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

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8098

2016
Annual Report

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

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

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

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

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CORPORATE INFORMATION

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

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

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

AUTHORISED REPRESENTATIVES
Mr. Lau Kin Hon
Mr. Yeung Ming Kong Kenneth

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

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

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

COMPLIANCE OFFICER
Lau Kin Hon, *Practicing solicitor in Hong Kong*

COMPANY SECRETARY
Yeung Ming Kong Kenneth *FCCA, CPA*

AUDITOR
HLM CPA Limited
Certified Public Accountants

REGISTERED OFFICE
Cricket Square, Hutchins Drive
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Cayman Islands

HEADQUARTERS, HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG
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Bank of East Asia Harbour View Centre
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Cricket Square, Hutchins Drive
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Grand Cayman, KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE
Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
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PRINCIPAL BANKERS
Bank of Communications
China CITIC Bank International
China Construction Bank (Asia)
Dah Sing Bank
OCBC Wing Hang Bank
Shanghai Commercial Bank
Standard Chartered Bank

STOCK CODE
8098

WEBSITE OF THE COMPANY
www.cheongleesec.com.hk

CHAIRMAN'S STATEMENT

Dear Shareholders,

I am pleased to present to all shareholders the annual results of CL Group (Holdings) Limited (the "Company", with its subsidiaries, the "Group") for the year of 2015/16.

While global markets were relatively volatile, the Hang Seng Index rose to a yearly high of 28,588 in April 2015. By mid – August 2015, the Chinese Renminbi devalued by 4.4% and concerns still lingered about the Mainland's potential economic hard landing. In December 2015, the Fed Funds Rate inched up by 25 basis points. With negative sentiment building up, the Hang Seng Index came under considerable pressure and lost 27% from the April highs closing at 20,777 in March 2016.

In the financial year of 2015/16, the Group recorded total turnover and investment income of approximately HK$60.3 million, representing an increase of approximately 1.5% compared to the previous financial year. Profit attributable to the owners of the Company in financial year of 2015/16 amounted to approximately HK$21.1 million. The Group has developed a balanced investment portfolio by holding certain fixed income investments – corporate bonds and income right from the photovoltaic power plant, located in the People's Republic of China (the "PRC"). During the year under review, the Group received a fixed income amounting approximately RMB2 million improving its portfolio. As of March 31, 2016, the value of the Group's investment portfolio was approximately HK$46.4 million as compared to the previous financial year of approximately HK$49.1 million.

Our diversified revenue streams encompass both interest income (accounting for 52.0% of turnover) and non-interest income in the form of commissions, fees and other revenues. Despite uncertainties over economic growth, the Group is continuously focusing its efforts by expanding its business by broadening the customer base and strengthening our trading platform. In addition to delivering sustained income and balanced growth, the Group is also committed to the community by fulfilling its social responsibilities.

With the joint efforts of the Board, management and staff, we are confident that we will continue to achieve substantial gains for our shareholders as planning is continuous to expand our core business and explore new business opportunities.

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

Alexis Ventouras
Chairman

Hong Kong, 22 June 2016

MARKET REVIEW

In 2015, the market was volatile, Hang Seng Index rose as the southbound flow of money from the investors in PRC. However, the investors' concern about the PRC economy hard landing and the People's Bank of China to devalue RMB by 4.4% in August weakened the investors' confidence in the PRC economy. Even the Fed Fund Rate was increased by 25 basis points, the market has no overwhelming reaction.

As at 31 March 2016, the Hang Seng Index recorded as 20,777, representing approximately 16.6% decrease as compared with 24,901 as at 31 March 2015.

The total value of transactions of the Hong Kong stock market for the year ended 31 March 2016 increased by approximately 37.1% as compared with the year ended 31 March 2015. The average daily value of transactions was approximately HK$101.5 billion.

BUSINESS REVIEW

Turnover

The Group's total turnover and investment income for the year was approximately HK$60.3 million, as compared with 2015 of approximately HK$59.5 million, increased by approximately 1.5% or approximately HK$0.8 million. The breakdown of turnover and investment income by business activities of the Group is set out below:

	Year ended 31 March 2016 *HK$*	**%**	Year ended 31 March 2015 *HK$*	*%*	**Increase/ (decrease) %**
Turnover					
Commission and brokerage fees from securities dealing on Stock Exchange	**8,261,991**	**12.6%**	7,760,680	15.3%	6.5%
Placing and underwriting commission	**14,710,587**	**22.5%**	8,658,621	17.1%	69.9%
Commission and brokerage fees from dealing in futures contracts	**183,797**	**0.3%**	51,934	0.1%	253.9%
Commission from securities advisory services	**600,000**	**0.9%**	1,000,000	2.0%	(40.0%)
Other service income	**24,869**	**0.1%**	29,695	0.1%	(16.3%)
Clearing and settlement fees	**3,898,352**	**6.0%**	2,447,805	4.8%	59.3%
Handling service and dividend collection fees	**783,909**	**1.2%**	2,518,423	5.0%	(68.9%)
Interest income from					
– clients (including margin clients)	**31,441,127**	**48.1%**	26,534,871	52.5%	18.5%
– authorised financial institutions	**157,410**	**0.2%**	186,004	0.4%	(15.4%)
– others	**2,421,929**	**3.7%**	340,822	0.7%	610.6%
Income derived from income right and film right	**2,889,175**	**4.4%**	1,044,692	2.0%	176.6%
	65,373,146	**100.0%**	50,573,547	100.0%	29.3%
Net gain on trading of financial assets at fair value through profit or loss	**621,354**	**12.4%**	3,066,816	34.5%	(79.7%)
Net change in fair value of financial assets at fair value through profit or loss	**(5,651,708)**	**(112.4%)**	5,820,384	65.5%	(197.1%)
	(5,030,354)	**(100.0%)**	8,887,200	100.0%	(156.6%)
	60,342,792		59,460,747		1.5%

Securities and Futures Brokerage

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

The commission and brokerage fee from securities dealing increased by approximately 6.5% from approximately HK$7.8 million for the year ended 31 March 2015 to approximately HK$8.3 million for the year ended 31 March 2016.

The total value of transactions increased by approximately 59.4% from approximately HK$116,662.1 million for the year ended 31 March 2015 to approximately HK$185,926.8 million for the year ended 31 March 2016.

The total value of transactions for securities dealings carried out by the Group for the year ended 31 March 2016 increased as compared with 2015. As a result, income relating to clearing and settlement fees also increased by approximately 59.3% from approximately HK$2.4 million for the year ended 31 March 2015 to approximately HK$3.9 million for the year ended 31 March 2016.

The commission and brokerage fees from dealing in futures contracts increased by approximately 253.9% from HK$51,934 for the year ended 31 March 2015 to HK$183,797 for the year ended 31 March 2016.

The interest income derived from cash and margin securities accounts for the year ended 31 March 2016 was approximately HK$21.8 million represents an increase of approximately 42.4% from that of the year ended 31 March 2015 amounting approximately HK$15.3 million.

The other service income decreased by approximately 16.3% from HK$29,695 for the year ended 31 March 2015 to HK$24,869 for the year ended 31 March 2016.

Loan and Financing

The Group holds Money Lenders Licence to engage in money lending business for providing loan and financing to customers. During the reporting period, CLC Finance Limited, the Company's wholly-owned subsidiary, provides loan and financing service to customers. The interest income derived from providing loan and finance to customers for the year ended 31 March 2016 was approximately HK$9.6 million (2015: approximately HK$11.3 million).

Securities Advisory Service

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

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

Commission income derived from securities advisory services for year ended 31 March 2016 was HK$0.6 million (2015: HK$1.0 million).

Placing and Underwriting Business

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

During the year ended 31 March 2016, the placing and underwriting commission increased by approximately 69.9% from approximately HK$8.7 million for the year ended 31 March 2015 to approximately HK$14.7 million for the year ended 31 March 2016 due to increase in fund raising activities in Hong Kong.

Investment Holding

The Group maintained a portfolio investments included the holding of listed equity securities, bonds, income right and film right. On November 2014, the Group acquired an income right of the photovoltaic power plant at the rooftop of a factory located at Hunan Province, the PRC, during the year under review, the Group received annual return (net of PRC tax) of RMB2,004,000 from such project. The total value of the Group investment portfolio was approximately HK$46.4 million (2015: approximately HK$49.1 million). As at 31 March 2016, the value of portfolio of listed securities was approximately HK$12.8 million (2015: approximately HK$19.4 million). This business segment has recorded revenue of approximately HK$5.3 million (2015: approximately HK$1.4 million). Net gain on trading of financial assets at fair value through profit or loss of approximately HK$0.6 million (2015: approximately HK$3.1 million) and net fair value loss of financial assets at fair value through profit or loss of approximately HK$5.7 million (2015: net fair value gain of approximately HK$5.8 million).

Administrative Expenses

During the year ended 31 March 2016, the administrative expenses decreased by approximately 14.1% from approximately HK$30.3 million for the year ended 31 March 2015 to approximately HK$26.1 million for the year ended 31 March 2016.

Due to the total value of transaction increased by approximately 59.4% from approximately HK$116,662.1 million for the year ended 31 March 2015 to approximately HK$185,926.8 million for the year ended 31 March 2016, the related expenses such as CCASS charges was increased by approximately 65.3% from HK$2.6 million for the year ended 31 March 2015 to approximately HK$4.3 million for the year ended 31 March 2016.

Staff cost excluding the effects of fair value provision for share options were approximately HK$6.1 million for the year ended 31 March 2016 as compared to approximately HK$6.6 million for the year ended 31 March 2015.

Liquidity, Financial Resources and Capital Structure

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

The Group maintained approximately HK$11.2 million of bank deposit, bank balances and cash in general accounts as at 31 March 2016. This represented a decrease of approximately 73.4% as compared with the position as at 31 March 2015 of approximately HK$42.2 million. Most of the Group's cash and bank balances in general accounts were denominated in HK dollars.

The net current assets of the Group increased from approximately HK$203.3 million as at 31 March 2015 to approximately HK$205.2 million as at 31 March 2016 which represents an increase of approximately 0.9%. The current ratio of the Group as at 31 March 2016 was approximately 4.0 times (2015: approximately 4.1 times).

The Group had utilised HK$5 million of secured loans (2015: HK$nil).

The gearing ratio is calculated as total indebtedness divided by total capital. Total indebtedness is total bank borrowings (including current and non-current bank borrowings). Total capital is calculated as "equity", as shown in the consolidated statement of financial position. At the end of the reporting period, the Group's gearing ratio is 6.6% (2015: nil).

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

Charge on Group Assets and Guarantee

As at 31 March 2016, certain bank deposits of the Group's subsidiaries in the aggregate amount of HK$10 million (2015: HK$10 million) were pledged and corporate guarantee from the Company for securing overdraft and revolving loan facilities amounted to HK$34.5 million (2015: HK$35.0 million) issued by the banks to the Group. As at 31 March 2016, included in the banking facilities granted by the banks, HK$15.2 million has been utilised (2015: HK$nil).

Contingent liabilities

As at 31 March 2016, the Group had no material contingent liabilities (2015: Nil).

Capital commitments

As at 31 March 2016, the Group had capital commitments in respect of its leasehold improvement, contracted but not provided in the consolidated financial statements, amounting to HK$194,800 (2015: HK$nil).

Staff and remuneration policies

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

Total staff costs (including Directors' emoluments) were approximately HK$6.1 million for the year ended 31 March 2016 as compared to approximately HK$6.6 million for the year ended 31 March 2015.

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

Future plans for material investments or capital assets

As at 31 March 2016, the Group had no plans for material investments or acquisition of capital assets, but will actively pursue opportunities for investments to enhance the profitability of the Group in its ordinary course of business.

Material Acquisitions of subsidiaries and affiliated companies

The Group has not made any material acquisitions and disposal of subsidiaries and associated companies. As at 31 March 2016 and up to the date of this annual report, the Group did not hold any significant investment.

Significant Investment

As at 31 March 2016, there was no significant investment held by the Group.

Foreign exchange exposure

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

RISK MANAGEMENT

Credit Risk

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

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

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

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

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

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

Liquidity Risk

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

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

Foreign Exchange Risk

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

OUTLOOK

With the uncertainties about the worries about the PRC's economy hard landing and the investors might concern the possible impact by external environment, such as the timeframe for the inclusion of PRC A shares into MSCI's market index, US Federal Reserve further hike the Fed Fund Rate and the effect if the British exit the European Union, the Hong Kong stock market will be affected by such uncertainties. The Group will leverage the knowledge and experience of our management team to seize opportunities as they arise. The Group will continue to grow its brokerage business and placing and underwriting business by broadening clients base and by strengthening our trading platform. The Group will continue to put efforts on expanding the margin and loan financing business and securities advisory service and on satisfying the needs of our customers.

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

Pursuant to Rule 18.44 of the GEM Listing Rules, the Board is pleased to present this corporate governance report for the year ended 31 March 2016. This report highlights the key corporate governance practices of the Company.

CORPORATE GOVERNANCE PRACTICES

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

Throughout the financial year ended 31 March 2016, the Company has complied with all the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 15 of the GEM Listing Rules, save and except for code provision A.6.7 and E.1.2 which deviations are explained in the relevant paragraphs in this Report.

CORPORATE GOVERNANCE STRUCTURE

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

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the code of conduct for securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had made specific enquiry to all the Directors and the Directors have confirmed compliance with this code of conduct throughout the financial year ended 31 March 2016. No incident of non-compliance was noted by the Company during this period.

BOARD OF DIRECTORS

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

Non-executive Director

Mr. Alexis Ventouras *(Chairman)*

Executive Directors

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

Independent non-executive Directors

Mr. Au-Yeung Tai Hong Rorce
Mr. Chiu Wai Keung
Mr. Poon Wing Chuen

Biographical details of the Directors are set out in the section of "Biographical Details of Directors" on pages 18 and 19.

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

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

Generally, the responsibilities of the Board include:

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

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

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

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

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

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

DIRECTORS' ATTENDANCE RECORD AT MEETINGS

The Board meets regularly over the Company's affairs and operations. Details of the attendance of each member of the Board at the meetings of the Board and the general meetings during the year ended 31 March 2016 are as follows:

	Attendance/Number of meetings		
Name of Directors	**Regular Board meetings**	**Additional Board meetings**	**General Meetings**
Non-Executive Director			
Mr. Alexis Ventouras *(Chairman)*	4/4	6/7	1/1
Executive Directors			
Mr. Kwok Kin Chung *(Chief Executive Officer)*	4/4	7/7	1/1
Mr. Lau Kin Hon	4/4	7/7	1/1
Ms. Yu Linda	4/4	7/7	1/1
Independent non-executive Directors			
Mr. Au-Yeung Tai Hong Rorce	4/4	6/7	1/1
Mr. Chiu Wai Keung	4/4	6/7	1/1
Mr. Poon Wing Chuen	4/4	6/7	1/1

Pursuant to code provision A.6.7 and E.1.2 of the CG Code that independent non-executive directors and the chairman of the board should attend general meetings.

TRAINING AND SUPPORT OF DIRECTORS

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

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

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

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

NON-EXECUTIVE DIRECTORS

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

REMUNERATION COMMITTEE

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

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

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

For the year ended 31 March 2016, the Remuneration Committee held 2 meetings to review and discuss remuneration matters of the Group. The individual attendance of the Committee members is set out below:

Name of committee member	Number of meetings held	Number of meetings attended
Mr. Au-Yeung Tai Hong Rorce *(Chairman)*	2	2
Mr. Lau Kin Hon	2	2
Mr. Poon Wing Chuen	2	2

NOMINATION COMMITTEE

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

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

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

For the year ended 31 March 2016, the Nomination Committee held 1 meeting to review and discuss nomination matters of the Group. The individual attendance of the Committee members is set out below:

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

AUDIT COMMITTEE

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

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

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

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

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

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

- review of transactions with interested persons.

For the year ended 31 March 2016, the Committee met on 4 occasions and up to the date of this annual report, the Audit Committee has reviewed the consolidated financial statements, including the accounting principles and practices adopted by the Group, which was of the opinion that such reports were prepared in accordance with the applicable accounting standards and requirements. The Audit Committee has also discussed with the Group's independent auditor and considers the system of the internal control of the Group to be effective and that the Group had adopted the necessary control mechanisms to its financial, operational, statutory compliance and risk management functions. The individual attendance of the Committee members is set out below:

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

AUDITOR'S REMUNERATION

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

For the financial year ended 31 March 2016, the remuneration paid/payable to the auditor of the Group is set out as follows:

Services rendered	Paid/payable *HK$*
Statutory audit services	530,000

INTERNAL CONTROLS

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

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

INTERNAL AUDIT

The Audit Committee of the Company, with its amended Terms of Reference took effect on 1 January 2016, has been delegated the responsibility of reviewing the overall effectiveness of the risk management and internal control system of the Group. An internal audit plan will be prepared, discussed and agreed with the Audit Committee. Major internal audit findings will be submitted to the Audit Committee for review and all recommendations from the Audit Committee will be properly followed up.

DIRECTORS AND OFFICERS INSURANCE

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

DIRECTORS RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

COMPANY SECRETARY

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

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

INVESTORS RELATIONS

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

SHAREHOLDERS' RIGHTS

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

Shareholders may send their enquiries requiring the Board's attention to the Company Secretary at the Company's principal office address at Room 16B, 16th Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.

NON-EXECUTIVE DIRECTOR

Mr. Alexis Ventouras, aged 49, is the Chairman and Non-executive Director of the Company. Mr. Ventouras was appointed as the Chairman and Executive Director of the Company in February 2012, he was redesignated as the Chairman and Non-executive Director of the Company in December 2012. Mr. Ventouras obtained a Bachelor degree in Economics from University of British Columbia, Vancouver, Canada. He is responsible for providing leadership to the Board of Directors and making contribution to strategic business planning. Mr. Ventouras has over 20 years' experience in the financial industry.

EXECUTIVE DIRECTORS

Mr. KWOK Kin Chung, aged 41, is the Chief Executive Officer and Executive Director of the Company. He also holds directorship in certain subsidiaries, Mr. Kwok obtained a Master degree in Finance in 2006 from Curtin University of Technology of Australia and a professional diploma in Corporate Finance from The Hong Kong Management Association. Mr. Kwok is responsible for managing daily operations and supervising dealing staff. He joined the Group in July 2010. Mr. Kwok has over 15 years of experience in securities and derivatives dealing.

Mr. LAU Kin Hon, aged 48, is an Executive Director of the Company. He also holds directorship in certain subsidiaries. Mr. Lau is a practicing solicitor in Hong Kong. Mr. Lau obtained a bachelor of laws degree with honours from University College, London, U.K.. and has been practicing law in Hong Kong for over 20 years. Mr. Lau is responsible for managing the compliance function of the Group and the provision of advice to the Group on legal and regulatory compliance matters. He joined the Group in January 2008. He is currently a Non-executive Director of Lisi Group (Holdings) Limited (stock code: 526) and Independent Non-executive Director of Mingfa Group (International) Company Limited (stock code: 846) and was a Non-executive Director of Evershine Group Holdings Limited (Formerly known as "TLT Lottotainment Group Limited") (stock code: 8022) from 4 March 2013 to 2 October 2013, all of which are listed on the Stock Exchange.

Ms. YU Linda, aged 43, is an Executive Director of the Company. She also holds directorship in certain subsidiaries. Ms. Yu is responsible for the Company's business development, marketing, maintenance of clients' relations and such other matters as the Board shall from time to time direct. She joined the Group in October 2007. Ms. Yu has over 15 years of experience in the securities industry.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. AU-YEUNG Tai Hong Rorce, aged 58, is an Independent Non-executive Director appointed on 21 February 2011. He obtained a Bachelor's Degree in Science (Business Administration (Accounting)) from San Jose State University and a Juris Doctor from Santa Clara University of the United States of America. Mr. Au-Yeung was admitted as an attorney and counselor at law of the State Bar of California on 11 December 1989. He is currently the Chief Executive Officer of Nova Solar Limited.

Mr. CHIU Wai Keung, aged 56, is an Independent Non-executive Director appointed on 15 August 2011. He obtained a Higher Certificate of Electronic Engineering from The Hong Kong Polytechnic University. Mr. Chiu currently is the General Manager of a medical science and technology company in the PRC.

Mr. POON Wing Chuen, aged 50, is an Independent Non-executive Director appointed on 30 June 2015. He is currently the Chief Financial Officer of a real estate development company listed on the Stock Exchange. Mr. Poon has over 25 years of experience in accounting and financial management. Mr. Poon obtained a professional diploma in accountancy from City University of Hong Kong. He is a fellow member of Association of Chartered Certified Accountants. In the three years preceding the Latest Practicable Date, Mr. Poon did not hold any directorship in any other listed companies.

REPORT OF DIRECTORS

The Directors of the Company ("Directors") submit herewith their annual report together with the audited consolidated financial statements for the year ended 31 March 2016.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are set out in Note 38 to the consolidated financial statements. There were no significant changes in nature of Group's principal activities during the year.

SEGMENT INFORMATION

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

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2016 and the state of the affairs of the Group at that date are set out in the consolidated financial statements on pages 31 to 94.

The Directors proposed to declare a final dividend of HK2.0 cents per ordinary share for the year ended 31 March 2016, which will be subject to approval by our Shareholders at the forthcoming annual general meeting ("AGM") of our Company to be held on 5 August 2016. If approved, the proposed final dividend will be paid to our Shareholders on or before 18 August 2016.

PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries of the Company as at 31 March 2016 are set out in Note 38 to the consolidated financial statements.

PLANT AND EQUIPMENT

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

BORROWINGS

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

RESERVES

Movements in the reserves of the Group and of the Company during the year are set out in consolidated statement of changes in equity on page 34 and Note 31(b) to the consolidated financial statements respectively.

DISTRIBUTABLE RESERVES

At 31 March 2016, the Company's reserve available for distribution, calculated in accordance with the Companies Law of Cayman Islands, amounted to approximately HK$220.7 million. This includes the Company's share premium in the amount of approximately HK$142.0 million at 31 March 2016, which may be distributable provided that immediately follow the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

DONATION

The Group's charitable and other donations during the year amounted to HK$366,000 (2015: HK$106,000). No donations were made to political parties.

SHARE CAPITAL

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

SUMMARY OF FIVE YEAR FINANCIAL INFORMATION

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

MAJOR CUSTOMERS AND SUPPLIERS

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

–	the largest customer	19.0%
–	five largest customers combined	41.6%

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

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

DIRECTORS

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

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

* *Independent Non-executive Director*

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

BIOGRAPHICAL DETAILS OF DIRECTORS

Biographical information of the Directors of the Group are set out on pages 18 to 19 of this annual report.

CHANGE IN INFORMATION OF DIRECTOR

There is no change in the information of Director since the publication of the 2015 Annual Report pursuant to the Rule 17.50B of the GEM Listing Rules.

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

As at 31 March 2016, save for the interest of the directors in share options as below, neither of the Directors nor the Chief Executive of the Company had interests and short positions in the shares of the Company ("Shares"), underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) ("SFO") which (i) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) were recorded in the register required to be kept under Section 352 of the SFO, or (iii) have to be notified to the Company and the Stock Exchange pursuant to the required standards of dealing by directors as referred to in Rule 5.46 of the GEM Listing Rules.

LONG POSITION IN SHARES, UNDERLYING SHARES OF THE COMPANY

Share Option

As at 31 March 2016, details of the share options granted under the Share Option Scheme are as follows:

					Changes during the period			
Grantees	**Date of Grant** *(dd/mm/yyyy)*	**Exercise price per share** *HK$*	**Exercisable period** *(dd/mm/yyyy)*	**Balance as at 1 April 2015**	**Granted**	**Exercised**	**Cancelled/ lapsed**	**Balance as at 31 March 2016**
Kwok Kin Chung, Executive Director	09/04/2014	0.455	09/04/2014–08/04/2023	10,000,000	–	–	–	10,000,000
Yu Linda, Executive Director	09/04/2014	0.455	09/04/2014–08/04/2023	10,000,000	–	–	–	10,000,000
Lau Kin Hon, Executive Director	09/04/2014	0.455	09/04/2014–08/04/2023	10,000,000	–	–	–	10,000,000
			Sub-total	30,000,000	–	–	–	30,000,000

note:

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

Save as disclosed above, none of the Directors or the Chief Executives of the Company had any interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations at 31 March 2016.

DIRECTORS' SERVICE CONTRACTS

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

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

As at 31 March 2016, none of the Directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

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

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

EMOLUMENT POLICY

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

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

The Company has adopted a Share Option Scheme as an incentive to Directors and eligible employees. Details of the scheme is set out in Note 32 to the consolidated financial statements.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

SHARE OPTION

Share Option Scheme

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

(i) Pre-IPO Share Option Scheme

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

There are no share options granted, cancelled or lapsed, exercise and outstanding under the Pre-IPO Share Option Scheme as at 31 March 2016.

(ii) Share Option Scheme

The Company adopted the Share Option Scheme (the "Share Option Scheme") on 22 February 2011, which was approved by the shareholders' written resolutions, is valid and effective for a period of 10 years, the remaining life of the Share Option Scheme is 5 years. It is established to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners and service providers of the Group and to promote the success of the business of the Group. Pursuant to the Share Option Scheme, the Board may, at its discretion and on such terms as it may think fit, offer to grant an option to any employee (full-time or part-time), director, consultant or adviser of the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group. An offer for the grant of share options must be accepted within 7 days inclusive of the day on which such offer was 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.

As at 31 March 2016, the total number of shares in respect of which share options may be granted under the Share Option Scheme is not permitted to exceed 110,000,000 shares, representing 10% of the total number of shares of the Company as at 31 March 2016.

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

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

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

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

The total number of shares in respect of which share options granted under the Share Option Scheme as at 31 March 2016 and not yet exercised was 50,000,000 which represented approximately 4.55% of the issued share capital of the Company as at 31 March 2016.

As at 31 March 2016, details of the share options granted under the Share Option Scheme are as follows:

					Changes during the period			
Grantees	**Date of Grant**	**Exercise price per share**	**Exercisable period**	**Balance as at 1 April 2015**	**Granted**	**Exercised**	**Cancelled/ lapsed**	**Balance as at 31 March 2016**
	(dd/mm/yyyy)	*HK$*	*(dd/mm/yyyy)*					
Kwok Kin Chung, Executive Director	09/04/2014	0.455	09/04/2014–08/04/2023	10,000,000	–	–	–	10,000,000
Yu Linda, Executive Director	09/04/2014	0.455	09/04/2014–08/04/2023	10,000,000	–	–	–	10,000,000
Lau Kin Hon, Executive Director	09/04/2014	0.455	09/04/2014–08/04/2023	10,000,000	–	–	–	10,000,000
			Sub-total	30,000,000	–	–	–	30,000,000
Employees and Other Participants	09/04/2014	0.455	09/04/2014–08/04/2023	20,000,000	–	–	–	20,000,000
			Total	50,000,000	–	–	–	50,000,000
Weighted average exercise price				0.455	–	–	–	0.455

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

As at 31 March 2016, according to the register of interests kept by the Company under Section 336 of the SFO, the following parties (in addition to those disclosed above in respect of the Directors and Chief Executive of the Company) had interests or short positions in the shares or underlying shares of the Company which were required to be recorded in the register and/or were directly or indirectly interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group:

Long position in shares of the Company

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

note:

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

Save as disclosed above, as at 31 March 2016, the Directors are not aware of any other persons who had interests or short positions in the shares or underlying shares of the Company which were interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group or any persons (not being a Director) have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions in Divisions 2 and 3 of Part XV of the SFO.

MANAGEMENT CONTRACTS

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

RETIREMENT BENEFIT SCHEME

Particulars of the retirement benefit scheme of the Group are set out in Note 33 to the consolidated financial statements.

ENVIRONMENTAL POLICY

The Group supports environmental protection, implements green office practices and promotes green awareness within the company. Such measures include the using of energy-saving lightings and recycled paper, minimising the use of paper, reducing energy consumption by switching off idle lightings, computers and electrical appliances.

TAX RELIEF

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

PERMITTED INDEMNITY PROVISION

The Company maintained Directors' liability insurance to protect them from any loss to which the Directors of the Company might be liable arising from their actual or alleged misconduct.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Non-exempt One-off Connected Transactions

For the year ended 31 March 2016, the Company has not entered into any non-exempt one-off connected transactions which were subject to the reporting, annual review, announcement and/or independent shareholders' approval requirements under the GEM Listing Rules.

Non-exempt Continuing Connected Transactions

For the year ended 31 March 2016, the Company has not entered into any connected transaction or continuing connected transaction which should be disclosed pursuant to the requirements of GEM Listing Rules.

Significant related party transactions entered by the Group during the year as disclosed in Note 37(a) to the consolidated financial statements, constitute connected transactions under the GEM Listing Rules.

Agreed upon procedures performed by the auditor

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

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

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

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

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

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

CONFIRMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

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

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

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

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

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

For the year ended 31 March 2016, the Directors are not aware of any business or interest of the Directors, the controlling shareholder(s) of the Company and their respective close associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

NON-COMPETITION UNDERTAKING

Each of Ms. Au, Zillion Profit Limited, Mr. Kwok Kin Chung, Mr. Lau Kin Hon and Ms. Yu Linda as covenantor (each a "Covenantor", collectively, "Covenantors") entered into a deed of non-competition dated 25 February 2011 in favour of the Company and its subsidiaries (the "Deed of Non-competition").

The Company has received from each of the Covenantors an annual confirmation on the compliance of the non-competition undertaking under the Deed of Non-competition (the "Undertaking"). The independent non-executive Directors have reviewed the compliance of the Undertaking from the Covenantors and evaluated the effectiveness of the implementation of the Deed of Non-competition, and were satisfied that the Covenantors have complied with the Undertaking.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2016.

PRE-EMPTIVE RIGHTS

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

SUFFICIENCY OF PUBLIC FLOAT

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

AUDITOR

The consolidated financial statements for the year ended 31 March 2016 were audited by HLM CPA Limited who will retire and, being eligible, offer themselves for re-appointment. A resolution will be submitted at the forthcoming annual general meeting of the Company to re-appoint HLM CPA Limited as independent auditor of the Company.

On behalf of the board

Alexis Ventouras
Chairman

Hong Kong, 22 June 2016

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

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

We have audited the consolidated financial statements of CL Group (Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 31 to 94, 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 of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

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

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the 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.

HLM CPA Limited
Certified Public Accountants

HO PAK TAT
Practising Certificate Number: P05215

Hong Kong, 22 June 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2016

	Notes	**2016** **HK$**	2015 HK$
Turnover	*7*	**65,373,146**	50,573,547
Net gain on trading of financial assets at fair value through profit or loss		**621,354**	3,066,816
Net change in fair value of financial assets at fair value through profit or loss		**(5,651,708)**	5,820,384
Net other income, gains and losses	*8*	**(7,161,432)**	(1,519,206)
Administrative expenses		**(26,056,841)**	(30,315,176)
Finance costs	*10*	**(334,540)**	(29,632)
Profit before tax	*11*	**26,789,979**	27,596,733
Income tax expenses	*14*	**(5,650,735)**	(4,971,853)
Profit and total comprehensive income for the year		**21,139,244**	22,624,880
Profit and total comprehensive income attributable to:			
Owners of the Company		**21,090,715**	22,675,357
Non-controlling interests		**48,529**	(50,477)
		21,139,244	22,624,880
Earnings per share			
– Basic	*16*	**1.92 cents**	2.06 cents
– Diluted	*16*	**1.91 cents**	2.06 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2016

	Notes	**2016 HK$**	2015 HK$
Non-current assets			
Plant and equipment	17	**501,940**	1,784,164
Intangible assets	18	**22,769,105**	25,532,129
Other assets	19	**1,775,986**	1,730,797
Rental and utility deposits	22	**648,945**	–
Loans receivables	21	**40,364**	–
Deferred tax assets	29	**661,057**	32,271
		26,397,397	29,079,361
Current assets			
Trade receivables	20	**101,661,189**	89,221,974
Loans receivables	21	**87,522,834**	55,725,529
Other receivables, deposits and prepayments	22	**1,679,059**	6,292,401
Financial assets at fair value through profit or loss	23	**12,767,413**	19,351,707
Held-to-maturity investments	24	**10,000,000**	–
Tax refundable		**106,232**	–
Pledged bank deposit	25	**10,000,000**	10,000,000
Bank balances and cash – trust accounts	25	**49,163,334**	56,797,018
Bank balances and cash – general accounts	25	**1,229,275**	32,191,898
		274,129,336	269,580,527
Current liabilities			
Trade payables	26	**50,028,413**	62,833,349
Other payables and accruals	27	**2,165,390**	1,808,409
Bank borrowings	28	**15,230,411**	–
Income tax payables		**1,491,661**	1,594,552
		68,915,875	66,236,310
Net current assets		**205,213,461**	203,344,217
Total assets less current liabilities		**231,610,858**	232,423,578
Non-current liability			
Deferred tax liabilities	29	**48,036**	–
		48,036	–
Net assets		**231,562,822**	232,423,578

	Notes	2016 HK$	2015 HK$
Capital and reserves			
Share capital	30	**11,000,000**	11,000,000
Reserves		**220,679,424**	221,588,709
Equity attributable to owners of the Company		**231,679,424**	232,588,709
Non-controlling interest		**(116,602)**	(165,131)
Total equity		**231,562,822**	232,423,578

The consolidated financial statements on pages 31 to 94 were approved and authorised for issue by the Board of Directors on 22 June 2016 and are signed on its behalf by:

Alexis Ventouras
Director

Kwok Kin Chung
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2016

	Share capital	Share premium	Merger reserve	Share options reserve	Retained profits	Attributable to owners of the Company	Non-controlling interests	Total
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
At 1 April 2014	11,000,000	141,963,232	32,500,000	–	38,175,120	223,638,352	(114,654)	223,523,698
Profit and total comprehensive income for the year	–	–	–	–	22,675,357	22,675,357	(50,477)	22,624,880
Recognition of equity-settled share-based payments	–	–	–	8,275,000	–	8,275,000	–	8,275,000
Dividend	–	–	–	–	(22,000,000)	(22,000,000)	–	(22,000,000)
At 31 March 2015 and 1 April 2015	11,000,000	141,963,232	32,500,000	8,275,000	38,850,477	232,588,709	(165,131)	232,423,578
Profit and total comprehensive income for the year	–	–	–	–	21,090,715	21,090,715	48,529	21,139,244
Dividend	–	–	–	–	(22,000,000)	(22,000,000)	–	(22,000,000)
At 31 March 2016	11,000,000	141,963,232	32,500,000	8,275,000	37,941,192	231,679,424	(116,602)	231,562,822

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2016

	2016 HK$	2015 HK$
Operating activities		
Profit before tax	**26,789,979**	27,596,733
Adjustments for:		
Depreciation of plant and equipment	**1,058,883**	796,789
Amortisation of intangible assets	**1,616,424**	981,946
Net gain on trading of financial assets at fair value through profit or loss	**(621,354)**	(3,066,816)
Net change in fair value of financial assets at fair value through profit or loss	**5,651,708**	(5,820,384)
Interest income	**(34,020,466)**	(27,061,697)
Interest expenses	**334,540**	29,632
Expense recognised in respect of equity-settled share-based payments	**–**	8,275,000
Gains on disposal of plant and equipment	**–**	(1,913)
Write-off of plant and equipment	**446,032**	–
Impairment loss on trade receivables	**–**	455,903
Impairment loss on loans receivables	**6,423,647**	–
(Recovery of) impairment loss on other receivables	**(800,000)**	800,000
Impairment loss on intangible assets	**1,146,600**	317,625
Operating cash flows before movements in working capital	**8,025,993**	3,302,818
Increase in trade receivables	**(12,439,215)**	(23,374,858)
(Increase) decrease in loans receivables	**(39,228,031)**	49,815,930
Decrease (increase) in other receivables, deposits and prepayments	**4,764,397**	(551,818)
(Increase) decrease in other assets	**(45,189)**	4,718
Decrease (increase) in bank balances and cash – trust accounts	**7,633,684**	(27,440,288)
(Decrease) increase in trade payables	**(12,804,936)**	24,438,056
Increase (decrease) in other payables and accruals	**356,981**	(483,211)
Cash (used in) generated from operations	**(43,736,316)**	25,711,347
Interest paid	**(334,540)**	(29,632)
Hong Kong Profits Tax paid	**(6,440,608)**	(3,353,665)
NET CASH (USED IN) GENERATED FROM OPERATING ACTIVITIES	**(50,511,464)**	22,328,050

	Notes	**2016** **HK$**	2015 HK$
Investing activities			
Interest received		**34,987,181**	24,138,881
Purchase of plant and equipment		**(222,691)**	(2,101,945)
Proceeds from disposal of plant and equipment		**–**	2,100
Purchase of financial assets at fair value through profit or loss		**(30,994,669)**	(30,931,994)
Proceeds from disposal of financial assets at fair value through profit or loss		**32,548,609**	38,005,835
Purchase of intangible assets		**–**	(23,931,450)
Purchase of held-to-maturity investments		**(10,000,000)**	–
NET CASH GENERATED FROM INVESTING ACTIVITIES		**26,318,430**	5,181,427
Financing activities			
Dividends paid		**(22,000,000)**	(22,000,000)
Proceeds from shareholder loan		**15,000,000**	–
Repayment of shareholder loan		**(15,000,000)**	–
Drawdown on bank loans		**94,500,000**	10,000,000
Repayment of bank loans		**(80,000,000)**	(20,000,000)
NET CASH USED IN FINANCING ACTIVITIES		**(7,500,000)**	(32,000,000)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(31,693,034)**	(4,490,523)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR		**32,191,898**	36,682,421
CASH AND CASH EQUIVALENTS AT THE END OF YEAR		**498,864**	32,191,898
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS			
Bank balances and cash – general accounts	*25*	**1,229,275**	32,191,898
Bank overdraft	*28*	**(730,411)**	–
		498,864	32,191,898

1. GENERAL

The Company is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited ("Stock Exchange"). The address of the registered office is disclosed in the corporate information section of the annual report and its principal place of business has changed from Room 1106, 11th Floor, MassMutual Tower, 38 Gloucester Road, Wanchai, Hong Kong to Office No. 16B, 16/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong on 24 March 2016.

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

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

The ultimate holding company of the Group is Zillion Profit Limited, a private company incorporated in the British Virgin Islands with limited liability. Its ultimate controlling party is Ms. Au Suet Ming Clarea ("Ms. Au").

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

New and revised HKFRSs affecting amounts reported and/or disclosures in the consolidated financial statements

The following amendments to HKFRSs issued by Hong Kong Institute of Certified Public Accountants ("HKICPA") have been applied by the Group for the first time in the current year.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions

The application of the above amendments to HKFRSs in the current year has had no material effect on the consolidated financial statements of the Group for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

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

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective in the consolidated financial statements:

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

1 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted
2 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted
3 Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted
4 Effective date yet to be determined

HKFRS 9 Financial Instruments

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

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

HKFRS 9 Financial Instruments (continued)

Key requirements of HKFRS 9 are described as follows:

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

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

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

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

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

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

HKFRS 15 Revenue from Contracts with Customers

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

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

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

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

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

The Directors anticipate that the application of the other new and revised standards and amendments will have no material impact on the consolidated financial statements.

New Hong Kong Companies Ordinance (Cap. 622)

In addition, as the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) have come into operation during the financial year, as a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

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

The provision of the new Hong Kong Companies Ordinance (Cap. 622) regarding preparation of accounts and Directors’ report and audits became effective for the Company for the financial year ended 31 March 2016. Further, the disclosure requirements set out in the Listing Rules regarding annual accounts have been amended with reference to the new CO and to streamline with HKFRSs. Accordingly, the presentation and disclosure of information in the consolidated financial statements for the financial year ended 31 March 2016 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended 31 March 2015 are presented or disclosed in the consolidated financial statements based on the new requirements. Information previously required to be disclosed under the predecessor CO or Listing Rules but not under the new CO or amended Listing Rules are not disclosed in these consolidated financial statements.

Basis of preparation

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

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

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

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

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

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

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

The principal accounting policies are set out below.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation

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

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

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

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

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

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

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

Investments in subsidiaries

Investments in subsidiaries are stated at cost less any identified impairment loss on the statement of financial position of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

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

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

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

iii) Interest income represents gross interest income from bank deposits and investments and is recognised on a time apportionment basis, taking into account the principal outstanding and the applicable interest rates.

iv) Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

v) Fees for clearing and settlement of trades between Participants in eligible securities transacted on the Stock Exchange are recognised in full on T+1, ie, on the day following the trade day, upon acceptance of the trades. Fees for other settlement transactions are recognised upon completion of the settlement.

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

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

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

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

Foreign currencies

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

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

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see the accounting policies below); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

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

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

Borrowing costs

Borrowing costs are interests and other costs (e.g. transaction costs) that an entity incurs in connection with the borrowing of funds.

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits

Retirement benefit costs

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme, in accordance with the rules of the MPF Scheme.

Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 32 to the consolidated financial statements.

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

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

Current tax

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

Deferred tax

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

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

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

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

Current and deferred tax for the year

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Plant and equipment

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

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

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

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

Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately and with finite useful lives that are carried at costs less accumulated amortisation and any accumulated impairment losses (see the accounting policy in respect of impairment losses on tangible and intangible assets below). Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Future trading right

Future trading rights, with which the holders have the rights to trade on the Stock Exchange and Hong Kong Futures Exchange Limited ("HKFE") are stated at cost less accumulated amortisation and impartment losses. The costs are amortised over 5 years based on the management opinion.

Film right

Film right are stated at cost less accumulated amortisation and impairment losses. Their costs are amortised over 7 years based on the expected lifespan of the film rights with reference to development plan.

Income right

Income rights are stated at cost less accumulated amortisation and impairment losses. Their costs are amortised over 20 years based on the underlying contract period, with reference to contract condition.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (continued)

Derecognition of intangible assets

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

Impairment of tangible and intangible assets other than goodwill

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions

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

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

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

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. In the consolidated and entity statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

Share capital

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

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

Financial instruments

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets

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

Effective interest method

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

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

Financial assets at FVTPL

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

A financial asset is classified as held for trading if:

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

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

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intention and ability to hold to maturity. The Group designated investment in corporate bonds as held-to-maturity investments. Corporate bonds are initially recognised on the trade date, the date on which the Group commits to purchase. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less any impairment (see the accounting policy in respect of impairment losses on financial assets below).

Loans and receivables

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

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

Impairment of financial assets

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

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

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

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

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

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

Financial liabilities and equity instruments

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

Equity instruments

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

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

Other financial liabilities

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Effective interest method

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

Interest expense is recognised on an effective interest basis.

Derecognition

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

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

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

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

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 board of directors (the "Board"), being the chief operating decision maker ("CODM") for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

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

Related parties

A related party is a person or entity that is related to the Group that is preparing its consolidated financial statements.

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

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

(2) has significant influence over the Group; or

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

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

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

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties (continued)

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

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

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependents of that person or that person's spouse or domestic partner.

Leasing

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

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Key sources of estimation uncertainty

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

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

Key sources of estimation uncertainty (continued)

Depreciation and amortisation

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

Impairment loss recognised in respect of trade receivables

The Group performs ongoing credit evaluations of its customers and adjusts credit limits based on payment history and the customers' current credit-worthiness, as determined by review of their current credit information. The Group continuously monitors collections and payments from its customers and maintains a provision for estimated credit losses based upon its historical experience. Credit losses have historically been within the Group's expectations and the Group will continue to monitor the collections from customers and maintain an appropriate level of estimated credit losses.

The Group's provision policy for impairment loss is based on the evaluation of collectability and aging analysis of accounts and on management's judgment. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment may be required.

As at 31 March 2016, the carrying amount of trade receivables was approximately HK$101,661,189 (2015: HK$89,221,974). No impairment loss recognised for trade receivables during the year (2015: HK$455,903).

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

Impairment loss recognised in respect of on loans receivables

The Group reviews its loan portfolios to assess impairment at least on a quarterly basis. In determining whether an impairment loss should be recorded in the profit or loss, the Group makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group (e.g. payment delinquency or default), or local economic conditions that correlate with defaults on assets in the Group. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

As at 31 March 2016, the carrying amounts of loans receivables is approximately HK$87,563,198 (2015: HK$55,725,529). Impairment loss of HK$6,423,647 is recognised for loans receivables during the year (2015: HK$nil).

Impairment loss recognised in respect of intangible assets

The Directors regularly review the recoverability of the Group's film right and income right with reference to its intended use and current market environment and its expectation of future market conditions. Appropriate impairment for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

In determining whether impairment on film right and income right is required, the Group takes into consideration the distribution and license agreements entered into by the Group and the current market environment to project cash flows expected to be received. Impairment is recognised in the period in which the recoverable amount is less than the carrying amount. The carrying amount of film right as at 31 March 2016 is HK$532,800 (2015: HK$2,099,250). The carrying amount of income right as at 31 March 2016 is HK$22,236,305 (2015: HK$23,432,879). Details are set out in Note 18.

In addition, the Group determines whether the intangible asset is impaired on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the asset is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. A change in the estimated future cash flows and/or the discount rate applied will result in an adjustment to the estimated impairment provision previously made.

Income tax

As at 31 March 2016, the Group had estimated unused tax losses of approximately HK$1,478,466 (2015: HK$2,039,767) available for offset against future profits. No deferred tax assets have been recognised on such tax losses due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future taxable profits or taxable temporary differences will be available in the future. In cases where the actual future taxable profits generated are more than expected, recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such recognition takes place.

5. CAPITAL RISK MANAGEMENT

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

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

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

At the end of the reporting period, the Group has total bank borrowings amounting to HK$15,230,411 (2015: HK$nil) and, accordingly, the gearing ratio is 6.6% (2015: Nil)

The increase in the gearing ratio during the year resulted mainly from the new bank borrowings raised for operation.

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2016	2015
	HK$	*HK$*
Financial assets		
Financial assets at FVTPL	**12,767,413**	19,351,707
Held-to-maturity investments	**10,000,000**	–
Loans and receivables (including cash and cash equivalents)	**251,919,005**	250,228,820
	274,686,418	269,580,527
Financial liabilities		
Trade payables	**50,028,413**	62,833,349
Other payables and accruals	**835,963**	84,821
Bank borrowings	**15,230,411**	–
	66,094,787	62,918,170

The Directors consider that the carrying amounts of the financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, loans receivables, other receivables, deposits, financial assets at FVTPL, held-to-maturity investment, bank balances and cash, trade payables, other payables, accruals and bank borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include credit risk, market risk (foreign currency risk, interest rate risk and equity price risk) and liquidity risk.

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

(i) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group.

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

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

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

In respect of loans receivables from clients, the objective of the Group's measures to manage credit risk is to control potential exposure to recoverability problem. It is the Group's policy that all clients who wish to obtain loans from the Group are subject to management review. Receivables balances are monitored on an ongoing basis, management makes periodic collective assessment as well as individual assessment on the recoverability of loans, loans receivables based on historical payment records, the length of the overdue period, the financial strength of the debtors and any other qualitative factors and ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual receivable at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, management considers that the Group's credit risk is significantly reduced.

6. FINANCIAL INSTRUMENTS (continued)

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

(i) Credit risk (continued)

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each client rather than the industry or country in which the clients operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual clients. As at 31 March 2016, 15% (2015: 2%) and 3% (2015: 16%) of the total trade and loans receivables due from clients were from the Group's five largest clients.

Further quantitative data in respect of the collaterals and the Group's exposure to credit risk arising from trade and loans receivables are disclosed in notes 20 and 21.

Bank balances are placed in various authorised institutions and the Directors consider the credit risk for such is minimal.

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

(ii) Market risk

Foreign currency risk

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

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

	2016		2015	
	Assets	**Liabilities**	Assets	Liabilities
	HK$	***HK$***	*HK$*	*HK$*
Renminbi ("RMB")	**1,631,115**	**–**	983,036	–

Sensitivity analysis

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

The following table shows the sensitivity analysis of a 5% (2015: 5%) increase/decrease in HK$ against RMB, the effect in the profit or loss and other comprehensive income for the year is as follows:

	2016	2015
	HK$	*HK$*
Increase/decrease in profit or loss	**81,556**	49,152

6. FINANCIAL INSTRUMENTS (continued)

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

(ii) Market risk (continued)

Interest rate risk

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

The Group's exposure to interest rates on financial assets and financial liabilities are detailed below.

	2016 ***HK$***	2015 *HK$*
Financial instruments bearing variable interest rates in nature		
Assets		
Trade receivables	**101,594,451**	86,228,522
Loans receivables	**87,563,198**	55,725,529
Bank balances	**9,797,099**	42,191,898
Liabilities		
Bank borrowings	**(15,230,411)**	–
	183,724,337	184,145,949

Sensitivity analysis

At 31 March 2016, assuming the Hong Kong market interest rate had been 50 basis points (2015: 50 basis points) higher/lower and all other variables held constant, the effect in the profit or loss and other comprehensive income for the year is as follows:

	2016 ***HK$***	2015 *HK$*
Increase/decrease in profit or loss	**918,622**	920,730

In management's opinion, the sensitivity analysis is unrepresentative of the market interest rate risk as the year end exposure does not reflect the exposure during the year.

6. FINANCIAL INSTRUMENTS (continued)

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

(ii) Market risk (continued)

Equity price risk

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

Sensitivity analysis

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

If the prices of the respective equity instruments had been 5% (2015: 5%) higher/lower, the effect in the profit or loss and other comprehensive income for the year is as follows:

	2016	2015
	HK$	*HK$*
Increase/decrease in profit or loss	**638,371**	967,585

(iii) Liquidity risk

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

Internally generated cash flows and bank borrowings are the source of funds to finance the operations of the Group. The Group's liquidity risk management includes making available standby bank facilities and diversifying the funding sources. The Group regularly reviews the major funding positions to ensure adequate financial resources are available to meet their respective financial obligations.

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

As at 31 March 2016, the Group has available banking facilities of HK$19,269,589 (2015: HK$35,000,000) which were not utilised, details are disclosed in note 34.

6. FINANCIAL INSTRUMENTS (continued)

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

(iii) Liquidity risk (continued)

The maturity profile of the Group's financial liabilities as at the reporting date, based on the contractual undiscounted cash flows, is as follows:

	Carrying amount *HK$*	Total contractual undiscounted cash flow *HK$*	On demand or within 1 year *HK$*
As at 31 March 2016			
Trade and other payables	52,193,803	52,193,803	52,193,803
Bank borrowings	15,230,411	15,230,411	15,230,411
	67,424,214	67,424,214	67,424,214
As at 31 March 2015			
Trade and other payables	64,641,758	64,641,758	64,641,758

(c) Financial instruments carried at fair value

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

Financial asset	Classified as	Fair value as at 31 March 2016 *HK$*	Fair value as at 31 March 2015 *HK$*	Fair value hierarchy	Basis of fair value measurement/ valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to assets fair value
Equity security in Hong Kong	Financial assets at FVTPL	11,769,290	19,077,800	Level 1	Quoted bid prices in an active market	N/A	N/A
Equity security in overseas	Financial asset at FVTPL	998,123	273,907	Level 1	Quoted bid prices in an active market	N/A	N/A

There were no transfers between Level 1, 2 and 3 during the year.

7. TURNOVER

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

	2016	2015
	HK$	*HK$*
Commission and brokerage fees from securities dealing on the Stock Exchange	**8,261,991**	7,760,680
Placing and underwriting commission	**14,710,587**	8,658,621
Commission and brokerage fees from dealing in futures contracts	**183,797**	51,934
Commission from securities advisory services	**600,000**	1,000,000
Other service income	**24,869**	29,695
Clearing and settlement fees	**3,898,352**	2,447,805
Handling service and dividend collection fees	**783,909**	2,518,423
Interest income from		
– clients (including margin clients)	**31,441,127**	26,534,871
– authorised financial institutions	**157,410**	186,004
– others	**2,421,929**	340,822
Income derived from income right and film right	**2,889,175**	1,044,692
	65,373,146	50,573,547

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

8. NET OTHER INCOME, GAINS AND LOSSES

	2016	2015
	HK$	*HK$*
Gain on disposal of plant and equipment	**–**	1,913
Write-off of plant and equipment	**(446,032)**	–
Net exchange loss	**(21,230)**	(2,526)
Impairment loss on trade receivables	**–**	(455,903)
Impairment loss on loans receivables	**(6,423,647)**	–
Recovery of (impairment loss on) other receivables	**800,000**	(800,000)
Impairment loss on intangible assets	**(1,146,600)**	(317,625)
Sundry incomes	**76,077**	54,935
	(7,161,432)	(1,519,206)

9. BUSINESS AND GEOGRAPHICAL SEGMENTS

Information reported to the Board, being the CODM, for the purposes of resource allocation and assessment of segment performance, focuses on types of services provided. In addition, for 'Securities, futures and options brokering and trading', 'Placing and underwriting', 'Loan and financing', 'Securities advisory service' and 'investment holding' the information reported to the Board is further analysed based on the different classes of customers.

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

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

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

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

Business segments

Segment revenues and results

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

	2016					
	Securities, futures and options brokering and trading *HK$*	Placing and underwriting *HK$*	Loan financing *HK$*	Securities advisory service *HK$*	Investment holding *HK$*	Consolidated *HK$*
Segment revenues	34,598,264	14,710,587	10,120,989	600,000	5,343,306	65,373,146
Segment results	21,744,235	13,639,251	8,348,004	358,608	(1,754,290)	42,335,808
Net other income, gains and losses						(7,161,432)
Unallocated other operating expenses						(8,049,857)
Finance costs						(334,540)
Profit before tax						26,789,979
Income tax expenses						(5,650,735)
Profit for the year						21,139,244

9. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Business segments (continued)

Segment revenues and results (continued)

	2015					
	Securities, futures and options brokering and trading *HK$*	Placing and underwriting *HK$*	Loan financing *HK$*	Securities advisory service *HK$*	Investment holding *HK$*	Consolidated *HK$*
Segment revenues	26,359,444	8,658,621	13,106,941	1,000,000	1,448,541	50,573,547
Segment results	18,712,086	5,984,372	9,892,688	746,229	7,717,521	43,052,896
Net other income, gains and losses						(1,519,206)
Share-based payments						(8,275,000)
Unallocated other operating expenses						(5,632,325)
Finance costs						(29,632)
Profit before tax						27,596,733
Income tax expenses						(4,971,853)
Profit for the year						22,624,880

Revenue reported above represents revenue generated from external customers. There was no inter-segment transactions during the year (2015: HK$nil).

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment results represents the profit earned by each segment without allocation of net other income, gains and losses, share-based payments, unallocated other operating expenses and finance costs. This is the measure reported to the executive Directors for the purpose of resources allocation and performance assessment.

9. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Business segments (continued)

Segment assets and liabilities

2016

	Securities, futures and options brokering and trading HK$	Placing and underwriting HK$	Loan financing HK$	Securities advisory service HK$	Investment holding HK$	Consolidated HK$
Assets						
Segment assets	158,672,804	–	83,656,718	–	46,406,145	288,735,667
Unallocated assets						11,791,066
Total assets						300,526,733
Liabilities						
Segment liabilities	51,814,464	–	319,345	–	355,316	52,489,125
Unallocated liabilities						16,474,786
Total liabilities						68,963,911

2015

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

9. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Business segments (continued)

Segment assets and liabilities (continued)

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

- all assets are allocated to reportable segments other than part of other receivables, deposits and prepayments, tax refundable pledged bank deposit and bank balances and cash – general accounts. Assets used jointly by segments are allocated on the basis of the revenues earned by individual segments; and

- all liabilities are allocated to reportable segments other than part of other payables, accruals, bank borrowings, income tax payables and deferred tax liabilities. Liabilities for which segments are jointly liable are allocated in proportion to segment assets.

Other information

	2016						
	Securities, futures and options brokering and trading *HK$*	Placing and underwriting *HK$*	Loan financing *HK$*	Securities advisory service *HK$*	Investment holding *HK$*	Unallocated *HK$*	Consolidated *HK$*
Additions to plant and equipment	222,691	–	–	–	–	–	222,691
Amortisation of intangible assets	–	–	–	–	1,616,424	–	1,616,424
Depreciation of plant and equipment	1,025,346	–	9,281	–	–	24,256	1,058,883
Write-off of plant and equipment	446,032	–	–	–	–	–	446,032
Recovery of other receivables	–	–	800,000	–	–	–	800,000
Impairment loss on loans receivables	6,359,260	–	64,387	–	–	–	6,423,647
Impairment loss on intangible assets	–	–	–	–	1,146,600	–	1,146,600

9. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Business segments (continued)

Segment assets and liabilities (continued)

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

Geographical information

The Group operates in the two principal geographical areas – Hong Kong and the People's Republic of China (the "PRC").

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

	Turnover from external customers		**Non-current assets***	
	2016 ***HK$***	2015 *HK$*	**2016** ***HK$***	2015 *HK$*
Hong Kong	**62,949,966**	49,532,169	**2,810,726**	5,614,211
The PRC	**2,423,180**	1,041,378	**22,236,305**	23,432,879
	65,373,146	50,573,547	**25,047,031**	29,047,090

* Non-current assets excluded financial instruments and deferred tax assets.

Information on major customers

One major customer of the Group accounted for approximately 19% (2015: 9%) of the total turnover during the year ended 31 March 2016. No other single customer contributed 10% or more to the Group's turnover for both years.

10. FINANCE COSTS

	2016 HK$	2015 HK$
Interest on bank borrowings wholly repayable within one year	**312,621**	29,632
Interest on shareholder loan wholly repayable on demand	**21,919**	–
	334,540	29,632

11. PROFIT BEFORE TAX

	2016 HK$	2015 HK$
Profit before tax has been arrived at after charging (crediting):		
Staff costs (including Directors' emoluments)	**6,076,118**	6,599,278
Auditor's remuneration	**530,000**	480,000
Depreciation of plant and equipment	**1,058,883**	796,789
Amortisation of intangible assets	**1,616,424**	981,946
Net gain on trading of financial assets at fair value through profit or loss	**(621,354)**	(3,066,816)
Net change in fair value of financial assets at fair value through profit or loss	**5,651,708**	(5,820,384)
Impairment loss on trade receivables	**–**	455,903
Impairment loss on loans receivables	**6,423,647**	–
(Recovery of) impairment loss on other receivables	**(800,000)**	800,000
Impairment loss on intangible assets	**1,146,600**	317,625
Gain on disposal of plant and equipment	**–**	(1,913)
Write-off of plant and equipment	**446,032**	–
Operating lease payments in respect of rented premises	**2,823,482**	3,545,930
Equity-settled share-based payments	**–**	8,275,000

12. STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

	2016 *HK$*	2015 *HK$*
Salaries, allowances and other benefits in kind	**5,878,584**	6,393,559
Defined contribution retirement benefit scheme contributions	**197,534**	205,719
	6,076,118	6,599,278

13. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

Disclosed pursuant to the Listing Rules, section 383 of the Hong Kong Companies Ordinance, Cap. 622 and Part 2 of the Companies (Disclosure of information about Benefits of Directors) Regulation, are as follows:

(a) Directors' emoluments

The emoluments paid or payable to each of the seven (2015: eight) Directors were as follows:

Year ended 31 March 2016

	Fee *HK$*	Salaries, allowance and benefit in kind *HK$*	Discretionary bonuses *HK$*	Defined contribution retirement benefit scheme contributions *HK$*	Share-based payment *HK$*	Total *HK$*
Executive Directors						
Kwok Kin Chung *(Chief Executive Officer)*	–	781,130	–	18,000	–	799,130
Lau Kin Hon	–	390,000	–	18,000	–	408,000
Yu Linda	–	546,000	–	18,000	–	564,000
Non-executive Director						
Alexis Ventouras *(Chairman)*	180,000	–	–	–	–	180,000
Independent non-executive Directors						
Au Yeung Tai Hong Rorce	120,000	–	–	–	–	120,000
Chiu Wai Keung	120,000	–	–	–	–	120,000
Poon Wing Chuen *(note ii)*	120,000	–	–	–	–	120,000
	540,000	1,717,130	–	54,000	–	2,311,130

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

(a) Directors' emoluments (continued)

Year ended 31 March 2015

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

Notes:

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

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

(b) Directors' termination benefits

During the year ended 31 March 2016, there was no termination benefits received by the Directors (2015: Nil).

(c) Consideration provided to third parties for making available Directors' services

During the year ended 31 March 2016, no consideration was paid for making available the services of the Directors (2015: Nil).

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

(d) Information about loans, quasi-loans and other dealings in favour of Directors, controlled bodies corporate by and connected entities with such Directors

During the year ended 31 March 2016, there was no loans, quasi-loans and other dealings entered into by the Company or subsidiaries undertaking of the Company, where applicable, in favour of Directors (2015: Nil).

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

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 (2015: Nil).

(f) Five highest paid individuals

During the year, of the five highest paid individuals in the Group, two (2015: three) executive Directors whose emoluments are set out above. The emoluments of the remaining three (2015: two) individuals are as follows:

	2016	2015
	HK$	*HK$*
Salaries, allowances and benefit in kind	**1,768,897**	1,089,706
Discretionary bonuses	**–**	126,000
Defined contribution retirement benefit scheme contributions	**53,950**	32,296
Equity-settled share-based payments	**–**	2,648,000
	1,822,847	3,896,002

The emoluments of the three (2015: two) individuals with the highest emoluments are within the following bands:

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

No emoluments were paid to the Directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during each of the two years ended 31 March 2016 and 2015. None of the Directors and five highest paid individuals of the Company has waived or agreed to waive any emoluments during the year.

14. INCOME TAX EXPENSES

	2016	2015
	HK$	*HK$*
Hong Kong Profits Tax		
– current year	**5,622,548**	5,024,140
– under (over)-provision in prior year	**608,937**	(30,002)
Deferred tax		
– current year *(Note 29)*	**(1,566,266)**	(22,285)
– under-provision in prior year	**985,516**	–
	5,650,735	4,971,853

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

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

	2016	2015
	HK$	*HK$*
Profit before tax	**26,789,979**	27,596,733
Tax at the domestic income tax rate of 16.5% (2015:16.5%)	**4,420,346**	4,553,460
Tax effect of expenses not deductible for tax purpose	**270,277**	25,152
Tax effect of income not taxable for tax purpose	**(545,430)**	(1,016,990)
Tax effect of temporary difference not recognised	**3,645**	3,556
Tax effect of tax loss not recognised	**58**	1,436,677
Utilisation of tax losses previously not recognised	**(92,614)**	–
Under (over)-provision in prior year	**1,594,453**	(30,002)
Tax expenses for the year	**5,650,735**	4,971,853

At 31 March 2016, the Group had unused estimated tax losses of HK$1,478,466 (2015: HK$2,039,767) available for offset against future profits. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams. The estimated tax losses may be carried forward indefinitely.

15. DIVIDEND

	2016	2015
	HK$	*HK$*
2015 Final dividend paid – HK2.0 cents per share (2014 Final dividend paid – HK2.0 cents per share)	**22,000,000**	22,000,000

The Board proposed a final dividend of HK2.0 cents per ordinary share for the year ended 31 March 2016 (2015: HK2.0 cents). This proposed final dividend is not reflected as a dividend payable as of 31 March 2016, but will be recorded as a distribution of retained profits for the year ending 31 March 2017.

16. EARNINGS PER SHARE

	2016	2015
	HK$	*HK$*
Profit for the year attributable to owners of the Company	**21,090,715**	22,675,357

	2016	2015
Number of ordinary shares for the purposes of basic earnings per share	**1,100,000,000**	1,100,000,000
Effect of dilutive potential ordinary shares: Share options of the Company	**4,797,386**	–
Number of ordinary shares for the purposes of diluted earnings per share	**1,104,797,386**	1,100,000,000

The calculation of basic earnings per share is based on the Group's profit attributable to the owners of the Company of HK$21,090,715 (2015: HK$22,675,357) and the number of ordinary shares of 1,100,000,000 (2015: 1,100,000,000) in issue during the year.

Diluted earnings per share is calculated by the adjusted number of shares which represented the number of ordinary shares deemed to have been issued, assuming the exercise of the share options.

The calculation of diluted earnings per share amount for the year ended 31 March 2016 is based on the profit for the year attributable to owners of the Company of HK$21,090,715 (2015: HK$22,675,357) and number of 1,104,797,386 (2015: 1,100,000,000) dilutive potential ordinary shares in issue during the year.

17. PLANT AND EQUIPMENT

	Leasehold improvement *HK$*	**Furniture and equipment** *HK$*	**Computer equipment** *HK$*	**Total** *HK$*
COST				
At 1 April 2014	1,116,600	608,006	4,152,283	5,876,889
Additions	1,410,813	547,122	144,010	2,101,945
Disposal	–	(10,324)	(113,806)	(124,130)
At 31 March 2015 and 1 April 2015	2,527,413	1,144,804	4,182,487	7,854,704
Additions	2,380	11,649	208,662	222,691
Write-off	(2,527,413)	(420,487)	(203,810)	(3,151,710)
At 31 March 2016	2,380	735,966	4,187,339	4,925,685
ACCUMULATED DEPRECIATION				
At 1 April 2014	1,116,600	467,810	3,813,284	5,397,694
Charge for the year	470,271	140,683	185,835	796,789
Eliminated upon disposal	–	(10,137)	(113,806)	(123,943)
At 31 March 2015 and 1 April 2015	1,586,871	598,356	3,885,313	6,070,540
Charge for the year	706,597	171,924	180,362	1,058,883
Eliminated upon write-off	(2,292,278)	(226,778)	(186,622)	(2,705,678)
At 31 March 2016	1,190	543,502	3,879,053	4,423,745
CARRYING VALUES				
At 31 March 2016	1,190	192,464	308,286	501,940
At 31 March 2015	940,542	546,448	297,174	1,784,164

During the year, the Directors considered that no impairment loss is required for the plant and equipment (2015: HK$nil).

18. INTANGIBLE ASSETS

	Income right *HK$*	Futures trading right *HK$*	Film right *HK$*	Total *HK$*
COST				
At 1 April 2014	–	348,900	3,807,000	4,155,900
Additions	23,931,450	–	–	23,931,450
At 31 March 2015, 1 April 2015 and 31 March 2016	23,931,450	348,900	3,807,000	28,087,350
ACCUMULATED AMORTISATION				
At 1 April 2014	–	348,900	543,857	892,757
Charge for the year	498,571	–	483,375	981,946
At 31 March 2015 and 1 April 2015	498,571	348,900	1,027,232	1,874,703
Charge for the year	1,196,574	–	419,850	1,616,424
At 31 March 2016	1,695,145	348,900	1,447,082	3,491,127
ACCUMULATED IMPAIRMENT LOSS				
At 1 April 2014	–	–	362,893	362,893
Impairment loss recognised in profit or loss	–	–	317,625	317,625
At1 31 March 2015 and 1 April 2015	–	–	680,518	680,518
Impairment loss recognised in profit or loss	–	–	1,146,600	1,146,600
At 31 March 2016	–	–	1,827,118	1,827,118
CARRYING VALUES				
At 31 March 2016	22,236,305	–	532,800	22,769,105
At 31 March 2015	23,432,879	–	2,099,250	25,532,129

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

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

18. INTANGIBLE ASSETS (continued)

The Group's intangible asset in 2016 include three (2015: three) items, which are futures trading rights, film right and income right.

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

The values of the film right, is approximately HK$532,800 (2015: approximately HK$2,099,250) at 31 March 2016 has been arrived at on the basis of a valuation carried out at that date by Peak Vision Appraisals Limited, independent qualified professional valuer not connected to the Group who has appropriate qualifications and recent experience in the valuation of film right. The value of the film right has been determined based on a value in use calculation which uses cash flow projections based on post-tax financial budgets approved by the management covering a five-year period and discount rate of 18.55% per annum (2015: 15.39% per annum) based on market data of HSBC prime rate and six video and film entertainment listed companies in Hong Kong. Key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales, gross margin and discount rate, and such estimation is based on past experience and management's expectations of the market development.

The estimated recoverable amount of film right was below its carrying amount, accordingly the Group recognised an impairment loss of HK$1,146,600 (2015: HK$317,625) and charged to profit or loss during the year ended 31 March 2016.

On 7 November 2014, the Purchaser, a wholly owned subsidiary of the Company, entered into the Agreement with the Vendor pursuant to which the Purchaser has agreed to acquire the income rights of the Photovoltaic Power Plant for 20 years at the consideration of RMB19,000,000 in cash. The value of the income right of approximately RMB21,787,000 (2015: approximately RMB24,819,000) at 31 March 2016 has been arrived at on the basis of a valuation carried out at that day by Ascent Partners Valuation Service Limited, independent professional valuer not connected to the Group who has appropriate qualifications and recent experience in the valuation of similar income right. The value of income right is determined by discounting a projected cash flow series by using discount rate ranging from 6.4% to 7.1% (2015: 4.5% to 5.5%). The discount rate used is based on the China government bond zero coupon rate plus a risk premium. The effective China government bonds zero coupon rate is expected to be fluctuated across 20 years and therefore no fixed discount rate is applied. The valuation takes into account of the guarantee for the RMB2,000,000 annual fixed income of the following 18.5 years (2015: 19.5 years) from the guarantor and assumed that there will be no material change in the existing political, legal, technological, fiscal or economic conditions which might adversely affect the economy in general and the business of photovoltaic power plant. Any tax expense generated in PRC from the income would be borned by the vendor.

The estimated recoverable amount of income right was above its carrying amount, accordingly no impairment loss (2015: HK$nil) is required.

19. OTHER ASSETS

	2016 HK$	2015 HK$
Admission fee paid to Hong Kong Securities Clearing Company Limited	**50,000**	50,000
Stamp duty deposit with the Stock Exchange	**75,000**	30,000
Contributions in cash to a guarantee fund with Hong Kong Securities Clearing Company Limited	**50,000**	50,000
Compensation fund with the Stock Exchange	**50,000**	50,000
Fidelity fund with the Stock Exchange	**50,000**	50,000
Deposit with HKFE Clearing Corporation Limited in contribution to the reserve fund	**1,500,986**	1,500,797
	1,775,986	1,730,797

20. TRADE RECEIVABLES

	2016 HK$	2015 HK$
Trade receivables from the business of dealing in securities:		
– Cash clients	**573,501**	256,700
– Margin clients	**98,186,750**	83,383,243
– Clearing houses and brokers	**2,571,013**	4,374,444
Trade receivables from the business of dealing in futures contracts:		
– Clearing houses	**131,003**	6
Trade receivables from securities advisory service	**–**	1,000,000
Income receivables from the income right	**198,922**	207,581
	101,661,189	89,221,974

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

Listed securities of clients are held as collateral against secured margin loans. The aggregate fair value of the listed securities at 31 March 2016 held as collateral was HK$188,890,050 (2015: HK$226,910,420).

20. TRADE RECEIVABLES (continued)

The aging analysis of the trade receivables are as follows:

	2016 **HK$**	2015 HK$
Margin clients balances:		
No due date	**98,100,189**	83,296,682
Past due but not impaired	**86,561**	86,561
	98,186,750	83,383,243
Cash clients balances:		
No due date	**573,501**	119,612
Past due but not impaired	**–**	–
	573,501	119,612
Other balances:		
Not yet due (within 30 days)	**2,900,938**	4,719,113
Past due but not impaired	**–**	1,000,006
	2,900,938	5,719,119
	101,661,189	89,221,974

Provision of impairment loss on trade receivables:

	2016 **HK$**	2015 HK$
Balance at beginning of the year	**2,799,690**	2,343,787
Impairment loss for the year	**–**	455,903
Balance at the end of the year	**2,799,690**	2,799,690

The aging analysis of trade receivables that are past due but not impaired:

	2016 **HK$**	2015 HK$
Margin clients balances:		
Past due but not impaired	**86,561**	86,561
Other balances:		
Less than 1 month past due	**–**	1,000,006
	86,561	1,086,567

20. TRADE RECEIVABLES (continued)

To minimise the Group's exposure to credit risk, the management is responsible for the evaluation of the customers' credit ratings, financial background and repayment abilities. Management had set up the credit limit for each individual customer which is subjected to regular review. Any extension of credit beyond the approval limit has to be approved by relevant level of management on an individual basis according to the exceeded amount. The Group has a policy for reviewing impairment of trade receivables without sufficient collateral and those with default or delinquency in interest or principal payment. The assessment is based on an evaluation of the collectability and aging analysis of the accounts and on management's judgement including the current creditworthiness, collateral value and the past collection history of each customer.

In determining the recoverability of the trade receivables, the Group considers any change in the credit quality of the trade receivables from the date when credit was initially granted up to the reporting date. The credit risk is limited due to the customer base being large and unrelated. The Directors believe that HK$2,799,690 (2015: HK$2,799,690) allowance for impairment was necessary as at 31 March 2016.

21. LOANS RECEIVABLES

	2016	2015
	HK$	*HK$*
Loan advanced and interest receivables	**87,563,198**	55,725,529
Analysed as:		
Current	**87,522,834**	55,725,529
Non-current	**40,364**	–
	87,563,198	55,725,529

As at 31 March 2016, secured loans with the aggregate principal amount of HK$52,496,738 (2015: HK$48,553,941) were secured by listed marketable securities in Hong Kong and overseas, unlisted corporate bonds in Hong Kong and second legal charges in respect of properties located in Hong Kong. The remaining balance of the loans advanced amounting to HK$29,877,736 (2015: HK$944,829) were unsecured and were provided to independent third parties of the Group.

The fair values of the Group's loans receivables at the end of the reporting period are determined based on the present value of the estimated future cash flows discounted using the prevailing market rates at the end of each reporting period. The fair values of the Group's loans receivables approximate to the corresponding carrying amounts of the loans receivables. The effective interest rates of the Group's loans receivables are 13%–34% per annum. (2015: 15%–40% per annum).

Listed marketable securities of clients are held as collateral against secured loans receivables. The fair value of the listed securities at 31 March 2016 held as collateral was HK$89,320,536 (2015: HK$65,410,413).

21. LOANS RECEIVABLES (continued)

As at 31 March 2016, included in the loans receivables were balance of HK$5,188,922 (2015: HK$7,451,381) which has been past due but not impaired. Partial repayment was made by the borrowers subsequent to the end of the reporting period.

Provision of impairment loss on loans receivables:

	2016 ***HK$***	2015 *HK$*
Balance at beginning of the year	**–**	–
Impairment loss for the year	**6,423,647**	–
Balance at the end of the year	**6,423,647**	–

The loans receivables have been reviewed by the management to assess impairment which are based on the evaluation of collectability, aging analysis of accounts and on their judgment, including the current creditworthiness and the past collection statistics. Taking into account the creditworthiness of the borrowers, the Directors believed that HK$6,423,647 (2015: HK$nil) allowance for impairment was necessary as at 31 March 2016.

22. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2016 ***HK$***	2015 *HK$*
Non-current asset:		
Rental and utility deposits	**648,945**	–
Current assets:		
Other receivables	**218,418**	5,348,989
Rental and other deposits	**1,434,646**	874,745
Prepayments	**25,995**	68,667
	1,679,059	6,292,401

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2016	2015
	HK$	*HK$*
Listed securities		
– Equity securities in Hong Kong, at fair value	**11,769,290**	19,077,800
– Equity securities in overseas, at fair value	**998,123**	273,907
	12,767,413	19,351,707

24. HELD-TO-MATURITY INVESTMENTS

The corporate bonds recognised in the consolidated statement of financial position are calculated as follows:

	Unlisted bond (“Bond I”)	**Unlisted bond (“Bond II”)**	**Total**
	HK$	*HK$*	*HK$*
Balance at the beginning of the year	–	–	–
Principal value of the Bond on initial recognition	5,000,000	5,000,000	10,000,000
Interest income	1,000,000	1,000,000	2,000,000
Interest received	(1,000,000)	(1,000,000)	(2,000,000)
Balance at the end of the year	5,000,000	5,000,000	10,000,000

The Group entered into a subscription agreement with Creative Energy Solutions Holdings Limited (stock code: 8109.HK), an independent investee. The Group has bought Bond I and II in the principal amount of HK$5,000,000 each at par value, bearing an interest rate of 24% per annum and for a period of 1 year from the date of issue with no security pledged. The effective interest rate of the Bond I and II are both 26.82% per annum.

On initial recognition, the Directors consider that the principal amount of Bond I and II approximate their fair values.

25. BANK BALANCES AND CASH/PLEDGED BANK DEPOSIT

	2016 HK$	2015 HK$
Bank balances and cash		
– trust accounts	**49,163,334**	56,797,018
– general accounts	**1,229,275**	32,191,898
Pledged bank deposit	**10,000,000**	10,000,000
	60,392,609	98,988,916

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

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

Pledged bank deposit represents deposit pledged to bank to secure banking facilities granted to the Group. Deposit amounting to HK$10,000,000 (2015: HK$10,000,000) has been pledged to secure bank overdraft and bank loans and is therefore classified as current assets.

26. TRADE PAYABLES

	2016 HK$	2015 HK$
Trade payables from the business of dealing in securities:		
– Cash clients	**31,216,946**	34,476,643
– Margin clients	**16,381,345**	27,290,961
Trade payables from the business of dealing in futures contracts:		
– Margin clients	**2,430,122**	1,065,745
	50,028,413	62,833,349

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

Included in trade payables to cash clients and margin clients attributable to dealing in securities and futures contracts transaction is an amount of HK$49,163,334 (2015: HK$56,797,018) representing these clients' undrawn monies/excess deposits placed with the Group. The balances are repayable on demand.

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

27. OTHER PAYABLES AND ACCRUALS

	2016 **HK$**	2015 HK$
Accrued charges	**1,503,193**	820,073
Stamp duty, trading levies and trading fee payables	**560,025**	903,515
Other payables	**102,172**	84,821
	2,165,390	1,808,409

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

28. BANK BORROWINGS

	Notes	**2016** **HK$**	2015 HK$
Bank overdraft	*(a)*	**730,411**	–
Bank loans			
– Secured	*(b)*	**5,000,000**	–
– Unsecured	*(c)*	**9,500,000**	–
		15,230,411	–

(a) Bank overdraft carries interest at rate of 0.75% per annum below the bank's HKD Prime Rate, with secured bank facilities of HK$5,000,000 (2015:HK$5,000,000).

(b) Secured bank loan of HK$5,000,000 (2015: HK$nil) carries interest at rate of HIBOR plus 2.5% per annum, was drawn under the banking facilities of HK$15,000,000 (2015: HK$15,000,000). Pledged bank deposit of HK$5,000,000 (2015: HK$5,000,000) represents deposits pledged to banks to secure bank facilities granted to the Group.

(c) Unsecured bank loan of HK$9,500,000 (2015: HK$nil) carries interest at rate of HIBOR plus 2.75% per annum, was drawn under the aggregated banking facilities of HK$9,500,000 (2015: HK$10,000,000).

The Company provided a corporate guarantee to support these banking facilities to its subsidiaries.

The banking facilities are subject to the fulfilment of covenants. If the Group was to breach the covenants, the drawn down facility would become payable on demand.

The effective interest rate on the bank loan is also equal to the contracted interest rate.

29. DEFERRED TAX LIABILITIES/(ASSETS)

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

	Deferred tax liabilities	**Deferred tax assets**
	Depreciation allowances in excess of the related depreciation *HK$*	Unrealised loss on financial assets at FVTPL *HK$*
At 1 April 2014	(9,986)	–
Credit for the year *(Note 14)*	(22,285)	–
At 31 March 2015 and 1 April 2015	(32,271)	–
Underprovision of deferred tax	–	985,516
Charge/(credit) for the year *(Note 14)*	80,307	(1,646,573)
At 31 March 2016	48,036	(661,057)

30. SHARE CAPITAL

	Number of ordinary shares HK$0.01 each	*HK$*
Authorised:		
A 1 April 2014, 31 March 2015, 1 April 2015 and 31 March 2016	5,000,000,000	50,000,000
Issued and fully paid:		
A 1 April 2014, 31 March 2015, 1 April 2015 and 31 March 2016	1,100,000,000	11,000,000

31. COMPANY INFORMATION OF FINANCIAL POSITION

(a) Financial information of the financial position of the Company

	2016 HK$	2015 HK$
Non-current assets		
Investment in a subsidiary	8	8
Intangible asset	532,800	2,099,250
Rental and utility deposit	648,945	–
	1,181,753	2,099,258
Current assets		
Other receivables	50,000	4,253,314
Amounts due from subsidiaries	193,110,033	166,926,675
Bank balances and cash – general accounts	200,466	20,603,412
	193,360,499	191,783,401
Current liabilities		
Other payable	322,629	–
Amount due to a subsidiary	1,946	2,296
Tax payable	123,752	–
	448,327	2,296
Net current assets	192,912,172	191,781,105
Total assets less current liabilities	194,093,925	193,880,363
Capital and reserves		
Share capital	11,000,000	11,000,000
Reserves	183,093,925	182,880,363
Total equity	194,093,925	193,880,363

The statement of financial position was approved and authorised for issue by the Board of Directors on 22 June 2016 and are signed on its behalf by:

Alexis Ventouras
Director

Kwok Kin Chung
Director

31. COMPANY INFORMATION OF FINANCIAL POSITION (continued)

(b) Reserve movement of the Company

	Share capital *HK$*	Share premium *HK$*	Merger reserve *HK$*	Share options reserve *HK$*	Retained profits *HK$*	Total *HK$*
At 1 April 2014	11,000,000	141,963,232	32,500,000	–	1,280,264	186,743,496
Profit and total comprehensive income for the year	–	–	–	–	20,861,867	20,861,867
Recognition of equity-settled share-based payments	–	–	–	8,275,000	–	8,275,000
Dividend	–	–	–	–	(22,000,000)	(22,000,000)
At 31 March 2015 and 1 April 2015	11,000,000	141,963,232	32,500,000	8,275,000	142,131	193,880,363
Profit and total comprehensive income for the year	–	–	–	–	22,213,562	22,213,562
Dividend	–	–	–	–	(22,000,000)	(22,000,000)
At 31 March 2016	11,000,000	141,963,232	32,500,000	8,275,000	355,693	194,093,925

The Company's reserves available for distribution to its shareholders comprise of share premium, merger reserve, share options reserve and retained profits which in aggregate amounted to HK$183,093,925 as at 31 March 2016 (2015: HK$182,880,363). Under the Companies Law (Revised) of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum and Articles of Association and provided that immediately following the payment of distributions or dividends, the Company is able to pay its debts as they fall due in the ordinary course of business. In accordance with the Company's Articles of Association, dividends shall be payable out of retained earnings or other reserves, including the share premium account, of the Company.

32. SHARE OPTION SCHEME

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

(a) Pre-IPO Share Option Scheme

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

There are no share options granted, cancelled or lapsed, exercise and outstanding under the Pre-IPO Share Option Scheme as at 31 March 2016 (2015: Nil).

32. SHARE OPTION SCHEME (continued)

(b) Share Option Scheme

The Company adopted the Share Option Scheme (the "Share Option Scheme") on 22 February 2011, which was approved by the shareholders' written resolutions, is valid and effective for a period of 10 years, the remaining life of the Share Option Scheme is 5 years. It is established to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners and service providers of the Group and to promote the success of the business of the Group. Pursuant to the Share Option Scheme, the Board may, at its discretion and on such terms as it may think fit, offer to grant an option to any employee (full-time or part-time), director, consultant or adviser of the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group. An offer for the grant of share options must be accepted within 7 days inclusive of the day on which such offer was 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.

As at 31 March 2016, the total number of shares in respect of which share options may be granted under the Share Option Scheme is not permitted to exceed 110,000,000 shares, representing 10% of the total number of shares of the Company as at 31 March 2016.

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

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

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

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

32. SHARE OPTION SCHEME (continued)

(b) Share Option Scheme (continued)

The total number of shares in respect of which share options granted under the Share Option Scheme as at 31 March 2016 and not yet exercised was 50,000,000 which represented approximately 4.55% of the issued share capital of the Company as at 31 March 2016.

The following table discloses details of the Company's options under the Share Option Scheme held by Directors and employees/consultants and the movements during the year ended 31 March 2016:

					Changes during the period			
Grantees	**Date of grant** *(note 1)* *(dd/mm/yyyy)*	**Exercise price per share** *HK$*	**Exercisable period** *(note 2)* *(dd/mm/yyyy)*	**Balance as at 1 April 2015**	**Lapsed/ expired Granted**	**Exercised**	**Cancelled/ lapsed**	**Balance as at 31 March 2016**
Kwok Kin Chung Executive Director	09/04/2014	0.455	09/04/2014 – 08/04/2023	10,000,000	–	–	–	10,000,000
Yu Linda, Executive Director	09/04/2014	0.455	09/04/2014 – 08/04/2023	10,000,000	–	–	–	10,000,000
Lau Kin Hon, Executive Director	09/04/2014	0.455	09/04/2014 – 08/04/2023	10,000,000	–	–	–	10,000,000
			Sub-total	30,000,000	–	–	–	30,000,000
Employees and Other Participants	09/04/2014	0.455	09/04/2014 – 08/04/2023	20,000,000	–	–	–	20,000,000
			Total	50,000,000	–	–	–	50,000,000
Weighted average exercise price				0.455	–	–	–	0.455

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

1. an expected volatility was 55.019%;

2. an expected dividend yield was 5.860%;

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

4. the risk free rate was 2.106%.

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

33. RETIREMENT BENEFIT PLANS

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

34. BANKING FACILITIES

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

	2016	2015
	HK$	*HK$*
Overdraft facilities	**10,000,000**	10,000,000
Revolving loan facilities	**24,500,000**	25,000,000
	34,500,000	35,000,000
Facilities utilised	**15,230,411**	–

Bank fixed deposits amounting to HK$10,000,000 (2015: HK$10,000,000) have been pledged and corporate guarantee from the Company to secure the banking facilities granted to the Group. As at 31 March 2016, the Group has available banking facilities of HK$19,269,589 (2015: HK$35,000,000) which were not utilised.

35. OPERATING LEASES COMMITMENTS

The Group as lessee

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

	2016	2015
	HK$	*HK$*
Within one year	**2,507,880**	1,440,000
In the second to fifth year inclusive	**4,493,285**	–
	7,001,165	1,440,000

Operating lease payments represent rental payable by the Group for its office premises. Operating leases are negotiated and payments are for 3 years (2015: 1 year).

36. CAPITAL COMMITMENTS

As at 31 March 2016, the Group had capital commitments in respect of its leasehold improvement, contracted but not provided in the consolidated financial statements, amounting to HK$194,800 (2015: HK$nil).

37. RELATED PARTY TRANSACTIONS

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

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

Name of related party	Relationship	2016 HK$	2015 HK$
Commission and brokerage income from securities trading:			
– Ms. Au and her associate	Substantial shareholder	**40,468**	20,229
– CAAL Capital Limited	Wholly-owned by Ms. Au	**540,000**	333,396
– China Merit International Holdings Limited	Wholly-owned by Ms. Au	**615,000**	1,044
– C.L. Management Services Limited	Wholly-owned by Ms. Au	**–**	1,761
– Au Yik Fei	Associate of Ms. Au	**10,143**	4,795
– Au Nim Bing	Associate of Ms. Au	**681**	–
– Au Yuk Kit	Associate of Ms. Au	**2,374**	686
– Yu Linda	Director	**–**	50
Interest expense on shareholder loan			
– Zillion Profit Limited	Ultimate holding company	**(21,919)**	–

37. RELATED PARTY TRANSACTIONS (continued)

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

Name of related party	Relationship	2016 HK$	2015 HK$
Trade receivables (payables)			
– Ms. Au	Substantial shareholder	**(5,312,916)**	(442,916)
– CAAL Capital Company Limited	Wholly-owned by Ms. Au	**(8,638,766)**	(13,144,153)
– China Merit International Holdings Limited	Wholly-owned by Ms. Au	**(8,481)**	(331,555)
– Au Yik Fei	Associate of Ms. Au	**62,349**	(4,777)
– Au Yuk Kit	Associate of Ms. Au	**(19,637)**	(329,436)
– Au Nim Bing	Associate of Ms. Au	**(43,701)**	(291,055)
– C.L. Management Services Limited	Wholly-owned by Ms. Au	**(719)**	350,719

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

The settlement terms with related parties arising from the business of dealing in securities are two days after trade date, and the settlement terms with related parties arising from the business of dealing in futures contracts are one day after trade date. The settlements terms are the same as those with third parties.

Included in trade payables are cash placed with the Group by the related parties in its trust account, which would be settled upon request or when the related party ceased to trade with the Group.

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

	2016 HK$	2015 HK$
Short-term benefits	**2,257,130**	2,273,125
Post-employment benefits	**54,000**	51,500
Equity-settled share-based payments	**–**	4,965,000
	2,311,130	7,289,625

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Name of company	Place of incorporation/ operation	Paid up capital/ Ordinary share capital	Attributable equity interest and voting power of the Group Directly 2016	Directly 2015	Indirectly 2016	Indirectly 2015	Principal activities
CL Group (BVI) Limited	British Virgin Islands	Ordinary share US$1	**100%**	100%	**–**	–	Investment holding
Cheong Lee Securities Limited	Hong Kong	Paid up capital HK$40,000,000	**–**	–	**100%**	100%	Provision of securities and futures brokerage and trading, placing and underwriting services, loan and financing service and securities advisory services
CL Asset Management Limited	Hong Kong	Paid up capital HK$500,000	**–**	–	**100%**	100%	Investment holding
Green Wealth Group Limited	British Virgin Islands	Ordinary share US$1	**–**	–	**100%**	100%	Investment holding
Blooming Business Holdings Limited	British Virgin Islands	Ordinary share US$1	**–**	–	**100%**	100%	Investment holding
CLC Finance Limited	Hong Kong	Paid up capital HK$1	**–**	–	**100%**	100%	Provision of money lending service
CLC Immigration Consulting Limited	Hong Kong	Paid up capital HK$1	**–**	–	**100%**	100%	Inactive
Capital Global (BVI) Limited	British Virgin Islands	Ordinary share US$100	**–**	–	**91%**	91%	Investment holding
Capital Global Wealth Management Limited	Hong Kong	Paid up capital HK$100,000	**–**	–	**91%**	91%	Provision of wealth management service
Million Genius Investment Limited	Hong Kong	Paid up capital HK$1	**–**	–	**100%**	100%	Inactive

39. COMPARATIVE FIGURES

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

For the year ended 31 March 2016

	2016 **HK$**	2015 *HK$*	2014 *HK$*	2013 *HK$*	2012 *HK$*
Results					
Turnover	**65,373,146**	50,573,547	45,739,589	48,546,509	50,946,613
Profit from operations	**27,124,519**	27,626,365	29,538,764	27,096,231	27,516,771
Finance costs	**(334,540)**	(29,632)	(206,772)	–	(13)
Profit before tax	**26,789,979**	27,596,733	29,331,992	27,096,231	27,516,758
Income tax expenses	**(5,650,735)**	(4,971,853)	(4,528,380)	(4,602,219)	(4,808,216)
Profit for the year	**21,139,244**	22,624,880	24,803,612	22,494,012	22,708,542
Profit (loss) for the year attributable to:					
Owners of the Company	**21,090,715**	22,675,357	24,784,305	22,491,674	22,749,213
Non-controlling interests	**48,529**	(50,477)	19,307	2,338	(40,671)
	21,139,244	22,624,880	24,803,612	22,494,012	22,708,542
Basic earnings per share *(HK cents)*	**1.92**	2.06	2.47	2.25	2.27
Assets and liabilities					
Total assets	**300,526,733**	298,659,888	274,210,611	221,194,952	206,393,082
Total liabilities	**68,963,911**	66,236,310	50,686,913	33,058,316	21,025,691
Shareholders' funds	**231,562,822**	232,423,578	223,523,698	188,136,636	185,367,391