GreaterChina Professional Services Limited
漢 華 專 業 服 務 有 限 公 司

Stock Code: 8193

(Incorporated in the Cayman Islands with limited liability)

2016
Annual Report

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

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

This report, in both English and Chinese versions, is available on the Company's website at www.gca.com.hk.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Ip Kwok Kwong *(Managing Director)*
Mr. Yip Chung Wai, David
Mr. Wu Di (redesignated from non-executive Director to executive Director on 20 July 2015)

Non-executive Director

Ms. Ma Lin

Independent Non-executive Directors

Mr. Tso Ping Cheong, Brian *(Chairman)*
Mr. So Chung Shing
Mr. Chu Siu Lun, Ivan

BOARD COMMITTEES

Audit Committee

Mr. Tso Ping Cheong, Brian *(Chairman)*
Mr. So Chung Shing
Mr. Chu Siu Lun, Ivan

Remuneration Committee

Mr. Chu Siu Lun, Ivan *(Chairman)*
Mr. Ip Kwok Kwong
Mr. Yip Chung Wai, David
Mr. Tso Ping Cheong, Brian
Mr. So Chung Shing

Nomination Committee

Mr. So Chung Shing *(Chairman)*
Mr. Ip Kwok Kwong
Mr. Yip Chung Wai, David
Mr. Tso Ping Cheong, Brian
Mr. Chu Siu Lun, Ivan

COMPANY SECRETARY

Mr. Kwok Siu Man

COMPLIANCE OFFICER

Mr. Ip Kwok Kwong

AUTHORISED REPRESENTATIVES

Mr. Ip Kwok Kwong
Mr. Tso Ping Cheong, Brian

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
OCBC Wing Hang Bank Limited

INDEPENDENT AUDITOR

ZHONGHUI ANDA CPA Limited, *Certified Public Accountants*

REGISTERED OFFICE

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Grand Cayman, KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Shui On Centre
6–8 Harbour Road
Wanchai
Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

CORPORATE INFORMATION

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited
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Cayman Islands

CORPORATE WEBSITE

www.gca.com.hk

STOCK CODE

8193

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of Directors (the "Board"), I am pleased to present the annual results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2016 (the "Year").

RESULTS

During the Year, the Group recorded turnover of approximately HK$55.1 million, representing an increase of about 19.8% as compared to last financial year. Loss attributable to owners of the Company was approximately HK$3.5 million, representing a decrease of 97.3% for the last financial year.

BUSINESS REVIEW

The Group's business can be broadly categorised into four main sectors: (i) asset advisory services and asset appraisal, (ii) corporate services and consultancy, (iii) media advertising and (iv) financial services.

Asset Advisory Services and Asset Appraisal

Asset advisory services and asset appraisal are the core business of the Group, which typically involves provision of independent valuation services to a number of listed groups to meet market, regulatory and fiduciary requirements, sourcing and identifying potential investment opportunities or investors, undertaking due diligence and evaluation on the underlying assets and provision of procedural and strategic business advices. Asset advisory services income is primarily success-based and project-based nature. Revenue from asset advisory services and asset appraisal during the Year was approximately HK$37.2 million, representing a decrease of about 3.0% as compared to last financial year, which was primarily due to the decrease in average contract price.

Corporate Services and Consultancy

The corporate services and consultancy segment mainly focuses on provision of advice to corporations in areas such as corporate governance, internal control, enterprise risk management and other operational aspects as well as provision of back office administration. Owing to its non-recurring nature and fewer projects having been engaged in the Year than in previous year, revenue generated from the provision of corporate services and consultancy during the Year decreased by about 63.7% to approximately HK$1.3 million as compared with that of last financial year.

The revenue from asset advisory services and asset appraisal, and corporate services and consultancy are primarily generated from mandates on a project-by-project basis, each of which may vary in scope, size and complexity of services to be rendered. In addition, terms and conditions of each mandate, including its payment schedule, are negotiated and determined on a project-by-project basis. For asset appraisal, fees are payable by stage payment based on milestone agreed with clients. If the underlying project does not reach any particular milestone, the Group will not be entitled to the corresponding service fee. Fees charged by the Group in respect of its asset advisory services and corporate consultancy business to a large extent are success-based or performance-based. If a project cannot be carried through to completion, or there is no successful underlying transaction, or performance target cannot be attained, or where the project is put on hold by client, the Group will not be entitled to such portion of the fees even if substantial amount of time and effort has been expended. As a result, the income and profitability of the Group may be unpredictable. Through the Group's continuous expansion of its operation, the client base and income source would be diversified and increased to minimise the risk of such uncertainties.

CHAIRMAN'S STATEMENT

Media Advertising

In November 2014, the Group acquired a 80% equity interest in Golden Vault Limited (collectively with its wholly-owned subsidiaries the "Golden Group"). Golden Group is principally engaged in media advertising business and is one of the community media promotion operators in Changshu, the People's Republic of China (the "PRC"). Advertising income is generated mainly through its in-elevator poster frames network and liquid-crystal display displays network inside elevators or lift lobbies of middle to high-end residential communities. Subsequent to the acquisition, the Group taps into the media advertising industry in the PRC with growth potential, which generates diversified income and additional cash flow. This business segment brought approximately HK$13.5 million advertising income for the Group during the Year, representing an increase of about 231.7% as compared to last financial year. The sharp increase in the advertising income was mainly due to first full year revenue being recognised for this segment since it was acquired.

Financial Services

The Group commenced the provision of financial services in the year ended 31 March 2015 through its acquisitions of an associate, Boxin Holdings Limited (together with its wholly-owned subsidiary, the "Boxin Group") and a subsidiary, Alright Venture Limited (together with its wholly-owned subsidiary, the "Alright Group").

Boxin Group holds a licence granted by The Chinese Gold and Silver Exchange Society in Hong Kong for the operation of its business of trading and exchange of gold and/or silver and provides consultancy or agency services in Hong Kong. In light of the official launch of the Shanghai-Hong Kong Gold Connect, Hong Kong investors are allowed to trade on the main board and international board of the Shanghai Gold Exchange and correspondingly mainland investors to trade on The Chinese Gold and Silver Exchange Society in Hong Kong. Accordingly, having considered the future development prospect of the business of Boxin Group, in October 2015, the Group acquired an additional 19% equity interest in Boxin Group, and the Group's interests in Boxin Group increased from 30% to 49% as at 31 March 2016. During the Year, approximately HK$1.5 million (2015: HK$0.8 million) share of net profits of an associate was contributed from Boxin Group.

Alright Group holds a money lender licence under the provisions of the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and provides financial credit services such as personal loans, commercial loans and mortgages to individuals and corporations. During the Year, the Group applied net proceeds from the placing and subscription of new shares of the Company (the "Shares") completed in October 2015 for the provision of loans to customers and the development of the money lending business. As at 31 March 2016, the Group had total loan receivables of approximately HK$126.6 million (2015: HK$1.5 million) and generated loan interest income of approximately HK$3.1 million (2015: HK$0.2 million) during the year.

OUTLOOK

Although the revenue from asset advisory and corporate consultancy services are falling as compared with previous years due to a lack of optimism in the global economy and the volatile financial and capital market, the Group remains cautiously optimistic about the steady demand for professional commercial services in the PRC, Taiwan, Hong Kong and Macau (together, the "Greater China"). As companies in Greater China, especially in the PRC, grow in corporate size and operational complexity and geographical diversification, the need for a leading professional advisor on asset value, procedures and regulations, as well as investment matching is expected to remain there. Based on the Group's existing competitive advantages and market position in the core business segments, the experienced professional teams and provision of convenient one-stop professional services, the Group is confident to address such challenges.

CHAIRMAN'S STATEMENT

Furthermore, the Group has recently completed a few business acquisitions. With the expansion of its operations to the media advertising and financial businesses, the Group believes that its client base and income source would be further diversified and increased. With the financial resources on hand, the Group will continue to actively seek investment and business opportunities in relation to companies engaged in the financial services industry in Hong Kong, in particular the money lending business and securities brokerage business, with a view to achieving a sustainable growth, increasing profitability and ultimately maximising the return to the shareholders of the Company (the "Shareholders").

As disclosed in the Company's announcement dated 9 December 2015, Zhong Nan Investments Limited, a wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement in relation to its acquisition of 95% of the entire issued share capital (the "Acquisition") of IAM Group Inc. ("IAM"). IAM has a directly wholly-owned subsidiary, which is licensed to carry out type 1 (dealing in securities) regulated activity (as defined by the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"). The total consideration of the Acquisition is HK$80.8 million, which is mainly financed by the net proceeds from the placing and subscription of new Shares completed in October 2015. As at the date of this report, the Acquisition has not yet been completed.

APPRECIATION

On behalf of the Board, I would like to express my gratitude to our Shareholders, Directors and business partners for their continued support and trust. I would also like to thank all of our management and staff for their diligence and contributions to the Group.

Tso Ping Cheong, Brian
Chairman and Independent Non-executive Director

Hong Kong, 24 June 2016

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Results of the Group

The Group's revenue for the Year was approximately HK$55.1 million (2015: approximately HK$46.0 million), representing an increase of about 19.8% from that of 2015. The increase in the Group's revenue during the Year was mainly attributable to the increase in media advertising income of HK$9.5 million as described under the section headed "Business Review" in the Chairman's Statement.

The Group's cost of sales mainly consists of direct labour cost, material cost and sub-contracting charges. During the Year, the Group's cost of sales was approximately HK$22.7 million (2015: approximately HK$20.4 million), representing an increase of about 11.3% from that of 2015. The increase in cost of sales is in line with the increase in the Group's revenue.

The Group's other income for the Year was approximately HK$48.3 million (2015: approximately HK$6.5 million), representing an increase of about 643.1% from that of 2015. The increase in the Group's other income was mainly attributable to the fair value gain on financial assets at fair value through profit or loss of approximately HK$43.9 million, details of which are set out under the section headed "Significant Investments Held" below.

The Group's administrative expenses for the Year was approximately HK$45.9 million (2015: approximately HK$44.6 million), representing a slight increase of about 2.9% from that of 2015. The increase in the Group's administrative expenses during the Year was mainly due to the Group's further business expansion in the Year, hence more operating expenses were incurred for the Year.

The Group's finance costs for the Year was approximately HK$8.2 million (2015: approximately HK$3.9 million), representing an increase of about 110.3% from that of 2015. The significant increase was mainly attributable to the effective interest expenses recognised on promissory notes issued by the Company in November 2014 and October 2015.

The loss attributable to owners of the Company for the Year was approximately HK$3.5 million (2015: loss of approximately HK$127.6 million). Save as disclosed above, the decrease in the loss of approximately HK$124.1 million was also largely attributable to the significant decrease in the impairment losses on trade receivables, amount due from a joint venture and investment in an associate of approximately HK$74.5 million, HK$4.1 million and HK$26.8 million respectively, offset with the loss on early redemption of promissory notes and impairment loss on loan receivables of approximately HK$9.0 million and HK$4.5 million, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

FOREIGN EXCHANGE EXPOSURE

The majority of the Group's businesses is in Hong Kong and is denominated in Hong Kong dollars, Renminbi, and United States dollars. The Group is of the opinion that its exposure to foreign exchange rate risk is limited. The Group currently does not have a foreign currency hedging policy. However, the management monitors closely foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2016, the Group had cash and cash equivalents of approximately HK$23.7 million (2015: approximately HK$17.0 million). As at 31 March 2016, the Group had net current assets of approximately HK$354.1 million (2015: approximately HK$76.1 million). Current ratio as at 31 March 2016 was 16.8 (2015: 4.0).

The Group's operations and investments are financed principally by revenue generated from business operations, available bank balances and the net proceeds from the placing and subscription of new Shares completed during the Year. As at 31 March 2016, the Group had total borrowings (comprising bank borrowings and promissory notes) of approximately HK$51.0 million (2015: HK$97.9 million) and a net gearing ratio of approximately 0.05 (2015: 0.58), which is defined as net debt (total borrowings net of cash and bank balances) over total equity, is resulted. The bank borrowings is denominated in Renminbi and carried average annual interest rate of 7.8% (2015: 7%) while the promissory notes is denominated in Hong Kong dollars and interest-bearing at 3% (2015: 3%) per annum.

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE

The capital structure of the Group and major fund raising activities during the Year are summarised as below.

Issue of Placing Shares and Subscription Shares

On 15 October 2015, an aggregate of 2,600,000,000 Shares were successfully placed to not less than six placees at a price of HK$0.10 each (the "Placing") and an aggregate of 1,400,000,000 Shares were allotted and issued to Laberie Holdings Limited, an independent third party of the Company, at a price of HK$0.10 each (the "Subscription"). The net proceeds from the Placing and the Subscription (after deducting related placing commissions, professional fees and related expenses) were approximately HK$395.0 million and had been applied as follows:

	Intended use of net proceeds (HK$ in million)	Actual use of net proceeds as at 31 March 2016 (HK$ in million)
Repayment of the promissory notes and the payment of interest accrued thereon	100.0	93.0
Development of the money lending business	100.0	100.0
Development of the securities brokerage business	150.0	81.0
General working capital	45.0	10.0
	395.0	284.0

Approximately HK$98.0 million of the remaining balance was temporary applied for the investments in equity securities listed in Hong Kong that offer the Group the opportunity for return through dividend income and fair value gains prior to suitable investment opportunities being identified by the Group.

Approximately HK$13.0 million of the remaining balance has been placed in bank to reserve for general operation of the Group.

Details of the Placing and the Subscription were disclosed in the Company's announcements dated 10 July 2015, 14 September 2015, 30 September 2015 and 15 October 2015, respectively and the Company's circular dated 27 August 2015.

Early and Partial Redemption of Promissory Notes

On 13 November 2014, the Company issued promissory notes in an aggregate principal amount of HK$110.0 million ("2014 PN") for the acquisition of a 80% equity interest in Golden Vault Limited. On 23 October 2015, an aggregate principal amount of HK$90.0 million of the 2014 PN together with accrued interest thereon were early redeemed by the Company, and settled from the net proceeds from the Placing and the Subscription. Details of such redemption are set out in the Company's announcement dated 23 October 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

Issue of Promissory Notes

On 22 October 2015, the Company issued promissory notes in an aggregate principal amount of HK$34.0 million for the acquisition of an additional 19% equity interest in Boxin Group, details of which are set out in the Company's announcements dated 22 July 2015 and 22 October 2015, respectively.

CAPITAL COMMITMENT

As at 31 March 2016 and 2015, the Group did not have any significant capital commitments.

OPERATING LEASE COMMITMENTS

The Group's operating lease commitments are primarily related to the leases of its office premises, photocopier machines and advertising rent, and amounted to approximately HK$18.8 million and HK$11.3 million as at 31 March 2016 and 2015, respectively.

SIGNIFICANT INVESTMENTS HELD

As at 31 March 2016, the Group's financial assets at fair value through profit or loss, with market value of approximately HK$169.7 million (2015: HK$31.1 million), represented an investment portfolio of nine equity securities listed in Hong Kong.

Among the nine equity securities, approximately HK$81.3 million represented investment in one of the listed securities with investment cost of approximately HK$17.2 million. Since the Group acquired the aforesaid listed security at the time of placing, a significant fair value gain was resulted afterwards and accordingly, an unrealised gain of approximately HK$64.1 million was recognised during the Year.

During the Year, the Group recorded a realised loss of approximately HK$8.9 million (2015: loss of HK$0.2 million) and an unrealised gain of approximately HK$52.8 million (2015: loss of HK$2.4 million). Save for the unrealised gain of approximately HK$64.1 million from abovementioned listed security, the overall fair value loss on the listed securities held was mainly due to the unfavorable stock market in Hong Kong in general during the Year.

The future performance of the equity securities may be influenced by the Hong Kong stock market. In this regard, the Group will continue to maintain a diversified investment portfolio and closely monitor the performance of its investments and the market trends to adjust its investment strategies.

Save as disclosed above and under the section headed "Business Review" in the Chairman's Statement, there were no other significant investments held as at 31 March 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

In October 2015, the Group acquired a 19% equity interest in Boxin Group from an independent third party for a consideration of HK$34.0 million, satisfied by promissory notes in total principal sum of HK$34.0 million (subject to adjustments) issued by the Company. After the acquisition, Boxin Group will continue to be an associate of the Company. Details of the acquisition are set out in the Company's announcements dated 22 July 2015 and 22 October 2015, respectively.

In January 2016, New Valiant Limited ("New Valiant"), a wholly-owned subsidiary of the Company, disposed of a 19.9% equity interest in Greater China Appraisal Limited ("GCA"), a wholly-owned subsidiary of New Valiant, which is principally engaged in provision of asset appraisal, to an independent third party at a consideration of HK$25.0 million. After the disposal, GCA becomes an indirectly non-wholly owned subsidiary of the Company.

Save as disclosed above, there were no other material acquisitions and disposals of subsidiaries or affiliated companies during the Year.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed under the section headed "Outlook" in the Chairman's Statement and in the circular of the Company dated 27 August 2015, the Group did not have other plans for material investments and capital assets.

CHARGES ON ASSETS

As at 31 March 2016 and 2015, there was no charge on assets of the Group.

CONTINGENT LIABILITIES

As at 31 March 2016 and 2015, the Group did not have any significant contingent liabilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2016, the Group employed 62 (31 March 2015: 64) employees. Total staff costs (including Directors' emoluments) were approximately HK$36.1 million (2015: HK$33.7 million). Employees' remuneration, promotion and salary increments are assessed based on both individual's and Company's performance and individual's professional and working experience and by reference to the prevailing market practice and standards. The Group regards quality staff as one of the key factors to corporate success.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Ip Kwok Kwong, aged 55, is one of the founding directors of the Group and was appointed as an executive Director and the managing director of the Company (the "Managing Director") in December 2010. He is the compliance officer and an authorised representative of the Company. He is also a member of each of the remuneration committee (the "Remuneration Committee") and nomination committee (the "Nomination Committee") of the Company, and a director of certain subsidiaries of the Company. Mr. Ip is responsible for overall management and development including frontline co-ordination with clients, organisations as well as formulation of development strategy of the Group. Professionally, Mr. Ip is a Chartered Valuation Surveyor, a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance of Hong Kong and a Registered Business Valuer of the Hong Kong Business Valuation Forum. Mr. Ip was appointed as a committee member of the People's Political Consultative Conference of Harbin, the PRC in the second half of 2011 after having received the Outstanding Entrepreneurship Award from the Enterprise Asia, a non-governmental organisation for entrepreneurship, in mid-2011. He is now a vice president of Asia Pacific Professional Managers Association.

Mr. Yip Chung Wai, David, aged 52, was appointed as an independent non-executive Director on 2 July 2014 and redesignated as an executive Director on 20 November 2014. He is a member of each of the Remuneration Committee and the Nomination Committee, and a director of certain subsidiaries of the Company. Mr. Yip obtained a master's degree in business administration from the University of Hull in the United Kingdom. During the past 20 years, Mr. Yip has worked for different sizable financial groups and corporations in Hong Kong with senior positions. He is well-experienced in corporate finance and fund management matters and he has also orchestrated in structuring mergers and acquisitions deals during his time in investments and banking areas. From September 2009 to October 2013, Mr. Yip was an executive director and the chief executive officer of China Billion Resources Limited (Stock code: 274), the shares of which are listed on the main board of the Stock Exchange. From July to November 2014, he was an executive director of Legend Strategy International Holdings Group Company Limited (Stock code: 1355), the shares of which are listed on the main board of the Stock Exchange. Since June 2015, he has been appointed as an executive director of Sandmartin International Holdings Limited (Stock code: 482), the shares of which are listed on the main board of the Stock Exchange.

Mr. Wu Di, aged 35, was appointed as a non-executive Director on 20 November 2014 and redesignated as an executive Director on 20 July 2015. Mr. Wu is a director of certain subsidiaries of the Company. He holds a bachelor's degree in business administration from the Dongbei University of Finance and Economics (東北財經大學) in the PRC. He has more than 13 years of experience in strategic planning, corporate management and business development aspects. He has worked for various corporations and held management positions.

NON-EXECUTIVE DIRECTOR

Ms. Ma Lin, aged 29, was appointed as a non-executive Director on 17 April 2015. She holds a bachelor's degree from Xie Jin Film & Television Art College of the Shanghai Normal University in the PRC. She has more than 7 years of experience in the field of marketing and has experience in event and project management.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tso Ping Cheong Brian, aged 36, was appointed as an independent non-executive Director and the chairman of the Board on 2 July 2014. He is an authorised representative and the chairman of the audit committee (the "Audit Committee") of the Company and a member of each of the Remuneration Committee and the Nomination Committee. Mr. Tso holds a bachelor's degree in accountancy and a master's degree in corporate governance from The Hong Kong Polytechnic University. He is a practising and fellow member of the Hong Kong Institute of Certified Public Accountants, and a fellow member of the Association of Chartered Certified Accountants in England. He is also a fellow member of The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries. Mr. Tso has over 10 years of experience in accounting and financial management. From September 2003 to November 2008, he worked in Ernst & Young with his last position as a manager. From December 2008 to May 2010, he was the financial controller of Greenheart Group Limited (Stock code: 0094) (formerly known as Omnicorp Limited), the shares of which are listed on the main board of the Stock Exchange. From May 2010 to August 2012, he was the senior vice president of Maxdo Project Management Company Limited. Since January 2013, he has been the sole proprietor of Teton CPA Company, a certified public accountants firm in Hong Kong. From July 2014 to February 2015, Mr. Tso was a non-executive director of Kong Shum Union Property Management (Holding) Limited ("Kong Shum") (Stock code: 8181), the shares of which are listed on GEM. Mr. Tso is an independent non-executive director of Newtree Group Holdings Limited (Stock code: 1323) and the company secretary of China Infrastructure Investment Limited (Stock code: 600), both of which are listed on the main board of the Stock Exchange. He is also an independent non-executive director of Larry Jewelry International Company Limited (Stock code: 8351) and Guru Online (Holdings) Limited (Stock code: 8121), both of which are listed on GEM. He was appointed as a joint company secretary of China Yu Tian Holdings Limited with effect from 1 January 2014, the shares of which were initially listed on the GEM (stock code: 8230) on 29 December 2015.

Mr. So Chung Shing, aged 39, was appointed as an independent non-executive Director on 20 November 2014. He is the chairman of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee. Mr. So graduated from Lingnan University, Hong Kong with a bachelor of business administration majoring in risk management and insurance. He then obtained a graduate certificate of Technology Management from the University of Queensland in Australia. Mr. So has over 16 years of experience in technology development, finance and manufacturing and held executive positions at several international, large-scale enterprises and listed companies. From February 2011 to February 2013, Mr. So was an executive director of Suncorp Technologies Limited (Stock code: 1063), the shares of which are listed on the main board of the Stock Exchange. From September 2014 to February 2015, he was an independent non-executive director of Kong Shum.

Mr. Chu Siu Lun, Ivan, aged 35, was appointed as an independent non-executive Director on 1 March 2015. He is the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee. Mr. Chu graduated from the Bolton Institute of Higher Education (now the University of Bolton) in England with a bachelor of arts in business studies in 2004 and obtained a master's degree of science in finance from the National University of Ireland in 2013. He is a fellow member of the Institute of Financial Accountants, United Kingdom and a fellow member of Institute of Public Accountants, Australia. Mr. Chu has over 9 years of experience in finance and accounting advisory and worked for various corporations with senior positions. He has been a director of HUDA Asia Investments Limited since September 2007 and the founder and executive director of Hong Kong Sustainable Development Research Institute since January 2012. For the period from February 2012 to March 2014, Mr. Chu was an independent director of China-Biotics, Inc., the shares of which were listed on Nasdaq. Besides, during the period from July 2011 to January 2015, he was also an independent non-executive director of CNC Holdings Limited (Stock code: 8356) (formerly known as Tsun Yip Holdings Limited), the shares of which are listed on GEM.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Mr. Un Kwok Kee, John, aged 49, joined the Group as its head of finance and administration in 2010. Mr. Un has over 26 years of experience in the financial accounting, company secretarial field, initial public offering and auditing. Mr. Un holds a Master's degree in Business Administration from the University of Wales and is a fellow member of the Association of Chartered Certified Accountants in England and an associate member of Hong Kong Institute of Certified Public Accountants.

Mr. Chu Hiu Fung, aged 42, is the head of internal control of the Group. Mr. Chu has over 20 years of experience in the valuation industry. From 1995 to 1997, he worked in American Appraisal Hongkong Limited as valuer during which his duties included asset inspection, assessing asset value and preparing valuation report. Mr. Chu was then employed by RHL International Property Consultants as manager responsible for fixed asset valuation during the period from 1997 to 1998. He joined the Group in 1998 as manager of the industrial facilities division of Greater China Appraisal Limited and was promoted to senior manager of Greater China Appraisal Limited in 2002. He was then promoted to associate — valuation project in 2005 and assistant vice president in 2006. He is experienced in valuation of tangible assets and is mainly responsible for the project management, coordination and review of other valuers' work. Mr. Chu is a member of International Association of Consultants, Valuators and Analysts. Mr. Chu obtained his Bachelor's degree in Manufacturing Engineering from the Hong Kong Polytechnic University.

CORPORATE GOVERNANCE REPORT

Pursuant to Rule 18.44 of the GEM Listing Rules, the Board presents the corporate governance report for the Year.

CORPORATE GOVERNANCE PRACTICES

The Board and the management of the Company are committed to achieving high standards of corporate governance to safeguard the interests of the Shareholders and enhance the corporate value of the Company. The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 15 to the GEM Listing Rules (the "CG Code").

During the Year, the Company complied with the code provisions as set out in the CG Code except for the following deviation:

Under code provision E.1.2, the chairman of the Board (the "Chairman") should attend the annual general meeting of the Company (the "AGM"). However, Mr. Tso Ping Cheong, Brian, the Chairman, was not able to attend the AGM held on 2 September 2015 owing to other commitment. The executive Directors and a member of each of the audit committee, nomination committee and remuneration committee of the Company were present thereat to answer any questions from the Shareholders.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the rules set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in the securities of the Company by the Directors (the "Required Standard of Dealings"). Having been made a specific enquiry by the Company, all the Directors confirmed that they had complied with the Required Standard of Dealings and its code of conduct regarding Directors' securities transactions during the Year.

BOARD OF DIRECTORS

The Company is governed by the Board which is responsible for overseeing the overall strategy and development of the Company as well as monitoring the internal control policies and evaluating the financial performance of the Group. The Board sets the overall strategy and directions for the Group with a view to developing its business and enhancing the shareholders value.

The Board is also responsible for performing the corporate governance functions such as developing and reviewing the Company's policies and practices on corporate governance, reviewing and monitoring the training and continuous professional development of Directors and senior management and the Company's policies and practices on compliance with legal and regulatory requirements, etc.

During the Year, the Board reviewed the compliance with the CG Code, the disclosure in the corporate governance report and the effectiveness of the internal controls systems of the Group through the Audit Committee.

The Board meets regularly at least four times each year, and more frequently as the needs of the business demand, to formulate overall strategy, monitor business development as well as the financial performance of the Group. The Board has delegated certain duties and authorities to the management for the day-to-day management of the Group's operation.

Notices of regular Board meetings are served to all Directors at least 14 days before the meetings. For all other Board meetings, reasonable notices are given. The agenda together with all relevant meeting materials are sent to all Directors at least 3 days before each regular Board meetings and at agreed periods for other meetings to enable them to make informed decisions with adequate information. The Board and each Director also have direct and independent access to the management whenever necessary.

CORPORATE GOVERNANCE REPORT

The Board currently comprises three executive Directors, namely Mr. Ip Kwok Kwong (Managing Director), Mr. Yip Chung Wai, David and Mr. Wu Di, one non-executive Director, namely Ms. Ma Lin, and three independent non-executive Directors (the "INEDs"), namely Mr. Tso Ping Cheong, Brian (Chairman), Mr. So Chung Shing and Mr. Chu Siu Lun, Ivan.

During the Year, the Board held 16 meetings and passed 5 written resolutions.

The attendance records of each Director for the Board, committees and general meetings of the Company for the Year are as follows:

	Meetings attended/Meetings eligible to attend					
	Board	Audit Committee	Remuneration Committee	Nomination Committee	Annual General Meeting	Extraordinary General Meeting
Directors						
Executive Directors						
Mr. Ip Kwok Kwong *(Managing Director)*	12/16	N/A	2/3	2/3	0/1	0/1
Mr. Yip Chung Wai, David	13/16	N/A	3/3	3/3	1/1	1/1
Mr. Wu Di (redesignated from non-executive Director to executive Director on 20 July 2015)	9/16	N/A	N/A	N/A	1/1	0/1
Non-executive Director						
Ms. Ma Lin	12/15	N/A	N/A	N/A	0/1	0/1
INEDs						
Mr. Tso Ping Cheong, Brian *(Chairman)*	7/16	2/5	0/3	0/3	0/1	1/1
Mr. So Chung Shing	11/16	5/5	3/3	3/3	0/1	0/1
Mr. Chu Siu Lun, Ivan	11/16	3/5	3/3	3/3	1/1	0/1

An executive committee of the Company (the "Executive Committee") was formed comprising one executive Director Mr. Ip Kwok Kwong and the management, namely Mr. Wong Chi Keung. The Executive Committee is to enhance the day-to-day management and operation of the Group to be run effectively and has been delegated by the Board certain duties and authority relating to the areas in accounting operation of the Group and contracting with outsiders in the ordinary course of business of the Group.

The Company has three INEDs, at least one of whom is with appropriate professional qualifications or accounting or related financial management expertise throughout the Year, in compliance with the GEM Listing Rules. The INEDs, together with the executive Directors, ensure that the Board prepares its financial and other mandatory reports in strict compliance with the relevant standards. Each INED has made an annual written confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules and the Company considers them to be independent in accordance with the terms of the guidelines as set out in Rule 5.09 of the GEM Listing Rules.

CORPORATE GOVERNANCE REPORT

RELATIONSHIP

There was no financial, business, family or other material relationship among the Directors. The biographical details of each of the Directors are set out in the section headed "Biographies of Directors and Senior Management" of this annual report.

CHAIRMAN AND MANAGING DIRECTOR

Pursuant to code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

Mr. Tso Ping Cheong, Brian is the Chairman. The Company does not at present have any officer with the title of chief executive officer (the "CEO") but instead the duties of a CEO are performed by Mr. Ip Kwok Kwong, the Managing Director, in the same capacity as the CEO of the Company. There is a clear division of responsibilities between the Chairman and the Managing Director in that the Chairman bears primary responsibility for the effective functioning of the Board, ensuring the establishment of business strategies and sound corporate governance practices of the Group, while the Managing Director bears executive responsibility for implementing the Board's approved strategies and policies and supervising the Group's day-to-day business operations.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The current articles of association of the Company (the "Articles") provide that any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the Company after his/her appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM and shall then be eligible for re-election. In addition, at each AGM, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation and that every Director shall be subject to retirement at least once every three years. The non-executive Director and each of the INEDs were appointed for a term of not more than three years and subject to retirement by rotation (at least once every three years) and re-election in accordance with the Articles.

DIRECTOR'S PROFESSIONAL DEVELOPMENT

Each newly appointed Director receives a comprehensive induction package (the "Package") designed to enhance his/her knowledge and understanding of the Group's culture and operations. The Package usually includes a briefing or an introduction to the Group's structure, businesses strategies, recent developments and governance practices. The Packages have been sent to all Directors newly appointed during the Year.

To assist Directors' continuing professional development, the Company recommends Directors to attend relevant seminars to develop and refresh their knowledge and skills. All the Directors, namely Mr. Ip Kwok Kwong, Mr. Yip Chung Wai, David, Mr. Wu Di, Ms. Ma Lin, Mr. Tso Ping Cheong, Brian, Mr. So Chung Shing and Mr. Chu Siu Lun, Ivan, had participated in continuous professional development training such as external seminars organised by qualified professionals, to develop and refresh their knowledge and skills in relation to their contribution to the Board. All the Directors were requested to provide the Company with the records of the training they received. All the Directors also understand the importance of continuous professional development and are committed to participating in any suitable training to develop and refresh their knowledge and skills.

SENIOR MANAGEMENT'S REMUNERATION

The remuneration of the members of the senior management (other than the Directors) whose particulars are contained in the section headed "Biographies of Directors and Senior Management" in this annual report for the Year by band is set out below:

Remuneration band (in HK$)	Number of individuals
Nil to 1,000,000	1
1,000,001 to 1,500,000	1

REMUNERATION COMMITTEE

The Board established the Remuneration Committee in May 2011 with written terms of reference in compliance with the CG Code. The Remuneration Committee currently comprises two executive Directors, namely Mr. Ip Kwok Kwong and Mr. Yip Chung Wai, David, and three INEDs, namely Mr. Chu Siu Lun, Ivan (chairman of the Remuneration Committee), Mr. Tso Ping Cheong, Brian and Mr. So Chung Shing.

The primary duties of the Remuneration Committee are formulating remuneration policies, making recommendations to the Board on the remuneration packages of the Directors and senior management of the Group. The Directors are remunerated by reference to their respective duties and responsibility with the Company, the Company's performance and current market situation. The Remuneration Committee adopted the advisory model under the CG Code to make recommendations to the Board on the remuneration packages of individual Director and senior management of the Group.

During the Year, the Remuneration Committee held 3 meetings to review the remuneration policy and review and approve the remuneration packages of the Directors and senior management of the Group.

Details of emoluments of the Directors for the Year are set out in note 12 to the consolidated financial statements.

NOMINATION COMMITTEE

The Board established the Nomination Committee in May 2011 with written terms of reference in compliance with the CG Code. The Nomination Committee currently comprises two executive Directors, namely Mr. Ip Kwok Kwong and Mr. Yip Chung Wai, David, and three INEDs, namely Mr. So Chung Shing (chairman of the Nomination Committee), Mr. Tso Ping Cheong, Brian and Mr. Chu Siu Lun, Ivan.

The primary duties of the Nomination Committee are reviewing the structure, size and composition of the Board, formulating relevant procedures for the nomination of Directors, identifying qualified individuals to become members of the Board and making recommendations to the Board on the appointment or re-appointment of Directors. As regards the nomination, the nominee's qualifications, ability and potential contributions to the Company are taken into consideration.

During the Year, the Nomination Committee held 3 meetings to review the structure, size and composition of the Board, make recommendations to the Board on the appointment and re-appointment of Directors, and assess the independence of the INEDs.

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

The Board established the Audit Committee in May 2011 with written terms of reference in compliance with the CG Code. The Audit Committee currently comprises three INEDs, namely Mr. Tso Ping Cheong, Brian (chairman of the Audit Committee), Mr. So Chung Shing and Mr. Chu Siu Lun, Ivan.

The terms of references of Audit Committee were revised on 24 March 2016 to reflect the additional responsibilities of the Audit Committee arising from the Stock Exchange's amendments to risk management and internal control under the CG Code applicable to listed companies with an accounting period beginning on or after 1 January 2016.

The primary duties of the Audit Committee are supervising the risk management and internal control policies and the financial reporting systems and procedures of the Company, reviewing the financial statements and reports of the Group, and reviewing the terms of engagement and the scope of audit work of the Company's independent auditor (the "Independent Auditor").

During the Year, the Audit Committee held 5 meetings to review the accounting principles and practices adopt by the Group with the management and the Independent Auditor, discuss auditing, internal control and financial reporting matters, review the audited consolidated financial statements, including audited consolidated results for the year ended 31 March 2015, and the unaudited interim and quarterly reports, including interim and quarterly results, the internal control of the Company and the revised terms of reference.

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy (the "Policy") which sets out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board. Pursuant to the Policy, 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. The Board will review such objectives from time to time to ensure their appropriateness and the progress made towards achieving those objectives. The Company will also take into consideration its own specific needs from time to time in determining the optimum composition of the Board.

As at the date of this report, the Board comprises male and female directors with diverse backgrounds and/or extensive expertise in the Group's businesses. The Board also has a balanced composition of executive and non-executive directors so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for overseeing the preparation of the financial statements which give a true and fair view of the state of affairs of the Group. In preparing the financial statements, appropriate accounting policies and standards are selected and applied consistently. The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

INDEPENDENT AUDITOR AND ITS REMUNERATION

The statement of the Independent Auditor about their reporting responsibilities on the financial statements of the Group is set out in the section headed "Independent Auditor's Report" of this annual report.

The fees paid and payable to the Independent Auditor in respect of the Year amounted to approximately HK$580,000 for audit services and HK$11,000 for tax services, respectively.

CORPORATE GOVERNANCE REPORT

COMPANY SECRETARY

The company secretary of the Company (the "Company Secretary") is Mr. Kwok Siu Man ("Mr. Kwok"), who has been appointed by the Board since 16 July 2014 and has been so nominated by Boardroom Corporate Services (HK) Limited ("Boardroom") under an engagement letter made between the Company and Boardroom. The primary person at the Company with whom Mr. Kwok has been contacting in relation to corporate secretarial matters is Mr. Ip Kwok Kwong, an executive Director and the Managing Director. As Mr. Kwok was first appointed as the company secretary of a Hong Kong Hang Seng Index constituent stock company in 1991 and has been acting in such capacity for a number of other reputable companies listed on the Stock Exchange at material times since then, he is not required to have at least 15 hours of relevant professional training in the Year under the GEM Listing Rules. However, he delivered/attended relevant seminars organised by professional and other bodies for over 15 hours during the Year.

INTERNAL CONTROL

The Board is responsible for maintaining a sound and effective internal control system in order to safeguard the interests of the Shareholders and the assets of the Company against unauthorised use or disposition, ensuring maintenance of proper books and records for the provision of reliable financial information, and ensuring compliance with the relevant rules and regulations. The Group's internal control system is designed to manage the risk of failure in operational system, achieve business objectives and provide reasonable assurance against material misstatement or loss.

During the Year, the Board and the Audit Committee reviewed the effectiveness of the Group's internal control system which includes the policies, procedures, monitoring and communication activities and standard of behaviour established for safeguarding the interests of the Shareholders.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the Shareholders and the Board. An AGM is held in each year and at the place as may be determined by the Board. Each general meeting, other than an AGM, shall be called an extraordinary general meeting (the "EGM").

Pursuant to the Articles, the Shareholders, holding at the date of deposit of the written requisition to the Board or the Company Secretary not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company, may require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionists themselves may do so.

Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph. The written requisition should be signed by the requisitionists and deposited at the head office of the Company at Room 2703, 27th Floor, Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong, specifying the Shareholders' contact details and the resolution intended to be put forward at the general meeting.

CORPORATE GOVERNANCE REPORT

For including a resolution to propose a person for election as a Director at general meeting, Shareholders are requested to follow the provisions of the Articles. A written notice signed by a Shareholder (other than the person to be proposed) duly qualified to attend and vote at the general meeting of the Company for which such notice is given of his intention to propose such person for election and also a written notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office of the Company in Hong Kong at Room 2703, 27th Floor, Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong provided that the minimum length of the period, during which such notices are given, shall be at least seven days and that the period for lodgment of such notices shall commence on the day after the despatch of the notice of the general meeting of the Company appointed for such election and end no later than seven days prior to the date of such general meeting. The written notice must state that person's biographical details as required by Rule 17.50(2) of the GEM Listing Rules. The procedures for Shareholders to propose a person for election as a Director are posted on the Company's website.

Shareholders should direct their questions about their shareholdings to the Company's Hong Kong branch share registrar. Shareholders and the investment community may at any time make a request for the Company's information to the extent that such information is publicly available. Shareholders may also make enquiries to the Board by post to the Company's head office mentioned above or by email to info@gca.com.hk for the attention of Mr. Ip Kwok Kwong.

INVESTOR RELATIONS

The Company believes that maintaining a high level of transparency is a key to enhancing investor relations. It is committed to a policy of open and timely disclosure of corporate information to its Shareholders and investment public.

The Company updates its Shareholders on its latest business developments and financial performance through its annual, interim and quarterly reports. The corporate website of the Company (www.gca.com.hk) provides an effective communication platform to the public and the Shareholders.

CONSTITUTIONAL DOCUMENTS

During the Year, there had been no significant change in the Company's constitutional documents.

REPORT OF THE DIRECTORS

The Directors present the annual report and the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities and other particulars of the Company's subsidiaries are set out in note 41 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year and the state of affairs of the Company and the Group as at that date are set out in the consolidated financial statements on pages 35 to 103 of this annual report.

The Board does not recommend the payment of a final dividend for the Year (2015: Nil).

BUSINESS REVIEW AND PERFORMANCE

The review of the business of the Group for the Year and the potential future development of the Group's business and the performance analysis using financial key performance indicators are set out in the sections headed "Chairman's Statement", "Management Discussion and Analysis", "Report of the Directors", "Consolidated Financial Statements" and "Financial Summary" on pages 4 to 6, pages 7 to 11, pages 22 to 32, pages 35 to 103, and page 104, respectively. Description of the principal risks and uncertainties facing the Group can be found throughout this annual report.

There is no important event affecting the Group that has occurred since the end of the Year.

ENVIRONMENTAL POLICY

The Group emphasises the importance of energy conservation and environmental protection as part of its corporate culture and encourages its employees to minimise the use of paper by promoting digitalisation of documents and better use of waste paper. The Group has also participated in a carbon reduction program by replacing all traditional fluorescent lamps with energy-saving lamps within the working area.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group mainly carries out its businesses in Hong Kong and the PRC. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Group has complied with all relevant laws and regulations in Hong Kong and the PRC during the Year.

RELATIONSHIPS WITH STAKEHOLDERS

The Group recognises employees as valuable assets of the Group and the Group will motivate the employees by providing reasonable remuneration package and implementing an annual appraisal system to provide opportunities for career development within the Group. In addition, the Group also offers other employee benefits, such as the medical and dental insurance, and training sponsorship, etc.

The Group provides good quality services to the customers and maintains effective communication with them. The Group treasures the long-term relationships developed with the customers and suppliers. During the Year, there was no material dispute or argument between the Group and the business partners.

REPORT OF THE DIRECTORS

The Company has made substantial efforts to fulfill its corporate social responsibilities, by promoting sustainable growth within the Group and in the society. The Group is committed to providing a safe, healthy and enriching working environment for its employees. The Group hosted various after-work activities or sporting events for its employees during the Year to promote the importance of work-life balance. The Group has attached importance to the promotion of anti-corruption and integrity promotion system. The Group emphasises a code of conduct which forms part of the staff manual. Employees are required to act with integrity and to report any suspected bribery and money laundering cases. Whistle-blowing procedures are in place which allows direct reporting to the chairman of the Audit Committee. In addition, employees are required to declare any conflict of interests when performing their duty.

SUMMARY FINANCIAL INFORMATION

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 104 of this annual report.

SHARE CAPITAL

Details of movements in the Company's share capital during the Year are set out in note 32 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

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

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

During the Year, the Company did not redeem any of its Shares listed on the GEM nor did the Company or any of its subsidiaries purchase or sell any of such Shares.

RESERVES

Details of movements in the reserves of the Company and the Group during the Year are set out in note 33 to the consolidated financial statements and in the consolidated statement of changes in equity on page 39 respectively.

DISTRIBUTABLE RESERVES

At 31 March 2016, the Company's reserve available for distribution to equity holders comprising share premium net of accumulated losses amounted to approximately HK$478.2 million (2015: HK$131.4 million) calculated in accordance with the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

RELATED PARTIES TRANSACTIONS

Related parties transactions of the Group during the Year are disclosed in note 40 to the consolidated financial statements. They did not constitute connected transactions or continuing connected transactions which are required to comply with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

REPORT OF THE DIRECTORS

MAJOR CUSTOMERS

During the Year, sales to the Group's five largest customers accounted for approximately 18.4% (2015: 21.0%) of the total sales for the Year and sales to the largest customer amounted to approximately 5.6% (2015: 6.6%).

None of the Directors or any of their close associates (as defined in the GEM Listing Rules) or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) has any beneficial interest in the Group's five largest customers.

REMUNERATION OF DIRECTORS

Details of the remuneration of the Directors are set out in note 12 to the consolidated financial statements.

EMOLUMENT POLICY

The Remuneration Committee was established for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market practices. The Company has adopted a share option scheme as an incentive to the Directors and eligible employees, details of which are set out in the section headed "Share Option Scheme" below.

DIRECTORS

The Directors during the Year and up to the date of this report are:

Executive Directors

Mr. Ip Kwok Kwong *(Managing Director)*
Mr. Yip Chung Wai, David
Mr. Wu Di (redesignated from non-executive Director to executive Director on 20 July 2015)

Non-executive Director

Ms. Ma Lin

INEDs

Mr. Tso Ping Cheong, Brian *(Chairman)*
Mr. So Chung Shing
Mr. Chu Siu Lun, Ivan

REPORT OF THE DIRECTORS

Pursuant to articles 84(1) and (2) of the Articles, Mr. Ip Kwok Kwong, Mr. Yip Chung Wai, David and Mr. So Chung Shing shall retire by rotation at the forthcoming AGM and, being eligible, offer themselves for re-election.

The Company has received written confirmations of independence from each of the INEDs, namely Mr. Tso Ping Cheong, Brian, Mr. So Chung Shing and Mr. Chu Siu Lun, Ivan, pursuant to Rule 5.09 of the GEM Listing Rules. As at the date of this report, the Company still considers the INEDs to be independent.

BIOGRAPHIES OF DIRECTORS

The biographical details of the Directors are set out on pages 12 and 13 of this annual report.

CHANGES IN INFORMATION OF DIRECTORS

The changes in Directors' information during the Year and up to the date of this report, as required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules, are set out below:

Name of Directors	Details of Changes
Ms. Ma Lin	• Appointed as a non-executive Director with effect from 17 April 2015
Mr. Yip Chung Wai, David	• Appointed as an executive director of Sandmartin International Holdings Limited, a company listed on the main board of the Stock Exchange (Stock code: 482), with effect from 9 June 2015
Mr. Wu Di	• Redesignated from a non-executive Director to an executive Director with effect from 20 July 2015
	• Remuneration has been adjusted such that his director's fee has been revised from HK$204,000 per annum to HK$312,000 per annum with effect from 20 July 2015
Mr. Tso Ping Cheong, Brian	• Appointed as an independent non-executive director of Guru Online (Holdings) Limited, the shares of which were listed on the GEM (Stock code: 8121), with effect from 29 May 2015
	• Appointed as a joint company secretary of China Yu Tian Holdings Limited with effect from 1 January 2014, the shares of which were initially listed on the GEM (Stock code: 8230) with effect from 29 December 2015

DIRECTORS' SERVICE CONTRACTS

Each non-executive Director (including independent non-executive Director) has entered into a letter of appointment with the Company for initial terms of one year to three years and will continue thereafter until terminated in accordance with the terms of the letter of appointment and is subject to retirement by rotation and re-election pursuant to the Articles.

None of the Directors proposed for re-election at the forthcoming AGM has a service contract or letter of appointment with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

REPORT OF THE DIRECTORS

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in note 40 to the consolidated financial statements, no transactions, arrangements or 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 or 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.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the Year. The Company has taken out and maintained appropriate insurance cover in respect of potential legal actions against its Directors and officers.

MANAGEMENT CONTRACTS

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

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 March 2016, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which would have: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein or (c) to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

(a) Long positions in the Shares

Name of Director	Nature of interest	Number of Shares held	Approximate percentage to the issued share capital
Mr. Ip Kwok Kwong ("Mr. Ip")	Interest of controlled corporations	310,850,000 *(Note)*	6.40%

Note: 310,850,000 Shares are held by Brilliant One Holdings Limited ("Brilliant One") which was wholly-owned by GCA Professional Services Group Limited ("GCA Professional"), formerly known as Genius Ideas International Ltd. GCA Professional was owned as to 51% by Smart Pick Investments Limited ("Smart Pick"). Smart Pick was owned as to 89.61% by GC Holdings Limited ("GC Holdings") which is wholly-owned by Mr. Ip, an executive Director and the Managing Director. By virtue of the SFO, Mr. Ip is deemed to be interested in all the Shares held by Brilliant One.

REPORT OF THE DIRECTORS

(b) Long positions in the shares of associated corporations

Name of Director	Name of associated corporations	Nature of interests	Number of shares held	Approximate percentage of interest in associated corporations
Mr. Ip *(Note)*	Brilliant One	Interest of controlled corporations	200	100%
Mr. Ip *(Note)*	GCA Professional	Interest of controlled corporations	5,100	51%
Mr. Ip *(Note)*	Smart Pick	Interest of a controlled corporation	8,961	89.61%
Mr. Ip *(Note)*	GC Holdings	Beneficial owner	1	100%

Note: The Company was owned as to approximately 6.40% by Brilliant One. Brilliant One was wholly-owned by GCA Professional which was owned as to 51% by Smart Pick. Smart Pick was owned as to 89.61% by GC Holdings. GC Holdings was wholly-owned by Mr. Ip.

Save as disclosed above, as at 31 March 2016, none of the Directors or the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which would have to be notified to the Company and the Stock Exchange pursuant to the GEM Listing Rules or to be entered in the register referred to in the SFO.

REPORT OF THE DIRECTORS

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 31 March 2016, the following persons/corporations (other than the Directors or the chief executive of the Company) had interests or short positions in the Shares and the underlying Shares, which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO:

Long positions in the Shares

Name of shareholders	Nature of interests	Number of Shares held	Approximate percentage to the issued share capital
Brilliant One *(Note 1)*	Beneficial owner	310,850,000	6.40%
GCA Professional *(Note 1)*	Interest of a controlled corporation	310,850,000	6.40%
Smart Pick *(Note 1)*	Interest of controlled corporations	310,850,000	6.40%
Easy Gain Development Limited ("Easy Gain") *(Note 1)*	Interest of controlled corporations	310,850,000	6.40%
GC Holdings *(Note 1)*	Interest of controlled corporations	310,850,000	6.40%
Mr. Wong Chi Keung ("Mr. Wong") *(Note 1)*	Interest of controlled corporations	310,850,000	6.40%
M Success Finance Limited ("M Success") *(Note 2)*	Having a security interest	310,850,000	6.40%
Roma Group Limited ("Roma Group") *(Note 2)*	Interest of controlled corporations	310,850,000	6.40%
Laberie Holdings Limited ("Laberie") *(Note 3)*	Beneficial owner	1,400,000,000	28.82%
SEEC Media Group Limited ("SEEC Media") *(Note 3)*	Interest of controlled corporation	1,400,000,000	28.82%
上海海通證券資產管理有限公司	Trustee	530,995,000	10.93%
中歐盛世資產管理(上海)有限公司	Trustee	530,995,000	10.93%

REPORT OF THE DIRECTORS

Notes:

1. Brilliant One was wholly-owned by GCA Professional which was owned as to 51% by Smart Pick and 49% by Easy Gain. Smart Pick was owned as to 10.39% by Easy Gain which is wholly-owned by Mr. Wong and 89.61% by GC Holdings which is wholly-owned by Mr. Ip, an executive Director and the Managing Director. Therefore, under the SFO, GCA Professional, Smart Pick, Easy Gain and GC Holdings are deemed to be interested in all the Shares held by Brilliant One and Mr. Wong is deemed to be interested in all the Shares in which Easy Gain had interest or deemed interest.

2. On 8 July 2015, 310,850,000 Shares held by Brilliant One were pledged to M Success, which was wholly-owned by Ascendant Success Limited. Ascendant Success Limited was wholly-owned by United Brilliant Limited, which was wholly owned by Roma Group.

3. Laberie was wholly-owned by SEEC Media. By virtue of the SFO, SEEC Media is deemed to be interested in all the Shares held by Laberie.

Save as disclosed above, as at 31 March 2016, the Company had not been notified by any parties (other than the Directors or the chief executive of the Company) who had interests or short positions in the Shares or underlying Shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

INTERESTS OF OTHER PERSONS

As at 31 March 2016, other than the interests in shares of the Company and its associated corporations held by the Directors, the chief executive and the substantial shareholders of the Company stated above, there were no other persons with interests recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors, the controlling shareholders or substantial shareholders (as defined in the GEM Listing Rules) of the Company or their respective close associates (as defined in the GEM Listing Rules) had any interest in the business that competed or might compete with business of the Group during the Year.

TAX RELIEF

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of Shares.

REVIEW ON PROVISION OF FINANCIAL ASSISTANCE

On 16 November 2015, the Group has granted a loan facility of HK$13.0 million at an interest rate of 4.5% per annum for a term of 12 months to a customer, an independent third party, which executed share charge in favour of the Group to charge 10,000,000 shares of a company listed on the GEM to the Group as security in connection with the loan. As at 31 March 2016, HK$13.0 million has been drawn and the Group's aggregate amount of loan and interest receivable amounted to approximately HK$13.2 million in relation to the aforementioned loan. For further details, please refer to the Company's announcement dated 17 November 2015.

REPORT OF THE DIRECTORS

SHARE OPTION SCHEME

To attract and retain the eligible persons, provide an additional incentive to them and promote the success of the business of the Group, the Company conditionally approved and adopted a share option scheme (the "Scheme") by a resolution of the Company on 18 May 2011 whereby the Board was authorised to grant options (the "Options") to subscribe for the Shares to the eligible participants, including the Directors and employees, as defined in the Scheme. The Scheme is valid for a period of ten years commencing from the adoption date as defined in the Scheme, i.e. 18 May 2011.

A summary of the movements of the outstanding Options under the Scheme during the Year is as follows:

Eligible participants	Number of underlying Shares comprised in Options						Exercise price per Share HK$	Adjusted exercise price per Share HK$ (Note 1)	Date of grant	Exercisable period
	Outstanding as at 1 April 2015	Granted during the Year (Note 2)	Exercised during the Year	Lapsed during the Year	Cancelled during the Year	Outstanding as at 31 March 2016				
Directors										
Mr. Yip Chung Wai, David	–	8,575,000	–	–	–	8,575,000	0.367	N/A	27.8.2015	27.8.2015–26.8.2018 (both dates inclusive)
Mr. Wu Di	–	8,575,000	–	–	–	8,575,000	0.367	N/A	27.8.2015	27.8.2015–26.8.2018 (both dates inclusive)
Employees	356,700	–	–	–	–	356,700	0.20	0.1626	6.1.2012	a) One-third of the 258,300 Option is exercisable from 30.1.2012 to 17.5.2021, one-third of the Option is exercisable from 1.1.2013 to 17.5.2021 and the remaining one-third of the Option is exercisable from 1.1.2014 to 17.5.2021. b) One-half of the 98,400 Option is exercisable from 1.1.2013 to 17.5.2021 and the remaining one-half of the Option is exercisable from 1.1.2014 to 17.5.2021.
Employees	147,600	–	–	–	–	147,600	0.20	0.1626	6.1.2012	1.7.2012–17.5.2021 (both dates inclusive)
Employees	73,800	–	–	–	–	73,800	0.20	0.1626	6.1.2012	30.1.2012–17.5.2021 (both dates inclusive)
Employees	1,107,000	–	–	–	–	1,107,000	0.20	0.1626	6.1.2012	One-third of the Option is exercisable from 1.7.2013 to 17.5.2021, one-third of the Option is exercisable from 1.1.2014 to 17.5.2021 and the remaining one-third of the Option is exercisable from 1.1.2015 to 17.5.2021.
Employees	–	8,575,000	–	–	–	8,575,000	0.367	N/A	27.8.2015	27.8.2015–26.8.2018 (both dates inclusive)
Employees	–	845,000	–	–	–	845,000	0.367	N/A	27.8.2015	27.8.2016–26.8.2018 (both dates inclusive)
	1,685,100	26,570,000	–	–	–	28,255,100				

Notes:

1. Pursuant to the Company's announcement dated 27 August 2014, the exercise price and the number of underlying Shares comprised in the outstanding Options have been adjusted as a result of an open offer of Shares with effect from 28 August 2014.

2. The closing price of the Shares immediately before the date on which the Options were granted was HK$0.37.

REPORT OF THE DIRECTORS

As at the date of this report, there were a total of 16,600,000 Shares available for issue under the Scheme, which represented approximately 0.34% of the issued share capital of the Company.

An offer for the grant of Options must be accepted within twenty-one days inclusive of the day on which such offer is made. The amount payable by the grantee of an Option to the Company on acceptance of the offer for the grant of an Option is HK$1.00. The subscription price of a Share in respect of any particular Option granted under the Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the Option; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of grant of the Option; and (iii) the nominal value of a Share on the offer date of the Option.

The total number of Shares issued and to be issued upon exercise of the Options granted to each grantee (including both exercised and outstanding Options) in any 12-month period must not exceed 1% of the Shares in issue. Where any further grant of Options to an eligible participant would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such person (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant must be separately approved by the Shareholders in a general meeting.

Where any grant of Options to a substantial shareholder (as defined in the GEM Listing Rules) of the Company or any of his/her close associates or an INED, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant: (a) representing in aggregate over 0.1% of the Shares in issue; and (b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK$5 million, such further grant of Options must be approved by the Shareholders in a general meeting.

The maximum number of Shares in respect of which Options may be granted at any time under the Scheme together with Options which may be granted under any other share option schemes for the time being of the Group shall not exceed such number of Shares as equals 10% of the issued share capital of the Company at the date of approval of the Scheme. The Company may at any time refresh such limit, subject to the Shareholders' approval and issue of a circular in compliance with the GEM Listing Rules, provided that the total number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under all the share option schemes of the Company does not exceed 30% of the Shares in issue at the time. An Option may be exercised in accordance with the terms of the Scheme at any time during a period as the Board may determine, which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

Details of the Share Option Scheme are set out in note 34 to the consolidated financial statements.

ARRANGEMENTS FOR DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Share Option Scheme" above, at no time during the Year was the Company, its subsidiaries or its other associated corporations a party to any arrangement to enable the Directors or chief executives of the Company (including their spouse and children under 18 years of age) to acquire benefits by means of the acquisition of shares or underlying shares in, or debentures of, the Company or its associated corporations.

REPORT OF THE DIRECTORS

EQUITY-LINKED AGREEMENT

Save for the share options granted during the Year with details set out under the section headed "Share Option Scheme" in this report, the Company has not entered into any equity-linked agreements during the Year.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the best knowledge of the Directors, there has been a sufficient public float of the issued Shares as required under the GEM Listing Rules (i.e. at 25% of the issued Shares in public hands) throughout the Year and as at the date of this report.

REVIEW BY AUDIT COMMITTEE

The Audit Committee comprises three members, namely Mr. Tso Ping Cheong, Brian, Mr. Chu Siu Lun, Ivan and Mr. So Chung Shing, all being INEDs. Mr. Tso Ping Cheong, Brian is the chairman of the Audit Committee. It has reviewed with the management the audited consolidated financial statements of the Company for the Year.

INDEPENDENT AUDITOR

The consolidated financial statements for the Year were audited by the Independent Auditor, ZHONGHUI ANDA CPA Limited ("ZHONGHUI ANDA"), which shall retire and, being eligible, offer itself for re-appointment at the forthcoming AGM. A resolution for the re-appointment of ZHONGHUI ANDA as the Independent Auditor will be proposed at the forthcoming AGM.

ZHONGHUI ANDA was appointed as the Independent Auditor of the Group with effect from 18 March 2015 to fill the casual vacancy following the resignation of RSM Nelson Wheeler with effect from 12 March 2015. Save for the above, there has been no changes in the Independent Auditor in any of the preceding three years.

On behalf of the Board
Ip Kwok Kwong
Managing Director and Executive Director

Hong Kong, 24 June 2016

INDEPENDENT AUDITOR'S REPORT

中汇
ZHONGHUI

TO THE SHAREHOLDERS OF
GREATERCHINA PROFESSIONAL SERVICES LIMITED
漢華專業服務有限公司
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of GreaterChina Professional Services Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 35 to 103, 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, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

INDEPENDENT AUDITOR'S REPORT

BASIS FOR QUALIFIED OPINION

For the year ended 31 March 2015, the Group has recorded an impairment loss amounted to approximately HK$77 million of trade receivables. We have not been provided with sufficient audit evidence as to whether the impairment loss should be recorded in the year 2015 or prior years. However, we are satisfied that the trade receivables are fairly stated as at 31 March 2015.

Any adjustments to the figure as described above might have a consequential effect on the Group's results for the year ended 31 March 2015, and the related disclosures thereof in the consolidated financial statements.

QUALIFIED OPINION

In our opinion, except for the possible effects of the matter as described in the basis for qualified opinion paragraphs, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 March 2016, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

ZHONGHUI ANDA CPA Limited
Certified Public Accountants
Ng Ka Lok
Practising Certificate Number P06084
Hong Kong, 24 June 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2016

	Notes	2016 HK$'000	2015 HK$'000
Revenue	6 & 9	**55,079**	45,983
Cost of sales		**(22,730)**	(20,405)
Gross profit		**32,349**	25,578
Other income	7	**48,251**	6,486
Marketing expenses		**(900)**	(1,589)
Administrative expenses		**(45,859)**	(44,630)
Impairment loss on trade receivables	20	**(2,758)**	(77,294)
Impairment loss on loan receivables	21	**(4,500)**	–
Reversal on impairment loss on trade receivables		**–**	269
Impairment loss on amount due from a joint venture		**–**	(4,080)
Profit/(loss) from operations		**26,583**	(95,260)
Finance costs	8	**(8,199)**	(3,896)
Share of results of associates		**1,507**	849
Loss on disposal of a subsidiary	36	**(199)**	–
Loss on early redemption of promissory notes	29	**(9,026)**	–
Impairment loss on investment in an associate		**–**	(26,776)
Fair value change on a derivative financial asset	23	**872**	(543)
Profit/(loss) before tax	11	**11,538**	(125,626)
Income tax expenses	10	**(13,242)**	(1,601)
Loss for the year		**(1,704)**	(127,227)
Other comprehensive expenses for the year, net of tax:			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translating foreign operations		**(346)**	(10)
Total comprehensive expenses for the year		**(2,050)**	(127,237)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2016

	Notes	**2016** **HK$'000**	2015 HK$'000
Loss for the year attributable to:			
Owners of the Company		**(3,473)**	(127,602)
Non-controlling interests		**1,769**	375
		(1,704)	(127,227)
Total comprehensive expenses for the year attributable to:			
Owners of the Company		**(3,762)**	(127,619)
Non-controlling interests		**1,712**	382
		(2,050)	(127,237)
Loss per share	15		
Basic (HK cents)		**(0.13)**	(16.82)
Diluted (HK cents)		**(0.13)**	(16.82)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

	Notes	2016 HK$'000	2015 HK$'000
Non-current assets			
Property, plant and equipment	16	**2,255**	2,427
Goodwill	17	**111,711**	111,711
Investments in associates and a joint venture	18	**73,616**	42,900
Derivative financial asset	23	**–**	2,802
Deposit paid for acquisition of a subsidiary	19	**80,750**	–
Deposit paid for acquisition of an associate		**325**	325
		268,657	160,165
Current assets			
Trade receivables	20	**21,047**	18,880
Loan receivables	21	**126,561**	1,502
Prepayments, deposits and other receivables		**20,458**	32,852
Financial assets at fair value through profit or loss	22	**169,734**	31,122
Derivative financial asset	23	**3,859**	185
Amounts due from related parties	24	**11,125**	–
Bank and cash balances	25	**23,729**	17,004
		376,513	101,545
Current liabilities			
Trade payables	26	**2,593**	3,579
Accruals and other payables		**11,998**	14,318
Amount due to a director	27	**156**	150
Amounts due to related parties	27	**1,605**	1,647
Bank borrowings	28	**1,563**	1,644
Current tax liabilities		**4,543**	4,066
		22,458	25,404
Net current assets		**354,055**	76,141
Non-current liabilities			
Promissory notes	29	**49,420**	96,217
Deferred tax liabilities	30	**10,591**	–
		60,011	–
NET ASSETS		**562,701**	140,089

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

	Notes	**2016** **HK$'000**	2015 HK$'000
Capital and reserves			
Share capital	32	**48,580**	8,580
Reserves	33	**507,371**	130,109
Equity attributable to owners of the Company		**555,951**	138,689
Non-controlling interests		**6,750**	1,400
TOTAL EQUITY		**562,701**	140,089

Ip Kwok Kwong
Director

Yip Chung Wai, David
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2016

		Attributable to owners of the Company								
	Notes	Share capital HK$'000	Share premium HK$'000	Capital reserve HK$'000	Foreign currency translation reserve HK$'000	Retained earnings/ accumulated losses HK$'000	Share-based payment reserve HK$'000	Sub-total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2014		5,018	71,984	5,359	(52)	65,127	462	147,898	–	147,898
Total comprehensive expenses for the year		–	–	–	(17)	(127,602)	–	(127,619)	382	(127,237)
Non-controlling interests arising from acquisition of a subsidiary		–	–	–	–	–	–	–	1,018	1,018
Recognition of share-based payments		–	–	–	–	–	18	18	–	18
Issue of shares upon open offer		2,523	47,941	–	–	–	–	50,464	–	50,464
Issue of consideration shares		1,000	68,000	–	–	–	–	69,000	–	69,000
Shares issue expense		–	(1,796)	–	–	–	–	(1,796)	–	(1,796)
Effect of forfeiture of share options granted		–	–	–	–	16	(16)	–	–	–
Shares issued pursuant to exercise of share options		39	1,021	–	–	–	(336)	724	–	724
At 31 March 2015		8,580	187,150	5,359	(69)	(62,459)	128	138,689	1,400	140,089
At 1 April 2015		**8,580**	**187,150**	**5,359**	**(69)**	**(62,459)**	**128**	**138,689**	**1,400**	**140,089**
Total comprehensive expenses for the year		**–**	**–**	**–**	**(289)**	**(3,473)**	**–**	**(3,762)**	**1,712**	**(2,050)**
Non-controlling interests arising from partial disposal of a subsidiary	#	**–**	**–**	**–**	**–**	**21,362**	**–**	**21,362**	**3,638**	**25,000**
Issue of shares on placing	32 (b)	**26,000**	**234,000**	**–**	**–**	**–**	**–**	**260,000**	**–**	**260,000**
Transaction costs related to the placing of shares	32 (b)	**–**	**(4,122)**	**–**	**–**	**–**	**–**	**(4,122)**	**–**	**(4,122)**
Issue of shares on subscription	32 (c)	**14,000**	**126,000**	**–**	**–**	**–**	**–**	**140,000**	**–**	**140,000**
Transaction costs related to the subscription of shares	32 (c)	**–**	**(120)**	**–**	**–**	**–**	**–**	**(120)**	**–**	**(120)**
Equity-settled share-based payments	34	**–**	**–**	**–**	**–**	**–**	**3,904**	**3,904**	**–**	**3,904**
At 31 March 2016		**48,580**	**542,908**	**5,359**	**(358)**	**(44,570)**	**4,032**	**555,951**	**6,750**	**562,701**

#: On 20 January 2016, the Group disposed of 19.9% of the issued share capital in a subsidiary to an independent third party at a consideration of HK$25,000,000. The amount of approximately HK$21,362,000 recognised directly in equity attributable to owners of the Company is arising from the difference between the consideration of HK$25,000,000 and carrying amount of the non-controlling interests of approximately HK$3,638,000 calculated based on 19.9% of the net assets of the subsidiary on 20 January 2016.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2016

	2016 HK$'000	2015 HK$'000
Cash flows from operating activities		
Profit/(loss) before tax	**11,538**	(125,626)
Adjustments for:		
Share of results of associates	**(1,507)**	(849)
Loss on disposal of a subsidiary	**199**	–
Impairment loss on investment in an associate	**–**	26,776
Impairment loss on trade receivables	**2,758**	77,294
Impairment loss on loan receivables	**4,500**	–
Reversal of impairment loss on trade receivables	**–**	(269)
Impairment loss on amount due from a joint venture	**–**	4,080
Equity-settled share-based payments	**3,904**	18
Loss on early redemption of promissory notes	**9,026**	–
Fair value change on a derivative financial asset	**(872)**	543
Fair value change on financial assets at fair value through profit or loss	**(43,923)**	2,616
Depreciation	**840**	875
Dividend income received from listed investments	**(53)**	(730)
Bank interest income	**(39)**	(11)
Finance costs	**8,199**	3,896
Operating cash flows before movements in working capital	**(5,430)**	(11,387)
(Increase)/decrease in trade and loan receivables	**(134,484)**	19,619
Decrease in prepayments, deposits and other receivables	**12,288**	11,191
Increase in financial asset at fair value through profit or loss	**(94,689)**	(33,738)
Decrease in trade payables	**(986)**	(1,241)
(Decrease)/increase in accruals and other payables	**(2,296)**	2,110
Cash used in operations	**(225,597)**	(13,446)
Income tax paid	**(2,174)**	(1,249)
Finance costs paid	**(3,232)**	(67)
Net cash used in operating activities	**(231,003)**	(14,762)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2016

	2016 HK$'000	2015 HK$'000
Cash flows from investing activities		
Deposit paid for acquisition of a subsidiary	**(80,750)**	–
Proceeds from disposal of subsidiaries	**25,008**	–
Dividend income received from listed investments	**53**	730
Bank interest received	**39**	11
Decrease in pledged bank deposit	**–**	1,022
Purchase of property, plant and equipment	**(846)**	(1,191)
Cash inflow aising on acquisition of a subsidiary	**–**	1,562
Net cash outflow arising on acquisition of subsidiaries	**–**	(25,407)
Net cash used in investing activities	**(56,496)**	(23,273)
Cash flows from financing activities		
Advances (to)/from a director and related parties	**(3,661)**	1,797
Advances to an associate	**(7,500)**	–
Net proceeds from issue of new shares by ways of placing and subscription	**395,758**	–
Redemption of promissory notes	**(90,000)**	–
Proceeds from exercise of share options	**–**	724
Repayment for finance leases	**–**	(167)
Net proceeds from open offer	**–**	48,668
Net cash generated from financing activities	**294,597**	51,022
Net increase in cash and cash equivalents	**7,098**	12,987
Effect of foreign exchange rate changes	**(373)**	(7)
Cash and cash equivalents at beginning of year	**17,004**	4,024
Cash and cash equivalents at end of year	**23,729**	17,004
Analysis of cash and cash equivalents		
Bank and cash balances	**23,729**	17,004

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 3 December 2010. The shares of the Company were listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited on 31 May 2011. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is Room 2703, 27th Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 41 to the consolidated financial statements.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for its accounting year beginning on 1 April 2015 and early adopted HKFRS 9 (2014) "Financial Instruments". HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current year and prior years.

The Group has not applied other new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the GEM Listing Rules and by the Hong Kong Companies Ordinance.

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of derivative and financial assets at fair value through profit or loss which are carried at fair values.

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. The areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4 to the consolidated financial statements.

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

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 return.

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

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

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 relating to that subsidiary and any related accumulated foreign currency translation reserve.

Intragroup transactions, balances and unrealised profits are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Consolidation (Continued)

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.

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 subsidiaries 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 subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

Business combinations and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The cost of acquisition is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and 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.

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 cost of acquisition to calculate the goodwill.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations and goodwill (Continued)

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

The excess of the cost of acquisition, the amount of any non-controlling interest in the subsidiary and the acquisition-date fair value of any previous equity interest in the subsidiary over the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Company'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 as a gain on bargain purchase which is attributed to the Company.

Goodwill is measured at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the acquisition for the purpose of impairment testing. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Impairment losses of goodwill are recognized in consolidated profit or loss and are not subsequently reversed.

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 acquisition 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Associates (Continued)

The Group's share of an associate's post-acquisition profits or losses is recognised in consolidated profit or loss, and its share of the post-acquisition movements in other comprehensive income is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, 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) its carrying amount plus 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.

Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Relevant activities are activities that significantly affect the returns of the arrangement. When assessing joint 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.

A joint arrangement is either a joint operation or a joint venture. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Investment in a joint venture is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the joint venture in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the joint venture'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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Joint arrangements (Continued)

The Group's share of a joint venture's post-acquisition profits or losses is recognised in consolidated profit or loss, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture. If the joint venture 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 a joint venture that results in a loss of joint 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 joint venture and (ii) its carrying amount plus any related accumulated foreign currency translation reserve. If an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

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

Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 consolidated profit or loss during the period in which they are incurred.

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

Leasehold improvement	4 to 5 years
Furniture and equipment	5 years
Office equipment	4 to 5 years
Motor vehicle	4 years

The residual values, useful lives and depreciation methods 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 consolidated profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

The Group as lessee

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.

The Group as lessor

Operating leases

Leases that do not substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

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 is recognised in consolidated profit or loss.

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets

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

Financial assets of the Group are classified under the following categories:

— Financial assets at amortised cost;

— Debt financial assets at fair value through other comprehensive income;

— Equity financial assets at fair value through other comprehensive income; and

— Financial assets at fair value through profit or loss.

(i) Financial assets at amortised cost

Financial assets (including trade and other receivables) are classified under this category if they satisfy both of the following conditions:

— the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

— the contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are subsequently measured at amortised cost using the effective interest method less loss allowance for expected credit losses.

(ii) Debt financial assets at fair value through other comprehensive income

Debt financial assets are classified under this category if they satisfy both of the following conditions:

— the assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling assets; and

— the contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets (Continued)

(ii) Debt financial assets at fair value through other comprehensive income (Continued)

They are subsequently measured at fair value. Interest income calculated using the effective interest method is recognised in profit or loss.

The assets are treated as monetary items. A foreign currency asset is treated as an asset measured at amortised cost in the foreign currency. Exchange differences on the amortised cost are recognised in profit or loss.

Other gains or losses are recognised in other comprehensive income and accumulated in the debt investment revaluation reserve. On derecognition of an financial assets, the cumulative gains or losses previously accumulated in the debt financial assets revaluation reserve are reclassified to profit or loss.

The loss allowance for expected credit losses is recognised in other comprehensive income and does not reduce the carrying amount of the assets.

(iii) Equity financial assets at fair value through other comprehensive income

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate financial assets in equity instruments that are not held for trading as at fair value through other comprehensive income.

Equity financial assets at fair value through other comprehensive income are subsequently measured at fair value with gains and losses arising from changes in fair values recognised in other comprehensive income and accumulated in the equity financial assets revaluation reserve. On derecognition of an financial assets, the cumulative gains or losses previously accumulated in the equity financial assets revaluation reserve are not reclassified to profit or loss.

Dividends on these financial assets are recognised in profit or loss, unless the dividends clearly represent a recovery of part of the cost of the financial assets.

(iv) Financial assets at fair value through profit or loss

Financial assets are classified under this category if they do not meet the conditions to be measured at amortised cost and the conditions of debt financial assets at fair value through other comprehensive income unless the Group designates an equity financial assets that is not held for trading as at fair value through other comprehensive income on initial recognition.

Financial assets at fair value through profit or loss are subsequently measured at fair value with any gains or losses arising from changes in fair values recognised in profit or loss. Interest income and dividend income are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loss allowances for expected credit losses

The Group recognises loss allowances for expected credit losses on financial assets at amortised cost and financial guarantee contracts. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

At the end of each reporting period, the Group measure the loss allowance for a financial instrument at an amount equal to the expected credit losses that result from all possible default evens over the expected life of that financial instrument ("lifetime expected credit losses") if the credit risk on that financial instrument has increased significantly since initial recognition.

If, at the end of the reporting period, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the portion of lifetime expected credit losses that represents the expected credit losses that result from default events on that financial instrument that are possible within 12 months after the reporting period.

The amount of expected credit losses or reversal to adjust the loss allowance at the end of the reporting period to the required amount is recognised in profit or loss as an impairment gain or loss.

Cash and cash equivalents

For the purpose of the consolidated 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.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Borrowings

Bank borrowings and promissory notes are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings 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.

Other financial liabilities

Trade and other payables are stated 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.

Equity instruments

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

Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in consolidated profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 into the Group and the amount of revenue can be measured reliably, and when specific criteria have been met for each of the Group's activities, as described below.

Revenue from the provision of asset appraisal services and corporate services and consultancy is recognised when the services are rendered and the amount of revenue can be measured reliably, and it is probable that the economic benefits associated with the transactions will flow to the Group. Revenue from progressively billed asset appraisal services is recognised by reference to the percentage of completion of the transaction. Revenue from appraisal services which are billed one-off are only recognised when it is probable that the customers are willing to settle the billing, which generally coincide with the reports issue dates. Revenue from the provision of corporate services and consultancy with specified period is generally recognised on a straight-line basis over the period of services. Revenue from success-based corporate services and consultancy is recognised when the agreed services as set out in the agreements are rendered.

Revenue from the provision of asset advisory services is recognised when the revenue can be measured reliably, and it is probable that the economic benefits associated with the transactions will flow to the Group, i.e. fixed fee revenue is recognised when the relevant reports incidental to the transactions, such as due diligence investigation, viability study and evaluation of the target investment, is issued, and success-based revenue is recognised when the customers receives or pays the considerations of the underlying transactions.

Revenue from advertising services is recognised when the related advertisements are telecasted or displayed.

Interest income from financial services and financial assets are recognised on a time-proportion basis using the effective interest method.

Sub-leasing income is recognised on a straight-line basis over the lease term.

Management fee income is recognised when the services have been provided.

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

(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 consolidated 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.

Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at 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.

Borrowing costs

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

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currency translation

(a) *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, which is the Company's functional and the Group's presentation currency.

(b) *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.

(c) *Translation on consolidation*

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the 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 for each statement of profit or loss and other comprehensive income are translated at average exchange rates (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 the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 before tax recognised in consolidated profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax 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, associates and a joint venture, 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 consolidated 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties

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

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

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

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Company or of a parent of the Company.

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

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

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

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group;

(vi) The entity is controlled or jointly controlled by a person identified in (A);

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

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to a parent of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's chief operating decision-marker for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business.

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

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.

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 or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

4. KEY ESTIMATES

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) *Impairment of goodwill*

Determining whether goodwill is impaired requires an estimation of the value in use and fair value less costs of disposal of the cash-generating units 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. Calculation of fair value by market approach requires valuation technique which used prices and other relevant information generated by market transactions involving identical and comparable group of assets and liabilities or business, a suitable discount rate and marketability discount rate. The carrying amount of goodwill at the end of the reporting period was approximately HK$111,711,000. Details of the impairment loss assessment are provided in note 17 to consolidated financial statements.

(b) *Impairment loss on receivables*

The Group makes impairment loss for bad and doubtful debts based on assessments of the recoverability of 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 debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of trade and other receivables and doubtful debt expenses in the period in which such estimate has been changed.

(c) *Income taxes*

The Group is subject to income taxes in Hong Kong and the People's Republic of China (the "PRC"). Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(d) *Fair value of derivatives and other financial instruments*

As described in note 5, the management of the Group uses their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instruments. If the inputs and estimates applied in the model are different, the carrying amount of those derivatives may change.

4. KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(e) Investment in associates

Determining whether investment in associates are impaired requires an estimation of the recoverable amounts of the associates which are determined based on fair value less costs of disposal by using the income approach. The fair value calculation requires the Group to estimate the future cash flows expected to arise from the associates, suitable discount rates and the proceeds on ultimate disposal of the associates. Where the actual future cash flows are less than or more than expected or upon the management's revision of estimated cash flows due to change in conditions, facts and circumstances, a material impairment loss or reversal of impairment loss may arise.

5. 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 has minimal exposure to foreign currency risk as part of its business transactions, assets and liabilities are denominated in Renminbi.

(b) Price risk

The Group's financial assets at fair value through profit or loss is measured at fair value at the end of each reporting period. Therefore, the Group is exposed to equity security price risk.

At 31 March 2016, if the price per share of the investments increases/decreases by 10%, loss after tax for the year would have been approximately HK$14,173,000 (2015: approximately HK$2,599,000) lower/higher, arising as a result of the fair value gain/loss of the investments.

(c) Credit risk

The Group's maximum exposure to credit risk in the event that counterparties fail to perform their obligations at 31 March 2016 and 2015 in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the consolidated statement of financial position. The Group's credit risk is primarily attributable to its trade receivables, loan receivable other receivables, financial assets at fair value through profit or loss and bank and cash balances and deposit paid for acquisition of a subsidiary. In order to minimise credit risk, the Directors have delegated a team to be responsible for the determination of credit limits, credit approvals and other monitoring procedures. In addition, the Directors review the recoverable amount of each individual trade debt regularly to ensure that adequate impairment losses are recognised for irrecoverable debts. The credit risk on bank and cash balances is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Directors consider that the credit risk on deposit paid acquisition of a subsidiary is limited as it is refundable and the counterparty has good credit quality by taking into account of its financial background. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

80% (2015: Nil) of loan receivables as at 31 March 2016 are secured by listed shares. The Group closely monitors the value of the listed shares throughout the loan period.

The Group has no significant concentration of credit risk as at 31 March 2016 and 2015.

5. FINANCIAL RISK MANAGEMENT (Continued)

(d) 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 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 payables	**2,593**	**–**	**–**
Accruals and other payables	**11,998**	**–**	**–**
Amount due to a director	**156**	**–**	**–**
Amounts due to related parties	**1,605**	**–**	**–**
Bank borrowings	**1,657**	**–**	**–**
Promissory notes	**–**	**1,620**	**55,020**
	18,009	**1,620**	**55,020**
At 31 March 2015			
Trade payables	3,579	–	–
Accruals and other payables	14,318	–	–
Amount due to a director	150	–	–
Amount due to related parties	1,647	–	–
Bank borrowings	1,759	–	–
Promissory notes	–	4,548	113,300
	21,453	4,548	113,300

(e) Interest rate risk

The Group's exposure to interest rate risk arises from its bank deposits. These deposits bear interest at variable rates varied with the then prevailing market condition. The Group's bank borrowing and promissory notes bear interest at fixed interest rates and therefore are subject to fair value interest rate risks.

The Group has no significant interest-bearing assets and liabilities at floating rate, the Group's operating cash flows are substantially independent of changes in market interest rates.

5. FINANCIAL RISK MANAGEMENT (Continued)

(f) Categories of the Group's financial instruments

	2016 HK$'000	2015 HK$'000
Financial assets:		
Financial assets at fair value through profit or loss and derivative financial asset	**173,593**	34,109
Financial assets at amortised cost (including cash and cash equivalents)	**201,153**	70,238
Financial liabilities:		
Financial liabilities at amortised cost	**67,335**	117,555

(g) Fair values

Fair value estimates are made at a specific point of time and are based on relevant market information and information about the financial instruments. These estimates are subjective to nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The Group's financial assets at fair value through profit or loss and derivative financial asset are carried at fair value as at 31 March 2016 and 2015.

The following disclosures of fair value measurements use a fair value hierarchy which has three levels:

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

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

Level 3: unobservable inputs for the asset or liability

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

Description	Fair value measurement using: Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total 2016 HK$'000
Financial assets at fair value through profit or loss:				
Listed securities in Hong Kong	**169,734**	–	–	**169,734**
Derivative financial asset	–	–	**3,859**	**3,859**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

5. FINANCIAL RISK MANAGEMENT (Continued)

(g) Fair values (Continued)

Disclosures of level in fair value hierarchy at 31 March 2015:

Description	Fair value measurement using: Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total 2015 HK$'000
Financial assets at fair value through profit or loss:				
Listed securities in Hong Kong	31,122	–	–	31,122
Derivative financial asset	–	–	2,987	2,987

Disclosures of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 March 2016 and 2015:

The Group's financial controller is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The financial controller reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Board of Directors at least twice a year.

For level 3 fair value measurements, the Group will normally engage external valuation expects with the recognised professional qualifications and recent experience to perform the valuations.

Level 3 fair value measurements

At 31 March 2016

Description	Valuation technique	Unobservable inputs	Rate	Effect on fair value for increase of inputs	Fair value 2016 HK$'000
Profit guarantee	**Discounted cash flow**	**weighted average cost of capital**	**16%**	**Decrease**	
		Probability of being unable to meet profit guarantee	**25%**	**Increase**	**3,859**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

5. FINANCIAL RISK MANAGEMENT (Continued)

(g) Fair values (Continued)

Level 3 fair value measurements (Continued)

At 31 March 2015

Description	Valuation technique	Unobservable inputs	Rate	Effect on fair value for increase of inputs	Fair value 2015 HK$'000
Profit guarantee	Discounted cash flow	weighted average cost of capital	12.98%	Decrease	
		Probability of being unable to meet profit guarantee	25%	Increase	2,987

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

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

Description	Financial asset at fair value through profit or loss 2016 HK$'000	2015 HK$'000
At beginning of the year	**2,987**	–
Addition	**–**	3,530
Net gains/(losses) recognised in consolidated profit or loss (#)	**872**	(543)
At end of the year	**3,859**	2,987
(#) Include gains or (losses) for assets held at the end of the reporting period	**872**	(543)

The total gains or losses recognised in consolidated profit or loss included those assets held at the end of the reporting period are presented in the consolidated statement of profit or loss and other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

6. REVENUE

The Group's revenue is as follows:

	2016 HK$'000	2015 HK$'000
Asset advisory services and asset appraisal	**37,150**	38,291
Corporate services and consultancy	**1,253**	3,455
Media advertising	**13,531**	4,079
Loan interest income	**3,145**	158
	55,079	45,983

7. OTHER INCOME

	2016 HK$'000	2015 HK$'000
Bank interest income	**39**	11
Reimbursement of out-of-pocket expenses	**613**	936
Sub-leasing income	**1,884**	1,819
Management fee income	**1,560**	2,990
Dividend income received from listed investments	**53**	730
Fair value gain on financial assets at fair value through profit or loss	**43,923**	–
Sundry income	**179**	–
	48,251	6,486

8. FINANCE COSTS

	2016 HK$'000	2015 HK$'000
Finance lease charges	**–**	5
Interest on bank borrowings	**122**	62
Interest on promissory notes	**8,077**	3,829
	8,199	3,896

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

9. SEGMENT INFORMATION

The Group's operating segments are identified on the basis of internal report about the components of the Group that are regularly received by the chief operating decision maker in order to allocate resources to segments and to assess their performance. The chief operating decision maker is the Company's Executive Directors.

The Group has four operating and reportable segments as follows:

— Asset advisory services and asset appraisal

Provision of asset appraisal and asset advisory services, including real estate and fixed asset appraisal, mineral property appraisal, business and intangible asset valuation, financial instrument and derivative valuation and advisory related to various types of assets in particular properties in the People's Republic of China (the "PRC").

— Corporate services and consultancy

Provision of company secretarial services, human resource management and other administrative services, accounting and tax services, corporate communication and marketing services, corporate governance, internal control, enterprise risk management services and management consultancy services.

— Media advertising

Provision of media advertising business services through in-elevator poster frames network and liquid-crystal display displays network inside elevators or lobbies of middle to high-end residential community.

— Financial services

Provision of financial credit services such as personal loans, commercial loans and mortgages to individuals and corporations, operation of trading and exchange of gold and/or silver and provision of consultancy or agency services

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technical requirements and marketing strategies.

The accounting policies of the operating segments are the same as those described in note 3 to the consolidated financial statements. Segment profits or losses do not include corporate income and expenses, fair value changes on financial assets at fair value through profit or loss, equity-settled share-based payment and finance costs, Segment assets do not include financial assets at fair value through profit or loss, amounts due from related parties and unallocated corporate assets. Segment liabilities do not include obligations under finance lease, amount due to a director, amounts due to related parties and unallocated corporate liabilities. Segment noncurrent assets do not include corporate property, plant and equipment, investments in associates and a joint venture, deposits paid for acquisition of an associate and a subsidiary.

The Group accounts for intersegment revenue and transfers as if the revenue or transfers were to third parties, i.e. at current market prices.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

9. SEGMENT INFORMATION (Continued)

Information about reportable segment profits or losses, assets and liabilities is as follows:

	Asset advisory services and asset appraisal		Corporate services and consultancy		Media advertising		Financial services		Total	
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Years ended 31 March										
Revenue from external customers	**37,150**	38,291	**1,253**	3,455	**13,531**	4,079	**3,145**	158	**55,079**	45,983
Intersegment revenue	**624**	504	**2,748**	5,144	**–**	–	**–**	–	**3,372**	5,648
Segment profit/(loss) before finance costs and income tax expenses	**241**	(6,427)	**(9,059)**	(86,771)	**617**	1,867	**(4,861)**	(26,090)	**(13,062)**	(117,421)
As at 31 March										
Segment assets	**20,836**	2,331	**791**	35,270	**106,019**	99,141	**230,146**	73,884	**357,792**	210,626
Segment liabilities	**6,430**	10,536	**4,740**	3,080	**22,212**	100,473	**33,585**	137	**66,967**	114,226
Amounts included in the measure of segment profit/(loss) or segment assets:										
Bank interest income	**5**	4	**–**	–	**7**	2	**–**	–	**12**	6
Depreciation	**309**	311	**213**	313	**206**	64	**20**	5	**748**	693
Staff costs	**20,518**	13,233	**8,913**	9,961	**332**	82	**1,159**	212	**30,922**	23,488
Impairment loss on trade receivable	**123**	20,583	**2,635**	56,711	**–**	–	**–**	–	**2,758**	77,294
Impairment loss on loan receivables	**–**	–	**–**	–	**–**	–	**4,500**	–	**4,500**	–
Share of results of associates	**–**	–	**–**	–	**–**	–	**1,507**	849	**1,507**	849
Impairment loss on investment in an associate	**–**	–	**–**	–	**–**	–	**–**	(26,776)	**–**	(26,776)
Income tax expenses	**254**	967	**–**	–	**2,397**	634	**–**	–	**2,651**	1,601
Goodwill	**–**	–	**–**	–	**84,956**	84,956	**26,755**	26,755	**111,711**	111,711
Investments in associates	**–**	–	**–**	–	**–**	–	**73,616**	42,900	**73,616**	42,900
Additions to segment non-current assets	**748**	676	**–**	107	**98**	408	**–**	–	**846**	1,191

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

9. SEGMENT INFORMATION (Continued)

Reconciliations of reportable segment profits or losses, assets and liabilities are as follows:

	2016 HK$'000	2015 HK$'000
Revenue		
Total revenue of reportable segments	**58,451**	51,631
Elimination of intersegment revenue	**(3,372)**	(5,648)
Consolidated revenue	**55,079**	45,983

	2016 HK$'000	2015 HK$'000
Profit or loss		
Total loss of reportable segments	**(13,062)**	(117,421)
Loss on disposal of a subsidiary	**(199)**	–
Equity-settled share-based payments	**(3,904)**	(18)
Fair value gain/(loss) on financial assets at fair value through profit or loss	**43,923**	(2,616)
Other unallocated corporate expenses	**(20,263)**	(3,276)
Finance costs	**(8,199)**	(3,896)
Consolidated loss for the year	**(1,704)**	(127,227)

	2016 HK$'000	2015 HK$'000
Segment assets		
Total assets of reportable segments	**357,792**	210,626
Unallocated corporate assets	**25,444**	19,637
Deposit paid for acquisition of an associate	**325**	325
Deposit paid for acquisition of a subsidiary	**80,750**	–
Financial assets at fair value through profit or loss	**169,734**	31,122
Amounts due from related parties	**11,125**	–
Consolidated total assets	**645,170**	261,710

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

9. SEGMENT INFORMATION (Continued)

	2016 HK$'000	2015 HK$'000
Segment liabilities		
Total liabilities of reportable segments	**66,967**	114,226
Unallocated corporate liabilities	**13,741**	5,598
Amounts due to related parties	**1,605**	1,647
Amount due to a director	**156**	150
Consolidated total liabilities	**82,469**	121,621

	2016 HK$'000	2015 HK$'000
Bank interest income		
Total interest income of reportable segments	**12**	6
Unallocated corporate interest income	**27**	5
Consolidated interest income	**39**	11

	2016 HK$'000	2015 HK$'000
Depreciation		
Total depreciation of reportable segments	**748**	693
Unallocated depreciation of corporate assets	**92**	182
Consolidated depreciation	**840**	875

	2016 HK$'000	2015 HK$'000
Staff costs		
Total staff costs of reportable segments	**30,922**	23,488
Unallocated corporate staff costs	**5,202**	10,178
Consolidated staff costs	**36,124**	33,666

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For the year ended 31 March 2016

9. SEGMENT INFORMATION (Continued)

Geographical information:

	Revenue from external customers		Non-current assets	
	2016	2015	**2016**	2015
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong	**39,566**	36,623	**182,103**	73,725
The PRC except Hong Kong	**15,513**	6,540	**86,229**	85,967
Others	**–**	2,820	**325**	473
Consolidated total	**55,079**	45,983	**268,657**	160,165

In presenting the geographical information, revenue is based on the locations of the customers.

There was no revenue from customers contributing 10% or more of total revenue for the years ended 31 March 2016 and 2015.

10. INCOME TAX EXPENSES

	2016	2015
	HK$'000	HK$'000
Current tax — Hong Kong Profits Tax		
Provision for the year	**254**	984
Over-provision in prior years	**–**	(17)
	254	967
Current tax — Enterprise Income Tax in the PRC		
Provision for the year	**2,397**	634
Deferred tax	**10,591**	–
	13,242	1,601

Hong Kong Profits Tax has been provided at a rate of 16.5% on the estimated assessable profit for the year ended 31 March 2016 (2015: 16.5%).

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretation and practices in respect thereof. The Enterprise Income Tax rate applicable to subsidiaries registered in the PRC is 25% for the year ended 31 March 2016 (2015: 25%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

10. INCOME TAX EXPENSES (Continued)

The reconciliation between the income tax expenses and the profit/(loss) before tax is as follows:

	2016 HK$'000	2015 HK$'000
Profit/(loss) before tax	**11,538**	(125,626)
Tax at the domestic income tax rate of 16.5% (2015: 16.5%)	**1,904**	(20,728)
Effect of different tax rates of subsidiaries	**904**	82
Tax effect of share of results of associates	**(249)**	(140)
Tax effect of expenses that are not deductible	**7,252**	8,182
Tax effect of income that is not taxable	**(794)**	(3,913)
Tax effect of temporary differences not recognised	**–**	77
Over-provision in prior years	**–**	(17)
Tax effect of unused tax loss not recognised	**4,238**	18,350
Other	**(13)**	(292)
	13,242	1,601

11. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is stated after charging/(crediting) the following:

	2016 HK$'000	2015 HK$'000
Auditor's remuneration	**580**	480
Staff costs including directors' remunerations		
Salaries, bonus and allowances	**31,242**	32,671
Share-based payments	**3,904**	18
Retirement benefits scheme contributions	**978**	977
	36,124	33,666
Depreciation	**840**	875
Loss on early redemption of promissory notes	**9,026**	–
Fair value (gain)/loss on financial assets at fair value through profit or loss	**(43,923)**	2,616
Operating lease charges		
Land and buildings	**9,603**	7,706
Photocopier machines	**86**	72
	9,689	7,778

12. DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATIONS AND THE FIVE HIGHEST PAID INDIVIDUALS

The remunerations of each director are as follows:

	Fees HK$'000	Salaries and allowances HK$'000	Discretionary bonus HK$'000	Share-based payments HK$'000	Retirement benefit scheme contributions HK$'000	Total HK$'000
Year ended 31 March 2016						
Name of directors						
Executive directors						
Mr. Ip Kwok Kwong	–	4,154	–	–	18	4,172
Mr. Yip Chung Wai, David (note (a))	–	300	–	–	15	315
Mr. Wu Di (note (b))	61	218	–	–	–	279
Non-executive director						
Ms. Ma Lin (note (c))	195	–	–	–	–	195
Independent non-executive directors						
Mr. Chu Siu Lun, Ivan (note (d))	90	–	–	–	–	90
Mr. So Chung Shing (note (e))	90	–	–	–	–	90
Mr. Tso Ping Cheong, Brian (note (f))	90	–	–	–	–	90
Total	526	4,672	–	–	33	5,231

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12. DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATIONS AND THE FIVE HIGHEST PAID INDIVIDUALS (Continued)

	Fees HK$'000	Salaries and allowances HK$'000	Discretionary bonus HK$'000	Share-based payments HK$'000	Retirement benefit scheme contributions HK$'000	Total HK$'000
Year ended 31 March 2015						
Name of directors						
Executive directors						
Mr. Ip Kwok Kwong	135	1,120	2,000	–	17	3,272
Mr. Yip Chung Wai, David (note (a))	35	109	–	–	–	144
Non-executive director						
Mr. Wu Di (note (b))	55	–	–	–	–	55
Independent non-executive directors						
Mr. Chu Siu Lun, Ivan (note (d))	7	–	–	–	–	7
Mr. So Chung Shing (note (e))	33	–	–	–	–	33
Mr. Tso Ping Cheong, Brian (note (f))	67	–	–	–	–	67
Ms. Ng See Wai, Rowena (note (g))	132	–	–	–	–	132
Mr. Au-Yang Cheong Yan, Peter (note (h))	145	–	–	–	–	145
Mr. Wu Chi Keung (note (h))	138	–	–	–	–	138
Total	747	1,229	2,000	–	17	3,993

Notes:

(a) Appointed as independent non-executive director on 2 July 2014 and redesignated to executive director on 20 November 2014

(b) Appointed as non-executive director on 20 November 2014 and redesignated to executive director on 20 July 2015

(c) Appointed on 17 April 2015

(d) Appointed on 1 March 2015

(e) Appointed on 20 November 2014

(f) Appointed on 2 July 2014

(g) Appointed on 17 February 2014 and resigned on 1 March 2015

(h) Resigned on 2 July 2014

12. DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATIONS AND THE FIVE HIGHEST PAID INDIVIDUALS (Continued)

The five highest paid individuals in the Group during the year ended 31 March 2016 included 1 (2015: 1) director whose remunerations are reflected in the analysis presented above. The remunerations of the remaining 4 (2015: 4) individuals are set out below:

	2016 HK$'000	2015 HK$'000
Basic salaries and allowances	**7,375**	6,605
Retirement benefit scheme contributions	**72**	70
	7,447	6,675

The remunerations fell within the following band:

	2016 Number of individuals	2015 Number of individuals
HK$1,000,001 to HK$1,500,000	**2**	3
HK$1,500,001 to HK$2,000,000	**1**	–
HK$2,500,001 to HK$3,000,000	**1**	–
HK$3,000,001 to HK$3,500,000	**–**	1

No directors waived any emoluments for the years ended 31 March 2016 and 2015.

No remunerations 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 during the years ended 31 March 2016 and 2015.

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 had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

13. RETIREMENT BENEFIT SCHEMES

The Group operates a mandatory provident fund scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The Group's contributions to the MPF Scheme are calculated at 5% of the salaries and wages, subject to a cap of monthly relevant income of HK$30,000 (HK$25,000 prior to June 2014) and vest fully with employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries established in the PRC are members of a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of the employees' basic salaries and wages to the central pension scheme to fund the retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of these subsidiaries. The only obligation of these subsidiaries with respect to the central pension scheme are to meet the required contributions under the scheme.

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For the year ended 31 March 2016

14. DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 March 2016 (2015: nil).

15. LOSS PER SHARE

Basic loss per share

The calculation of basic loss (2015: loss) per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately HK$3,473,000 (2015: loss of approximately HK$127,602,000) and the weighted average number of ordinary shares of 2,704,963,136 (2015: 758,848,979 ordinary shares).

Diluted loss per share

Diluted loss per share attributable to owners of the Company for the years ended 31 March 2016 and 2015 are the same as the respective basic loss per share because all potential dilutive ordinary shares would decrease the loss per share, therefore, is anti-dilutive.

16. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement HK$'000	Furniture and equipment HK$'000	Office equipment HK$'000	Motor vehicle HK$'000	Total HK$'000
Cost					
At 1 April 2014	1,095	705	2,277	647	4,724
Additions	65	673	45	408	1,191
Acquired through acquisition of subsidiaries (note 35)	79	583	45	36	743
At 31 March 2015 and 1 April 2015	1,239	1,961	2,367	1,091	6,658
Additions	543	20	283	–	846
Disposal of a subsidiary	–	(214)	–	–	(214)
Exchange differences	–	(32)	4	–	(28)
At 31 March 2016	1,782	1,735	2,654	1,091	7,262
Accumulated depreciation					
At 1 April 2014	780	386	1,772	418	3,356
Charge for the year	154	278	250	193	875
At 31 March 2014 and 1 April 2015	934	664	2,022	611	4,231
Charge for the year	171	275	218	176	840
Disposal of subsidiary	–	(87)	–	–	(87)
Exchange differences	–	(4)	5	22	23
At 31 March 2016	1,105	848	2,245	809	5,007
Carrying amount					
At 31 March 2016	677	887	409	282	2,255
At 31 March 2015	305	1,297	345	480	2,427

17. GOODWILL

	Media advertising activities (Note 1) HK$'000	Money lending activities (Note 2) HK$'000	Total HK$'000
Cost			
Arising from business combination during the year ended 31 March 2015 (Note 35)	84,956	26,755	111,711
Carrying amount			
At 31 March 2015 and 2016	84,956	26,755	111,711

Goodwill arising from a business combination is allocated, on acquisition, to the cash generating units (the "CGUs") that are expected to benefit from that business combination. The management considers that goodwill arising from the acquisitions of Golden Vault Limited ("Golden Vault") and Alright Venture Limited ("Alright Venture") is allocated to two separate CGUs for the purpose of goodwill impairment testing. The CGU for Golden Vault is included in the segment of media advertising and Alright Venture is included in the financial services segment.

Notes:

1. The recoverable amount of the CGU has been determined based on fair value less costs of disposal ("FVLCD"). In determining the FVLCD of the CGU, management has adopted the market approach, which have adopted earnings multiple in the valuation. Several companies with business scopes and operations similar to those of Golden Vault were adopted as comparable companies. The comparable companies were selected mainly with reference to the following selection criteria.

    — the comparable companies selected are principally engaged in provision of media advertising services in the PRC and Hong Kong;

    — the companies have sufficient listing and operating histories; and

    — the financial information of the companies is available to the public.

    Key assumptions used in the FVLCD calculation of the CGU for 31 March 2016 included the earnings multiple of 23.9, marketability discount of 16.11% and control premium of 25%.

2. The recoverable amount of the CGU is determined on the basis of its value in use using discounted cash flow method. The key assumptions for the discounted cash flow method are those regarding the discount rate, growth rate and budgeted gross margin and turnover during the period. The Group estimates discount rate using pre-tax rate that reflect current market assessments of the time value of money and risk specific to the CGU. The growth rate is based on long-term average economic growth rate of the geographical area in which the business of the CGU operates. Budgeted gross margin and turnover are based on past practices and expectations on market development.

    The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the Directors for the next five years with the residual period using the growth rate of 3%. This rate does not exceed the average long-term growth rate for the relevant market. The rate used to discount the forecast cash flows from the Group's money lending activities is 12%.

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For the year ended 31 March 2016

18. INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE

	2016 HK$'000	2015 HK$'000
Investments in associates:		
Unlisted investments		
Share of net assets	**8,568**	5,807
Goodwill	**92,008**	64,053
	100,576	69,860
Impairment loss	**(26,960)**	(26,960)
	73,616	42,900
Investment in a joint venture:		
Unlisted investment	**–**	–
Carrying amount at year end	**73,616**	42,900

Investments in associates

Details of the Group's associates at 31 March 2016 and 2015 are as follows:

Name	Place of incorporation/ registration	Issued and paid-up capital	Percentage of ownership interest/ voting power/profit sharing 2016	2015	Principal activities
北京漢華信誠資產顧問有限公司*	The PRC	US$60,000	**50%**	50%	Inactive
Greater China London Limited	United Kingdom	GBP112,500	**20%**	20%	Inactive
Boxin Holdings Limited ("Boxin")	British Virgin Islands ("BVI")	HK$2	**49%**	30%	Investment holding

* The business licence has been suspended since 18 July 2008.

18. INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE (Continued)

For impairment testing of investments in the associates for the year ended 31 March 2016, each investment is considered an individual CGU. The recoverable amount of the CGU has been determined based on the fair value less costs of disposal by using the income approach (discounted cash flow method). A discount rate of 14% (2015: 13.59%) and marketability discount rate of 16.11% (2015: 16.11%) were applied on projected cash flow for fair value calculation. As a result, according to the impairment test result used by the Group, the recoverable amount of investment in Boxin is higher than its carrying amount, there was no impairment for the year ended 31 March 2016 (2015: approximately HK$26,776,000).

On 22 October 2015, the Company completed an acquisition of additional 19% of the entire issued share capital of Boxin by issuing promissory notes with principal amount of HK$34,000,000. Based on the valuation carried out by a firm of independent qualified professional valuers, the fair values of the promissory notes at the dated of issue were approximately HK$29,209,000. After that, the Group had 49% of acquisition interest in Boxin.

The following table shows information of an associate that is material to the Group. The associate is accounted for in the consolidated financial statements using the equity method. The summarised financial information presented is based on the HKFRS financial statements of the associate.

Name	**Boxin**	
	2016	2015
Principal place of business/country of incorporation	Hong Kong/BVI	
Principal activities	Trading and exchange of gold and silver	
% of ownership interests	**49%**	30%
	HK$'000	HK$'000
At 31 March:		
Non-current assets	**297**	7,294
Current assets	**25,309**	12,008
Current liabilities	**(8,495)**	(559)
Net assets	**17,111**	18,743
Group's share of net assets	**8,384**	5,623
Goodwill	**65,232**	37,277
Carrying amount of interests	**73,616**	42,900
Post-acquisition result — period ended 31 March		
Revenue	**12,933**	9,072
Profit and total comprehensive income from operations	**5,236**	2,830

18. INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE (Continued)

Investment in a joint venture

Details of the Group's joint venture at 31 March 2016 are as follows:

Name	Place of incorporation/ registration	Issued and paid-up capital	Percentage of ownership interest/ voting power/profit sharing		Principal activities
			2016	2015	
Asia Pacific International Professional Managers Holdings Limited	BVI	US$2	**50%**	50%	Investment holdings

19. DEPOSIT PAID FOR ACQUISITION OF A SUBSIDIARY

On 9 December 2015, Zhong Nan Investments Limited, a wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement in relation to its acquisition of 95% of the entire issued share capital (the "Acquisition") of IAM Group Inc. ("IAM"). IAM has a directly wholly-owned subsidiary, an entity which is licensed to carry out type 1 (dealing in securities) regulated activity (as defined by the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)). The total consideration of the Acquisition is HK$80,750,000, which is mainly financed by the net proceeds from the placing and the subscription of the Company's shares. As at the date of this report, the Acquisition has not yet been completed.

20. TRADE RECEIVABLES

	2016 HK$'000	2015 HK$'000
Trade and bill receivables	**63,127**	88,154
Less: Impairment loss	**(42,080)**	(69,274)
	21,047	18,880

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 7 to 30 days. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables in order to minimise credit risk. Overdue balances are reviewed regularly by the senior management.

20. TRADE RECEIVABLES (Continued)

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

	2016 **HK$'000**	2015 HK$'000
0 to 30 days	**3,444**	7,563
31 to 90 days	**7,495**	3,547
91 to 180 days	**5,435**	2,736
181 to 365 days	**3,359**	1,354
Over 365 days	**1,314**	3,680
	21,047	18,880

As at 31 March 2016, an allowance was made for estimated irrecoverable trade receivables of approximately HK$42,080,000 (2015: HK$69,274,000).

Reconciliation of allowance for trade receivables for the year is set out below:

	2016 **HK$'000**	2015 HK$'000
Balance at the beginning of the year	**69,274**	7,118
Impairment loss recognised	**2,758**	77,294
Amounts written off as uncollectible	**(29,952)**	(14,869)
Impairment loss reversed	**–**	(269)
Balance at the end of the year	**42,080**	69,274

As at 31 March 2016, trade receivables of approximately HK$9,997,000 (2015: HK$10,578,000) were past due but not impaired. These relate to a number of independent customers to whom there is no past history of default and normally have a much longer collection period of over 180 days. An aging analysis of these trade receivables is as follows:

	2016 **HK$'000**	2015 HK$'000
Up to 3 months	**6,171**	5,197
3 to 6 months	**2,241**	477
6 months to 1 year	**417**	1,195
Over 1 year	**1,168**	3,709
	9,997	10,578

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21. LOAN RECEIVABLES

	2016 HK$'000	2015 HK$'000
Loan receivables	**131,061**	1,502
Impairment loss	**(4,500)**	–
	126,561	1,502
Analysed as:		
Current assets	**126,561**	1,502

All loans receivables are denominated in HK$ and carried at fixed effective interest rate ranging from 2% to 8% (2015: 2% to 3%) per annum and with the terms ranging from 60 days to 1 year (2015: 6 months to 2 years).

The following is an aging analysis for the loans receivables at the end of the reporting period:

	2016 HK$'000	2015 HK$'000
0 to 30 days	**463**	581
31 to 90 days	**25,993**	112
91 to 180 days	**98,278**	190
181 to 365 days	**1,136**	219
Over 365 days	**691**	400
	126,561	1,502

As at 31 March 2016, an allowance was made for estimated irrecoverable loan receivables of approximately HK$4,500,000 (2015: Nil).

Reconciliation of allowance for loan receivables for the year is set out below:

	2016 HK$'000	2015 HK$'000
Balance at the beginning of the year	**–**	–
Impairment loss recognised	**4,500**	–
Balance at the end of the year	**4,500**	–

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21. LOAN RECEIVABLES (Continued)

At the end of the reporting period, the aging analysis of loans receivables that were past due but neither individually or collectively considered to be impaired is as follow:

	2016 HK$'000	2015 HK$'000
Up to 3 months	**292**	–
3 to 6 months	**120**	32
6 months to 1 year	**56**	381
	468	413

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2016 HK$'000	2015 HK$'000
Equity securities, at fair value		
Listed in Hong Kong	**169,734**	31,122

The investments represent investments in listed equity securities 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 values of listed securities are based on current bid prices.

23. DERIVATIVE FINANCIAL ASSET

	2016 HK$'000	2015 HK$'000
Fair value of the profit guarantees	**3,859**	2,987
Analysed as:		
Current assets	**3,859**	185
Non-current assets	**–**	2,802
	3,859	2,987

The profit guarantees are obtained as part of the business combination of Golden Vault and acquisition of an associate in Boxin for which details are set out in notes 35 and 18 respectively.

The profit guarantees represent rights to the return of previously transferred considerations for the acquisitions with reference to the financial performance of Golden Vault up to 31 December 2015 and 31 December 2016 (accounted for as a non-current asset as at 31 March 2015) and Boxin up to 28 August 2015 respectively and hence constitute a contingent consideration arrangement.

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For the year ended 31 March 2016

23. DERIVATIVE FINANCIAL ASSET (Continued)

At 31 March 2016, the profit guarantees were stated at fair values based on valuation reports prepared by independent qualified professional valuers not connected with the Group.

During the period from 29 August 2014 to 28 August 2015, Boxin earned a net profit after taxation of approximately HK$9,145,000 and during the period from 1 January 2015 to 31 December 2015, Golden Vault earned a net profit after taxation of approximately HK$6,847,134 respectively. The directors of the Company are of the opinion that profit guarantees of Boxin and Golden Vault are most probably to be fulfilled.

24. AMOUNTS DUE FROM RELATED PARTIES

	2016 **HK$'000**	2015 HK$'000
GreaterChina Mineral & Energy Consultants Limited (note 40)	**3,625**	–
Due from an associate-Boxin Bullion Company Limited	**7,500**	–
	11,125	–

The amounts due from a related party and an associate are unsecured, interest-free and have no fixed repayment terms.

25. BANK AND CASH BALANCES

	2016 **HK$'000**	2015 HK$'000
Cash on hand	**116**	14
Cash at bank	**23,613**	16,990
Cash and cash equivalents in the consolidated statement of cash flows	**23,729**	17,004

The cash and cash equivalents are denominated in the following currencies:

	2016 **HK$'000**	2015 HK$'000
Renminbi	**2,975**	2,027
United States dollars	**4**	–
Hong Kong dollars	**20,750**	14,977
	23,729	17,004

Conversion of Renminbi into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations.

26. TRADE PAYABLES

The aging analysis of trade payables based on invoice date is as follows:

	2016 HK$'000	2015 HK$'000
0–90 days	**2,593**	3,579

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

	2016 HK$'000	2015 HK$'000
Hong Kong dollars	**2,593**	3,579

27. AMOUNTS DUE TO A DIRECTOR AND RELATED PARTIES

The amounts due to a director and related parties are unsecured, interest-free and have no fixed repayment terms.

28. BANK BORROWINGS

	2016 HK$'000	2015 HK$'000
Bank loans — with one year	**1,563**	1,644

The carrying amounts of the Group's bank borrowing is denominated in Renminbi and the average interest rate at 31 March 2016 was 7.8% per annum (2015: 7% per annum).

29. PROMISSORY NOTES

	Promissory notes 1 HK$'000 (Note 1)	**Promissory notes 2** HK$'000 (Note 2)	**Total** HK$'000
Issue of the promissory notes, at fair value	92,388	–	92,388
Interest on promissory notes	3,829	–	3,829
At 31 March 2015 and 1 April 2015	96,217	–	96,217
Issue of the promissory notes, at fair value	–	29,209	29,209
Interest on promissory notes	6,694	1,383	8,077
Redemption of promissory notes	(84,083)	–	(84,083)
At 31 March 2016	18,828	30,592	49,420

29. PROMISSORY NOTES (Continued)

Notes:

1. On 13 November 2014, the Company issued a series of promissory notes with total principal amounts of HK$110,000,000 to an independent third party (the "Vendor") as part of the consideration for acquisition (the "Acquisition") of 80% equity interest in Golden Vault by the Group. The promissory note is interest-bearing at 3% per annum. The maturity date is the day falling on the tenth business day from the date of receipt by the Group of the 2016 Auditors' certificate. The 2016 Auditors' Certificate should be provided to the Group no later than 3 business days after 1 April 2017.

   Pursuant to the terms of the Acquisition, the Vendor have irrevocably and unconditionally warranted and guaranteed to the Company the profits after taxation of Golden Vault calculated in accordance with HKFRS for the years ending 31 December 2015 and 2016 will not be less than RMB6,000,000 (the "2015 Guaranteed Profit") and RMB 6,200,000 (the "2016 Guaranteed Profit"). In the event the 2015 Guaranteed Profit or 2016 Guaranteed Profit is not fulfilled, the Vendor shall compensate the Group an amount calculated according to the agreement by way of setting off against the outstanding amount of the promissory note or in cash.

   Based on the valuation carried out by a firm of independent qualified professional valuers, the fair value of the promissory note at the date of issue was approximately HK$92,388,000. The effective interest rate of the promissory note is 10.96% per annum.

   On 23 October 2015, an aggregate principal amount of HK$90,000,000 with accrued interest thereon were early redeemed by the Company, and settled by the net proceeds from the placing and the subscription of the Company's shares. A loss on early redemption of the promissory note of approximately HK$9,026,000 was recognised in the consolidated profit or loss.

2. On 22 October 2015, the Company issued promissory notes in an aggregate principal amount of HK$34,000,000 for the acquisition of additional 19% of the entire issued share capital of Boxin from an independent third party. The promissory note is interest-bearing at 3% per annum. The maturity date is the date falling on the tenth business day from the second anniversary of the completion date.

   Based on the valuation carried out by a firm of independent qualified professional valuers, the fair value of the promissory note at the date of issue was approximately HK$29,209,000. The effective interest rate of the promissory note is 10.60% per annum.

30. DEFERRED TAX

Deferred tax liabilities

	2016 HK$'000	2015 HK$'000
Deferred tax liabilities	**10,591**	–

The deferred tax liabilities is relation to fair value gain on financial assets at fair value through profit or loss.

At 31 March 2016, the Group has unused tax losses of approximately HK$67,064,000 (2015: approximately HK$41,382,000) available for offset against future profits. No deferred tax asset has been recognised in respect of these tax losses due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately HK$5,547,000 (2015: HK$5,072,000) that will expire as follows:

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30. DEFERRED TAX (Continued)

	2016 HK$'000	2015 HK$'000
Year 2017	**3,373**	3,373
Year 2018	**915**	915
Year 2019	**719**	719
Year 2020	**65**	65
Year 2021	**475**	–
	5,547	5,072

Other tax losses may be carried forward indefinitely.

Temporary differences arising in connection with interests in subsidiaries and associates and a joint venture are insignificant.

31. BANKING FACILITIES

At 31 March 2016, the Group had banking facilities in respect of corporate credit card of approximately HK$300,000 (2015: corporate credit card of approximately HK$300,000).

32. SHARE CAPITAL

	Notes	Number of shares '000	Amount HK$'000
Authorised:			
Ordinary shares of HK$0.01 (2015: HK$0.01) each			
At 1 April 2014 and 31 March 2015		2,000,000	20,000
Increase on 14 September 2015	(a)	8,000,000	80,000
At 31 March 2016		10,000,000	100,000
Issued and fully paid:			
Ordinary shares of HK$0.01 (2014: HK$0.01) each			
At 1 April 2014		501,840	5,018
Issued of shares on exercise of share options		3,809	39
Issued of shares upon open offer		252,320	2,523
Issue of consideration shares		100,000	1,000
At 31 March 2015 and 1 April 2015		857,969	8,580
Placing of shares	(b)	2,600,000	26,000
Subscription of shares	(c)	1,400,000	14,000
At 31 March 2016		4,857,969	48,580

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32. SHARE CAPITAL (Continued)

Notes:

(a) At an extraordinary general meeting of the Company held on 14 September 2015, the authorised share capital of the Company was increased from HK$20,000,000 to HK$100,000,000 by the creation of an additional 8,000,000,000 shares of HK$0.01 each.

(b) On 9 July 2015, the Company and the placing agent entered into the placing agreement pursuant to which the placing agent has conditionally agreed to place, on a fully underwritten basis, a total of not less than six placees for an aggregate of 2,600,000,000 placing shares at the placing price of HK$0.10 per placing share. The placing of new shares was completed on 15 October 2015. The gross proceeds from the share placing is approximately HK$260,000,000. share placing expenses of approximately HK$4,122,000 was credited to the Company's share premium account.

(c) On 9 July 2015, the Company entered into the subscription agreement with the subscriber pursuant to which the subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 1,400,000,000 new shares at a price of HK$0.10. The subscription of shares was completed on 15 October 2015. The gross proceeds from the subscription shares is approximately HK$140,000,000. Share subscription expenses of approximately HK$120,000 was credited to the Company's share premium account.

The Group manages its capital to maintain an optimal capital structure so as to maximise the return to its shareholders, to protect the interests of its shareholders, safeguard the Group's ability to continue as a going concern and to be able to service its debts when they are due. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, obtain various forms of debt/equity financing available in the market at an appropriate cost when necessary.

Management reviews the capital structure on a quarterly basis. As a part of this review, management considers the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through payment of dividends, issue new shares as well as issue of new debts or redemption of existing debts.

The Group's overall strategy remains unchanged during the year.

The only externally imposed capital requirement is that for the Group to maintain its listing on the Stock Exchange, it must have a public float of at least 25% of the shares.

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33. RESERVES

(a) 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.

(b) Company

	Share premium HK$'000	Share-based payment reserve HK$'000	(Accumulated losses)/ retained earnings HK$'000	Total HK$'000
At 1 April 2014	71,984	462	78	72,524
Total comprehensive expense for the year	–	–	(55,847)	(55,847)
Recognition of share-based payments	–	18	–	18
Issue of shares upon open offer	47,941	–	–	47,941
Issue of consideration shares	68,000	–	–	68,000
Share issue expense	(1,796)	–	–	(1,796)
Effect of forfeiture of share options granted	–	(16)	–	(16)
Shares issued pursuant to exercise of share options	1,021	(336)	–	685
At 31 March 2015 and 1 April 2015	187,150	128	(55,769)	131,509
Total comprehensive expense for the year	–	–	(8,948)	(8,948)
Issue of shares on placing	234,000	–	–	234,000
Transaction costs related to the placing of shares	(4,122)	–	–	(4,122)
Issue of shares on subscription	126,000	–	–	126,000
Transaction costs related to the subscription of shares	(120)	–	–	(120)
Equity-settled share-based payments	–	3,904	–	3,904
At 31 March 2016	542,908	4,032	(64,717)	482,223

33. RESERVES (Continued)

(c) Nature and purpose of reserves

(i) Share premium account

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) Capital reserve

The capital reserve of the Group represents (i) the original investment costs in the Greater China Appraisal Limited and GCA Holdings Limited incurred by the Group, (ii) the non-controlling interests in the retained profits of Greater China Appraisal Limited and GCA Holdings Limited acquired by GCA Professional Services Group Limited upon a group reorganisation in 2010, and (iii) the difference of the cost of 999 ordinary shares issued in exchange for the entire shareholdings of Fidelia Investments Limited and New Valiant Limited and the nominal value of issued and paid up shares of the subsidiaries existed immediately before the Group Reorganisation.

(iii) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations as well as the effective portion of any foreign exchange differences arising from hedges of the net investment in these foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 3 to the consolidated financial statements.

(iv) Share-based payment reserve

The share-based payment reserve represents the fair value of the actual or estimated number of unexercised share options granted to employees of the Group recognised in accordance with the accounting policy adopted for equity settled share-based payments in note 3 to the consolidated financial statements.

34. SHARE-BASED PAYMENTS

Equity-settled share option scheme

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants include the full-time employees, officers, directors of the Company and the Company's subsidiaries. The Scheme was adopted by a resolution of the Company on 18 May 2011 and, unless otherwise cancelled or amended, will remain in force for 10 years commencing from the adoption date as defined in the scheme.

34. SHARE-BASED PAYMENTS (Continued)

Equity-settled share option scheme (Continued)

The maximum number of shares in respect of which options may be granted at any time under the Scheme together with options which may be granted under any other share option schemes for the time being of the Group shall not exceed such number of shares as equals 10% of the issued share capital of the Company at the date of approval of the Scheme. Any further grant of shares options in excess of this limit is subject to shareholders' approval in a general meeting. Unless approved by the Company's shareholders, the total number of shares issued and to be issued upon exercise of the options granted to each grantee (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the shares in issue.

Each grant of options to any of the directors, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the independent non-executive directors (excluding the independent non-executive director who is the proposed grantee of the option (if any)). Where any grant of options to a substantial shareholder of the Company or an independent non-executive director, or any of their respective associates, would result in the shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

(i) representing in aggregate over 0.1% of the shares in issue; and

(ii) having an aggregate value, based on the closing price of the shares at the date of each grant, in excess of HK$5 million,

such further grant of options must be approved by shareholders of the Company.

The offer of a grant of share options may be accepted within 21 days from the date of the offer, upon payment of a nominal consideration of HK$1 in total by each grantee. An option may be exercised at any time during the period to be determined and identified by the Board to each grantee at the time of making an offer for the grant of an option, but in any event no later than 10 years from the date of grant but subject to the early termination of the Scheme.

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

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

34. SHARE-BASED PAYMENTS (Continued)

Equity-settled share option scheme (Continued)

Details of the specific categories of options are as follows:

Share option lot A

Grantee	Date of grant	Exercise period	Exercise price	Number of share options outstanding
Option B1	6 January 2012	From 30 January 2012 to 17 May 2021	HK$0.16	86,100
Option B2	6 January 2012	From 1 January 2013 to 17 May 2021	HK$0.16	135,300
Option B3	6 January 2012	From 1 January 2014 to 17 May 2021	HK$0.16	135,300
Option F	6 January 2012	From 1 July 2012 to 17 May 2021	HK$0.16	147,600
Option H	6 January 2012	From 30 January 2012 to 17 May 2021	HK$0.16	73,800
Option J1	6 January 2012	From 1 July 2013 to 17 May 2021	HK$0.16	369,000
Option J2	6 January 2012	From 1 January 2014 to 17 May 2021	HK$0.16	369,000
Option J3	6 January 2012	From 1 January 2015 to 7 May 2021	HK$0.16	369,000
				1,685,100

If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the Group before the options vest.

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34. SHARE-BASED PAYMENTS (Continued)

Equity-settled share option scheme (Continued)

Share option lot A (Continued)

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

	2016		2015	
	Number of share options	Weighted average exercise price HK$	Number of share options	Weighted average exercise price HK$
Outstanding at the beginning of the year	**1,685,100**	**0.16**	5,170,000	0.20
Adjusted upon open offer	**–**	**N/A**	545,100	0.16
Forfeited during the year	**–**	**N/A**	(221,400)	0.16
Exercised before open offer during the year	**–**	**N/A**	(2,800,000)	0.20
Exercised after open offer during the year	**–**	**N/A**	(1,008,600)	0.16
Outstanding at the end of the year	**1,685,100**	**0.16**	1,685,100	0.16
Exercisable at the end of the year	**1,685,100**	**0.16**	1,685,100	0.16

The weighted average share price at the date of exercise for share options exercised during the year was HK$0.19. The options outstanding at the end of the year have a weighted average remaining contractual life of 5 years (2015: 6 years) and the exercise price is HK$0.16 (2015: HK$0.16). Options were granted on 6 January 2012. The estimated fair value of the options on grant date is approximately HK$912,000.

These fair values were calculated using the Black-Scholes pricing model.

The inputs into the model are as follows:

Weighted average share price	HK$0.196
Weighted average exercise price	HK$0.20
Expected volatility	58.74%
Expected life	9.37 years
Risk free rate	1.49%
Expected dividend yield	2.398%

Expected volatility was determined by calculating the historical volatility of share prices of comparable companies with shares listed on the Stock Exchange and engaged in the similar business of the Group. 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 behavioural considerations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

34. SHARE-BASED PAYMENTS (Continued)

Equity-settled share option scheme (Continued)

Share option lot B

Grantee	Date of grant	Vesting Period	Exercisable period	Exercise price	Outstanding at 1 April 2015	Granted during the year	Outstanding at 31 March 2016
Directors	27 August 2015	From 27 August 2015 to 26 August 2018	From 27 August 2015 to 26 August 2018	HK$0.367	–	17,150,000	17,150,000
Employee	27 August 2015	From 27 August 2015 to 26 August 2018	From 27 August 2016 to 26 August 2018	HK$0.367	–	9,420,000	9,420,000
						26,570,000	26,570,000
Exercisable at the end of the year							25,725,000

The Company has used the Binomial Option Pricing Model to assess the fair value of the share options granted under the Share Option Scheme and such fair value was HK$3,962,803. The Company has recognised as expense in the amount of approximately HK$3,904,000 for the year ended 31 March 2016.

These fair values were calculated using the Black-scholes pricing model.

The inputs into the model are as follows:

Closing share price at date of grant	HK$0.35
Exercise price	HK$0.367
Expected volatility	84.59%
Risk free rate	0.714%

The fair value of the options will be amortised over the vesting period and expensed in the consolidated profit or loss.

35. BUSINESS COMBINATION

Acquisition I

On 13 November 2014, the Group completed the acquisition of 80% equity interest in Golden Vault, which was satisfied by the issuance of a series of promissory notes with total principal amounts of HK$110,000,000 (the "Acquisition I").

Golden Vault is principally engaged in the provision of media advertising services.

35. BUSINESS COMBINATION (Continued)

Acquisition I (Continued)

The following table summarises the consideration paid for Golden Vault, the provision fair value of assets acquired, liabilities assumed and the non-controlling interest at the date of completion of the Acquisition I (the "Completion Date"):

	HK$'000
Recognised amounts of identifiable assets acquired and liabilities assumed:	
Property, plant and equipment	622
Trade receivables	2,495
Prepayments and other receivables	8,204
Cash and cash equivalents	1,562
Other payables and accruals	(5,541)
Bank borrowings	(1,643)
Tax payable	(606)
Total identifiable net assets at fair value	5,093
Non-controlling interest-20%	(1,018)
Goodwill	84,956
	89,031
Satisfied by:	
Promissory notes	92,388
Fair value of profit guarantee	(3,357)
	89,031
Net cash inflow arising on acquisition:	
Cash consideration paid	–
Cash and cash equivalents acquired	(1,562)
	(1,562)

The goodwill represented the excess of the fair value of the consideration as at the Completion Date and the amount of non-controlling interest in Golden Vault over the fair value of the net assets.

The non-controlling interests (20%) in Golden Vault recognised at the Completion Date was measured by reference to the non-controlling interests' proportionate share of Golden Vault's identifiable net assets and amounted to approximately HK$1,018,000.

35. BUSINESS COMBINATION (Continued)

Acquisition I (Continued)

Acquisition-related costs of approximately HK$1,003,000 have been charged to the administrative expenses in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2015.

Pursuant to the terms of the Acquisition I, the Vendor have irrevocably and unconditionally warranted and guaranteed to the Company the profits after taxation and extraordinary items of Golden Vault for the each of the year ending 31 December 2015 and 2016 will not be less than the 2015 Guaranteed Profit of RMB6,000,000 and the 2016 Guaranteed Profit of RMB6,200,000. In the event the 2015 Guaranteed Profit or 2016 Guaranteed Profit is not fulfilled, the Vendor shall compensate the Group an amount prescribed in the agreement.

At 31 March 2015, with reference to an report by an independent qualified professional valuers not connected with the Group, the directors of the Company are of the opinion that the fair value of contingent consideration receivable resulting from the 2015 and 2016 Guaranteed Profit is HK$2,802,000.

Golden Vault contributed approximately HK$4,079,000 to the Group's revenue and a profit of approximately HK$1,867,000 to the consolidated statement of profit or loss and other comprehensive income during the period from the Completion Date to 31 March 2015.

Had the combination taken place at the beginning of the year ended 31 March 2015, the revenue of the Group and the loss of the Group for the year ended 31 March 2015 would have been approximately HK$54,553,000 and approximately HK$123,577,000, respectively. The pro forma information is for illustrative purpose only.

At 31 March 2016, with reference to an report by an independent qualified professional valuers not connected with the Group, the directors of the Company are of the opinion that the fair value of contingent consideration receivable resulting from 2016 Guaranteed Profit is HK$3,859,000. A gain on fair value change on a derivative financial asset of approximately HK$872,000 was recognised in the consolidated profit or loss and other comprehensive income.

Golden Vault contributed approximately HK$13,531,000 (2015: approximately HK$4,079,000) to the Group's revenue and a profit of approximately HK$7,125,000 (2015: approximately HK$1,875,000) to the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2016.

Acquisition II

On 10 December 2014, the Company entered into a sales and purchase agreement with Alright Venture, for acquiring the entire shares of Alright Venture and the consideration payable for the sales shares was HK$28,000,000 (the "Acquisition II"). Acquisition II was completed on 10 December 2014.

	HK$'000
Consideration:	
Cash paid	28,000
Total consideration	28,000

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For the year ended 31 March 2016

35. BUSINESS COMBINATION (Continued)

Acquisition II (Continued)

	HK$'000
Recognised amounts of identifiable assets acquired and liabilities assumed:	
Property, plant and equipment	121
Prepayments and deposits	254
Trade receivables	1,611
Bank balances and cash	2,593
Accrued charges and other payables	(3,255)
Tax payable	(79)
Total identifiable net assets at fair value	1,245
Goodwill	26,755
	28,000
Satisfied by:	
Cash	28,000
Total consideration transferred	28,000
Net cash outflow arising on acquisition:	
Cash consideration paid	28,000
Cash and cash equivalents acquired	(2,593)
	25,407

The goodwill represented the excess of the fair value of the consideration as at the completion date over the fair value of the net assets.

Alright Venture contributed approximately HK$158,000 to the Group's revenue and a loss of approximately HK$205,000 to the consolidated statement of profit or loss and other comprehensive income during the period from 10 December 2014, being the date of completion, to 31 March 2015.

Had the combination taken place at the beginning of the year ended 31 March 2015, the revenue of the Group and the loss of the Group for the year ended 31 March 2015 would have been approximately HK$47,121,000 and approximately HK$127,616,000, respectively. The pro forma information is for illustrative purpose only.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

36. DISPOSAL OF A SUBSIDIARY

On 15 September 2015, the Group's management agreed with an independent third party to dispose GC Investments (Mena) Limited at a consideration of HK$7,800. The disposal was completed on 15 September 2015.

Assets and liabilities at the date of disposal were as follows:

	HK$'000
Non-current asset	
Property, plant and equipment	127
Current asset	
Other receivables	105
Current liabilities	
Accruals and other payables	41
Amount due to a fellow subsidiary	5,236
	5,277
Net liability disposed of	(5,045)
Impairment of amount due from the disposed subsidiary	5,236
Loss on disposal of an subsidiary	(199)
Total consideration	(8)

	HK$'000
Net cash inflow arising on disposal:	
Cash and cash equivalents received	8

37. CONTINGENT LIABILITIES

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

38. CAPITAL COMMITMENT

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

39. LEASE COMMITMENTS

As at 31 March 2016, the Group's total future minimum lease payments under non-cancellable operating leases are payables as follows:

	2016	2015
	HK$'000	HK$'000
Within one year	**8,755**	7,501
In the second to fifth years, inclusive	**10,084**	3,754
	18,839	11,255

Operating lease payments represent rentals payable by the Group for certain of its offices, photocopier machines and advertising rent. Leases are negotiated for terms ranging from one to five years and rentals are fixed over the lease terms and do not include contingent rentals.

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

	2016	2015
	HK$'000	HK$'000
Within one year	**4,320**	1,153
In the second to fifth years, inclusive	**7,560**	–
	11,880	1,153

Operating lease payments represent rentals receivable by the Group for certain of its offices. Leases are negotiated for an average term of three years and rentals are fixed over the lease terms and do not include contingent rentals.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

40. RELATED PARTY TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere to the consolidated financial statements, the Group had the following transactions with its related parties during the year:

	Name of directors and related parties having beneficial interest in the transaction	2016 HK$'000	2015 HK$'000
Corporate services and consultancy income from related companies			
— Greater China Capital Limited	Mr. IP Kwok Kwong, and Mr. Wong Chi Keung (a)	**300**	120
— SL Resources Limited	Mr. IP Kwok Kwong, and Mr. Wong Chi Keung (a)	**6**	4
— Asia Pacific International Professional Managers Management Centre Limited	Asia Pacific International Professional Managers Holdings Limited (b)	**–**	4
— Asia Pacific Professional Managers Association Company Limited	Asia Pacific International Professional Managers Holdings Limited (b)	**–**	11
— Hong Kong Professional Managers Association Company Limited	Asia Pacific International Professional Managers Holdings Limited (b)	**–**	11
— GreaterChina Mineral & Energy Consultants Limited	Mr. IP Kwok Kwong, and Mr. Wong Chi Keung (a)	**1,560**	2,990
Subcontracting charges, referral fee and commission paid to related parties			
— Mr. IP Kwok Kwong (included in directors' emoluments	Mr. IP Kwok Kwong	**45**	27
— Greater China Mineral & Energy Consultants Limited	Mr. IP Kwok Kwong, and Mr. Wong Chi Keung (a)	**507**	–
Rental expenses paid to related parties			
— Greater China Lihe (Shanghai) Equity Investment Management Limited	Mr. IP Kwok Kwong, and Mr. Wong Chi Keung (a)	**–**	47

(a) Mr. Wong Chi Keung is a non-controlling shareholder having significant influence to the Group.

(b) Asia Pacific International Professional Managers Holdings Limited is a joint venture of the Group.

The key management personal compensation paid by the Group is disclosed in note 12 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2016

41. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES OF THE COMPANY

(a) Particulars of the principal subsidiaries as at 31 March 2016 were as follows:

Name	Place of incorporation/ registration	Issued and paid-up capital	Percentage of ownership interest/ voting power/profit sharing Direct	Indirect	Principal activities
New Valiant Limited	BVI	US$4	100%	–	Investment holding
Fidelia Investment Limited	BVI	US$4	100%	–	Investment holding
Zhong Nan Investment Limited	BVI	US$1	100%	–	Investment holding
Shanghai Fok Limited	Hong Kong	HK$1	100%	–	Investment holding
Greater China Appraisal Limited	Hong Kong	HK$1,600,000	–	80.1%	Provision of asset appraisal
Greater China Consultants Limited	BVI	US$1	–	100%	Provision of corporate consultancy services
Greater China Corporate Consultancy & Services Limited	Hong Kong	HK$2	–	100%	Provision of corporate services and consultancy
GCA Holdings Limited	Hong Kong	HK$1,600,000	–	100%	Investment holding
Linkson Investment Limited	Hong Kong	HK$2	–	100%	Sub-leasing of office
漢華正立資本管理諮詢（北京）有限公司	The PRC	HK$2,000,000	–	100%	Provision of consultancy services
Creative Market Holdings Limited	BVI	US$1	–	100%	Investment Holding
Greater China Asset Services Limited	Hong Kong	US$1	–	100%	Provision of asset appraisal services, corporate consultancy services and property agency services
Golden Vault Limited	BVI	US$10,000	–	80%	Investment holding
Scenic Spot Media Co., Limited	Hong Kong	HK$10,000	–	80%	Investment holding
上海熱潮多媒體技術有限公司	The PRC	HK$620,000	–	80%	Investment holding
常熟金視廣告傳媒有限公司	The PRC	RMB500,000	–	80%	Provision of media advertising services
Alright Venture Limited	BVI	US$150	–	100%	Investment holding
Colbert Finance Limited	Hong Kong	HK$3,000,000	–	100%	Provision of financial credit services

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

41. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests ("NCI")

The following table shows information of the subsidiaries that has NCI material to the Group. The summarised financial information represents amounts before inter-company eliminations.

Name	Greater China Appraisal Limited		Golden Vault Limited	
Principal place of business/country of incorporation	Hong Kong/Hong Kong		Hong Kong/BVI	
	2016	2015	**2016**	2015
% of ownership interest/voting rights held by NCI	**19.9%**	0%	**20%**	20%
	HK$'000	HK$'000	**HK$'000**	HK$'000
At 31 March:				
Non-current assets	**1,168**	708	**810**	966
Current assets	**32,276**	48,196	**16,420**	8,646
Current liabilities	**(13,430)**	(30,455)	**(3,392)**	(2,612)
Net assets	**20,014**	18,449	**13,838**	7,000
Carrying amount of NCI	**3,983**	–	**2,767**	1,400
Years ended 31 March:				
Revenue	**33,404**	36,467	**13,531**	4,079
Profit for the year	**1,729**	4,949	**7,125**	1,867
Profit allocated to NCI	**344**	–	**1,425**	375
Total comprehensive income for the year	**1,729**	4,949	**7,412**	1,912
Net cash (used in)/generated from operating activities	**(363)**	1,417	**1,318**	410
Net cash used in investing activities	**(748)**	(670)	**(91)**	(409)
Net cash generated from financing activities	**–**	–	**–**	–
Net (decrease)/increase in cash and cash equivalents	**(1,111)**	747	**1,227**	1

(c) Significant restriction

As at 31 March 2016, the bank and cash balances of the Group's subsidiaries in the PRC denominated in Renminbi amounted to approximately HK$2,973,000 (2015: approximately HK$2,193,000). Conversion of Renminbi into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations.

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42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2016 HK$'000	2015 HK$'000
Non-current assets		
Interests in subsidiaries	**–**	–
Current assets		
Other receivables	**220**	253
Amounts due from subsidiaries	**600,305**	232,053
Bank and cash balances	**154**	10,486
	600,679	242,792
Current liabilities		
Other payables	**2,465**	2,674
Amount due to subsidiaries	**17,991**	3,812
	20,456	6,486
Net current assets	**580,223**	236,306
Non-current liability		
Promissory note	**49,420**	96,217
NET ASSETS	**530,803**	140,089
Capital and reserves		
Share capital	**48,580**	8,580
Reserves	**482,223**	131,509
TOTAL EQUITY	**530,803**	140,089

43. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are approved and authorised for issue by the Board of Directors on 24 June 2016.

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 below.

RESULTS

	Year ended 31 March				
	2016	2015	2014	2013	2012
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
(LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	**(3,473)**	(127,602)	31,282	26,929	10,323

ASSETS AND LIABILITIES

	As at 31 March				
	2016	2015	2014	2013	2012
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
TOTAL ASSETS	**645,170**	261,710	159,326	136,956	109,735
TOTAL LIABILITIES	**(82,469)**	(121,621)	(11,428)	(18,278)	(13,322)
	562,701	140,089	147,898	118,678	96,413