)*

Mr. Lau Shu Yan *(appointed on 31 December 2015)*

Dr. Wan Ho Yuen, Terence *(appointed on 31 December 2015)*

NOMINATION COMMITTEE

Mr. Li Kwok Chu *(Chairman) (appointed on 31 December 2015)*

Mr. Chu Hung Lin, Victor

Mr. Fung Kwok Leung

Mr. Lau Shu Yan *(appointed on 31 December 2015)*

Dr. Wan Ho Yuen, Terence *(appointed on 31 December 2015)*

Mr. Michael Koh Tat Lee *(resigned on 31 December 2015)*

REMUNERATION COMMITTEE

Mr. Chu Hung Lin, Victor *(Chairman)*
Mr. Fung Kwok Leung
Mr. Li Kwok Chu *(appointed on 31 December 2015)*
Mr. Lau Shu Yan *(appointed on 31 December 2015)*
Dr. Wan Ho Yuen, Terence *(appointed on 31 December 2015)*

REGISTERED OFFICE

P.O. Box 309,
Ugland House, South Church Street,
George Town, Grand Cayman,
Cayman Islands,
British West Indies

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units 3404-6, 34/F,
AIA Tower,
183 Electric Road,
North Point,
Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

AUDITOR

RSM Hong Kong
29th Floor,
Lee Garden Two,
28 Yun Ping Road,
Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Bank of Communications Co., Ltd.

STOCK CODE

8173

COMPANY WEBSITE

http://www.unionasiahk.com

FINANCIAL REVIEW

The Group's revenue of beverages in 2016 amounted to approximately HK$1,467,000 (2015: approximately HK10,661,000), decreased by approximately HK$9,194,000 as compared to the same period in 2015.

The Group has incurred a gross loss of approximately HK$244,000 (2015: a gross profit of approximately HK$1,765,000). Other operating loss, net amounted to approximately HK$5,101,000 (2015: other operating income of approximately HK$3,183,000). Loss for the year decreased to approximately HK$284,341,000 as compared to approximately HK$1,228,220,000 in last year.

The significant decrease in loss for the year was mainly attributable to the limited recording of an impairment of HK$158,568,000 of the fair value of the exploration and evaluation assets as at 31 March 2016 (2015: HK$945,462,000). Full details of the impairment are reported in note 23 to the consolidated financial statements.

CAPITAL STRUCTURE AND LIQUIDITY

Redemption of Convertible Bonds and Issuance of New Bonds

The restructuring of convertible bonds was completed on 12 May 2015. The outstanding convertible bonds in principal amount of US$201,474,359 (equivalent to approximately HK$1,571,500,000) due for repayment in 2018 ("Old Bonds") were fully redeemed by issuance of convertible bonds in principal amount of US$140,000,000 (equivalent to approximately HK$1,092,000,000) due in 2020 ("New Bonds"). A one-off fair value gain on redemption of the convertible bonds liabilities of approximately HK$251,146,000 (2015: Nil) was recorded (further details in note 38 to the condensed financial information).

During the year, the New Bonds in principal amount of US$60,000,000 (equivalent to approximately HK$468,000,000) were converted at HK$0.50 per share into 936,000,000 issued shares of the Company according to terms of the deed of New Bonds.

As at 31 March 2016, the Company has outstanding 2% convertible bonds with a carrying value of approximately HK$624,000,000 (31 March 2015: zero coupon rate convertible bonds with a carrying value of approximately HK$857,287,000) convertible into 248,000,000 ordinary shares (31 March 2015: 68,955,682 ordinary shares) of the Company of HK$0.50 each. The convertible bonds with outstanding principal amount totalling US$80,000,000 (equivalent to approximately HK$624,000,000) are due for full redemption on 12 May 2020. On 12 February 2016, a holder of the convertible bonds has agreed with the Company to have the partial early redemption of the convertible bonds with principal amount of US$30,000,000 (equivalent to approximately HK$234,000,000). This was completed on 18 May 2016.

Capital reduction of issued shares and sub-division of unissued shares

On 19 June 2015, the Company proposed to implement a reduction of the issued share capital by reducing the par value of each issued share of the Company ("Share") from HK$0.50 to HK$0.25 by cancelling the paid up share capital to the extent of HK$0.25 per issued Share ("Original Capital Reduction") so that following such reduction, each issued Share with a par value of HK$0.50 in the share capital of the Company shall become one (1) new share with par value of HK$0.25 each ("Original New Share"). Immediately following the Original Capital Reduction, each of the authorised but unissued Shares with par value of HK$0.50 be subdivided into two (2) Original New Shares with par value of HK$0.25 each ("Original Sub-division").

On 20 August 2015, the Company proposed to extend the Original Capital Reduction and the Original Sub-division. The Company therefore proposed a reduction of the issued share capital by reducing the par value of each issued Shares from HK$0.50 to HK$0.01 by cancelling the paid up share capital to the extent of HK$0.49 per issued Share ("Capital Reduction") so that following such reduction, each issued Share with a par value of HK$0.50 in the share capital of the Company shall become one (1) new share with par value of HK$0.01 ("New Share"). Immediately following the Capital Reduction, each of the authorised but unissued Shares with par value of HK$0.50 shall be subdivided into fifty (50) New Shares with par value of HK$0.01 each ("Sub-division").

The Capital Reduction and the Sub-division were approved by the Shareholders by way of special resolution at the extraordinary general meeting of the Company on 24 September 2015 and the Capital Reduction and the Sub-division were effective on 23 December 2015.

The credit arising from the Capital Reduction approximately HK$1,239,590,000 has been applied towards offsetting the accumulated deficit of the Company as at the effective date of the Capital Reduction, thereby reducing the accumulated deficit of the Company.

As at 31 March 2016, the Group has a current ratio of approximately 0.21 time (31 March 2015: approximately 1.01 times). Gearing ratio, calculated based on non-current liabilities of approximately HK$447,752,000 (31 March 2015: approximately HK$859,918,000) against total deficit of approximately HK$645,242,000 (31 March 2015: total deficit of approximately HK$625,023,000) decreased from -137.58% for 2015 to -72.46% for 2016.

As at 31 March 2016, the Group did not have any material contingent liability (31 March 2015: Nil).

As at 31 March 2016, the Group did not have any material capital commitment (31 March 2015: Nil).

Completion of the Rights Issue

On 18 May 2016, the Company completed a rights issue in the basis of eight rights shares for every one ordinary share held on the record date at a subscription price of HK$0.112 per rights share (the "Rights Issue"). A total number of 2,529,776,120 ordinary shares of HK$0.01 each were issued with net proceeds of approximately HK$270,000,000. The Company applies the net proceeds from the Rights Issue as to (i) approximately HK$229,300,000 for early partial redemption of the outstanding convertible bonds at the end of the reporting period; (ii) approximately HK$5,500,000 for repayment of the loan at the end of the reporting period and payment of interest accrued thereon; and (iii) the remaining balance of approximately HK$35,300,000 million as general working capital for existing businesses of the Group.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group had no material acquisitions or disposals of subsidiaries and associated companies during the year.

Subsequent to the year end, on 10 June 2016, a wholly owned subsidiary of the Company, Zhanhui Limited, completed the acquisition from Link Long Limited, a company incorporated in the British Virgin Islands and it is an independent third party, of all issued share of Fu Hang Metal (Asia) Limited, a company incorporated in Hong Kong, which is principally engaged in trading of stainless steel wires in Hong Kong and the PRC. Total purchase consideration was HK$ 12,500,000 which has been satisfied as to HK$4,000,000 in cash and HK$8,500,000 by the issue of the promissory notes. The management considers that it is beneficial for the Group to seek suitable investment opportunities from time to time to diversify its existing business portfolio into new line of business with growth potential and to broaden its source of income. In this connection, the management considers that this acquisition as an opportunity for the Group to expand its business in an industry with growth potential.

Disposals of two subordinates subsequent to the year end date

On 17 June 2016, a wholly owned subsidiary of the Company, Black Sand Enterprises Limited, has entered into a sales and purchase agreements with Mr. Nick Chua Chee Ming, who is an independent third party, to sell all issued share of Pan Asia Mining (Beijing) Company Limited, a company incorporated in the PRC and is an indirect wholly-owned subsidiary of the Company before the disposal, which is principally engaged in trading of bottled mineral water and tea products in the PRC. The total consideration is HK$80,000, which shall be satisfied by cash within 10 days after completion of the transaction, which was subject to obtaining relevant approval from relevant PRC governmental authorities. Given the negative operating results of the business in recent years, the management intends to realize the investment in the business rather than devoting further resources to the business which is loss making. It is expected that the net proceeds from the disposal will be used for general working capital of the Group.

On the same day, a wholly owned subsidiary of the Company, Black Sand Enterprises Limited, has entered into a sales and purchase agreements with Ms. Eva Wong, the spouse of Mr. Michael Koh Tat Lee who was an ex-executive director of the Group, to sell all issued share of Black Sand International (Singapore) Pte. Limited, a company incorporated in Singapore and is an indirect wholly-owned subsidiary of the Company before the disposal, which is principally engaged in trading of scrap metals in Singapore. The total consideration is HK$ 5,000,000, which shall be satisfied by setting off against part of the loan provided by Kesterion Investment Limited ("Kesterion") before (in which Kesterion is a company incorporated in the British Virgin Islands and is wholly-owned by Ms. Eva Wong) at completion of the transaction, which was subject to obtaining relevant approval from relevant governmental authorities, the Board and the independent shareholders at the extraordinary general meeting of the Company. Given the deteriorating financial results and unsatisfactory performance of the business in recent years, the management intends to realize the investment in the business rather than devoting further resources to the business which is loss making. The set-off of the consideration against part of the loan provided by Kesterion will enable the Group to save future interests and improve the gearing level of the Group without cash outlay.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2016, the Group has 61 full time employees (31 March 2015: 91) in Hong Kong, Singapore, Indonesia and the Mainland China. During the year ended 31 March 2016, the Group incurred staff costs (including Directors' emoluments) of approximately HK$26,509,000 (2015: approximately HK$24,755,000).

Employees are remunerated with reference to market terms and according to their individual work performance, qualification and experience. Remuneration includes monthly basic salaries, retirement benefits under the Mandatory Provident Fund Scheme (the "Scheme"), medical schemes and performance-lined discretionary bonuses.

All qualifying employees of the Group in Hong Kong participate in the Scheme. The assets of the Scheme are held separately from those of the Group in funds under the control of trustees. Contributions by the Group were grossly matched by employee contributions.

The emoluments of the executive Directors are recommended by the remuneration committee, and approved by the Board as authorized by the shareholders of the Company in the annual general meeting of the Company, having regard to the respective Directors' experience, responsibility, workload and time devoted to the Group; and the executive Directors may be granted options pursuant to the Share Option Scheme as defined in note 40 to the consolidated financial statements and/or any other such schemes of the Company as part of their remuneration packages.

BORROWING FACILITIES

As at 31 March 2016, the Group has obtained credit facilities from various banks, financial institutions and a former substantial shareholder up to a maximum amount of approximately HK$12,647,000 (2015: approximately HK$150,410,000) and approximately HK$11,919,000 (2015: approximately HK$24,959,000) of the credit facilities has been utilized.

PLEDGE OF ASSETS

At 31 March 2016, a warehouse property located in Singapore at carrying value of S$7,000,000 (equivalent to approximately HK$40,219,000) (31 March 2015: S$7,600,000 (equivalent to approximately HK$43,305,000)) and investment properties located in the PRC at carrying values of approximately RMB13,599,000 (equivalent to approximately HK$16,290,000) (31 March 2015: approximately RMB14,759,000 (equivalent to approximately HK$18,614,000)) were pledged to secure general banking facilities granted to the Group.

TREASURY POLICIES

The transactions of the Company and its subsidiaries are mainly denominated in United States Dollar and the majority of the Group's tangible assets are denominated in Hong Kong Dollar. The outstanding convertible bonds are denominated in United States Dollar and are redeemable or convertible using an agreed fixed rate of HK$7.8 to US$1.0. As a result, the convertible bonds have no exposure to exchange rate fluctuations. The Group has no other material exposure to exchange rate risk and has not made any arrangement to hedge against expenses, assets and liabilities for exchange rate fluctuation.

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

BUSINESS REVIEW

MINERALS EXPLORATION & EXPLOITATION

During the year ended 31 March 2016, the renewal of exploration permits and application of mineral production sharing agreement for the exploration and exploitation activities in the Leyte Gulf, Philippines were still being processed by the local government. On 24 June 2016, the exploration permits will expire and it will automatically be terminated.

With the view of the management that it will now actively seeking new areas of growth, full impairment was made on the fair value of the exploration and evaluation assets in The Philippines, which amounted to HK$158,568,000 for the year ended 31 March 2016.

BEVERAGE

Distribution results of bottled spring water in the PRC was disappointing. There was only minimal sales throughout the year. On the other hand, discussions in respect of the potential acquisition of the Canada bottled water manufacturer has been effectively suspended as there are still major differences in views between the negotiation parties. This results in the management to actively seek for new areas of growth.

METAL TRADING

Scrap metal trading became the major revenue-contributor during the year. However, due to the stringent environmental protection requirements in Singapore, the gross profit margin of the scrap metal processing is low. Given the deteriorating financial results and unsatisfactory performance of the business over the past two years, the management intends to realize the investment in the business rather than devoting further resources to the business which is loss making.

PROSPECTS

TRADING OF STAINLESS STEEL WIRES

Subsequent to the year end, Fu Hang Metal (Asia) Limited, a company established in Hong Kong and is engaged in trading of stainless steel wires in Hong Kong and the PRC, became a wholly owned subsidiary of the Group. The management considers that this acquisition as an opportunity for the Group to expand its business in an industry with growth potential.

TRADING OF COSMETIC AND SKINCARE PRODUCTS

To further broaden the source of income of the Group, the Group has commenced the trading of cosmetic and skincare products in June 2016. The Group primarily imports the cosmetic and skincare products from Korea and sell the products on a wholesale basis to distributors in Hong Kong and the PRC.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintain and ensure high standards of corporate governance practices to safeguard the interests of all shareholders and to enhance corporate value and accountability. The Company's corporate governance practices are based on the principles and code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "**CG Code"**) contained in Appendix 15 of the Rules Governing the Listing of Securities on the Growth Enterprise Market (the "**GEM Listing Rules**"). Except for the deviations as disclosed in this report, the Company has complied with the CG Code throughout the year ended 31 March 2016.

The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review its corporate governance practices from time to time to ensure they comply with the statutory requirements and the CG Code and align with the latest developments.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the code of conduct for securities transactions by Directors set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding securities transactions by Directors. The Company issues notices to its Directors 4 times a year reminding them of the general prohibition on dealing in the Company's listed securities during the blackout periods before the publication of announcements of quarterly, interim and annual results.

During the period from 20 July 2015 to 11 August 2015, Kesterion Investments Limited ("Kesterion"), a company wholly-owned by Ms. Wong, Eva ("Ms. Wong"), the spouse of Mr. Michael Koh Tat Lee ("Mr. Koh"), being a Director and the chairman of the Company and resigned on 29 March 2016 and 31 December 2015 respectively, acquired and disposed of in aggregate 3,800,000 and 165,790,000 shares of the Company respectively.

The above transactions were entered into by Kesterion during the period between 15 July 2015 to 14 August 2015, being the blackout period of 30 days immediately preceding the publication date of the quarterly results of the Company for the three months ended 30 June 2015, during which dealings by a director or a director's spouse or by or on behalf of any minor child are restricted. Further, no notification was given to the board of Directors (the "Board") or the Company by Ms. Wong or Mr. Koh prior to the above share dealings were made. Accordingly, the above share dealings made by Kesterion constituted as non-compliance of Rules 5.56(a) (ii) and 5.61 of the GEM Listing Rules.

To rectify the above non-compliance, the Company has reminded and will continue to remind the directors of the Company to observe the dealing restrictions and notification requirements as set forth under Rules 5.48 to 5.67 of the GEM Listing Rules. Further, the Company will also seek an additional training session for the Directors on the requirements under Rules 5.48 to 5.67 of the GEM Listing Rules.

Save aforesaid, the Company confirms that, having made specific enquiry of all other Directors, all other Directors have complied with the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules during the year ended 31 March 2016.

The Company has adopted the same code of conduct for securities transactions by relevant employees to regulate certain employees of the Group who are deemed to be in possession of unpublished inside information of the Company when dealing in the securities of the Company.

BOARD OF DIRECTORS

The Board of the Company comprises the following members:

Name	Changes
Executive Directors	
Ms. Yip Man Yi *(Chairman)*	(appointed on 14 November 2015 and appointed as Chairman on 31 December 2015)
Mr. Shiu Chi Tak, Titus	(appointed on 14 November 2015)
Mr. Michael Koh Tat Lee *(Chairman)*	(resigned as Chairman on 31 December 2015 and resigned on 29 March 2016)
Mr. Cheung Hung Man *(Chief Executive Officer)*	
Mr. Tan Chong Gin	(resigned on 19 November 2015)
Non-Executive Directors	
Mr. Liang Tong Wei	
Mr. Wong Chi Man	(appointed on 13 October 2015)
Independent Non-executive Directors	
Mr. Chu Hung Lin, Victor	
Mr. Tong Wan Sze	
Mr. Fung Kwok Leung	
Dr. Wan Ho Yuen, Terence	(appointed on 14 November 2015)
Mr. Li Kwok Chu	(appointed on 31 December 2015)
Mr. Lau Shu Yan	(appointed on 31 December 2015)

Subsequent to the year ended 31 March 2016, Mr. Cheung Hung Man was removed as executive Director and Chief Executive Officer by the Board on 23 May 2016.

The biographies of the current directors are set out on pages 20 to 22 of this report. The Directors do not have any relationship (including financial, business, family or other material/relevant relationship(s)) with each other.

The Board is responsible for the leadership and control of the Company. It also oversees the Group's business, strategic decisions and directions, and overall performances including an oversight of the management of the Group. The management of the Group has been delegated with the authority and responsibility by the Board for the general and day-to-day management of the Group. In addition, the Board has also delegated various responsibilities to other committees. Further details of the committees are set out in this report. The Board reserves for its decisions on all major matters of the Company, including the approval and monitoring of major policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. The delegated functions and work tasks are reviewed from time to time. Approval has to be obtained from the Board prior to any significant transactions to be entered into.

The non-executive Directors serve the relevant function of bringing independent judgement on the development, performance and risk management of the Group through their contributions in board meetings. They are also serving on audit committee, remuneration committee, and nomination committee. Through their active participation, they provide their valuable skills, expertise and experience to the Board and the committees on which they serve so that the management process can be critically reviewed and controlled.

Throughout the year ended 31 March 2016, the Company has complied with Rule 5.05(2) of the GEM Listing Rules relating to the appointment of at least one independent non-executive director ("**INED**") possessing appropriate professional qualification, or accounting or related financial management expertise. All independent non-executive Directors are considered to be independent by the Board as the Board has received from each independent non-executive Director his annual confirmation on independence as required by Rule 5.09 of the GEM Listing Rules.

Throughout the year ended 31 March 2016, the Company has complied with Rule 5.05(1) of the GEM Listing Rules relating to the appointment of a minimum of three INED.

Pursuant to Rules 5.19 of the GEM Listing Rules, the Company must ensure that one of its executive directors assumes responsibility for acting as a compliance officer. Upon the resignation of Mr. Tan Chong Gin on 19 November 2015, the Company did not comply with the Rule 5.19 of the GEM Listing Rules. With the appointment of Ms. Yip Man Yi, as the compliance officer of the Company on 1 December 2015, the Company fulfills the requirement under Rule 5.19 of the GEM Listing Rules.

The Board meets regularly to review the financial and operating performance of the Company. During the financial year ended 31 March 2016, the Board held 4 regular Board meetings (within the meaning of the CG code) at approximately quarterly interval and 12 other Board meetings which were convened when board-level decisions on particular matters were required. During the regular Board meetings the Directors discuss and formulate the overall strategies of the Company, review and monitor the business and financial performances and discuss the quarterly, half-yearly and annual results, as well as discuss and decide on other significant matters. During the year under review, the Chairman of the Board has met once with the non-executive Directors (including independent non-executive Directors) without the executive Directors present according to the code provision A.2.7 of the CG Code. The attendance record of each member of the Board is set out at **Details of the attendance of each member of the Board and Committees on page 16 of this report.**

Under the code provision E.1.2 of the CG Code, the chairman of the board should attend the annual general meeting and he should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. The Chairman of the Company was unable to present at the annual general meeting held on 24 July 2015 as he was away on a business trip. In addition, under code provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. During the year under review, several Directors were unable to present at the annual general meeting held on 24 July 2015 and the extraordinary general meetings held on 24 July 2015 and 24 September 2015 respectively due to their other important engagement at the relevant time, but they have appointed the other attended Directors as their representative at the meetings to answer questions of the shareholders of the Company. In the future, the Company will try its best to encourage and ensure the non-executive Directors and INEDs will attend the general meetings. The attendance record of each member of the Board is set out at **Details of the attendance of each member of the Board and Committees on page 16 of this report.**

Under code provision A.1.8 of the CG Code, the Company had arranged insurance cover in respect of legal actions and potential claims against the Directors throughout the year ended 31 March 2016.

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

According to the articles of association of the Company (the "Articles of Association"), one-third of the Directors are required to retire from office at each annual general meeting, provided that every Director shall be subject to retirement by rotation at least once in every three years.

According to the code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term of service. All of non-executive Directors and INEDs have entered into a service contract with the Company for a fixed term of office of one year, and they are subject to retirement by rotation and offer themselves for re-election at the annual general meeting at least once for every three years in accordance with the Articles of Association. The Company believes such practice meets the same objective and no less exacting than those prescribed under code provision A.4.1.

BOARD DIVERSITY POLICY

The Company has a board diversity guideline (the "Board Diversity Guideline") setting out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board.

Pursuant to the Board Diversity Guideline, the Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service.

All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

The Nomination Committee will review the Board Diversity Guideline from time to time to ensure its continued effectiveness.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The role of chairman (the "Chairman") and chief executive officer of the Company (the "CEO") are segregated and are held by Mr. Michael Koh Tat Lee and Mr. Cheung Hung Man respectively to ensure their respective independence, accountability and responsibility. To ensure a balance of power and authority, the Company has a clear and defined division of the responsibilities between the Chairman and the CEO in accordance with the CG Code. The Chairman is responsible for the Group's strategic planning and the management of the operations of the Board, while the CEO takes the lead in the Group's operations and business development.

During the year ended 31 March 2016, Mr. Michael Koh Tat Lee stepped down from his role as the Chairman and Ms. Yip Man Yi has been appointed to replaced Mr. Koh as the Chairman on 31 December 2015. Subsequent to the year ended 31 March 2016, there has no CEO since the removal of Mr. Cheung Hung Man by the Board on 23 May 2016. The Board will keep reviewing the current structure of the Board from time to time and should a candidate with suitable knowledge, skill and experience be identified, the Company will make appointment to fill the post of the CEO as appropriate and will make further announcement in due course. There is no financial, business, family or other material/relevant relationship between the Chairman and the CEO and among the members of the Board.

ROTATION OF DIRECTORS

Under code provision of A.4.2 of the CG Code, every director should be subject to retirement by rotation at least once every three years. Although the existing Articles of Association do not have exact provisions to this effect, they do however provide that one-third of the Directors shall retire from office by rotation and the Directors to retire in every year shall be those who have been longest in office since their last election. The actual operation of the aforesaid provisions of the existing Articles of Association should in principle result in each Director being subject to retirement by rotation at least once every three years. Considered in this perspective, the Company has substantially complied with the CG Code regarding the requirement that every Director should be subject to retirement by rotation at least once every three years. In addition, the Board will ensure that the code provision of A.4.2 of the CG Code will be complied with in practice.

DIRECTORS' TRAINING AND CONTINUOUS PROFESSIONAL DEVELOPMENT

During the year under review, for each newly appointed Director, the Company has provided induction and information to ensure that he/she has a clear understanding of the Company's operations and business and is fully aware of his/her responsibilities under the relevant statutes, laws, rules and regulations.

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

The Directors has complied with the requirement of the code provision A.6.5 of the CG Code on Directors' training. All Directors has participated in continuous professional development to develop and refresh their knowledge and skills and kept a record of training they received for the year ended 31 March 2016.

REMUNERATION COMMITTEE

The remuneration committee of the Company (the "**Remuneration Committee**") was established in March 2006 and currently consists of five members, all of which are INEDs, namely Mr. Chu Hung Lin, Victor, Mr. Fung Kwok Leung, Mr. Li Kwok Chu and Dr. Wan Ho Yuen, Terence. Mr. Chu Hung Lin, Victor was designated as the chairman of the Remuneration Committee with effect from 30 October 2014.

The roles and functions of the Remuneration Committee are set out in the written terms of reference of the Remuneration Committee which include the determination of the specific remuneration packages of all executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, making recommendations to the Board on the remuneration of the non-executive Directors and to review and approve performance-based remuneration. The terms of reference can be obtained from the website of the Company and the Stock Exchange. The Remuneration Committee has adopted the operation model where it performs an advisory role to the Board, with the Board retaining the final authority to approve the remuneration packages of individual executive Directors and senior management.

For the financial year ended 31 March 2016, the remuneration of Directors was determined by their experience, responsibility, workload and the time devoted to the Group. Executive Directors and employees also participate in bonus arrangements determined in accordance with the performance of the Group and the individual's performance.

During the financial year ended 31 March 2016, the Remuneration Committee held 2 meetings for, inter alia, reviewing and approving the remuneration packages of the existing Directors and the newly appointed Directors. The attendance record of each member of the Remuneration Committee is set out at **Details of the attendance of each member of the Board and Committees on page 16 of this report.**

Details of Directors' emoluments for the financial year ended 31 March 2016 are set out in the note 16 to the consolidated financial statements.

NOMINATION COMMITTEE

The nomination committee of the Company (the "**Nomination Committee**") was established in March 2012 and currently consists of five members, all of which are INEDs, namely Mr. Chu Hung Lin, Victor, Mr. Fung Kwok Leung, Mr. Li Kwok Chu, Mr. Lau Shu Yan and Dr. Wan Ho Yuen, Terence. During the year under review, Mr. Michael Koh Tat Lee stepped down from his role as the chairman of the Nomination Committee and Mr. Li Kwok Chu has been appointed to replaced Mr. Koh as the chairman of the Nomination Committee on 31 December 2015.

The roles and function of the Nomination Committee are set out in the written terms of reference of the Nomination Committee which include the review of the structure, size and composition (including the skills, knowledge of and experience) of the Board, making recommendations on any proposed changes and on the appointment and re-appointment of and succession planning for Directors and to assess the independence of INEDs. The terms of reference can be obtained from the website of the Company and the Stock Exchange.

Where vacancies on the Board exist, the Nomination Committee will carry out the selection process by making reference to the Board Diversity Guideline, the skills, experience, professional knowledge, personal integrity and time commitments of the proposed candidates, including the independence status in the case of an INED, the Company's needs and other relevant statutory requirements and regulations. During the year, all the newly appointed Directors were appointed by going through the selection process stated as above.

During the financial year ended 31 March 2016, the Nomination Committee held 3 meetings for, inter alia, considering the retirement and re-election of the Directors at the annual general meeting and recommending and considering the appointment of new Directors and to assess, review and make recommendation on the structure, size and composition of the Board. The attendance record of each member of the Nomination Committee is set out at **Details of the attendance of each member of the Board and Committees on page 16 of the report.**

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") currently comprises six members, of which all are INEDs, namely Mr. Chu Hung Lin, Victor, Mr. Tong Wan Sze, Mr. Fung Kwok Leung, Mr. Li Kwok Chu, Mr. Lau Shu Yan and Dr. Wan Ho Yuen, Terence. The chairman of the Audit Committee is Mr. Tong Wan Sze.

The role and functions of the Audit Committee are set out in the written terms of reference of the Audit Committee which includes to oversee the relationship with auditor, to review and supervise the financial reporting system and internal controls procedures of the Group and to review and approve the Company's annual reports and accounts, interim report and quarterly reports to the Board. The terms of reference can be obtained from the website of the Company and the Stock Exchange.

During the year, the Audit Committee has reviewed the Group's unaudited quarterly and interim results and annual audited results for the financial year ended 31 March 2016 and also reviewed the system of internal control of the Group in accordance with code provision C.2.1 of the CG Code. The Audit Committee was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made and is of the view that the system of internal control of the Group is sufficient to safeguard the interests of the Group.

During the financial year ended 31 March 2016, the Audit Committee held 4 meetings for, inter alia, reviewing the Group's quarterly, interim and annual results, the financial reporting and compliance procedures, considering the re-election of auditor of the Company and approving the revised terms of reference of the Audit Committee. The attendance record of each member of the Audit Committee is set out at **Details of the attendance of each member of the Board and Committees on page 16 of this report.**

DETAILS OF THE ATTENDANCE OF EACH MEMBER OF THE BOARD AND COMMITTEES:

Name	Changes	Board Meetings	Remuneration Committee Meetings	Nomination Committee Meetings	Audit Committee Meetings	Board Meeting for chairman and non-executive directors	Annual general meeting	Extraordinary general meeting
Executive Directors								
Mr. Michael Koh Tat Lee *(Chairman)*	(resigned on 29 March 2016)	7/15	–	3/3	–	1/1	0/1	0/1
Mr. Cheung Hung Man	(removed on 23 May 2016)	8/16	–	–	–	–	0/1	0/1
Ms. Yip Man Yi	(appointed on 14 November 2015)	10/10	–	–	–	–	–	–
Mr. Shiu Chi Tak, Titus	(appointed on 14 November 2015)	10/10	–	–	–	–	–	–
Mr. Tan Chong Gin	(resigned on 19 November 2015)	6/6	–	–	–	–	1/1	2/2
Non-Executive Directors								
Mr. Liang Tongwei		8/16	–	–	–	1/1	0/1	0/1
Mr. Wong Chi Man	(appointed on 13 October 2015)	10/11	–	–	–	–	–	–
Independent Non-executive Directors								
Mr. Chu Hung Lin, Victor		12/16	2/2	3/3	3/4	1/1	0/1	0/1
Mr. Tong Wan Sze		4/16	–	–	2/4	1/1	0/1	0/1
Mr. Fung Kwok Leung		6/16	2/2	2/3	4/4	1/1	0/1	0/1
Dr. Wan Ho Yuen, Terence	(appointed on 14 November 2015)	3/10	–	–	0/1	–	–	–
Mr. Lau Shu Yan	(appointed on 31 December 2015)	4/4	–	–	1/1	–	–	–
Mr. Li Kwok Chu	(appointed on 31 December 2015)	4/4	–	–	1/1	–	–	–

CORPORATE GOVERNANCE FUNCTION

The Board is also responsible for performing the corporate governance duties in the Code Provision D.3.1 as set out below:

a) to develop and review the Company's policies and practices on corporate governance;

b) to review and monitor the training and continuous professional development of Directors and senior management;

c) to review and monitor the Company's policies and practices and compliance with legal and regulatory requirements;

d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and

e) to review the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

AUDITOR'S REMUNERATION

For the year ended 31 March 2016, the total remuneration in respect of audit services and other non-audit services provided by the auditor of the Company, RSM Hong Kong, were approximately HK$600,000 and HK$72,000 respectively (2015: approximately HK$750,000 and HK$592,000 respectively).

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The Directors acknowledged their responsibilities for the preparation of the consolidated financial statements for the year ended 31 March 2016, which give a true and fair view of the state of affairs of the Company and of the Group and of the Group's result and cash flows for year then ended. In preparing the financial statements for the year ended 31 March 2016, the Directors have selected suitable accounting policies and have applied them consistently, adopted appropriate Hong Kong Financial Reporting Standards ("**HKFRSs**") and Hong Kong Accounting Standards ("**HKASs**") which are pertinent to its operations and relevant to the financial statements, made judgement and estimates that are prudent and reasonable, and have prepared the accounts on the going concern basis.

The statement of the auditor of the Company, RSM Hong Kong, about their reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 36 to 37 of this annual report.

COMPANY SECRETARY

During the financial year ended 31 March 2016, Mr. Chan Ming Cho, Joe resigned as the company secretary of the Company (the "**Company Secretary**") on 30 November 2015 and Ms. Leung Pui Ki ("**Ms. Leung**") was appointed as the Company Secretary on 1 December 2015 and is not an employee of the Company. Currently, Mr. Shiu Chi Tak, Titus, the executive Director, is the person whom Ms. Leung can contact for the purpose of code provision F.1.1 of the CG Code. During the year ended 31 March 2016, Ms. Leung has complied with Rule 5.15 of the GEM Listing Rules by taking no less than 15 hours of relevant professional training. Ms. Leung is responsible for distributing detailed documents to the Directors prior to the Board Meetings to ensure the Directors are able to make informed decision regarding the matters discussed in the meetings. And all Directors have access to the advice and service of the Company Secretary with a view to ensuring that the Board procedures, and all applicable rules and regulations are followed.

SHAREHOLDERS' RIGHTS

Convening an extraordinary general meeting

Pursuant to Article 72 of the Articles of Association, the Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any two or more members of the Company deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. General meetings may also be convened on the written requisition of any one member of the Company which is a recognised clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

Shareholders may put forward proposals at general meeting of the Company by sending the same to the Company at the principal office of the Company in Hong Kong.

Procedures for putting forward Proposals at a General Meeting

A shareholder shall make a written requisition to the Board or the Company Secretary at the Company's principal office in Hong Kong, specifying the shareholding information of the shareholder, his/her contact details and the proposal he/she intends to put forward at general meeting regarding any specified transaction/business and its supporting documents.

Procedures for sending enquiries to the board

For putting forward any enquiries to the Board, shareholders may send written enquiries to the Board of Directors/Company Secretary at the Company's principal office in Hong Kong. For the avoidance of doubt, shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the Company's principal office in Hong Kong and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

SHAREHOLDERS AND INVESTORS RELATIONS

The Board recognizes the importance of maintaining a close relationship with shareholders of the Company and investors by clear, timely and an effective communication. The Company has disclosed all necessary information to its shareholders and investors in compliance with the GEM Listing Rules. The Board has maintained close communications with the shareholders and investors of the Company through (i) the publication of the Company's latest business developments and financial performance through its annual, interim and quarterly reports, notices, announcements and circulars; (ii) the general meetings which provides an opportunity for the shareholders of the Company to raise comments and exchanging views with the Board; and (iii) the Company's website which provides an effective communication platform between the Company, its shareholders and investors.

CONSTITUTIONAL DOCUMENTS

There was no significant change in the Company's constitutional documents for the year ended 31 March 2016.

REVIEW OF INTERNAL CONTROL SYSTEM

The Board has overall responsibility for the system of internal controls of the Group and for reviewing its effectiveness. During the year under review, the Board has conducted a review of the effectiveness of the system of internal control of the Group in accordance with code provision C.2.1 of the CG Code. The review has covered all materials controls, including financial, operational and compliance controls and risk management functions. In the view of the Board, the system of internal control of the Group is sufficient to safeguard the interests of the Group. The duties of the Audit Committee also include reviewing and supervising the internal control procedures of the Group.

EXECUTIVE DIRECTORS

Ms. Yip Man Yi ("Ms. Yip"), aged 44, is an executive Director since 14 November 2015, the compliance officer of the Company since 1 December 2015 and the Chairman of the Company since 31 December 2015. Ms. Yip graduated from Seneca College of Applied Arts and Technology, Toronto, Canada and has over 18 years' experience in financial market and money market. Ms. Yip has worked with HSBC Market (Asia) Limited for Global Markets and company listed on the Main Board of the Stock Exchange who was actively involved in formulating investment strategy and was responsible for overseeing the management operations of various investment projects. Ms. Yip also has experience in the management of listed company at Hong Kong. She was a chairman and an executive director and a member of the remuneration committee of Evershine Group Holdings Limited (formerly known as TLT Lottotainment Group Limited) (stock code: 8022), a company listed on the GEM of the Stock Exchange for the period from 10 April 2012 to 2 October 2013. She was a managing director and an executive director of Unity Investments Holdings Limited (stock code: 913), a company listed on the Main Board of the Stock Exchange for the period from 7 October 2013 to 29 November 2013.

Mr. Shiu Chi Tak, Titus ("Mr. Shiu"), aged 34, is an executive Director since 14 November 2015 and the authorised representative of the Company since 1 December 2015. Mr. Shiu holds a Master of Science Degree in Marketing Management, The Hong Kong Polytechnic University. He has practical experiences in corporate finance projects for listed companies in Hong Kong including corporate advisories, mergers and acquisitions and fund raising activities.

NON-EXECUTIVE DIRECTORS

Mr. Liang Tong Wei ("Mr. Liang"), aged 49, is a non-executive Director of the Company since 30 November 2011. He holds a bachelor degree of Industrial and Business Administration and Management from Foshan Radio and Television University (佛山市廣播電視大學) in the People's Republic of China ("**PRC**"). Mr. Liang possesses about 28 years of experiences in the business administration and management. He has worked at 佛山市奇槎色料廠 and 佛山市宏陶陶瓷集團有限公司 in the PRC and was promoted to sales general manager before he left 佛山市宏陶陶瓷集團有限公司. Mr. Liang has been the chairman and general manager of 佛山市三水宏源陶瓷企業有限公司 since 2004.

Mr. Wong Chi Man ("Mr. Wong"), aged 33, is a non-executive Director since 13 October 2015. Mr. Wong is currently an associate director of a licensed securities dealer in Hong Kong. Mr. Wong has over 7 years of experience in the field of investment, finance and securities advisory. He holds a Master of Applied Finance degree from Monash University and a Bachelor degree in Commerce from Deakin University, Australia. Besides, Mr. Wong was the non-executive director of Merdeka Financial Services Group Limited (formerly known as Merdeka Mobile Group Limited) (Stock Code: 8163), the issued shares of which are listed on the GEM of the Stock Exchange, for the period from 24 August 2012 to 27 November 2015.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chu Hung Lin, Victor ("Mr. Chu"), aged 48, is an independent non-executive Director and a member of each of the Audit Committee and Remuneration Committee since 1 June 2009 and a member of the Nomination Committee since 31 March 2012. Mr. Chu was designated as the chairman of the Remuneration Committee since 30 October 2014. Mr. Chu has a diversified experience in the industries of film production, land development, private pre-IPO investment and food and catering. During the period from January 2001 to June 2003, he was the deputy chairman and executive director of Kuangchi Science Limited (stock code: 439, formerly known as Climax International Company Limited), shares of which are listed on the Main Board of the Stock Exchange. Before joining the Company, Mr. Chu was actively involved in food and beverage business and was a shareholder and director of certain private companies.

Mr. Tong Wan Sze ("Mr. Tong"), aged 48, is an independent non-executive Director and the chairman of the Audit Committee since 29 December 2010. Mr. Tong has over 24 years of experience in overseeing financial management, merger and acquisition, investor relations and company secretarial matters. Before joining the Company, Mr. Tong was the chief financial officer, financial controller and company secretary at several companies listed on the Main Board of the Stock Exchange and previously he was an auditor at Deloitte Touche Tohmatsu. Mr. Tong is currently an executive director, chief financial officer and authorized representative of GCL New Energy Holdings Limited (Stock Code: 451), a company listed on the Main Board of the Stock Exchange. He is a Fellow of the Association of Chartered Certified Accountants and an Associate of the Hong Kong Institute of Certified Public Accountants. Mr. Tong has obtained a Master degree in Business Administration from the University of Strathclyde in the United Kingdom.

Mr. Fung Kwok Leung ("Mr. Fung"), aged 50, is an independent non-executive Director and a member of the Audit Committee, Remuneration Committee and the Nomination Committee since 30 October 2014. Mr. Fung is a practicing Certified Public Accountant, a fellow member of each of the Hong Kong Institute of Certified Public Accountants and Association of Chartered Certified Accountants and a Certified Tax Adviser of The Taxation Institute of Hong Kong. He holds an Honour Degree in Accountancy from the Hong Kong Polytechnic University. Mr. Fung worked for two of the "Big-Four" international accounting firms and several multi-national entities and listed companies. He has over 25 years of extensive experience in accounting, auditing, taxation, merger and acquisitions, corporate finance, rescue and advisory. Mr. Fung was a non-executive director of Uin- Bio Science Group Limited (stock code: 690), a company listed on the Main Board of the Stock Exchange, for the period from 28 February 2014 to 18 September 2015. Mr. Fung is one of the founders of JH CPA Alliance Limited, which was founded on 23 January 2009. In October 2013, he was appointed as a Standing Committee Member of The Returned Overseas Chinese Association, Nanshan, Shenzhen, People's Republic of China. In January 2014, he was further appointed as a Committee Member of The Chinese People's Political Consultative Conference, Nanshan, Shenzhen Committee.

Dr. Wan Ho Yuen, Terence ("Dr. Wan"), aged 48, is an independent non-executive Director since 14 November 2015 and a member of the Audit Committee, Remuneration Committee and the Nomination Committee since 31 December 2015. Dr. Wan is currently the director of an accounting firm based in Hong Kong. Dr. Wan was an independent non-executive director of China National Culture Group Limited (formerly known as China Railsmedia Corporation Limited) (stock code: 745), a company listed on the Main Board of the Stock Exchange from 17 January 2014 to 9 April 2015. Dr. Wan is also an independent non-executive director of Tai Shing International (Holdings) Limited, a company listed on the GEM (stock code: 8103) since 31 December 2015. Dr. Wan obtained a bachelor of law degree from Tsing Hua University, the PRC in January 2004; and a doctorate degree of philosophy in business administration from Bulacan State University, Philippines in May 2006. Dr. Wan is a Certified Public Accountant (Practicing) of Hong Kong Institute of Certified Public Accountants. Dr. Wan has over 10 years of experiences in taxation advisory, business management and accounting with several professional accounting firms and companies.

Mr. Li Kwok Chu ("Mr. Li"), aged 59, is an independent non-executive Director, the chairman of the Nomination Committee and a member of the Audit Committee and the Remuneration Committee since 31 December 2015. Mr. Li is a chairman and chief executive officer of Pakco Group and he has rich experience in administration and management field. Prior to Mr. Li joining Pakco Group, he was the managing director of Pakco Security (HK) Limited. He was an independent non-executive director of Evershine Group Holdings Limited (formerly known as TLT Lottotainment Group Limited) (stock code: 8022), a company listed on the GEM of the Stock Exchange for the period from 16 March 2012 to 31 October 2013.

Mr. Lau Shu Yan ("Mr. Lau"), aged 34, is an independent non-executive Director and a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee since 31 December 2015. Mr. Lau graduated from the University of Newcastle in United Kingdom with a bachelor's degree in Accounting and Financial Analysis. He is a Certified Public Accountant (Practicing) of the Hong Kong Institute of Certified Public Accountants and a member of the Association of Chartered Certified Accountants. Mr. Lau has over 10 years experience in finance, auditing and accounting fields. Mr. Lau had previously worked in an international accounting firm and he is currently a partner of an audit firm. He was an independent non-executive director of Evershine Group Holdings Limited (formerly known as TLT Lottotainment Group Limited) (stock code: 8022), a company listed on the GEM of the Stock Exchange for the period from 11 July 2012 to 16 January 2014.

DIRECTORS' REPORT

The Directors present their annual report together with the audited consolidated financial statements of the Company for the year ended 31 March 2016.

CHANGE OF COMPANY NAME

Pursuant to the announcement dated 15 February 2016, the Company announced the proposed change of the Company's name from "Pan Asia Mining Limited" to "Union Asia Enterprise Holdings Limited", and to change the dual foreign name of the Company from "寰亞礦業有限公司" to "萬亞企業控股有限公司". Subsequent to the year ended 31 March 2016, the change of name was approved by passing of a special resolution by the shareholders at the extraordinary general meeting of the Company held on 8 April 2016. Certificate of Incorporation on Change of Name has been issued by the Registry of Companies in Cayman Islands on 12 April 2016 certifying that the Company has changed its English name from "Pan Asia Mining Limited" to "Union Asia Enterprise Holdings Limited" and the dual foreign name of the Company be changed from "寰亞礦業有限公司" to "萬亞企業控股有限公司" with effect from 11 April 2016. The Certificate of Registration of Alternation of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 17 May 2016 confirming the registration of the new name of the Company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) with effect from 17 May 2016. Following the change of Company's name, the shares of the Company have been traded on the Stock Exchange under the new English stock short name of "UNION ASIA ENT" and new Chinese stock short name of "萬亞企業控股", instead of "PAN ASIA MINING" in English and "寰亞礦業" in Chinese, with effect from 31 May 2016. the stock code of the company remains as "8173". Accordingly, the Company has also adopted a new logo which will be printed on all corporate documents of the Company.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its subsidiaries are set out in note 45 to the consolidated financial statements.

SEGMENT INFORMATION

An analysis of the principal activities and geographical locations of operations of the Group for the year ended 31 March 2016 are set out in note 8 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2016 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 38 to 39.

The Directors do not recommend the payment of a dividend for the year ended 31 March 2016 (2015: Nil).

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 127 to 128.

SUBSIDIARIES AND ASSOCIATES

Particulars of subsidiaries and associates of the Group are set out in notes 45 and 26 to the consolidated financial statements respectively.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year are set out in note 20 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 34 to the consolidated financial statements. There were capital reductions of the Company and conversion or subscription rights under any convertible securities, options, warrants or similar rights of the Group being exercised during the year ended 31 March 2016.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in the Consolidated Statement of Changes in Equity and note 35 to the consolidated financial statements respectively.

The Company had no reserves available for distribution to shareholders of the Company as at 31 March 2016 (2015: Nil).

BUSINESS REVIEW

A fair review of the business of the Group as well as discussion and analysis of the Group's performance during the year and the material factors underlying its financial performance and financial position can be found in the "Management Discussion and Analysis" set out on pages 4 to 8 of this annual report respectively.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations, businesses and prospects would be affected by a number of risks and uncertainties including market risk, credit risk, and liquidity risk. The risk management policies and practices of the Group are shown in note 6 to the consolidated financial statements.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group commits to the long term sustainability of the environment and communities in which it operates. Acting in an environmentally responsible manner, the Group endeavours to comply with laws and regulations regarding environmental protection and adopt effective measures to achieve efficient use of resources, energy saving and waste reduction.

The Group also commits to the principle and practice of recycling and reducing. To help conserve the environment, it implements green office practices such as re-deployment of office furniture as far as possible, encourage use of recycled paper for printing and copying, double-sided printing and copying, reduce energy consumption by switching off idle lightings, air conditioning and electrical appliances.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board is aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

RELATIONSHIP WITH SUPPLIERS, CUSTOMERS AND OTHER STAKEHOLDERS

The Group understands the importance of maintaining a good relationship with its suppliers, customers and other stakeholders to meet its immediate and long-term goals.

During the year, there were no material and significant dispute between the Group and its suppliers, customers and/or other stakeholders.

PERMITTED INDEMNITY

Pursuant to the memorandum and article of association of the Company, the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in the execution of their duties in their offices. Such permitted indemnity provision has been in force throughout the year. The Company has arranged appropriate Directors' and officers' liability insurance coverage for the Directors and officers of the Group.

PRE-EMPTIVE RIGHTS

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

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

The Company has not redeemed any of its listed securities during the year ended 31 March 2016. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the year ended 31 March 2016..

RETIREMENT SCHEME

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance (Chapter 485 laws of Hong Kong) for employees employed under the jurisdiction of the Hong Kong Employment Ordinance (Chapter 57 laws of Hong Kong). The MPF Scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF Scheme, each of the employer and employee are required to make contributions of 5% of the employees' relevant income to the scheme, subject to a cap of monthly relevant income of HK$30,000. Contributions made to the scheme are vested immediately.

The employees of the subsidiaries of the Group in the PRC, Singapore and Indonesia participate in the retirement schemes operated by the local authorities. The subsidiaries are required to contribute a certain percentage of salaries to these schemes to pay the benefits. The only obligation of the Group in respect to these schemes is the required contributions under the schemes.

For the year ended 31 March 2016, the Group's total contributions to the retirement schemes charged in the Consolidated Statement of Comprehensive Income amounted to approximately HK$2,063,000 (2015: HK$1,434,000).

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 March 2016, the aggregate sales attributable to the Group's five largest customers accounted for approximately 85% (2015: 58.26%) of the Group's total sales and the sales attributable to the Group's largest customer accounted for approximately 60% (2015: 17.20%) of the Group's total sales. During the year ended 31 March 2016, the aggregate purchases attributable to the Group's five largest suppliers accounted for approximately 100% (2015: 49.49%) of the Group's total purchases and the purchases attributable to the Group's largest supplier accounted for approximately 100% (2015: 16.22%) of the Group's total purchases.

None of the Directors, their associates or substantial shareholders (which to the best knowledge of the Directors owns more than 5% of the Company's issued share capital) had any beneficial interest in the share capital of any of the five largest customers and suppliers of the Group.

DIRECTORS

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

Executive Directors

Ms. Yip Man Yi	(appointed on 14 November 2015)
Mr. Shiu Chi Tak, Titus	(appointed on 14 November 2015)
Mr. Michael Koh Tat Lee	(resigned on 29 March 2016)
Mr. Cheung Hung Man	(removed on 23 May 2016)
Mr. Tan Chong Gin	(resigned on 19 November 2015)

Non-Executive Directors

Mr. Wong Chi Man	(appointed on 13 October 2015)
Mr. Liang Tong Wei	

Independent Non-executive Directors

Mr. Chu Hung Lin, Victor	
Mr. Tong Wan Sze	
Mr. Fung Kwok Leung	
Dr. Wan Ho Yuen, Terence	(appointed on 14 November 2015)
Mr. Li Kwok Chu	(appointed on 31 December 2015)
Mr. Lau Shu Yan	(appointed on 31 December 2015)

Pursuant to Article 99 of the Articles of Association applicable at the relevant time of appointment, Ms. Yip Man Yi, Mr. Shiu Chi Tak, Titus, Mr. Wong Chi Man, Dr. Wan Ho Yuen, Terence, Mr. Li Kwok Chu and Mr. Lau Shu Yan shall retire at such forthcoming annual general meeting of the Company and, being eligible, will offer themselves for re-election.

Pursuant to Article 116 of the Articles of Association, Mr. Chu Hung Lin, Victor shall retire from office by rotation at such forthcoming annual general meeting of the Company but he will not offer himself for re-election.

DIRECTORS' SERVICE CONTRACTS

All of the current executive Directors have entered into service contracts with the Company and are not appointed for a specific term, but all are subject to retirement by rotation and re-election provisions in the Articles of Association.

Each of the current non-executive Directors and independent non-executive Directors have entered into a service contract with the Company with a fixed term of office of 1 year from the date of their appointment. Such service contracts will be automatically renewable for successive terms of one year unless terminated by either party by one month's written notice to the other party. They are also subject to rotation and re-election provisions in the Articles of Association.

None of the Director being proposed for re-election at the forthcoming annual general meeting of the Company has any service contract which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' BIOGRAPHIES

Biographical details of the Directors of the Group are set out on pages 20 to 22 of this annual report.

UPDATE ON DIRECTOR'S INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Upon specific enquiry by the Company and following confirmations from the Directors, there are some changes in the information of the Directors required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules subsequent to the date of the Company's interim report 2016.

Mr. Wong Chi Man was appointed as a non-executive Director with effect from 13 October 2015.

Ms. Yip Man Yi ("Ms. Yip") was appointed as an executive Director with effect from 14 November 2015. Ms. Yip was also appointed as the compliance officer with effect from 1 December 2015. Upon the appointment of Ms. Yip as the compliance officer, the Company meets the requirement of Rule 5.19 of the GEM Listing Rules. Ms. Yip was further appointed as the chairman of the Board with effect from 31 December 2015.

Mr. Shiu Chi Tak, Titus ("Mr. Shiu") was appointed as an executive Director with effect from 14 November 2015. Mr. Shiu was also appointed as the authorised representative under the GEM Listing Rules and the process agent for accepting service of process and notices on behalf of the Company in Hong Kong as required under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) with effect from 1 December 2015.

Dr. Wan Ho Yuen, Terence ("Dr. Wan") was appointed as an independent non-executive Director with effect from 14 November 2015. Dr. Wan was appointed as a member of each of the audit committee, remuneration committee and nomination committee of the Company with effect from 31 December 2015.

Mr. Tan Chong Gin ("Mr. Tan") resigned as an executive director and compliance officer with effect from 19 November 2015. Pursuant to Rule 5.19 of the GEM Listing Rule, the Company must ensure that one of its executive directors assumes responsibility for acting as a compliance officer. Upon the resignation of Mr. Tan, the Company did not comply with the GEM Listing Rule 5.19.

Mr. Michael Koh Tat Lee ("Mr. Koh") resigned as the authorized representative under the GEM Listing Rules and the process agent for accepting service of process and notices on behalf of the Company in Hong Kong as required under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) with effect from 30 November 2015. Mr. Koh also resigned as the chairman of the Board and the chairman of the nomination committee with effect from 31 December 2015. Mr. Koh resigned as an executive director with effect from 29 March 2015.

Mr. Li Kwok Chu was appointed as an independent non-executive Director, the chairman of the nomination committee and a member of the audit committee and the remuneration committee of the Company with effect from 31 December 2015.

Mr. Lau Shu Yan was appointed as an independent non-executive Director and a member of each of audit committee, remuneration committee and nomination committee of the Company with effect from 31 December 2015.

EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in note 15 to the consolidated financial statement.

EMOLUMENT POLICY

In order to attract and retain high quality staff and to enable smooth operation within the Group, the Group offers competitive remuneration packages (with reference to market conditions and individual's and the Group's performance). The remuneration packages are subject to review on a regular basis.

The emoluments of the Directors are reviewed by the remuneration committee of the Company, having regard to the Company's operating results, market competitiveness, individual performance and achievement, and approved by the Board.

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the Share Option Scheme is set out in note 40 to the consolidated financial statements.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 16 to the consolidated financial statements, there were no contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

INDEPENDENCE CONFIRMATION

The Company has received annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules from each of the independent non-executive Directors, namely Mr. Chu Hung Lin, Victor, Mr. Tong Wan Sze, Mr. Fung Kwok Leung, Dr. Wan Ho Yuen, Terence, Mr. Li Kwok Chu and Mr. Lau Shu Yan, and as at the date of this report considers them to be independent.

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

As at 31 March 2016, the interests or short positions of the Directors and chief executives of the Company in the shares (the "Shares"), underlying shares and debentures of the Company and its associated corporations (within the meanings of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO")) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests and short positions which they were taken or deemed to have under such provisions of SFO); or (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) were required, pursuant to Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

The Company

Long and short positions in Shares of the Company

Name of Directors/ chief executive	Number of Shares	Approximate percentage of shareholding	Capacity
Liang Tong Wei	100,000,000 (L)	3.95	Beneficial owner
Cheung Hung Man	44,235,000 (L)	1.75	Beneficial owner

(L) — Long position

Save as disclosed above, there are no long and short positions of the Directors and the chief executives in the Shares, underlying Shares and debentures of the Company and its associated corporations that (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS DISCLOSABLE UNDER THE SFO

As at 31 March 2016, so far as the Directors are aware, the following persons (other than Directors and chief executives of the Company) had an interest and/or a short position in the Shares or underlying Shares in respect of equity derivatives of the Company that has to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under section 336 of the SFO (including interests and/or short positions which they were taken or deemed to have under such provisions of the SFO), and who were expected, directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

The Company

Long and short positions in Shares of the Company

Long and short positions in the underlying Shares of the Company

Name of Shareholders	Capacity/Nature of interest	No. of underlying Shares held	Approximate Percentage of the shareholding
Gloss Rise Limited	Beneficial owner	624,000,000 (L) *(Note 1)*	24.67%
Action Hero Investments Limited	Interest of controlled corporation	624,000,000 (L) *(Note 1)*	24.67%
Mr. Ng Chun Sang	Interest of controlled corporation	624,000,000 (L) *(Note 1)*	24.67%
eForce Holdings Limited	Beneficial owner	251,800,000 (L) *(Note 2)*	9.95%
Cobot Financial Limited	Security interest	312,000,000 (L) *(Note 3)*	12.33%
Pioneer Frontier Limited	Interest of controlled corporation	312,000,000 (L) *(Note 3)*	12.33%
Galileo Capital Group (BVI) Limited	Interest of controlled corporation	312,000,000 (L) *(Note 3)*	12.33%
Sun International Resources Limited	Interest of controlled corporation	312,000,000 (L) *(Note 3)*	12.33%
First Cheer Holdings Limited	Interest of controlled corporation	312,000,000 (L) *(Note 3)*	12.33%
Sun Finance Company Limited	Security interest	312,000,000 (L) *(Note 4)*	12.33%
Peak Stand Holdings Limited	Interest of controlled corporation	312,000,000 (L) *(Note 4)*	12.33%

Name of Shareholders	Capacity/Nature of interest	No. of underlying Shares held	Approximate Percentage of the shareholding
Sheen Light Holdings Limited	Interest of controlled corporation	312,000,000 (L) *(Note 4)*	12.33%
Eminent Crest Holdings Limited	Interest of controlled corporation	312,000,000 (L) *(Note 4)*	12.33%
Bravo Profit Holdings Limited	Interest of controlled corporation	312,000,000 (L) *(Note 4)*	12.33%
Cheng Family Investment Holdings Company Limited	Interest of controlled corporation	312,000,000 (L) *(Note 4)*	12.33%
Chau's Holdings Company Limited	Interest of controlled corporation	312,000,000 (L) *(Note 4)*	12.33%
Mr. Chau Cheok Wa	Interest of controlled corporation	624,000,000 (L) *(Note 3 & 4)*	24.67%
Mr. Cheng Ting Kong	Interest of controlled corporation	624,000,000 (L) *(Note 3 & 4)*	24.67%

(L) – Long Position

Notes:

1. This represents the principal amount of approximately US$40,000,000 of the outstanding convertible Bonds, ("New Bonds"), which upon conversion in full at the conversion price of HK$0.50 per conversion share will result in the allotment and issue of 624,000,000 Shares, which have been issued to Kesterion Investments Limited ("Kesterion") on 12 May 2015 and Kesterion transferred to Gloss Rise Limited ("Gloss Rise") on 19 November 2015. Gloss Rise is owned as to 85% by Action Hero Investment Limited ("Action Hero"). Action Hero is wholly owned by Mr. Ng Chun Sang.

2. This represents as a beneficial owner of 49,000,000 issued shares and the principal amount of approximately US$13,000,000 of the outstanding convertible Bonds, which upon conversion in full at the conversion price of HK$0.50 per conversion share will result in the allotment and issue of 202,800,000 Shares, which have been issued to Kesterion on 12 May 2015 and Kesterion transferred to eForce Holdings Limited (Stock Code 943), a company listed on the Main Board of the Stock Exchange on 19 November 2015.

3. The security charges entered into between Gloss Rise and Cobot Financial Limited ("Cobot") dated on 19 November 2015. Cobot is wholly owned by Pioneer Frontier Limited ("Pioneer"). Pioneer is wholly owned by Galileo Capital Group (BVI) Limited ("Galileo"). Galileo is wholly owned by Sun International Resources Limited ("Sun International"). Sun International is wholly owned by First Cheer Holdings Limited ("First Cheer"). First Cheer is owned as to 50% and 50% by Mr. Chau Cheok Wa and Mr. Cheng Ting Kong respectively.

4. The security charges entered into between Gloss Rise and Sun Financial Company Limited ("Sun Financial") dated on 19 November 2015. Sun Financial is owned as to 58%, 38% and 4% by Peak Stand Holding Limited ("Peak Stand"), Eminent Crest Holdings Limited ("Eminent") and Sheen Light Holdings Limited ("Sheen Light") respectively. Peak Stand, Eminent and Sheen Light are wholly owned by Bravo Profit Holdings Limited ("Bravo"). Bravo is owned as to 50% and 50% by Cheng Family Investment Holdings Company Limited ("Cheng Family") and Chau's Holdings Company Limited ("Chau's Holding") respectively. Cheng Family is wholly owned by Mr. Cheng Ting Kong. Chau's Holding is wholly owned by Mr. Chau Cheok Wa.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in note 40 to the consolidated financial statements, the sections "Directors' and chief executives' interests and short positions in the shares, underlying shares or debentures" above, at no time during the year was the Company, or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangements to enable the Directors or chief executives of the Company or their respective associates (as defined in the GEM Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate..

SHARE OPTIONS SCHEME

A summary of the share option scheme and details of the movements in share options of the Company during the year ended 31 March 2016 are set out in note 40 to the consolidated financial statements.

CONNECTED TRANSACTIONS

Details of the related party transaction disclosed in note 43 to the consolidated financial statements for the year ended 31 March 2016 were constituted connected transactions as defined in Chapter 20 of the GEM Listing Rules. Saved as disclosed therein, there was no other transaction which would need to be disclosed as connected transactions in compliance with the disclosure requirements in Chapter 20 of the GEM Listing Rules.

The Directors consider that the above transaction of the Group was incurred under normal commercial terms and in the ordinary and usual course of business, and the terms are fair and reasonable and in the interests of the shareholders of the Company as a whole.

EVENTS AFTER THE REPORTING PERIOD

Details of significant events occurring after the reporting date are set out in note 46 to the consolidated financial statements.

MANAGEMENT CONTRACT

No contracts concerning the management or administration of the whole or any substantial part of the business were entered into or in existence during the year ended 31 March 2016.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors or any of their associates (as defined in the GEM Listing Rules), is or was interested in any business apart from the Group's business, that of the Company competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during the year ended 31 March 2016 and up to and including the date of this report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors as at the date of this report, the Company has maintained sufficient public float as required under the GEM Listing Rules.

CORPORATE GROVERNANCE

Information on the Company's Corporate Governance Practices are set out in the Corporate Governance Report on pages 9 to 19 of this annual report.

AUDITOR

At the Company's last Annual General Meeting, RSM Nelson wheeler was re-appointed as auditor of the Company. On 26 October 2015 our auditor changed the name under which it practices to RSM Hong Kong and accordingly has signed its report under its new name.

RSM Hong Kong will retire at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of RSM Hong Kong as auditor of the Company will be proposed at the forthcoming annual general meeting of the Company.

By Order of the Board

Yip Man Yi
Chairman

Hong Kong
24 June 2016

RSM

TO THE MEMBERS OF UNION ASIA ENTERPRISE HOLDINGS LIMITED
(FORMERLY KNOWN AS PAN ASIA MINING LIMITED)
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Union Asia Enterprise Holdings Limited (formerly known as Pan Asia Mining Limited) (the "Company") and its subsidiaries (the "Group") set out on pages 38 to 126, which comprise the consolidated statement of financial position as at 31 March 2016, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and 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 the 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

Basis for disclaimer of opinion

As disclosed in note 2 to the consolidated financial statements, the Group incurred a loss of approximately HK$290,842,000 (2015: HK$1,223,479,000) for the year ended 31 March 2016 and as at 31 March 2016 the Group had net current liabilities of approximately HK$205,310,000 (2015: net current assets HK$1,512,000) and net liabilities of approximately HK$645,242,000 (2015: HK$625,023,000). These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

The consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the Group's ability to (i) obtaining extension for the repayment of the loan from a former substantial shareholder amounting to HK$92,831,000 as at 31 March 2016; and (ii) obtaining additional debt financing from two directors of the Group. The financial statements do not include any adjustments that would result from the failure to obtain this financial support.

Up to the date of this report, the Group was not entered into any agreements with the former substantial shareholders or the two directors with regards to the loan extension and debt financing respectively. We were unable to obtain confirmations from these parties that they would extend the repayment date of the loan and provide debt financing. In addition, we were not provided with the financial information of the two directors to support their capability to advance the necessary funds. Therefore, we were unable to obtain sufficient appropriate audit evidence that the Group will obtain this financial support. There were no other satisfactory procedures that we could adopt in this regard.

Accordingly, we are unable to determine whether the directors' use of going concern assumption in preparing the consolidated financial statements is appropriate in the circumstances. Shall the Group be unable to continue as a going concern, adjustments would have to make to the consolidate financial statements to write down the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

Disclaimer of opinion

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements. In all other respects, in our opinion, the financial statements have been properly prepared in compliance with the Hong Kong Companies Ordinance.

RSM Hong Kong
Certified Public Accountants
Hong Kong

24 June 2016

	Note	2016 HK$'000	2015 HK$'000
Continuing operations			
Revenue	9	**1,467**	10,661
Cost of sales		**(1,711)**	(8,896)
Gross (loss)/profit		**(244)**	1,765
Administrative expenses		**(55,344)**	(51,640)
Other operating income and expenses	10	**(5,101)**	3,183
Other gains and losses	11	**149,695**	95
Profit/(loss) from operations		**89,006**	(46,597)
Finance costs	12	**(65,559)**	(129,982)
Profit/(loss) before tax		**23,447**	(176,579)
Income tax expense	13	**(469)**	(367)
Profit/(loss) for the year from continuing operations	14	**22,978**	(176,946)
Discontinued operations			
Loss for the year from discontinued operations	17	**(307,319)**	(1,051,274)
Loss for the year		**(284,341)**	(1,228,220)
Other comprehensive income after tax:			
Item that will not be reclassified to profit or loss:			
Revaluation (deficit)/surplus of leasehold building		**(7,654)**	5,813
Item that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		**(293)**	(1,072)
Gains on revaluation of available-for-sale financial assets		**1,446**	—
Other comprehensive income for the year, net of tax		**(6,501)**	4,741
Total comprehensive income for the year		**(290,842)**	(1,223,479)

	Note	2016 HK$'000	2015 HK$'000
Loss for the year attributable to:			
Owners of the Company		**(225,810)**	(887,338)
Non-controlling interests		**(58,531)**	(340,882)
		(284,341)	(1,228,220)
Total comprehensive income for the year attributable to:			
Owners of the Company		**(239,088)**	(882,757)
Non-controlling interests		**(58,531)**	(340,722)
		(297,619)	(1,223,479)
		HK cents	HK cents
Earnings/(loss) per share	19		
From continuing and discontinued operations			
Basic		**(12.28)**	(83.01)
Diluted		**N/A**	N/A
From continuing operations			
Basic		**0.99**	(4.49)
Diluted		**(0.08)**	N/A

At 31 March 2016

	Note	2016 HK$'000	2015 HK$'000
Non-current assets			
Property, plant and equipment	20	**2,306**	52,062
Investment properties	21	**18,836**	18,614
Payments for mining claims	22	**–**	109
Exploration and evaluation assets	23	**–**	158,568
Goodwill	24	**–**	3,435
Intangible assets	25	**–**	595
Interests in associates	26	**–**	–
Available-for-sale financial assets	27	**6,472**	–
Total non-current assets		**27,614**	233,383
Current assets			
Inventories	28	**4,308**	17,271
Trade and other receivables	29	**6,849**	187,763
Financial assets at fair value through profit or loss	30	**–**	295
Derivative financial instrument	38(b)	**292**	–
Amount due from associates	26	**83**	83
Amount due from a director	16(b)	**–**	2,699
Restricted bank balance	31	**28**	–
Bank and cash balances	31	**3,781**	9,817
		15,341	217,928
Assets classified as held for sale	32	**38,203**	–
Total current assets		**53,544**	217,928
TOTAL ASSETS		**81,158**	451,311
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	34	**25,298**	796,888
Reserves	35	**(660,100)**	(1,470,002)
		(634,802)	**(673,114)**
Non-controlling interests		**(10,440)**	**48,091**
Total equity		**(645,242)**	**(625,023)**

	Note	2016 HK$'000	2015 HK$'000
Non-current liabilities			
Bank and other borrowings	36	**19,794**	109
Finance lease payables	37	**–**	636
Convertible bonds	38	**445,499**	857,287
Deferred tax liabilities	39	**2,253**	1,886
Total non-current liabilities		**467,546**	859,918
Current liabilities			
Trade and other payables	33	**13,480**	188,993
Amounts due to directors	43(a)	**963**	897
Bank and other borrowings	36	**114,750**	24,936
Finance lease payables	37	**–**	263
Current tax liabilities		**73**	1,327
		129,266	216,416
Liabilities directly associated with assets classified as held for sale	32	**129,588**	–
Total current liabilities		**258,854**	216,416
TOTAL EQUITY AND LIABILITIES		**81,158**	451,311

Approved by the Board of Directors on 24 June 2016 and are signed on its behalf by:

YIP Man Yi
Director

SHIU Chi Tak, Titus
Director

	Attributable to owners of the Company										
	Share capital	Share premium	Foreign currency translation reserve	Share option reserve	Convertible bonds equity reserve	Property revaluation reserve	Investment revaluation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2014	471,450	3,780,279	(2,468)	8,251	1,263,605	2,348	–	(5,506,868)	16,597	387,965	404,562
Total comprehensive income for the year	–	–	(1,232)	–	–	5,813	–	(887,338)	(882,757)	(340,722)	(1,223,479)
Issue of share on acquisition of a subsidiary (note 34(c))	33,142	(5,966)	–	–	–	–	–	–	27,176	–	27,176
Issue of rights shares (note 34(c))	151,378	–	–	–	–	–	–	–	151,378	–	151,378
Issue of bonus shares (note 34(c))	100,918	(100,918)	–	–	–	–	–	–	–	–	–
Share issue expenses	–	(4,708)	–		–	–	–	–	(4,708)	–	(4,708)
Issue of shares for extinguishing financial liabilities with equity instruments (note 34(d))	40,000	(20,800)	–	–	–	–	–	–	19,200	–	19,200
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	–	848	848
Changes in equity for the year	325,438	(132,392)	(1,232)	–	–	5,813	–	(887,338)	(689,711)	(339,874)	(1,029,585)
At 31 March 2015	796,888	3,647,887	(3,700)	8,251	1,263,605	8,161	–	(6,394,206)	(673,114)	48,091	(625,023)
At 1 April 2015	796,888	3,647,887	(3,700)	8,251	1,263,605	8,161	–	(6,394,206)	(673,114)	48,091	(625,023)
Total comprehensive income for the year	–	–	(293)	–	–	(7,654)	1,446	(225,810)	(232,311)	(58,531)	(290,842)
Issue of shares on conversion of convertible bonds (note 34(e))	468,000	(26,945)	–	–	(170,432)	–	–	–	270,623	–	270,623
Redepmtion and issuance of convertible bonds (note 38)	–	–	–	–	(865,930)	–	–	865,930	–	–	–
Capital reduction (note 34(f))	(1,239,590)	–	–	–	–	–	–	1,239,590	–	–	–
Changes in equity for the year	(771,590)	(26,945)	(293)	–	(1,036,362)	(7,654)	1,446	1,879,710	38,312	(58,531)	(20,219)
At 31 March 2016	25,298	3,620,942	(3,993)	8,251	227,243	507	1,446	(4,514,496)	(634,802)	(10,440)	(645,242)

	Note	2016 HK$'000	2015 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax			
Continuing operations		**23,447**	(47,633)
Discontinued operations		**(309,751)**	(1,187,789)
		(286,304)	(1,234,422)
Adjustments for:			
Finance costs		**66,071**	130,782
Interest income from loan and receivables		**(1)**	(33)
Net interest payable on trade balances		**24,239**	30,552
Amortisation of intangible assets		**–**	2,873
Depreciation		**4,343**	6,686
Allowances for trade and other receivables		**149,794**	37,931
Allowance for obsolete inventory		**11,455**	–
Reversal of allowances for other receivables		**(3,636)**	–
Gain on disposal of property, plant and equipment		**(1,518)**	(3)
Fair value gain on contingent consideration payable		**–**	(663)
Fair value loss/(gain) on financial assets at fair value through profit or loss		**7,436**	(8)
Fair value gain on investment properties		**(1,173)**	(180)
Fair value loss on derivative financial instrument		**54,855**	–
Dividend income from listed investments		**–**	(6)
Impairment loss on exploration and evaluation assets		**158,677**	945,462
Impairment loss on goodwill		**3,435**	10,160
Impairment loss on intangible assets		**313**	23,458
Fair value gain on extinguishing financial liabilities with equity instruments	33(a)	**–**	(14,761)
Gain on redemption of convertible bond liabilities	38(a)	**(251,146)**	–
Operating loss before working capital changes		**(63,160)**	(62,172)
Decrease in inventories		**904**	2,885
Decrease in trade and other receivables		**17,435**	58,405
Decrease/(increase) in amount due from a director		**345**	(2,006)
Decrease in amount due to directors		**66**	(2,796)
Increase in amount due from associates		**–**	(140)
Decrease in trade and other payables		**(1,607)**	(166,743)
Cash used in operations		**46,017**	(172,567)
Net proceeds from disposal of financial assets at fair value through profit or loss		**332**	–
Income tax paid		**1,191**	(1,292)
Net cash used in operating activities		**(44,494)**	(173,859)

	Note	2016 HK$'000	2015 HK$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of financial assets		**(3,950)**	–
Interest received		**124**	164
Dividend income from listed investments		**–**	6
Additions to exploration and evaluation assets		**–**	(6)
Purchases of property, plant and equipment		**(111)**	(1,773)
Addition to investment property		**–**	(820)
Proceeds from disposal of property, plant and equipment		**2,247**	50
Net cash used in investing activities		**(1,690)**	(2,379)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital contribution from non-controlling interests		**–**	848
Net proceeds from bank loan and other borrowings		**46,114**	32,612
Bank loan interest paid		**(1,354)**	(1,762)
Interest paid for other borrowings		**(3,691)**	(20)
Repayment of bank loan		**–**	(33,605)
Proceeds from issue of rights and bonus shares		**–**	151,378
Repayment of finance lease payables, net		**(386)**	(459)
Finance lease charges paid		**(30)**	(54)
Share issue expenses		**–**	(4,708)
Net cash generated from financing activities		**40,653**	144,230
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(5,531)**	(32,008)
Effect of foreign exchange rate changes		**1,899**	914
CASH AND CASH EQUIVALENTS AT 1 APRIL		**1,393**	32,487
CASH AND CASH EQUIVALENTS AT 31 MARCH		**(2,239)**	1,393
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Bank and cash balances	31	**3,781**	9,817
Restricted bank balance		**28**	–
Bank overdrafts	36	**–**	(8,424)
		3,809	1,393
Bank and cash balances included in disposal group classified as held for sale			
– Bank and cash balances		**1,409**	–
– Bank overdrafts		**(7,457)**	–
		(6,048)	–
		(2,239)	1,393

1. GENERAL INFORMATION

Union Asia Enterprise Holdings Limited (formerly known as Pan Asia Mining Limited) ("the Company") was incorporated in the Cayman Islands with limited liability. The address of its registered office is P.O. Box 309, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands, British West Indies. The address of its principal place of business is Units 3404-6, 34/F., AIA Tower, 183 Electric Road, North Point, Hong Kong. The Company's shares are listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 46 to the consolidated financial statements.

Pursuant to the special resolution of the Company dated 8 April 2016, the name of the Company has been changed from Pan Asia Mining Limited to Union Asia Enterprise Holdings Limited. The change of name of the Company has been approved by the Registry of Companies in Cayman Islands and became effective on 17 May 2016.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

The Group incurred a loss of approximately HK$290,842,000 (2015: HK$1,223,479,000) for the year ended 31 March 2016 and as at 31 March 2016 the Group had net current liabilities of approximately HK$205,310,000 (2015: net current assets HK$1,512,000) and net liabilities of approximately HK$645,242,000 (2015: HK$625,023,000). These conditions indicate the existence of a material uncertainty that might cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

2. BASIS OF PREPARATION *(continued)*

The directors have prepared cash flow forecasts for the period to 1 April 2016 to 31 March 2017 which take account of the following measures to improve the Group's financial position and performance, and liquidity in foreseeable future:

(i) On 18 May 2016, the Company completed a right issue raising net proceeds of HK$270,000,000. The Company used HK$229,300,000 of the net proceeds to early redeem part of the outstanding convertible note as disclosed in the note 46(a) to the consolidated financial statements;

(ii) On 10 June 2016, the Group entered into an agreement to acquire 100% of the equity interests of Fu Hang Metal (Asia) Limited, which is engaged in trading of stainless steel wires in Hong Kong and the PRC. The directors expect that the acquisition will improve the profitability and operating cash flows of the Group as disclosed in the note 46(b) to the consolidated financial statements;

(iii) On 17 June 2016, the Group entered into agreements to dispose of certain loss making subsidiaries at a total consideration of HK$5,080,000 as disclosed in note 46(c) and (d) to the consolidated financial statements;

(iv) The Group will seek to obtain an extension of the repayment of the loan from a former substantial shareholder with a carrying amount of HK$92,831,000 as at 31 March 2016;

(v) The Group will seek to obtain additional debt financing from two directors of the Group; and

(vi) The Group will apply cost cutting measures to reduce administrative expenses and cash outflows for the next twelve months.

The directors are of the opinion that these measures will be successfully implemented and that the Group will therefore be able to meet its financial obligations as may fall due for the foreseeable future. Accordingly, the directors have prepared the consolidated statements on a going concern basis.

Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to write down the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS AND REQUIREMENTS

(a) Application of new and revised HKFRSs

In the current year, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2015. The adoption of these new and revised HKFRSs did not result in significant changes to Group's accounting policies, presentation of Group's consolidation financial statements and amounts reported for the current and prior year.

(b) New and revised HKFRSs in issue but not yet effective

List of New and revised HKFRSs in issue but not yet effective that are relevant to the Group operation

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers[1]
HKFRS 16	Leases[2]
Amendments to HKAS 1	Disclosure Initative[3]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[3]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[3]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[3]

1 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted
3 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

The directors anticipate that the new and revised HKFRSs will be adopted in the consolidated financial statements when they become effective. The Group is in the process of assessing, where applicable, the potential effect of all new and revised HKFRSs that will be effective in future periods but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position except as set out below.

HKFRS 15 "Revenue from contracts with customers" deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces HKAS 18 "Revenue" and HKAS 11 "Construction contracts" and related interpretations. HKFRS 15 is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Group is assessing the impact of HKFRS 15.

4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. investment properties and available for sale financial assets that are measured at fair value).

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

The significant accounting policies applied in the preparation of the consolidated financial statements are set out below.

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill and any related accumulated foreign currency translation reserve relating to that subsidiary.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(a) Consolidation *(continued)*

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

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. 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 the owners of the Company.

(b) Business combinations and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The consideration transferred in a business combination is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and any contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the sum of the consideration transferred over the Group's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the sum of the consideration transferred is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Group.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the sum of the consideration transferred in a business combination to calculate the goodwill.

The non-controlling interests in the subsidiary are initially measured either at fair value or at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date. The choice of measurement basis is made on a transaction-by-transaction basis.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs") or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. Goodwill impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGUs containing the goodwill is compared to its recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(c) Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of the investment over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

The Group's share of an associate's post-acquisition profits or losses is recognised in consolidated statement of profit or loss and other comprehensive income, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. When the Group's share of losses in an associate equals or exceeds its interest in the associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of an associate that results in a loss of significant influence represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that associate and (ii) the Group's entire carrying amount of that associate (including goodwill) and any related accumulated foreign currency translation reserve. If an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the Company's presentation currency. The functional currency of the Company is United States dollars ("USD"). The directors consider that choosing HK$ as the presentation currency best suits the needs of the shareholders and investors, who are mostly located in Hong Kong.

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(d) Foreign currency translation *(continued)*

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

– Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

– Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

– All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the monetary items that form part of the net investment in foreign entities and of borrowings are recognised in the other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(e) Property, plant and equipment

Leasehold building in last year represents the factory in use. Leasehold building is stated in the consolidated statement of financial position at its revalued amount, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period. All other property, 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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(e) Property, plant and equipment *(continued)*

Any revaluation increase arising on the revaluation of such leasehold building is recognised in other comprehensive income and accumulated in property revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such leasehold building is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the property revaluation reserve relating to a previous revaluation of that asset.

Depreciation of revalued leasehold building is recognised in profit or loss. On the subsequent sale or retirement of a revalued leasehold building, the attributable revaluation surplus remaining in the property revaluation reserve is transferred directly to accumulated losses.

Depreciation of other property, plant and equipment is calculated at rates sufficient to write off their cost or revalued amount less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Leasehold building	Over the lease term
Leasehold improvement	Over the lease term
Furniture and fixtures	25% - 50%
Office equipment	25% - 50%
Motor vehicles	12.5% - 30%
Machinery	12.5% - 30%

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(f) Investment properties

Investment properties are buildings held to earn rentals. An investment property is measured initially at its cost including all direct costs attributable to the property.

After initial recognition, the investment property is stated at its fair value based on valuation by an external independent valuer. Gains or losses arising from changes in fair value of the investment property are recognised in profit or loss for the period in which they arise.

The gain or loss on disposal of an investment property is the difference between the net sales proceeds and the carrying amount of the property, and is recognised in profit or loss.

(g) Leases

The Group as lessee

(i) Operating leases

Leases that do not substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

(ii) Finance leases

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. At the commencement of the lease term, a finance lease is capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments, each determined at the inception of the lease.

The corresponding liability to the lessor is included in the statement of financial position as finance lease payable. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets under finance leases are depreciated the same as owned assets over the shorter of the lease term and their estimated useful lives.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(h) Payments for mining claims

Mining claims represent all the rights of the Group to explore, develop and ultilise in and to magnetite other minerals located in the specified mining area pursuant to the issuance of an exploration permit and mineral production sharing agreement by the relevant authorities of the Philippines. Payments for mining claims, pending the issuance of the exploration permit, are stated at cost and are reclassified as exploration and evaluation assets when the exploration permit is issued.

(i) Exploration and evaluation assets

Exploration and evaluation assets are recognised at cost on initial recognition. Subsequent to initial recognition, exploration and evaluation assets are stated at cost less any accumulated impairment losses, if any. Exploration and evaluation assets include the cost of exploration rights and the expenditures incurred in the search for mineral resources as well as the determination of the technical feasibility and commercial viability of extracting those resources. When the technical feasibility and commercial viability of extracting mineral resources become demonstrable, previously recognised exploration and evaluation assets are reclassified as mining rights and mineral properties under intangible assets and property, plant and equipment respectively.

Impairment of exploration and evaluation assets

The carrying amount of the exploration and evaluation assets is reviewed annually and adjusted for impairment in accordance with HKAS 36 Impairment of Assets whenever one of the following events or changes in circumstances indicates that the carrying amount may not be recoverable:

– the period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;

– substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;

– exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area; or

– sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development of by sale.

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(j) Metals import licenses

Metals import license with indefinite useful life is stated at cost less any impairment losses. Impairment is reviewed annually or when there is indication that the metals import license has suffered an impairment loss.

(k) Club membership

Club membership with indefinite useful life is stated at cost less any impairment losses. Impairment is reviewed annually or when there is any indication that the club membership has suffered an impairment loss.

(l) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(m) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

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

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(n) Financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an financial asset is under a contract whose terms require delivery of the financial assets within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs except in the case of financial assets at fair value through profit or loss.

The Group classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial assets at fair through profit or loss

Financial assets at fair value through profit or loss are financial assets classified as held for trading or designated as at fair value through profit or loss upon initial recognition. These financial assets are subsequently measured at fair value. Gains or losses arising from changes in fair value of these financial assets are recognised in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are carried at amortised cost using the effective interest method (except for short-term receivables where interest is immaterial) minus any reduction for impairment or uncollectibility. Typically trade and other receivables, bank and cash balances are classified in this category.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss. Available-for-sale financial assets are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in other comprehensive income and accumulated in the investment revaluation reserve, until the investments are disposed of or there is objective evidence that the investments are impaired, at which time the cumulative gains or losses previously recognised in other comprehensive income are reclassified from equity to profit or loss. Interest calculated using the effective interest method and dividends on available-for-sale equity investments are recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(o) Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

(p) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

(q) Non-current assets held for sale and discontinued operations

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. The Group must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of the asset's previous carrying amount and fair value less costs to sell.

A discontinued operation is a component of the Group (i.e. the operations and cash flows of which can be clearly distinguished from the rest of the Group) that is classified as held for sale, and which represents a separate major line of business or geographical area of operations.

Classification as a discontinued operation occurs upon disposal or when the component meets the criteria to be classified as held for sale in accordance with HKFRS 5, if earlier. It also occurs when the component is abandoned.

When an operation is classified as discontinued, a single amount is presented in the statement of profit or loss, which comprises:

– The post-tax profit or loss of the discontinued operation; and

– The post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group constituting the discontinued operation.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(r) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(s) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(t) Convertible bonds

Convertible bonds issued on 18 December 2008

Convertible loans which entitle the holder to convert the loans into a fixed number of equity instruments at a fixed conversion price are regarded as compound instruments consisting of a liability and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The difference between the proceeds of issue of the convertible loans and the fair value assigned to the liability component, representing the embedded option for the holder to convert the loans into equity of the Group, is included in equity as convertible loans reserve. The liability component is carried as a liability at amortised cost using the effective interest method until extinguished on conversion or redemption.

Transaction costs are apportioned between the liability and equity components of the convertible loans based on their relative carrying amounts at the date of issue. The portion related to the equity component is charged directly to equity.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(t) Convertible bonds *(continued)*

Convertible bonds issued on 12 May 2015

Convertible bonds issued on 12 May 2015 which entitle the holder to convert the bonds into a fixed number of equity instruments at a fixed conversion price and entitle the Company, at its options, to redeem any portion or the entire amount of the outstanding principal amount of the convertible bonds at predetermined redemption price, comprised a liability, a derivative component and an equity component.

At the date of issue, the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The derivative component are regarded as embedded derivatives not closely related to the host contract and is recognised at fair value at inception. The equity component is recognised at the residual amount after deducting the fair value of the liability component and derivative component from the fair value of the convertible bonds as a whole.

In subsequent periods, the liability component is carried as a liability at amortised cost using the effective interest method until extinguished on conversion or redemption. The derivative component is measured at fair value with changes in fair value recognised in the consolidated statement of profit or loss and other comprehensive income.

(u) Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(v) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(w) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

(i) Sales of goods

Revenues from the sales of metals, coals, bunker fuels and beverages are recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered and the title has passed to the customers.

(ii) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

(iii) Dividend income

Dividend income is recognised when the shareholders' rights to receive payment are established.

(x) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

(iii) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs and involves the payment of termination benefits.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(y) Share-based payments

The Group issues equity-settled share-based payments to certain directors, employees and consultants.

Equity-settled share-based payments to directors and employees are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. 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 shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Equity-settled share-based payments to consultants are measured at the fair value of the services rendered or, if the fair value of the services rendered cannot be reliably measured, at the fair value of the equity instruments granted. The fair value is measured at the date the Group receives the services and is recognised as an expense.

(z) Borrowing costs

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

(aa) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(bb) Taxation

Income tax represents the sum of the current tax and deferred tax.

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

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, 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.

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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities 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.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax for such investment properties are measured based on the expected manner as to how the properties will be recovered.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(bb) Taxation *(continued)*

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(cc) PRC land appreciation tax ("LAT")

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including land costs, borrowing costs, business taxes and all property development expenditures. LAT is recognised as an income tax expense. LAT paid is a deductible expense for PRC enterprise income tax purposes.

(dd) Impairment of non-financial assets (excluding exploration and evaluation assets)

Intangible assets that have indefinite useful life or that are not yet available for use are reviewed for impairment annually and whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

The carrying amounts of other non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

Value in use is the present value of the estimated future cash flows of the asset/cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(ee) Impairment of financial assets

At the end of each reporting period, the Group assesses whether its financial assets (other than those at fair value through profit or loss) are impaired, based on objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows of the financial assets have been affected.

For available-for-sale equity instruments, a significant or prolonged decline in the fair value of the investment below its cost is considered also to be objective evidence of impairment.

In addition, for trade receivables that are assessed not to be impaired individually, the Group assesses them collectively for impairment, based on the Group's past experience of collecting payments, an increase in the delayed payments in the portfolio, observable changes in economic conditions that correlate with default on receivables, etc.

Only for trade receivables, the carrying amount is reduced through the use of an allowance account and subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For all other financial assets, the carrying amount is directly reduced by the impairment loss.

For financial assets measured at amortised cost, if the amount of the impairment loss decreases in a subsequent period and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed (either directly or by adjusting the allowance account for trade receivables) through profit or loss. However, the reversal must not result in a carrying amount that exceeds what the amortised cost of the financial asset would have been had the impairment not been recognised at the date the impairment is reversed.

In respect of available-for-sale equity securities, an increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated in revaluation reserve; impairment losses are not reversed through profit or loss.

(ff) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(gg) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

(a) Going concern basis

The consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the Group's ability to (i) obtaining extension of the loan from a former substantial shareholder; and (ii) obtaining additional debt financing from two directors of the Group. Details are explained in note 2 to the consolidated financial statements.

(b) Deferred tax for investment properties

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the directors have reviewed the Group's investment property portfolio and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Group's deferred tax for investment properties, the directors have adopted the presumption that investment properties measured using the fair value model are recovered through sale.

Key sources of estimation uncertainty

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, are discussed below.

(a) Property, plant and equipment and depreciation

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned.

The carrying amount of property, plant and equipment as at 31 March 2016 was HK$2,306,000 (2015: HK$52,062,000).

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES *(continued)*

Key sources of estimation uncertainty *(continued)*

(b) Intangible assets and amortisation

The Group determines the estimated useful lives and related amortisation for the Group's intangible assets. The useful lives of intangible assets are assessed to be either finite or indefinite, based on the expected usage and technical obsolescence from the changes in the market demands or services output from the assets. Intangible assets with finite useful lives are amortised over the expected useful economic lives. The amortisation period and the amortisation method for the intangible assets with finite useful lives are reviewed by the management at least at the end of each reporting period.

The Group has no intangible assets as at 31 March 2016 (2015: HK$595,000).

(c) Impairment of property, plant and equipment and intangible assets

The Group assesses annually whether property, plant and equipment and intangible assets have suffered any impairment or have any indication of impairment in accordance with the accounting policy. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amounts of assets or cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates, such as discount rates, future profitability and growth rates. Where the actual future cash flows are less than expected, a material impairment loss may arise.

As at 31 March 2016, accumulated impairment loss for intangible assets amounted to HK$28,724,000 (2015: HK$28,724,000).

(d) Impairment of exploration and evaluation assets

As set out in the accounting policies in note 4(i) to the consolidated financial statements, impairment of exploration and evaluation assets arises where facts and circumstances indicate that the balances may not be fully recoverable. Such assessment requires the use of judgement and estimates. During the year, the directors determined to terminate any further exploration and evaluative activities due to unfavourable market conditions and the failure in securing the renewal of the exploration permits the operations of exploration and evaluation of majnetic sand was discontinued. The exploration and evaluation assets were considered to be fully impaired.

Details of the impairment assessment are set out in note 23 to the consolidated financial statements.

(e) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. The carrying amount of goodwill at the end of the reporting period was determined to be nil (2015: HK$3,435,000) after an impairment loss of HK$9,234,000 was recognised during 2016 (2015: HK$10,160,000). Details of the impairment loss calculation are provided in note 24 to the consolidated financial statements.

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES *(continued)*

Key sources of estimation uncertainty *(continued)*

(f) Fair value of investment properties

The Group appointed an independent professional valuer to assess the fair value of the investment properties. In determining the fair value, the valuer has utilised a method of valuation which involves certain estimates. The directors have exercised their judgement and are satisfied that the method of valuation and inputs used are reflective of the current market conditions.

The carrying amount of investment properties as at 31 March 2016 was HK$18,836,000 (2015: HK$18,614,000).

(g) Allowance for trade and other receivables

The Group makes allowance for trade of other receivables based on assessments of the recoverability of the trade and other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debt, in particular of a loss event, requires the use of judgements and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and allowance for trade and other receivables in the year in which such estimate has been changed.

As at 31 March 2016, there is no allowance for trade and other receivables (2015: HK$49,635,000).

(h) Allowance for obsolete inventories

Allowance for obsolete inventories is made based on the aging and estimated net realisable value of inventories. The assessment of the allowance amount involves judgement and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimate has been changed.

As at 31 March 2016, allowance for obsolete inventories amounted to HK$11,455,000 (2015: nil).

(i) Fair value of financial instruments

As disclosed in notes 27 and 38(b) to the consolidated financial statements, the fair value of the available-for-sale financial assets and derivative component of the convertible bonds at the date of acquisition and at the end of the reporting period were determined using valuation model involving level 3 based measurement. Application of such valuation models requires the Group to estimate the prominent factors affecting the fair value, including but not limited to, the expected life of the instrument, the expected volatility of the share prices of the investee/Company and the potential dilution in the share prices of the investee/Company. Where the estimation of these factors is different from those previously estimated, such differences will impact the fair value gain or loss on available-for-sale financial assets and the derivative component convertible bonds in the period in which such determination is made.

The carrying amount of the available-for-sale and derivative financial assets as at 31 March 2016 were HK$6,472,000 and HK$292,000 respectively (2015: nil respectively).

6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, price risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group mainly operated in Hong Kong, PRC and Singapore. Most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities except for certain receivables denominated in foreign currencies that exposed the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

At 31 March 2016, if the Hong Kong dollar had weakened 10 per cent against the Singapore dollars ("SGD") with all other variables held constant, consolidated loss after tax for the year would have been HK$78,000 (2015: HK$466,000) higher, arising mainly as a result of the foreign exchange loss on prepayment, deposit and other receivables and amounts due from a director denominated in SGD. If the Hong Kong dollar had strengthened 10 per cent against the SGD with all other variables held constant, consolidated loss after tax for the year would have been HK$78,000 (2015: HK$466,000) lower, arising mainly as a result of the foreign exchange gain on prepayment, deposit and other receivables and amounts due from a director denominated in SGD.

(b) Credit risk

The Group's credit risk is primarily attributable to its trade and other receivables. The directors closely monitor the credit quality of the customers and counterparties on a regular basis by taking into account their financial position, credit history and other factors. Allowance shall be provided if there is indication that the outstanding amount is no longer recoverable.

The Group has certain concentration risk on trade receivables. Details of the concentration risk associated with the revenue from major customers is set out in note 8 to the consolidated financial statements.

Amounts due from a director/associates are closely monitored by other independent directors.

The credit risk on bank and cash balances is limited because the counterparties are banks with sound credit-ratings.

6. FINANCIAL RISK MANAGEMENT *(continued)*

(c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis, based on the undiscounted cash flows, of the Group's financial liabilities is as follows:

	Less than 1 year HK$'000	**Between 1 and 2 years HK$'000**	**Between 2 and 5 years HK$'000**
At 31 March 2016			
Trade and other payables	**134,368**	**–**	**–**
Amounts due to directors	**963**	**–**	**–**
Bank and other borrowings	**127,509**	**–**	**30,000**
Finance lease payables	**270**	**263**	**62**
Convertible bonds	**–**	**–**	**624,000**
	263,110	**263**	**654,062**

	Less than 1 year HK$'000	Between 1 and 2 years HK$'000	Between 2 and 5 years HK$'000
At 31 March 2015			
Trade and other payables	188,186	–	–
Amounts due to directors	897	–	–
Bank and other borrowings	25,455	85	–
Finance lease payables	313	295	350
Convertible bonds	–	–	1,571,500
	214,851	380	1,571,850

At 31 March 2016, the Group had net current liabilities of approximately HK$205,310,000 (2015: net current assets of approximate HK$1,512,000), and net liabilities of approximately HK$645,242,000 (2015: HK$625,023,000). The directors have taken steps to improve the Group's liquidity position and mitigate its liquidity risk as disclosed in note 2 to the consolidated financial statements.

6. FINANCIAL RISK MANAGEMENT *(continued)*

(d) Interest rate risk

The Group's bank deposits and bank loans and overdrafts bear interests at variable rates varied with the then prevailing market condition and therefore are subject to interest-rate risk.

At 31 March 2016, if interest rates at that date had been 100 basis points lower/higher with all other variables held constant, consolidated loss after tax for the year would have been approximately HK$127,000 (2015: HK$130,000) higher/lower, arising as a result of the net increase/decrease in the net effect of interest income arising from bank deposits and interest expense from bank loans and overdrafts.

(e) Categories of financial instruments at 31 March

	2016 **HK$'000**	2015 HK$'000
Financial assets:		
Derivative financial instruments	**292**	–
Financial assets at fair value through profit or loss		
– held for trading	**–**	295
Loans and receivables (including cash and cash equivalents)	**10,741**	170,212
Available-for-sale financial assets	**6,471**	–
	17,504	170,507
Financial liabilities:		
Financial liabilities at amortised costs	**594,486**	1,072,315

(f) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

6. FINANCIAL RISK MANAGEMENT *(continued)*

(g) Financial assets and financial liabilities subject to offsetting, enforceable netting arrangements

The disclosures set out in the tables below include financial assets and financial liabilities that:

– are offset in the Group's consolidated statement of financial position; or

– are subject to an enforceable netting arrangement, irrespective of whether they are offset in the Group's consolidated statement of financial position.

The Group currently has a legally enforceable right to set off certain trade receivables from customers/deposits paid to suppliers and the trade and other payables to these counterparties and their related companies, that are due to be settled on the same date and the Group intends to settle these balances on a net basis.

As at 31 March 2016, no financial instruments are set off in the consolidated statement of financial position.

Financial assets subject to offsetting, enforceable master netting arrangements and similar arrangements

As at 31 March 2015	Gross amounts of recognised financial assets HK$'000	Gross amounts of recognised financial liabilities set off in the consolidated statement of financial position HK$'000	Net amount HK$'000
Trade and other receivables	26,504	(26,504)	–

6. FINANCIAL RISK MANAGEMENT *(continued)*

(g) Financial assets and financial liabilities subject to offsetting, enforceable netting arrangements *(continued)*

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar arrangements

As at 31 March 2015	Gross amounts of recognised financial liabilities HK$'000	Gross amounts of recognised financial assets set off in the consolidated statement of financial position HK$'000	Net amount HK$'000
Trade and other payables	108,683	(26,504)	82,179

7. FAIR VALUE MEASUREMENTS

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. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

7. FAIR VALUE MEASUREMENTS *(continued)*

(a) Disclosures of level in fair value hierarchy at 31 March 2016:

Description	Fair value measurements using: Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total 2016 HK$'000
Recurring fair value measurements:				
Derivative financial instruments				
Derivative component of convertible bonds	–	–	292	292
Available-for-sale financial assets				
Unlisted equity securities	–	–	6,472	6,472
Investment properties in PRC	–	–	18,836	18,836
Total recurring fair value measurements	–	–	25,600	25,600
Non-recurring fair value measurements:				
Assets classified as held for sale				
Leasehold building in Singapore	–	–	35,048	35,048

Description	Fair value measurements using: Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total 2015 HK$'000
Recurring fair value measurements:				
Financial assets at fair value through profit or loss				
Listed securities in Hong Kong	295	–	–	295
Investment properties in PRC	–	–	18,614	18,614
Leasehold building in Singapore	–	–	43,305	43,305
Total recurring fair value measurements	295	–	61,919	62,214

7. FAIR VALUE MEASUREMENTS *(continued)*

(b) Reconciliation of assets measured at fair value based on level 3:

Description	Derivative financial instruments HK$'000	Embedded derivatives financial instruments HK$'000	Unlisted equity securities HK$'000	Investment properties HK$'000	Leasehold building HK$'000	2016 Total HK$'000
At 1 April 2015	–	–	–	18,614	43,305	61,919
Total fair value gains or losses						
recognised in profit or loss [#]	(54,855)	(7,473)	–	1,173	–	(61,155)
in other comprehensive income	–	–	1,445	–	(7,654)	(6,209)
Depreciation charged to profit or loss	–	–	–	–	(746)	(746)
Additions	55,147	7,473	5,027	–	–	67,647
Transfer to assets classified as held for sale (note 32)	-	–	–	–	(35,048)	(35,048)
Exchange differences recognised in other comprehensive income	–	–	–	(951)	143	(808)
At 31 March 2016	292	–	6,472	18,836	–	25,600
[#] Include gains or losses for assets held at end of reporting period	(54,855)	–	–	1,173	–	(53,682)

Description	Investment properties HK$'000	Leasehold building HK$'000	2015 Total HK$'000
At 1 April 2014	17,639	43,544	61,183
Total fair value gains or losses recognised			
in profit or loss [#]	180	–	180
in other comprehensive income	–	5,813	5,813
Depreciation charged to profit or loss	–	(2,200)	(2,200)
Additions	820	–	820
Exchange differences recognised in other comprehensive income	(25)	(3,852)	(3,877)
At 31 March 2015	18,614	43,305	61,919
[#] Include gains or losses for assets held at end of reporting period	180	–	180

The losses recognised in other comprehensive income for the leasehold building and available-for-sale are presented in property revaluation surplus and the investment revaluation reserve respectively in the consolidated statement of profit or loss and other comprehensive income.

The gains or losses recognised in profit or loss including those for derivative financial instruments and investment properties held at end of the reporting period are presented in other gains and losses in the consolidated statement of profit or loss and other comprehensive income.

7. FAIR VALUE MEASUREMENTS *(continued)*

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 March 2016:

The management of the Company is responsible for the fair value measurement of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. Review of valuation process and results are held at least twice a year.

Level 3 fair value measurements

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value 2016 HK$'000	Fair value 2015 HK$'000
Derivative financial instruments	Market comparable approach	Market volatility of comparable stock	34.6% - 59.5%	Increase	**292**	N/a
Unlisted equity securities	Market comparable approach	Fading price of comparable business	0.54x – 2.43x	Increase	**6,472**	N/a
Investment properties in PRC	Market comparable approach	Price per square meter	RMB14,271 to RMB14,915 (2015: RMB13,130 to RMB15,081)	Increase	**18,836**	18,614
Leasehold building in Singapore	Market comparable approach	Price per square feet	N/a (2015: SGD168 to SGD212)	Increase	**N/a**	43,305

During the two years, there were no changes in the valuation technique used.

8. SEGMENT INFORMATION

The Group has one reportable segment during the year.

Beverages - Trading of bottled mineral water and tea products

Four trading of operations (the exploration and exploitation of magnetic sand, trading of scrap metals, trading of coals and bunker fuels) were discontinued in the current year. The segment information reported does not include any amounts for these discontinued operations, which are described in more detail in note 17.

The Group's reportable segment from the continuing operation is the trading of beverages. The revenue represented the income generated from the sales of bottled mineral water and tea products to the Group's customers.

The accounting policies of the operating segments are the same as those described in note 4 to the consolidated financial statements. Segment profits or losses do not include corporate administration costs, other operating loss and income tax expense and unallocated other operating income and expenses and other gains and losses. Segment assets do not include financial assets at fair value through profit or loss, derivative financial instruments, available-for-sale investments and unallocated corporate assets which are jointly used by reportable segments. Segment liabilities do not include current tax liabilities, deferred tax liabilities, bank and other borrowings, convertible bonds and unallocated corporate liabilities which are jointly liable by reportable segments.

Information about reportable segment profit or loss, assets and liabilities:

	Beverages	
	2016	2015
	HK$'000	HK$'000
Year ended 31 March 2016		
Revenue from external cusomters	**1,467**	10,661
Segment loss	**(70,190)**	(3,752)
Interest expense	**131**	—
Depreciation and amortisation	**1,511**	263
Impairment loss	**46,785**	—
Additions to segment non-current assets	**47**	783
As at 31 March 2016		
Segement assets	**7,951**	52,091
Segement liabilities	**6,289**	1,531

8. SEGMENT INFORMATION *(continued)*

Reconciliations of reportable segment profit or loss, assets and liabilities:

	2016 HK$'000	2015 HK$'000
Profit or loss		
Total loss of reportable segments	**(70,190)**	(3,752)
Unallocated amounts:		
Other operating income and expenses	**(8,732)**	527
Depreciation	**(973)**	(2,741)
Fair value gain on redemption of extinguishing financial liabilities with equity instruments	**251,146**	–
Other gains and losses	**(52,730)**	180
Interest on convertible bonds	**(61,073)**	(128,946)
Corporate administrative expenses	**(34,470)**	(42,214)
Consolidated profit/(loss) for the year from continuing operations	**22,978**	(176,946)
Assets		
Total assets of reportable segments	**7,951**	52,091
Assets related to discontinued operations	**44,559**	332,091
Unallocated amounts:		
Financial assets at fair value through profit or loss	**–**	295
Derivative financial instuments	**292**	–
Available-for-sale financial assets	**6,472**	–
Corporate assets	**21,884**	66,834
Consolidated total assets	**81,158**	451,311
Liabilities		
Total liabilities of reportable segments	**6,289**	1,531
Liabilities relating to discontinued operations	**130,182**	187,063
Unallocated amounts:		
Current tax liabilities	**–**	1,327
Deferred tax liabilities	**2,253**	1,886
Bank and other borrowings	**134,544**	12,612
Convertible bonds	**445,499**	857,287
Corporate liabilities	**7,633**	14,628
Consolidated total liabilities	**726,400**	1,076,334

8. SEGMENT INFORMATION *(continued)*

Geographical information:

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

	Revenue		Non-current assets	
	2016	2015	**2016**	2015
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong	**–**	–	**124**	1,788
PRC except Hong Kong	**1,467**	3,637	**21,018**	25,896
United States	**–**	7,024	**–**	–
Consolidated total	**1,467**	10,661	**21,142**	27,684

Revenue from major customers:

	2016	2015
	HK$'000	HK$'000
Beverages segment		
Customer a	**845**	–
Customer b	**–**	7,024

9. REVENUE

The Group's revenue for the year from continuing operations is as follows:

	2016	2015
	HK$'000	HK$'000
Sales of beverages	**1,467**	10,661

10. OTHER OPERATING INCOME AND EXPENSES

	2016	2015
	HK$'000	HK$'000
Continuing operations		
Fair value (loss)/gain on financial assets at fair value through profit or loss	**(7,436)**	8
Dividend income from listed investments	**–**	6
Gain on disposal of property, plant and equipment	**1,518**	–
Interest income from loan and receivables	**1**	31
Discount on advance coupon payment to bondholder	**312**	–
Interest income from available for sale financial instruments	**127**	–
Net interest receivable on trade balances	**–**	2,652
Sundry income	**377**	486
	(5,101)	3,183

11. OTHER GAINS AND LOSSES

	2016	2015
	HK$'000	HK$'000
Continuing operations		
Fair value loss on derivative component of convertible bonds	**(54,855)**	–
Fair value gain on redemption of convertible bonds liabilities	**251,146**	–
Fair value gain on investment properties	**1,173**	180
Allowance for trade and other receivables	**(36,101)**	(85)
Allowance for slow moving inventories	**(10,636)**	–
Reversal of aging payables	**2,403**	–
Impairment of goodwill	**(3,435)**	–
	149,695	95

12. FINANCE COSTS

	2016	2015
	HK$'000	HK$'000
Continuing operations		
Finance lease charges	**–**	6
Interest on bank loans and overdrafts	**856**	1,010
Interest on other borrowings	**3,036**	20
Interest on convertible bonds (note 38)	**61,073**	129,986
Interest on corporate bonds	**594**	–
	65,559	129,982

13. INCOME TAX EXPENSE

Income tax relating to continuing operations has been recognised in profit or loss as following:

	2016	2015
	HK$'000	HK$'000
Current tax - Overseas		
Provision for the year	**–**	–
Under-provision in prior year	**–**	–
	–	–
Deferred tax (note 39)	**469**	367
	469	367

No provision for Hong Kong Profits Tax has been made as the Group did not generate any assessable profits for the years ended 31 March 2015 and 2016.

Entities incorporated in other countries are subject to income tax rates of 17% to 30% (2015: 17% to 30%) prevailing in the countries in which such entities operate, based on existing legislation, interpretation and practices in respect thereof.

13. INCOME TAX EXPENSE *(continued)*

The reconciliation between the income tax expense and the product of loss before tax multiplied by the weighted average tax rate of the consolidated companies and a reconciliation of the weighted average rate to the effective tax rate, are as follows:

	2016		2015	
	HK$'000	**%**	HK$'000	%
Profit/(loss) before income tax (from continuing operations)	**23,477**		(176,579)	
Tax at the weighted average tax rate	**883**	**3.8**	(19,662)	11.1
Tax effect of income that is not taxable	**(42,036)**	**(179.3)**	(32,937)	18.7
Tax effect of expenses that are not deductible	**31,284**	**133.4**	44,915	(25.4)
Tax effect of temporary differences not recognised	**382**	**1.6**	155	(0.1)
Tax effect of utilisation of tax losses not previously recognised	**(44)**	**(0.2)**	(95)	(0.1)
Tax effect of tax losses not recognised	**10,000**	**42.6**	7,991	(4.5)
Income tax credit at affective tax rate (relating to Continuing operations)	**469**	**2.0**	367	(0.2)

14. PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS

The Group's loss for the year is stated after charging/(crediting) the following:

	2016	2015
	HK$'000	HK$'000
Depreciation	**1,391**	3,004
Fair value gain on investment properties	**(1,173)**	(180)
Operating lease charges in respect of land and buildings	**5,438**	4,662
Auditor's remuneration		
Audit services	**600**	750
Non-audit services	**72**	592
	672	1,342
Cost of inventories sold	**1,711**	8,896
Allowances for trade and other receivables	**36,101**	85
Allowance for obsolete inventories	**10,636**	—

15. EMPLOYEE BENEFITS EXPENSE

	2016 HK$'000	2015 HK$'000
Continuing operations		
Employee benefits expense (Excluding directors' emoluments):		
Salaries, bonuses and allowances	**16,114**	12,360
Retirement benefit scheme contributions	**2,009**	934
	18,123	13,294

The five highest paid individuals in the Group during the year included one (2015: three) director and one ex-director whose emoluments are reflected in the analysis presented in note 16. The emoluments of the remaining three (2015: two) individuals and the portion of emoluments of the ex-driector after his resignation as a director are set out below:

	2016 HK$'000	2015 HK$'000
Salaries, bonus and allowances	**4,159**	3,712
Retirement benefits scheme contributions	**18**	91
	4,177	3,803

The emoluments fell within the following bands:

	2016 Number of individuals	2015 Number of individuals
Nil - HK$1,000,000	**1**	–
HK$1,000,001 - HK$1,500,000	**1**	2
HK$1,500,001 - HK$2,000,000	**1**	1
HK$2,000,001 - HK$2,500,000	**1**	–

During the year, no emoluments were paid by the Group to any of the directors or the highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2015: Nil).

16. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

The emoluments of each director for the year ended 31 March 2016 were as follows:

	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking					
	Fees HK$'000	Salaries, bonus and allowances HK$'000	Accommodation benefit HK$'000	Share-based payments HK$'000	Retirement benefits scheme contributions HK$'000	Total HK$'000
Executive directors						
Ms. Yip Man Yi (Note (i))	–	263	–	–	7	270
Mr. Michael Koh Tat Lee (Note (ii))	–	938	–	–	18	956
Mr. Shiu Chi Tak, Titus (Note (i))	–	164	–	–	6	170
Mr. Cheung Hung Man (Note (iii))	–	964	–	–	23	987
Mr. Tan Chong Gin (Note (iv))	–	1,069	–	–	–	1,069
Non-executive directors						
Mr. Liang Tong Wei	120	–	–	–	–	120
Mr. Wong Chi Ming (Note (v))	84	190	–	–	–	274
Independent non-executive directors						
Mr. Chu Hung Lin, Victor	120	–	–	–	–	120
Mr. Tong Wan Sze	120	–	–	–	–	120
Mr. Fung Kwok Leung (Note (vi))	120	–	–	–	–	120
Dr. Wan Ho Yuen, Terrence (Note (i))	68	–	–	–	–	68
Mr. Li Kwok Chu (Note (i))	30	–	–	–	–	30
Mr. Lau Shu Yan (Note (i))	30	–	–	–	–	30
Total for 2016	692	3,588	–	–	54	4,334

16. BENEFITS AND INTERESTS OF DIRECTORS *(continued)*

(a) Directors' emoluments *(continued)*

The emoluments of each director for the year ended 31 March 2015 were as follows:

	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking					
	Fees	Salaries, bonus and allowances	Accommodation benefit	Share-based payments	Retirement benefits scheme contributions	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Executive directors						
Mr. Michael Koh Tat Lee (Note (ii))	–	938	1,044	–	17	1,999
Mr. Cheung Hung Man (Note (iii))	–	1,285	117	–	29	1,431
Mr. Tan Chong Gin (Note (iv))	–	253	–	–	8	261
Mr. Eng Wee Meng (Note (vii))	–	527	–	–	9	536
Non-executive directors						
Mr. Liang Tong Wei	120	–	–	–	–	120
Mr. Yin Mark Teh-min (Note (viii))	37	–	–	–	–	37
Independent non-executive directors						
Mr. Chu Hung Lin, Victor	120	–	–	–	–	120
Mr. Tong Wan Sze	120	–	–	–	–	120
Mr. Fung Kwok Leung (Note (vi))	51	–	–	–	–	51
Mr. Lai Kai Jin, Michael (Note (ix))	40	–	–	–	–	40
Total for 2015	488	3,003	1,161	–	63	4,715

Notes:
(i) Appointed on 14 November 2015
(ii) Resigned on 29 March 2016
(iii) Removed on 23 May 2016
(iv) Appointed on 10 February 2015 and resigned on 19 November 2015
(v) Appointed on 13 October 2015
(vi) Appointed on 30 October 2014
(vii) Deceased on 4 September 2014
(viii) Retired on 23 July 2014
(ix) Resigned on 30 July 2014

There was no arrangement under which a director of the Company waived or agreed to waive any emoluments during the year (2015: Nil).

16. BENEFITS AND INTERESTS OF DIRECTORS *(continued)*

(b) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate and connected entities

(i) The information about loans, quasi-loans and other dealings entered into by the Company or subsidiary undertaking of the Company in favour of directors is as follows:

Name of director	Total amount payable HK$'000	Outstanding amount at the beginning of the year HK$'000	Outstanding amount at the end of the year HK$'000	Maximum outstanding amount during the year HK$'000	Term	Interest rate	Security
As at 31 March 2016							
Quasi-loans or credit transactions:							
Mr. Michael Koh Tat Lee (Note)	Nil	2,699	Nil	2,699	Nil	Nil	Nil
As at 31 March 2015							
Quasi-loans or credit transactions:							
Mr. Michael Koh Tat Lee (Note)	2,699	593	2,699	2,867	No fixed repayment	Nil	Nil

Note: The former director was ceased to be a director of the Company upon his resignation on 29 March 2016.

(ii) The information about loans, quasi-loans and other dealings entered into by the Company or subsidiary undertaking of the Company in favour of a controlled body corporate of Mr. Michael Koh Tat Lee is as follows:

Name of borrower	Total amount payable HK$'000	Outstanding amount at the beginning of the year HK$'000	Outstanding amount at the end of the year HK$'000	Maximum outstanding amount during the year HK$'000	Term	Interest rate	Security
As at 31 March 2016							
Quasi-loans or credit transactions:							
Kesterion Investments Limited ("Kesterion") (Note)	Nil	10,313	Nil	10,313	Nil	Nil	Nil
Quasi-loans or credit transactions:							
Kesterion (Note)	10,313	–	10,313	10,313	No fixed repayment	Nil	Nil

Note: The former director was ceased to be a director of the Company upon his resignation on 29 March 2016.

The balance as at 31 March 2015 is included in trade and other receivables (note 29).

16. BENEFITS AND INTERESTS OF DIRECTORS *(continued)*

(c) Directors' material interests in transactions, arrangements or contracts

Except as disclosed elsewhere in the consolidated financial statements, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

17. DISCONTINUED OPERATIONS

During the year the Group ceases its mining business due to the unfavourable market conditions and the failure in securing the renewal of the exploration permits as describe in note 23 to the consolidated financial statements.

Accordingly, an impairment loss of HK$158,568,000 was recognised in the profit or loss during the year for the explanation and evaluation assets.

During the year, the Group initiated a plan to dispose the Group's metal trading, coal trading and bunker fuel trading business (the "Disposal Businesses"). The Group was actively seeking buyers for these businesses and expects to complete the sales within a year. The Disposal Businesses have been classified and accounted for at 31 March 2016 as a disposal group held for sale (note 32).

Subsequent to the end of the reporting period, the Group entered into a sales and purchase agreement with its former substantial shareholder, Kesterion, for the disposal of the metal trading business and part of the coal trading business. Further details of the disposal are set out in the note 46(c) to the consolidated financial statements.

17. DISCONTINUED OPERATIONS *(continued)*

	2016 HK$'000	2015 HK$'000
Loss for the year from discontinued operations:		
Revenue	**12,728**	31,829
Cost of sales	**(14,130)**	(31,830)
Administrative expenses	**(16,523)**	(22,884)
Other operating income and expenses	**(23,578)**	(32,656)
Other gains and losses	**(267,736)**	(1,001,502)
Finance costs	**(512)**	(800)
Profit before tax	**(309,751)**	(1,057,843)
Income tax expense	**2,432**	6,569
Loss for the year from discontinued operations	**(307,319)**	(1,051,274)
Attributable to:		
Owners of the Company	**(248,790)**	(710,392)
Non-controlling interest	**(58,529)**	(340,882)
	(307,319)	(1,051,274)

Loss for the year from discontinued operations include the following:

	2016 HK$'000	2015 HK$'000
Depreciation	**1,858**	5,927
Cash flows from discontinued operations:		
Net cash inflows/(outflows) from operating activities	**1,838**	(6,170)
Net cash outflows from investing activities	**(4,847)**	(1,490)
Net cash inflows from financing activities	**3,838**	2,585
Net cash inflows/(outflows)	**829**	(5,075)

18. DIVIDENDS

The directors do not recommend the payment of any dividend (2015: Nil).

19. EARNINGS/(LOSS) PER SHARE

(a) From continuing and discontinued operations

The calculation of the basic and diluted earnings per share is based on the following:

	2016	2015
	HK$'000	HK$'000
Loss		
Loss for the purpose of calculating basic loss per share	**284,341**	887,338
Finance costs on convertible bonds issued on 18 December 2008	**(16,187)**	—
Gain on redemption of liability component of convertible bonds issued on 18 December 2008	**251,146**	—
Loss for the purpose of calculating diluted earnings per share	**519,300**	887.338

	2016	2015
Number of shares	**'000**	'000
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	**2,316,235**	1,056,970
Effect of dilutive potential ordinary shares for the purpose of calculating diluted earnings per share	**245,355**	—
	2,561,590	1,056,970

19. EARNINGS/(LOSS) PER SHARE *(continued)*

(b) From continuing operations

The calculation of the basic and diluted earnings per share from continuing operations is based on the following:

	2016	2015
	HK$'000	HK$'000
Loss		
Profit/(loss) for the purpose of calculating basis earning per share	**22,978**	(176,946)
Finance costs on convertible bonds issued on 18 December 2008	**16,187**	–
Gain on redemption of liability component of the convertible bonds issued on 18 December 2008	**(251,146)**	–
Loss for the purpose of calculating dilated loss per share	**(211,981)**	(176,946)

The weighted average numbers of ordinary shares used as denominates in calculating the basic earnings per share are the same.

(c) From discontinued operations

Basic loss per share from the discontinued operations is HK13.27 cents per share (2015: HK66.46 cents per share), based on the loss for the year from discontinued operations attributable to the owners of the Company of approximately HK$307,319,000 (2015: approximately HK$710,393,000) and the denominators used are the same as those detailed above for basic loss per share.

Diluted loss per share

The exercise of the Group's outstanding convertible bond would be anti-dilutive. These were no dilutive potential ordinary shares of the Company's outstanding share options for discontinued operations for both years, no diluted loss per share for discontinued operation was presented in both years.

20. PROPERTY, PLANT AND EQUIPMENT

	Leasehold building HK$' 000	Machinery HK$' 000	Furniture and fixtures HK$'000	Office equipment HK$'000	Motor vehicles HK$'000	Leasehold improvement HK$'000	Total HK$'000
Cost or valuation							
At 1 April 2014	43,544	256	1,715	1,966	12,072	3,290	62,843
Additions	–	–	200	755	281	537	1,773
Disposals	–	–	(13)	(22)	–	(34)	(69)
Surplus on revaluation	5,813	–	–	–	–	–	5,813
Elimination of accumulated depreciation	(2,200)	–	–	–	–	–	(2,200)
Exchange differences	(3,852)	(21)	(8)	(56)	(32)	(76)	(4,045)
At 31 March 2015 and 1 April 2015	43,305	235	1,894	2,643	12,321	3,717	64,115
Additions	–	–	3	108	–	–	111
Disposals	–	–	(30)	(237)	(8,996)	–	(9,263)
Deficit on revaluation	(7,654)	–	–	–	–	–	(7,654)
Elimination of accumulated depreciation	(746)	–	–	–	–	–	(746)
Transfer to deposal group classified as held for sale	(35,048)	(237)	(269)	(1,196)	(697)	(795)	(38,242)
Exchange differences	143	2	(18)	(13)	(130)	(140)	(156)
At 31 March 2016	–	–	1,580	1,305	2,498	2,782	8,165
Accumulated depreciation							
At 1 April 2014	–	51	1,228	1,060	4,722	593	7,654
Charge for the year	2,200	96	316	735	2,421	918	6,686
Written-back on disposal	–	–	–	(22)	–	–	(22)
Written-back on revaluation	(2,200)	–	–	–	–	–	(2,200)
Exchange differences	–	(9)	(3)	(28)	(6)	(19)	(65)
At 31 March 2015 and 1 April 2015	–	138	1,541	1,745	7,137	1,492	12,053
Charge for the year	746	38	245	479	1,861	974	4,343
Written-back on disposal	–	–	(30)	(237)	(7,272)	–	(7,539)
Written-back on revaluation	(746)	–	–	–	–	–	(746)
Transfer to disposal group classified as held for sale	–	(178)	(254)	(972)	(313)	(424)	(2,141)
Exchange differences	–	2	–	7	(52)	(68)	(111)
At 31 March 2016	–	–	1,502	1,022	1,361	1,974	5,859
Carrying amount							
At 31 March 2016	–	–	78	283	1,137	808	2,306
At 31 March 2015	43,305	97	353	898	5,184	2,225	52,062

20. PROPERTY, PLANT AND EQUIPMENT *(continued)*

At 31 March 2016, the carrying amount of motor vehicles held by the Group under finance lease amounted to HK$1,043,000 (2015: HK$1,723,000).

At 31 March 2015, the carrying amount of leasehold building pledged as security for the Group's bank loans amounted to HK$43,305,000.

The Group's leasehold building was revalued at 31 March 2015 by Premas Valuers and Property Consultants Pte. Ltd, an independent professionally qualified valuer, on direct comparison of price properties of similar size, character, and location (level 3 measurement). The key input used is price per square feet.

If the leasehold building was stated on the historical cost basis, its carrying amount as at 31 March 2015 would be amounted to HK$35,655,000.

21. INVESTMENT PROPERTIES

	2016 **HK$'000**	2015 HK$'000
At 1 April	**18,614**	17,639
Additions	**–**	820
Fair value gains	**1,173**	180
Exchange differences	**(951)**	(25)
At 31 March	**18,836**	18,614

The Group's investment properties are situated in PRC and are held under long term leases. The investment properties were revalued on 31 March 2016 and 2015 by 廈門銀興資產評估土地房地產評估有限公司, an independent professionally qualified valuer, on direct comparison of price properties of similar size, character and location (level 3 measurement). The key input used is the price per square meter. The investment properties pledged as security for the Group's bank loans amounted to HK$18,836,000 (2015: HK$18,614,000)

The Group's investment properties are held for rental purposes and continued to seek for leasing the investment properties during the year.

22. PAYMENTS FOR MINING CLAIMS

	2016	2015
	HK$'000	HK$'000
At 1 April	**109**	109
Impairment loss	**(109)**	–
At 31 March	**–**	109

In April 2010, Mt. Mogan Resources and Development Corporation ("Mogan"), a subsidiary of the Company, submitted a new exploration permit application to the Mines and Geosciences Bureau (the "MGB") of the Department of Environment and Natural Resources of the Philippines (the "DENR") for the exploration of iron ore and other associated mineral in an area covering with 3,022 hectares in the offshore Leyte of the Philippines.

Pursuant to the Philippine Mining Act 1995 (Republic Act No. 7942), the exploration permits grants the holder the right to conduct exploration activities for the specified mineral deposits in the specified area for an initial period of 2 years and is renewable for two successive periods of 2 years each.

As mentioned in note 17 to the consolidated financial statements, the Group ceased the mining business during current year and payment for mining claims is considered to be fully impaired.

23. EXPLORATION AND EVALUATION ASSETS

	Exploration rights	Evaluation expenditure	Total
	HK$'000	HK$'000	HK$'000
Cost			
At 1 April 2014	8,429,879	16,562	8,446,441
Additions	—	6	6
At 31 March 2015, 1 April 2015 and 31 March 2016	8,429,879	16,568	8,446,447
Accumulated impairment			
At 1 April 2014	7,342,417	—	7,342,417
Impairment loss	945,462	—	945,462
At 31 March 2015 and 1 April 2015	8,287,879	—	8,787,879
Impairment loss	142,000	16,568	158,568
At 31 March 2016	8,429,879	16,568	8,446,447
Carrying amount			
At 31 March 2016	—	—	—
At 31 March 2015	142,000	16,568	158,568

As at 31 March 2016, Mogan owned two exploration permits ("EPs") to explore iron ore and other associated mineral in specified offshore area in the Leyte Gulf and San Pedro Bay off Leyte and Samar Provinces of the Philippines (the "Exploration Area"). The EPs issued by the Mines and Geosciences Bureau of Philippines (the "MGB") is valid for two years from its first renewal date on 22 June 2012 and is renewable for a further term of 2 years. Mogan applied for the second renewal of its EPs during the year ended 31 March 2015 but fail in securing the renewal before the EPs are due to final expire on 22 June 2016.

23. EXPLORATION AND EVALUATION ASSETS *(continued)*

On 15 June 2010, Mogan submitted an application to MGB for a mineral production sharing agreement (the "MPSA") in respect of 5,000 hectares within the Exploration Area. A MPSA is an agreement between a contractor and MGB, acting on behalf of the Government of the Philippines, whereby the Government of the Philippines grants the contractor exclusive rights to conduct mining operations to extract and exploit the pre-agreed upon mineral resources in the specified area for a term of 25 years starting from the execution date and is renewable for another term not exceeding 25 years.

The acceptance of the application of the MPSA involve various phases, including but not limited to, the evaluation of feasibility studies, environmental work plan and financial capability of Mogan; the obtaining of area status and clearance; and public consultation by regional and central offices of the MGB and the DENR.

As of the approval date of the consolidated financial statements, the MPSA were yet to be awarded to Mogan and the EPs were expired.

Impairment test

During the year, the Group ceased its mining business due to unfavorable market conditions and the failure to secure renewal of the exploration permits. Accordingly, full impairment loss of HK$158,568,000 was recognised in respect of the exploration and evaluation assets.

24. GOODWILL

	HK$'000
Cost	
At 1 April 2014, 31 March 2015 and 1 April 2015	13,595
Transfer to disposal group classified as held for sale	(10,160)
At 31 March 2016	3,435
Accumulated impairment losses	
At 1 April 2014	–
Impairment loss recognised in the current year	10,160
At 31 March 2015 and 1 April 2015	10,160
Impairment loss recognised in the current year	3,435
Transfer to disposal group classified as held for sale	(10,160)
At 31 March 2016	3,435
Carrying amount	
At 31 March 2016	–
At 31 March 2015	3,435

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units ("CGUs") that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

	2016	2015
	HK$'000	HK$'000
Trading of beverages:		
– Brighton	–	3,435

The recoverable amounts of the CGUs are determined on the basis of their value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, and budgeted gross margin and revenue during the projected period. The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. Budgeted gross margin and revenue are based on past practices and expectations on market development.

Due to the adverse economic condition throughout the year and the tense competition in the PRC's beverage market, the Group expected that there would not be sufficient trading activities to cover all relevant costs and expenses for this CGUs in the near future. Consequently, the directors determined to write off the goodwill allocated to trading of beverages activities amounting to HK$3,435,000 during the year. Except for the allowance of HK$10,480,000 provided for the obsolete inventories and the allowance of HK$36,101,000 provided for the trade receivables respectively during the year, no further write-down of the assets related to beverages activities is considered necessary.

25. INTANGIBLE ASSETS

	Coal Import Licenses HK$'000	Metal Import Licenses HK$'000	Club Membership HK$'000	Total HK$'000
Cost				
At 1 April 2014	28,724	310	338	29,372
Exchange differences	–	(25)	(28)	(53)
At 31 March 2015 and 1 April 2015	28,724	285	310	29,319
Transfer to disposal group classified as held for sale	–	(287)	(313)	(313)
Exchange differences	–	2	3	5
At 31 March 2016	28,724	–	–	29,011
Accumulated amortisation and impairment losses				
At 1 April 2014	2,393	–	–	2,393
Amortisation for the year	2,873	–	–	2,873
Impairment loss	23,458	–	–	23,458
At 31 March 2015	28,724	–	–	28,724
Impairment loss	–	287	–	287
Transfer to disposal group classified as held for sale	–	(287)	–	–
At 31 March 2016	28,724	–	–	29,011
Carrying amount				
At 31 March 2016	–	–	–	–
At 31 March 2015	–	285	310	595

The Group carried out reviews of the recoverable amount of its metal import licenses in 2016, which are used in the Group, these assets are used in the Group's metal segment. Having regard to the decline in the metal price, impairment is carried out. The review led to the recognition of an impairment loss of HK$287,000 metal import license that have been recognised in the profit or loss.

The Group's metal import license with carrying amount of approximately HK$285,000 and club membership of approximately HK$310,000 at 31 March 2015 is assessed as having indefinite useful life because there is no time limit that the Group can enjoy the services provided by the club. Both metal import license and the club membership are held by disposal group and hence reclassified into asset held for sale during the year.

26. INTERESTS IN ASSOCIATES

	2016 HK$'000	2015 HK$'000
Unlisted investments outside Hong Kong		
Share of net assets	–	–

The amounts due from/(to) associates are unsecured, interest-free and repayable on demand. Particulars of the Group's associates as at 31 March 2016 are as follows:

Name	Place of incorporation/ operation	Issued and paid up capital	Group's effective holding	Direct/Indirect	Principal activity
Belgravia Holdings & Investments, Inc	The Philippines	25,000 ordinary shares of Philippines Peso ("PHP") 100 each	40%	Indirect	Investment holding
Triple Edge Resources Holdings, Inc	The Philippines	25,000 ordinary shares of PHP100 each	40%	Indirect	Investment holding

The following table shows, in aggregate, the Group's share of the amounts of all individually immaterial associates that are accounted for using the equity method.

	2016 HK$'000	2015 HK$'000
At 31 March:		
Carrying amounts of interests	–	–
Year ended 31 March:		
Loss from operations	(41)	(278)
Total comprehensive income	(41)	(278)

The Group has not recognised loss for the year amounting to HK$41,000 (2015: HK$278,000) for Belgravia Holdings & Investments, Inc. and Triple Edge Resources Holdings, Inc. The accumulated losses not recognised were HK$479,000 (2015: HK$438,000).

27. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2016 HK$'000	2015 HK$'000
Unlisted equity securities	**6,472**	–

The available-for-sale financial assets were initially measured at fair value less any direct transaction cost and were subsequently carried at fair value.

The fair value of the assets at initial recognition and at the end of the reporting period were determined by Greater China Appraisal Limited, an independent professionally qualified valuer, on direct comparison of trading price of comparable business (level 3 based measurement). The key input used is "Price-to-Book Value".

The available-for-sale financial assets are classified as current assets and denominated in Australia dollars as at year end date.

28. INVENTORIES

	2016 HK$'000	2015 HK$'000
Work in progress	**–**	1,759
Finished goods	**4,308**	15,512
	4,308	17,271

29. TRADE AND OTHER RECEIVABLES

	2016 HK$'000	2015 HK$'000
Trade receivables	**3**	84,748
Advance payment to a former substantial shareholder	**–**	10,313
Deposits paid to suppliers	**–**	15,959
Interest receivables on trade balances	**–**	28,681
Rental and other deposits	**3,641**	2,421
Prepayments and other receivables	**3,205**	45,641
	6,849	187,763

29. TRADE AND OTHER RECEIVABLES *(continued)*

	2016	2015
	HK$'000	HK$'000
Trade receivables	**96,222**	105,957
Allowance for trade receivables	**(96,219)**	(21,209)
	3	84,748

The Group maintains a defined credit policy for its trade customers and the credit terms given vary according to the business activities. The financial strength of and the length of business relationship with the customers, on an individual basis, are considered in arriving at the respective credit terms. The credit terms generally range from 1 to 30 days (2015: 1 to 180 days). The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by management.

The aging analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

	2016	2015
	HK$'000	HK$'000
0 to 90 days	**3**	4,064
91 to 180 days	**–**	1,696
Over 180 days	**–**	78,988
	3	84,748

As at 31 March 2016, an allowance was made for estimated irrecoverable trade receivables of approximately HK$96,219,000 (2015: HK$21,209,000).

Reconciliation of allowance for trade receivables:

	2016	2015
	HK$'000	HK$'000
At 1 April	**21,209**	69
Allowance for the year	**79,044**	21,146
Transfer of disposal group classified as held for sales	**(3,966)**	–
Exchange differences	**(68)**	(6)
At 31 March	**96,219**	21,209

29. TRADE AND OTHER RECEIVABLES *(continued)*

As at 31 March 2016, (2015: HK$24,048,000) no trade receivables were past due but not impaired. The balance as at 31 March 2015 relates to a number of independent customers for whom there is no recent history of default. The aging analysis of these trade receivables is as follows:

	2016	2015
	HK$'000	HK$'000
Up to 3 months	**–**	5,236
3 to 6 months	**–**	3,343
Over 6 months	**–**	15,469
	–	24,048

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	2016	2015
	HK$'000	HK$'000
Renminbi ("RMB")	**3**	65,958
USD	**–**	18,359
SGD	**–**	431
	3	84,748

30. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2016	2015
	HK$'000	HK$'000
Equity securities listed in Hong Kong, at fair value	**–**	295

The equity investments listed on the Stock Exchange are held-for-trading that offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate. The fair value of listed equity investments are based on current bid prices.

During the year, the Group disposed all of its equity investments and a gain of HK$37,000 was recognised in the consolidated financial statements.

31. RESTRICTED BANK BALANCE AND BANK AND CASH BALANCES

Bank and cash balances are denominated in the following currencies:

	2016	2015
	HK$'000	HK$'000
HK$	**3,508**	6,707
RMB (note)	**136**	2,169
USD	**96**	365
SGD	**30**	178
Others	**39**	398
	3,809	9,817

Note: Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations..

On 12 October 2015, 廈門三裕豐能源有限公司("Plaintiff A", a customer of the Group) filed a civil claim again Xiamen Yaozhong Asia-Pacific Trading Co., Limited, ("Xiamen Yaozhong"), a wholly owned subsidiary of the Company situated in the PRC, to the People's Court of Fujian Province (the "Civil Claim 1").

According to the Civil Claim 1, Xiamen Yaozhong was alleged for the failure refund the deposit paid for certain coal trading contracts entered into with Xiamen Yaozhong and Plaintiff A.

On 23 November 2015, the People's Court of Fujian Province made an judgement and ordered Xiamen Yaozhong to repay the plaintiff the contracted amount with compensation amounted to RMB 314,000. The Fujian Court also ordered the temporarily frozen of the bank accounts of Xiamen Yaozhong with the same amounts.

On 14 December 2015, Xiamen Yaozhong received another civil claim (the "Civil Claim 2") which were filed to the Fujian Court by 廈門外代報關行有限公司 ("Plaintiff B", a service provider of the Group).

According to the Civil Claim 2, it was alleged that Xiamen Yaozhong failed to pay for the amount for certain storage services contracts entered into with Xiamen Yaozhong and Plaintiff B.

On 14 January 2016, the Fujian Court made a judgement and ordered Xiamen Yaozhong to repay the contracted amount with compensation totaling RMB 680,000 to the Plaintiff B. The court also ordered the temporarily frozen of the bank accounts of Xiamen Yaozhong with the same amounts.

As at 31 March 2016, the ordered amounts were yet to be settled and the balance of RMB 23,000 (equivalent to approximately HK$28,000) remained frozen as Xiamen Yaozhong yet to settle the judgement sums.

32. ASSETS CLASSIFIED AS HELD FOR SALE

	2016 HK$'000	2015 HK$'000
Leasehold building (Note a)	**35,048**	–
Assets related to the Disposal Business (Note b)	**3,155**	–
	38,203	–
Liabilities directly associated with assets classified as held for sale	**129,588**	–

Note a:

On 30 July 2015, the Group has received an acceptance, from a third party, of an Option To Purchase OTP issued by the Group on 29 July 2015, which offered an option to purchase the Group's leasehold building in Singapore at a price of SGD6,180,000. Completion of the leasehold building disposal is subject to the approval by the Jurong Town Corporation ("JTC") of the Singapore government.

Accordingly, the leasehold building has been presented as asset classified as held for sale and carried at fair value less costs to sell. A revaluation deficit of HK$7,654,000 was recognised in the other comprehensive income for the year immediately before the reclassification.

On 3 December 2015, JTC rejected the proposed disposal and the Group continued to seek for potential buyer.

As at 31 March 2016, the leasehold building is grouped together with other assets of the Disposal Businesses upon the Group's decision for the disposal of its Disposal Businesses.

The leasehold building classified as held for sale was revalued on 31 March 2016 by Colliers International Consultancy & Valuation (Singapore) Pte Ltd, an independent professionally qualified valuer, on direct comparison of price properties of similar size, character and location (level 3 based measurement). The key input used is the price per square meter.

The leasehold building classified as held for sale is pledged as security for the Group's bank loans amounted to HK$8,121,000 (included in the liabilities associated with the disposal group classified as held for sale).

32. ASSETS CLASSIFIED AS HELD FOR SALE *(continued)*

Note b:

As described in note 17, the Group is seeking to dispose of its Disposal Businesses and anticipates that the disposal will be completed by within one year. The major classes of assets and liabilities of the Disposal Businesses at the end of the reporting period are as follows:

	2016
	HK$'000
Property, plant and equipment	36,100
Intangible assets	313
Trade and other receivables	381
Cash and bank balances	1,409
Assets of Disposal Businesses classified as held for sale	38,203
Trade and other payables	120,887
Finance lease payable	580
Bank and other borrowings	8,121
Liabilities of Disposal Businesses associated with assets classified as held for sale	129,588
Net liabilities of the Disposal Businesses classified as held for sale	48,192

33. TRADE AND OTHER PAYABLES

	2016	2015
	HK$'000	HK$'000
Trade payables	**627**	53,427
Payable to Magic Stone Fund (China) (note (a))	**–**	82,179
Accruals	**7,889**	14,070
Other payables (note (b))	**4,964**	39,317
	13,480	188,993

Note:

(a) During the year ended 31 March 2015, the Group entered into a settlement agreement ("Settlement Agreement") with Magic Stone Fund (China) ("Magic Stone"), pursuant to which the Group agreed to:

- pay Magic Stone RMB51,884,000 (equivalent to approximately HK$65,436,000) in cash before 28 February 2015;
- pay Magic Stone USD17,000,000 (equivalent to approximately HK$131,835,000) in cash before 28 February 2015; and
- issue and allot 80,000,000 ordinary shares each fully paid at an issue price of HK$0.5 per share to Magic Stone after the completion of the rights issue and before 28 February 2015.

The performance of the above settlement arrangement is secured by the interests of Kesterion in the Company's shares and convertible bonds (the "Kesterion Charge"). Any balance remains outstanding after 28 February 2015 shall bear interest of 18.3% per annum.

The Settlement Agreement constitutes a significant modification of the terms of an existing financial liability and therefore has been accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The gain of HK$14,761,000 between the carrying amount of the original financial liability and the fair value of the consideration paid is recognised in the profit or loss for the year.

As at 31 March 2015, the Group had outstanding payable to Magic Stone, which were denominated in RMB and USD, totaling HK$82,179,000.

During current year, the payable to Magic Stone was fully settled and the relevant charge over Kesterion's ownership on the shares of the Company was released accordingly.

(b) As at 31 March 2016, included in the other payables were three (2015: two) short term loans from an independent third party amounting to RMB1,650,000 (2015: HK$1,100,000). All loans are unsecured, amongst of (i) RMB500,000 bearing interest of 6% per annum and repayable on demand; (ii) RMB1,000,000 was interest-free, repayable on 31 July 2016; and (iii) RMB 150,000 bearing interest of 6% per annum and repayable on 23 February 2017 (2015: all loans were unsecured, bearing interest of 6% per annum and are repayable in or within one year from the end of reporting period). The carrying amounts of the balances approximate to their fair values.

33. TRADE AND OTHER PAYABLES *(continued)*

As at 31 March 2016, the aging analysis of the trade payables, based on the date of receipt of goods, is as follows:

	2016	2015
	HK$'000	HK$'000
0 to 90 days	**–**	1,034
91 to 180 days	**–**	503
Over 180 days	**627**	51,890
	627	53,427

The carrying amounts of the trade payables are denominated in the following currencies:

	2016	2015
	HK$'000	HK$'000
RMB	**149**	610
USD	**478**	51,870
SGD	**–**	947
Total	**627**	53,427

34. SHARE CAPITAL

	Authorised		Issued and fully paid	
	Number of shares	Amount HK$'000	Number of shares	Amount HK$'000
Ordinary share of HK$0.5 each at 1 April 2014	2,000,000,000	1,000,000	942,899,080	471,450
Increase (Note (a))	3,000,000,000	1,500,000	–	–
Issue of share on acquisition of a subsidiary (Note (b))	–	–	66,285,000	33,142
Issue of rights shares (note (c))	–	–	302,755,224	151,378
Issue of bonus shares (note (c))	–	–	201,836,816	100,918
Issue of share in accordance with settlement agreement with Magic Stone (note (d))	–	–	80,000,000	40,000
Ordinary share of HK$0.5 each at 31 March 2015 and 1 April 2015	5,000,000,000	2,500,000	1,593,776,120	796,888
Conversion from convertible bonds (note (e))	–	–	936,000,000	468,000
Capital reduction (note (f))	–	–	–	(1,239,590)
Sub-division (note (f))	245,000,000,000	–	–	–
Ordinary share of HK$0.01 each at 31 March 2016	250,000,000,000	2,500,000	2,529,776,120	25,298

Notes:

(a) Pursuant to an ordinary resolution passed at the extraordinary general meeting on 9 January 2015, the authorised share capital of the Company was increased from HK$1,000,000,000 to HK$2,500,000,000 by the creation of 3,000,000,000 ordinary shares of par value of HK$0.5 each in the capital of the Company and such shares rank pari passu with other existing shares of the Company.

(b) On 24 June 2014, the Company issued 66,285,000 new ordinary shares in satisfying the contingent consideration for the acquisition of a subsidiary. The contingent consideration payable was derecognised accordingly.

(c) Pursuant to an ordinary resolution passed at the extraordinary general meeting on 9 January 2015, the Company announced the proposed rights issue (the "Rights Issue") by way of issue of rights on the basis of three rights shares of HK$0.5 each (the "Rights Share") for every ten shares in issue and held on the record date at the subscription price of HK$0.5 per Rights Share with bonus issue (the "Bonus Issue") for the proposed issue of bonus shares of HK$0.5 each (the "Bonus Share") on the basis of two Bonus Shares for every three Rights Shares taken up under the Rights Issue.

The Rights Issue and Bonus Issue were completed on 11 February 2015, the Company allotted and issued 302,755,224 Rights Shares and 201,836,816 Bonus Shares. Accordingly, the Company increased its issued share capital by the nominal values of approximately HK$151,378,000 and HK$100,918,000 respectively.

34. SHARE CAPITAL *(continued)*

Notes: *(continued)*

(d) On 27 February 2015, the Company issued 80,000,000 new ordinary shares in satisfying the settlement clauses as stated in the Settlement Agreement entered with Magic Stone.

(e) On 15 May 2015, 9 June 2015, 15 June 2015, 6 August 2015 and 21 August 2015 respectively, the Company issued a total of 936,000,000 shares at HK$0.5 per share on conversion of an amount of US$60,000,000 (equivalent to approximately HK$468,000,000) in aggregate of convertible bonds issued on 12 May 2015.

(f) Pursuant to a resolution passed in the extraordinary general meeting held on 24 September 2015, the Company announced (i) the proposed capital reduction to reduce the par value of each issued share of the Company from HK$0.5 to HK$0.01 by cancelling the capital paid-up thereon to the extent of HK$0.49 on each of its issued shares (the "Capital Reduction") and (ii) to sub-divide the authorised but unissued shares of HK$0.5 each into fifty new shares of HK$0.01 each (the "Sub-Division").

The Capital Reduction and Sub-division became effective on 23 December 2015 and the credit arising from the Capital Reduction approximately HK$1,239,590,000 has been applied towards offsetting the accumulated deficit of the Company as at the effective date of the Capital Reduction, thereby reducing the accumulated deficit of the Company.

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

The Group had a capital deficiency at HK$645,242,000 as at 31 March 2016 (2015: HK$625,023,000). The directors have considered the solvency of the Group and taken steps to improve the Group's capital base and liquidity disclosed in note 2.

The externally imposed capital requirements for the Group are: (i) in order to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares; and (ii) to meet financial covenants attached to the interest-bearing borrowings.

The Group demonstrates continuing compliance of the non-public float with the 25% limit throughout the year.

Breaches in meeting the financial covenants would permit the bank to immediately call borrowings. There have been no breaches in the financial covenants of any interest-bearing borrowing for the years ended 31 March 2016 and 2015.

35. RESERVES

(a) The Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity on pages 3 and 4 of the consolidated financial statements respectively.

(b) Nature and purpose of reserves

(i) Share premium

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) Foreign currency translation reserve

The foreign currency translation comprises all foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries into the presentation currency. The reserve is dealt with in accordance with the accounting policies in note 4(d) to the consolidated financial statements.

(iii) Share option reserve

The share option reserve represents the fair value of the actual or estimated number of unexercised share options granted to the employees and consultants of the Group recognised in accordance with the accounting policy adopted for share-based payments in note 4(x) to the consolidated financial statements.

(iv) Convertible bonds equity reserve

The value of unexercised equity component of convertible bonds issued by the Company is recognised in accordance with the accounting policy adopted for convertible bonds in note 4(s) to the consolidated financial statements.

(v) Property revaluation reserve

The property revaluation reserve has been set up and is dealt with in accordance with the accounting policies adopted for the leasehold building in note 4(e) to the consolidated financial statements.

(vi) Investment revaluation reserve

The investment revaluation reserve comprises the cumulative net change in the fair value of available-for-sale financial assets held at the end of the reporting period and is dealt with in accordance with the accounting policy in note 4n to the consolidated financial statements.

36. BANK AND OTHER BORROWINGS

	2016 HK$'000	2015 HK$'000
Bank loans	**11,919**	16,621
Bank overdrafts	**–**	8,424
Loan from a former substantial shareholder	**92,831**	–
Loan from independent third parties	**10,000**	–
Corporate bonds	**19,794**	–
	134,544	25,045

The borrowings are repayable as follows:

	2016 HK$'000	2015 HK$'000
Within one year	**114,750**	24,936
More than one year, but not exceeding two years	**–**	109
More than two years	**19,794**	–
	134,544	25,045
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(114,750)**	(24,936)
Amount due for settlement after 12 months	**19,794**	109

36. BANK AND OTHER BORROWINGS *(continued)*

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	Hong Kong dollars HK$'000	Renminbi HK$'000	Singapore dollars HK$'000	Total HK$'000
2016				
Bank loans	**–**	**11,919**	**–**	**11,919**
Bank overdrafts	**–**	**–**	**–**	**–**
Loan from former substantial shareholder	**92,831**	**–**	**–**	**92,831**
Loan from independent third parties	**10,000**	**–**	**–**	**10,000**
Corporate bond	**19,794**	**–**	**–**	**19,794**
	122,625	**11,919**	**–**	**134,544**
2015				
Bank loans	–	12,612	4,009	16,621
Bank overdrafts	–	–	8,424	8,424
	–	12,612	12,433	25,045

The average interest rate at 31 March were as follows:

	2016	2015
Bank loans	**6.6%**	6.7%
Bank overdrafts	**Prime rate+0.5%**	Prime rate+0.5%
Loan from former substantial shareholder	**5%**	N/a
Loan from independent third party	**1.5%**	N/a
Corporate bond	**4.5%**	N/a

Bank loans and bank overdrafts are arranged at floating rates and expose the Group to cash flow interest rate risk. Other borrowings are arranged at fixed interest rates, thus exposing the Group to cash flow interest rate risk.

At 31 March 2016, bank loans of HK$11,919,000 (2015: HK$12,612,000) are secured by a charge over the Group's investment properties (note 20) amounted to approximately HK$18,836,000 (2015: HK$18,614,000) as at year end date and guarantee executed by the director of the Company and an individual company.

At 31 March 2015, bank loans and bank overdrafts of HK$4,009,000 and HK$8,424,000 respectively are secured by a charge over the Group's leasehold building classified property, plant and equipment (note 20) amounted to approximately HK$43,305,000 and guarantee executed by the director of the Company.

The loan from former substantial shareholder and corporate bond issued during current year are unsecured and repayable within one year and in eight years as of the year end date respectively.

At 31 March 2016, the Group had available undrawn borrowing facilities of HK$728,000 (2015: HK$125,451,000).

37. FINANCE LEASE PAYABLES

	Minimum lease payments		Present value of minimum lease payments	
	2016	2015	**2016**	2015
	HK$'000	HK$'000	**HK$'000**	HK$'000
Within one year	**–**	313	**–**	263
In the second to fifth years, inclusive	**–**	645	**–**	636
	–	958	**–**	899
Less: Future finance charges	**–**	(59)	**–**	–
Present value of lease obligations	**–**	899	**–**	899
Less: Amount due for settlement within 12 months (shown under current liabilities)			**–**	(263)
Amount due for settlement after 12 months			**–**	636

As set out in note 17 to the consolidated financial statements, the finance lease payable, which belongs to the disposal group, are reclassified as held for sale during the year. The average lease terms of the Group's motor vehicles under finance lease are 3 years. The average effective borrowing rate was 4.4% per annum. Interst rate are fixed at the contract dates and thus expose the Group to fair value interest rate risk. All these are on a fixed repayment basis.

The finance lease payables are denominated in SGD (HK$879,000) and Indonesia Rupiah (HK20,000).

The Group's finance lease payables are secured by the lessor's title to the leased assets.

38. CONVERTIBLE BONDS

	Note	2016 HK$'000	2015 HK$'000
Non-current liabilities			
Liability component of:			
Convertible bonds issued on 18 December 2008	(a)	–	857,287
Convertible bonds issued on 12 May 2015	(b)	445,499	–
		445,499	857,287
Current assets			
Derivative component of:			
Convertible bonds issued on 12 May 2015		(292)	–

(a) Convertible bonds issued on 18 December 2008

On 18 December 2008, the Company entered into a subscription agreement with Kesterion Investments Limited ("Kesterion") for the issue of unsecured zero coupon convertible bonds with an aggregate principal amount of USD655,128,205 (equivalent to approximately HK$5,110,000,000) (the "Old CB") in connection with the acquisition of 64% equity interest in Mogan. The Old CB are convertible, at any time between the issue date and maturity date, and at the option of the holders, into ordinary shares of the Company at a fixed conversion price of HK$0.70 per conversion share, subject to any anti-dilution adjustments and certain events such as share consolidation, share subdivision, capitalisation issue, capital distribution, rights issue and other equity or equity derivative issued. In 2011, the conversion price of the Old CB was adjusted to HK$22.79 per share upon the completion of the capital reorganisation, share consolidation and rights issue.

The Old CB are redeemable in part(s) or in full by the Company, using an agreed fixed exchange rate of USD1 = HK$7.8, at any time before the maturity date on 18 December 2018. On the maturity date, the Old CB will be redeemed at par, using an agreed fixed exchange rate of USD1 = HK$7.8.

The movements of the liability of the Old CB for the year ended 31 March 2016 are as follows:

	Liability component HK$'000	Principal amount HK$'000
At 1 April 2014	728,341	1,571,500
Imputed interest charged for the year (note 12)	128,946	–
At 31 March 2015 and 1 April 2015	857,287	1,571,500
Imputed interest charged for the year (note 12)	16,187	–
Redemption during the year	(873,474)	(1,571,500)
At 31 March 2016	–	–

38. CONVERTIBLE BONDS *(continued)*

(a) Convertible bonds issued on 18 December 2008 *(continued)*

During the year the Old CB were fully redeemed under a restructuring exercise as are set out in note (b) below.

The interest charged for the year is calculated by applying an effective interest rate of 17.7% (2015: 17.7%) per annum to the liability component.

(b) Convertible bonds issued on 12 May 2015

On 22 September 2014, the Company and Kesterion entered into a bond restructuring agreement, which was amended by a supplementary agreement on 1 November 2014 (collectively referred to as the "Bond Restructuring Agreements"). Pursuant to the Bond Restructuring Agreements, the Company and Kesterion conditionally agreed that:

(i) the terms of Old CB will be amended to grant the Company a right to redeem all the outstanding Old CB at a redemption price of USD140,000,000 (equivalent to approximately HK$1,092,000,000);

(ii) the Company will exercise such redemption right; and

(iii) in satisfaction and cancellation of the redemption amount payable under the amended Old CB following such redemption, the Company will issue the new bonds (the "New CB") to Kesterion. The New CB is a five-year 2.0% convertible bonds in principal amount of USD140,000,000. The coupon is payable in arrear semi-annually from the issue date.

The holder of the New CB has the right to convert the New CB into the ordinary shares of the Company at a fixed conversion price of HK$0.5, at any time before the maturity date.

The Company shall have the right, at its options, to redeem any portion of or the entire outstanding principal amount of all of the New CB held by Kesterion at 110% of the principal amount at any time before the maturity date.

On maturity date, the New Bonds will be redeemed at par, using a fixed exchange rate of USD1:HK$7.8.

On 12 May 2015, all the condition precedents to the Bond Restructuring Agreement has been fulfilled. Accordingly the Company has fully redeemed the Old CB and issued the New Bonds in accordance with the terms of the Bond Restructuring Agreement.

38. CONVERTIBLE BONDS *(continued)*

(b) Convertible bonds issued on 12 May 2015 *(continued)*

The fair value of the New Bonds at the issue date has been split between the liability component, the derivative component and the equity component as follows:

	HK$'000
Liability component at issue date	718,835
Derivative component at issue date	(96,507)
Equity component at issue date	397,675
Fair value of the New Bonds at issue date	1,020,003
Carrying amount of Old Bonds at redemption date	
– Liability component	(873,474)
– Equity component	(1,263,605)
Gain on redemption of Old CB	(1,117,076)

The difference between the liability components of the Old CB and the New CB of HK$251,146,000 is recognized in the profit or loss for the year ended 31 March 2016. Whereby the difference between the equity components of the Old CB and the New CB is directly transferred to the accumulated loss in the consolidated statement of changes in equity.

The movements of each components and principal amount of the convertible bonds for the year ended 31 March 2016 are as follows:

	Liability component HK$'000	**Derivative component** HK$'000
Issue of New Bonds	718,835	(96,507)
Conversion into shares (note 34(e))	(311,982)	41,360
Coupon payment	(6,240)	–
Imputed interest charged for the year	44,886	–
Fair value gain	–	54,855
At 31 March 2016	445,499	(292)

The interest charged for the year is calculated by applying an effective interest rate of 11.38% (2015: N/a) per annum to the liability component.

38. CONVERTIBLE BONDS *(continued)*

(b) Convertible bonds issued on 12 May 2015 *(continued)*

The fair value of New CB as a whole at issue date and the derivative component of the New CB at the end of the reporting period are estimated using the Black-Scholes model with Trinomial Tree Method (level 3 fair value measurement). The key assumptions used are as follows:

	At 31 March 2016	**At date of issue**
The Company's share price	HK$0.056	HK$0.375
Conversion price	HK$0.5	HK$0.5
Risk-free rate	1.08535	1.6535%
Volatility	73.7866%	51.4604%
Expected dividend yield	Nil	Nil
Expected lift	4.12 years	5 years

39. DEFERRED TAX

The following are the major deferred tax liabilities recognised by the Group.

	Revaluation of investment properties	**Accelerated tax depreciation**	**Total**
	HK$'000	HK$'000	HK$'000
At 1 April 2014	1,522	6,568	8,090
Credit to profit or loss for the year (note 13)	366	(6,568)	(6,202)
Exchange differences	(2)	—	(2)
At 31 March 2015 and 1 April 2015	1,886	—	1,886
Charge/(credit) to profit or loss for the year (note 13)	469	—	469
Exchange differences	(102)	—	(102)
At 31 March 2016	2,253	—	2,253

At the end of the reporting period the Group has unused tax losses of HK$171,972,000 (2015: HK$219,597,000) available for offset against future profits. No deferred tax assets has been recognised in respect of these tax losses due to the unpredictability of future profit streams. Included in the unrecognised tax losses are losses of HK$55,587,000 (2015: HK$40,611,000) that will expire in three to five years from the year such losses were incurred. Other tax losses may be carried forward indefinitely.

At the end of the reporting period, there is no undistributed earnings of subsidiaries (2015: Nil).

40. EQUITY-SETTLED SHARE-BASED PAYMENTS

The Company adopted a share option scheme on 25 April 2001 (the "Old Share Option Scheme") for the purpose of providing incentives and rewards to the eligible participants who contributed to the growth of the Group. Under the Old Share Option Scheme, the directors may grant options to eligible full-time or part-time employees, including any executive, non-executive and independent non-executive directors, and consultants or advisers of the Company and/or any of its subsidiaries. The Old Share Option Scheme was valid and effective for a period of ten years from the adoption date. On 24 April 2012, the Old Share Option Scheme was expired, after which no further share options shall be granted, but the Share Option previously granted under the Share Option Scheme shall remain in full force and effect in all other respects.

The Company adopted a share option scheme on 30 July 2012 (the "New Share Option Scheme") for the purpose of providing incentives and rewards to the eligible participants who contributed to the growth of the Group. Under the New Share Option Scheme, the directors may grant options to eligible full-time or part-time employees, including any executive, non-executive and independent non-executive directors, and consultants or advisers of the Company and/or any of its subsidiaries. The New Share Option Scheme as valid and effective for a period of ten years from the adoption date.

The total number of shares in respect of which options may be granted under the New Share Option Scheme, and any other option schemes is not permitted to exceed 30% of the issued share capital of the Company from time to time. The number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the issued share capital of the Company without prior approval from the Company's shareholders.

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

Options granted must be taken up within thirty days of the date of grant, upon payment of HK$1 per grant.

Options may be exercised at any time during a period to be notified by the board of Directors (the "Board") upon the grant of options provided that the option period shall not exceed 10 years from the date of grant of the options. No minimum period for which an option must be held is required. The exercise price, which is determined by the Board is the highest of: (i) the closing price per share on the date of grant; (ii) the average closing price per share for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share.

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

Under the New Share Option Scheme, if the options remain unexercised after a period of 3 years from the date of grant, the options expire. Options are forfeited if the employee is dismissed by the Group by reason of persistent or serious misconduct, breach of material term of the relevant employment contract or summary dismissal.

40. EQUITY-SETTLED SHARE-BASED PAYMENTS *(continued)*

Movement of the outstanding share options and their weighted average exercise prices for the year ended 31 March 2016 were as follows:

				Number of share options					
Category of grantee	**Date of grant of the options**	**Exercise period**	**Exercise price of the options (HK$)**	**Outstanding as at 1 April 2015**	**Granted during the year**	**Exercised during the year**	**Lapsed/ forfeited during the year**	**Outstanding as at 31 March 2016**	**Exercisable as at 31 March 2016**
Old Share Option Scheme:									
Consultants	6 Mar 2007	6 Mar 2007 to 5 Mar 2017	3.58	262,800	–	–	–	262,800	262,800
New Share Option Scheme:									
Consultants	21 Aug 2012	21 Aug 2012 to 20 Aug 2015	0.50	80,150,000	–	–	(80,150,000)	–	–
Staff	21 Aug 2012	21 Aug 2012 to 20 Aug 2015	0.50	3,600,000	–	–	(3,600,000)	–	–
Total				84,012,800	–	–	(83,750,000)	262,800	262,800
Weighted average exercise price				HK$0.51	N/A	N/A	HK$0.50	HK$3.58	HK$3.58

40. EQUITY-SETTLED SHARE-BASED PAYMENTS *(continued)*

Movement of the outstanding share options and their weighted average exercise prices for the year ended 31 March 2015 were as follows:

				Number of share options					
Category of grantee	Date of grant of the options	Exercise period	Exercise price of the options (HK$)	Outstanding as at 1 April 2014	Granted during the year	Exercised during the year	Lapsed/ forfeited during the year	Outstanding as at 31 March 2015	Exercisable as at 31 March 2015
Old Share Option Scheme:									
Consultants	6 Mar 2007	6 Mar 2007 to 5 Mar 2017	3.58	262,800	–	–	–	262,800	262,800
New Share Option Scheme:									
Consultants	21 Aug 2012	21 Aug 2012 to 20 Aug 2015	0.50	80,150,000	–	–	–	80,150,000	80,150,000
Staff	21 Aug 2012	21 Aug 2012 to 20 Aug 2015	0.50	3,600,000	–	–	–	3,600,000	3,600,000
Director	27 Mar 2013	27 Mar 2013 to 26 Mar 2016	0.55	1,400,000	–	–	(1,400,000)	–	–
Total				85,412,800	–	–	(1,400,000)	84,012,800	84,012,800
Weighted average exercise price				HK$0.51	N/A	N/A	HK$0.55	HK$0.51	HK$0.51

The options outstanding at the end of the year have a weighted average remaining contractual life of 0.99 years (2015: 0.39 years) and the exercise prices of HK$3.58 (2015: HK$0.5 to HK$3.58).

The estimated fair value of the options that were granted on 21 August 2012 and 27 March 2013 were HK$8,236,000 and HK$246,000 respectively.

40. EQUITY-SETTLED SHARE-BASED PAYMENTS *(continued)*

The fair value was calculated using the Black-Scholes option pricing model. The inputs into the model are as follows:

	21 August 2012	**27 March 2013**
Share price	HK$0.475	HK$0.540
Exercise price	HK$0.500	HK$0.550
Expected life	0.716 year	1.5 years
Expected volatility	69.508%	69.798%
Risk free rate	0.152%	0.152%
Expected dividend yield	Nil	Nil

Expected volatility was determined by calculating the historical volatility of the Company over the expected life. The expected life used in the model has been adjusted, based on the Group's best estimate, for the effects of non transferability, exercise restrictions and behavioral considerations.

Share options granted to consultants were incentives for helping the group expand its business network, acquire and explore new business projects and opportunities. The fair value of such benefit could not be estimated reliably and as a result, the fair value is measured by reference to the fair value of share options granted.

41. CONTINGENT LIABILITIES

The Group is a defendant in a law suit brought during 2016 claiming approximately RMB1,296,000 together with unstated damages and interest relating to sales of goods to a customer. The Group intends to contest the claim, and while the final outcome of the proceedings is uncertain, it is the directors' opinion that the ultimate liability, if any, will not have a material impact on the Group's financial position.

42. LEASE COMMITMENTS

At 31 March 2016 the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2016	2015
	HK$'000	HK$'000
Within one year	**3,800**	6,552
In the second to fifth years inclusive	**530**	3,275
	4,330	9,827

Operating lease payments represent rentals payable by the Group for certain of its offices and living quarters for employees. Leases are negotiated for terms ranging from one to five years (2015: one to five years).

43. RELATED PARTIES TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in the financial statements, the Group had the following transactions with its related parties during the years ended 31 March 2015 and 2016 and balances with related parties as at 31 March 2015 and 2016.

(a) Amounts due to directors

The amounts due to directors are unsecured, interest-free and repayable on demand.

(b) Key management personnel remuneration

Remuneration paid/payable to key management personnel of the Group, including the emoluments of the Company's directors and the highest paid individuals as disclosed in notes 15 and 16 to the consolidated financial statements, is as follows:

	2016 **HK$'000**	2015 HK$'000
Salaries, bonus and allowances	**5,100**	5,799
Retirement benefits scheme contributions	**72**	80
	5,172	5,879

44. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2016	2015
	HK$'000	HK$'000
Non-current assets		
Investments in subsidiaries	**1,751**	466,458
Current assets		
Derivative financial assets	**292**	–
Prepayments and other receivables	**1,519**	29,566
Bank and cash balances	**43**	45
Total current assets	**1,854**	29,611
TOTAL ASSETS	**3,605**	496,069
EQUITY AND LIABILITIES		
Share capital	**25,298**	796,888
Reserves	**(587,531)**	(1,183,956)
Total equity	**(562,233)**	(387,068)
Non-current liabilities		
Convertible bonds	**445,449**	857,287
Current liabilities		
Accruals and other payables	**2,764**	25,850
Interest-bearing loans	**117,625**	–
Total current liabilities	**120,389**	25,850
TOTAL EQUITY AND LIABILITIES	**3,605**	496,069

Approved by the Board of Directors on 24 June 2016 and are signed on its behalf by:

YIP Man Yi	**SHIU Chi Tak, Titus**
Director	*Director*

44. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(continued)*

Reserves

	Share premium	Share option reserve	Convertible bonds equity reserve	Accumulated losses	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2014	3,780,279	8,251	1,263,605	(5,700,015)	(647,880)
Total comprehensive income for the year	–	–	–	(403,684)	(403,684)
Issue of share on acquisition of a subsidiary (note 34(b))	(5,966)	–	–	–	(5,966)
Issue of rights shares (note 34)	–	–	–	–	–
Issue of bonus shares (note 34)	(100,918)	–	–	–	(100,918)
Share issue expenses	(4,708)	–	–	–	(4,708)
Issue of shares for extinguishing financial liabilities with equity instruments (note 34(d))	(20,800)	–	–	–	(20,800)
Changes in equity for the year	(132,392)	–	–	(403,684)	(536,076)
At 31 March 2015	3,647,887	8,251	1,263,605	(6,103,699)	(1,183,956)
At 1 April 2015	3,647,887	8,251	1,263,605	(6,103,699)	(1,183,956)
Total comprehensive income for the year	–	–	–	(445,788)	(445,788)
Issue of shares on conversion of convertible bonds (note 34(e))	(26,945)	–	(170,432)	–	(197,377)
Redemption and issuance of convertible bonds (note 38)	–	–	(865,930)	865,930	–
Capital Reduction (note 34(f))	–	–	–	1,239,590	1,239,590
Changes in equity for the year	(26,945)	–	(1,036,362)	1,659,732	596,425
At 31 March 2016	3,620,942	8,251	227,243	(4,443,967)	(587,531)

45. PARTICULARS OF SUBSIDIARIES

Particulars of the subsidiaries as at 31 March 2016 are as follows:

Name	Place of incorporation/ registration and operation	Issued and paid up capital/ registered capital	Percentage of ownership interest/ voting power/ profit sharing Direct	Indirect	Principal activities
Black Sand Enterprises Limited	Hong Kong	HK$300,000	100%	–	Investment holding
Black Sand Global Trading Limited	Hong Kong	HK$10,000	–	100%	Dormant
Black Sand International (Singapore) Pte. Ltd.	Singapore	2,000,000 ordinary shares of SGD1 each 5,881,400 ordinary shares of USD1 each	–	100%	Dormant
Black Sand Metal Trading Limited	Hong Kong	HK$10,000	–	80%	Dormant
Black Sand Petroleum (S) Pte. Ltd	Singapore	2,000,000 ordinary shares of SGD1 each	–	90%	Dormant
Black Sand Marine (S) Pte. Ltd.	Singapore	USD1	–	100%	Inactive
Black Sand Resources Trading Limited	British Virgin Islands/ Hong Kong	1 ordinary share of USD1 each	–	100%	Dormant
Black Sand Securities Trading Limited	Hong Kong	HK$1	–	100%	Dormant
First Pine Enterprises Limited	British Virgin Islands/ Hong Kong	1 ordinary share of USD1 each	–	100%	Investment holding
Mt. Mogan Holdings Inc.	British Virgin Islands/ Hong Kong	50,000 ordinary shares of USD1 each	–	100%	Investment holding

45. PARTICULARS OF SUBSIDIARIES *(continued)*

Name	Place of incorporation/ registration and operation	Issued and paid up capital/ registered capital	Percentage of ownership interest/ voting power/ profit sharing Direct	Indirect	Principal activities
Mt. Mogan Resources and Development Corporation ("MMRD")	The Philippines	156,250 ordinary shares of PHP100 each	–	64%	Dormant
Pan Asia Mining (HK) Limited	Hong Kong	HK$10,000	100%	–	Dormant
PT Yaozhong Resources	Republic of Indonesia	1,000,000 ordinary shares of USD1 each	–	95%	Dormant
Service Form Limited	Hong Kong	HK$1	100%	–	Dormant
寰亞宏華商貿(北京)有限責任公司*	PRC	Registered capital of RMB20,056,294	–	100%	Trading of beverages
Brighton Asia Pacific Investment Holdings Limited	Hong Kong	HK$1	–	100%	Investment holding
Xiamen Yaozhong Asia-Pacific Trading Co., Limited*	PRC	Registered capital of HK$50,000,000	–	100%	Trading of beverages
Evotech (Asia) Pte Ltd	Singapore	500,000 ordinary shares of SGD1 each	–	100%	Trading of metals
宏華加業商貿(上海)有限公司	PRC	Registered capital of RMB1,000,000	–	100%	Trading of beverages
AT International Holdings Limited	Hong Kong	HK$1	–	100%	Dormant
Aquaterra Canada Holding Ltd	Canada	1 ordinary share of CAD1 each	–	100%	Dormant
Gilmer Investments Limited	British Virgin Islands/ Hong Kong	10 ordinary shares of USD1 each	–	100%	Investment holding
Team Kingdom Limited	Hong Kong	HK$1	100%	–	Dormant
Bright Wise Enterprise Limited (Formerly known as "Union Asia Enterprise Holdings Limited")	Hong Kong	HK$1	100%	–	Dormant

* Wholly foreign-owned enterprise established in the PRC.

The above list contains the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group.

46. EVENTS AFTER THE REPORTING PERIOD

(a) On 18 May 2016, the Company completed a rights issue on the basis of eight rights shares for every one ordinary share held on the record date at a subscription price of HK$0.112 per rights share. A total number of 2,529,776,120 ordinary shares of HK$0.01 each were issued with net proceeds of approximately HK$270,000,000. The Company used HK$229,300,000 of the net proceeds to early redeem the outstanding convertible bonds issued on 12 May 2015, with the principal amounts of US$30,000,000.

(b) On 10 June 2016, the Group entered into an agreement with Link Long Limited (the"Vendor") to acquire 100% of the issued share capital of Fu Hang Metal (Asia) Limited ("the Target") at the consideration of HK$12,500,000 which has been satisfied by (i) HK$4,000,000 in cash and (ii) HK$8,500,000 by the issue of the promissory note to the Vendor. The Target is engaged in trading of stainless steel wires in Hong Kong and the PRC. The preliminary valuation of 100% equity interest in the Target is approximately HK$14,000,000 as at 31 March 2016. Details of the acquisition are set out in the Company's announcement dated 10 June 2016.

(c) On 17 June 2016, a wholly-owned subsidiary of the Company, BSE, entered into a sales and purchase agreement with an independent third party (the "Purchaser"). Pursuant to which the Purchaser agreed to buy and BSE agreed to sell the entire shareholding of subsidiary of the Group at a consideration of HK$80,000. Up to date of this report, the transaction is yet to be completed. The disposed subsidiary is principally engaged in beverage trading business. Details of the transaction are set out in the Company announcement dated 17 June 2016.

(d) On 17 June 2016, BSE entered into a sales and purchase agreement with Kesterion. Pursuant to which Kesterion agreed to buy and BSE agreed to sell the entire shareholding of the Group at a consideration of HK$5,000,000. Up to date of this report, the transaction is yet to be completed. The disposed subsidiary is principally engaged in metal trading business and part of the coal trading business. Details of the transaction are set out in the Company announcement dated 17 June 2016.

47. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation. The comparative amounts in the statement of profit of loss and other comprehensive income re-presented so that the discontinued operation disclosure include those operations classified as discontinued by the end of the current year.

RESULTS

	For the year ended 31 March				
	2016	2015	2014	2013	2012
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Continuing operations					
Revenue	**1,467**	10,661	17,598	–	–
Profit/(loss) from operations	**89,006**	(46,597)	(30,713)	(16,078)	(16,698)
Finance costs	**(65,559)**	(129,982)	(110,479)	(94,465)	(81,420)
Share of losses of associates	**–**	–	–	–	(172)
Profit/(loss) before tax	**23,447**	(176,579)	(141,192)	(110,543)	(98,290)
Income tax credit/(expense)	**(469)**	(367)	–	–	–
Profit/(loss) for the year	**22,978**	(176,946)	(141,192)	(110,543)	(98,290)
Other comprehensive (loss)/income for the year, net of tax	**(6,501)**	(4,741)	1,101	(372)	1,897
Total comprehensive loss for the year	**16,477**	(181,687)	(140,091)	(110,915)	(96,393)
Loss for the year attributable to:					
Owner of the Company	**16,477**	(181,687)	(140,091)	(110,915)	(96,393)
Non-controlling interests	**–**	–	–	–	–
	16,477	(181,687)	(140,091)	(110,915)	(96,393)

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	At 31 March				
	2016	2015	2014	2013	2012
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Total assets	**81,158**	451,311	1,529,670	1,395,134	1,259,612
Total liabilities	**(726,400)**	(1,076,334)	(1,125,108)	(829,533)	(577,247)
Non-controlling interests	**10,440**	(48,091)	(387,965)	(387,348)	(387,913)
	(634,802)	(673,114)	16,597	178,253	294,452