TRILLION GRAND
CORPORATE COMPANY LIMITED

(Incorporation in the Cayman Islands with limited liability)
(Stock Code: 8103)

ANNUAL REPORT 2017

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

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

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange 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 Trillion Grand Corporate Company Limited (the "**Company**", together with its subsidiaries, the "**Group**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

Contents

BOARD OF DIRECTORS

Executive Directors

Dr. Chew Chee Wah *(Chairman)*
(resigned on 29 April 2016)
Mr. Tam Kwok Leung
(resigned on 4 November 2016)
Mr. Zhang Jinshu *(removed on 24 June 2016)*
Ms. Ju Lijun *(resigned on 21 June 2016)*
Mr. Lau Kelly *(Chief Executive Officer)*
Mr. Leung Chung Nam
Mr. Wong Kam Kwan
(appointed on 5 January 2017)

Non-executive Director

Ms. Jim Ka Man

Independent non-executive Directors

Dr. Wan Ho Yuen, Terence
Mr. Lai Chi Leung
(resigned on 29 April 2016)
Ms. Yeung Mo Sheung, Ann
Mr. Hau Chi Kit

COMPANY SECRETARY

Mr. Chung Man Wai, Stephen

COMPLIANCE OFFICER

Dr. Chew Chee Wah
(resigned on 29 April 2016)
Mr. Lau Kelly *(appointed on 29 April 2016)*

AUTHORISED REPRESENTATIVES

Mr. Leung Chung Nam
(appointed on 4 November 2016)
Mr. Chung Man Wai, Stephen

AUDIT COMMITTEE

Dr. Wan Ho Yuen, Terence *(Chairman)*
Mr. Lai Chi Leung *(resigned on 29 April 2016)*
Ms. Yeung Mo Sheung, Ann
Mr. Hau Chi Kit

REMUNERATION COMMITTEE

Dr. Wan Ho Yuen, Terence *(Chairman)*
Mr. Lai Chi Leung *(resigned on 29 April 2016)*
Ms. Yeung Mo Sheung, Ann
Mr. Hau Chi Kit

NOMINATION COMMITTEE

Dr. Wan Ho Yuen, Terence *(Chairman)*
Mr. Lai Chi Leung *(resigned on 29 April 2016)*
Ms. Yeung Mo Sheung, Ann
Mr. Hau Chi Kit

AUDITOR

Elite Partners CPA Limited

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit B, 29/F.,
CKK Commercial Centre,
289–295 Hennessy Road,
Wanchai, Hong Kong

PRINCIPAL BANKERS

Hang Seng Bank Limited
DBS Bank (Hong Kong) Limited

Corporate Information

PRINCIPAL SHARE REGISTRAR

SMP Partners (Cayman) Limited
Royal Bank House – 3rd Floor
24 Shedden Road
P.O. Box 1586
George Town
Grand Cayman KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Union Registrars Limited
Suites 3301–04, 33/F.
Two Chinachem Exchange Square
338 King's Road, North Point
Hong Kong

STOCK CODE

08103

WEBSITE

www.trilliongrand.com

FINANCIAL PERFORMANCE

During the year ended 31 March 2017, the Group recorded a turnover from continuing operations of approximately HK$183.7 million (2016: HK$103.0 million) representing an increase of approximately 78.3% as compared to that of the corresponding year in 2016. The overall increase in turnover was due to increase in the proceeds received from the disposal of listed securities. Other expenses from continuing operations increased to approximately HK$19.5 million as compared to approximately HK$17.9 million of the previous corresponding year, representing an increase of approximately 8.9%. The increase in other expenses was primarily due to increase in securities trading charges, legal and professional fee and rental expenses. Loss attributable to the owners from continuing operations was approximately HK$39.7 million for the year ended 31 March 2017 (2016: loss of approximately HK$19.7 million).

BUSINESS PERFORMANCE AND PROSPECT

System development and professional services

The Company was facing the fierce competition of thermal powered electricity supply market in the People's Republic of China ("**PRC**") during the year ended 31 March 2017 and management expects this phenomenon will continue in the foreseeable future. This was explained by the PRC government promoting the use of renewable and/or clean energy with direct subsidies and has implemented the benchmark for reduction of omission of carbon dioxide in various cities in the PRC. As a result, the number and amount of new contracts have decreased compared with the corresponding year in 2016. Professional services recorded an increase in revenue compared with the corresponding year in 2016 due to the Company has strategically broadened our services in business valuation, cyber security services and solutions.

Upon completion of the acquisition of Magnificent Power Limited and its subsidiary, CPWorks Limited ("**CPWorks**") (Collectively "**MPL Group**"), CPWorks provide services and solutions in cyber security, including ramp up model advisory, physical and cyber security assessments, build and design of secured IT architecture, implementation of security devices and IT business policy controls.

CPWorks specializes in enterprise cyber security solutions and risk management, providing a full range of security services and solutions to corporations in the Greater China and Asia Pacific region.

Our Professional Service Team also provide a series of highly skilled services including all level Penetration testing, complete coverage of Vulnerability management as well as DDoS protection.

Our MSS team can provide a full scale security Managed Security Services, from Firewall healthiness, critical patch management, Attack and Alert, incident management and change management, to endpoint management in order to cover the end-user machines.

CPWorks mainly provides four major information security services which are summarized as follows:

1. IT Security General Control Review and Security Risk Assessment

CPWorks adopts a proven, four-phase security methodology to conduct IT Security General Control Review and Security Risk Assessment services. This methodology has proved itself through many global case studies and offers a repeatable solution with predictable results time after time. Below is an illustration of the methodology:

a) Discovery — The objective of this phase is to 'footprint' the current security status of the scoped IT Systems components;

b) Analysis — The objectives of this phase are to determine the risk level of identified loophole, and to determine the possible attack scenarios;

c) Exploitation — Upon discovery of any loophole that could further be penetrated, exploitation will be carried out to determine the penetration depth of the loophole;

d) Remediation and Auditing — Upon completion of the security risk assessment and analysis, CPWorks will provide a complete report listing.

2. External and Internal Penetration Tests

Our Network Security Assessment is conducted through Internet targeting towards the customer's Internet facing external network (e.g. public domain or sub-domains) and from Internal network to all internal servers. The focus of this test is to simulate an attack from a skillful black-hat attacker, in order to dig out the vulnerabilities.

3. Risk-based cyber security protection safeguard and implementation

Our risk-based cyber security approach will evaluate best practices and technology solutions or services to address the top priority security risks of the client through:

a) Gathering and verifying requirement;

b) Design system Architecture;

c) Procure the best-fit technology solutions or services;

d) Implement, configure and strengthen the technology solutions or services;

e) To assist our client to reengineer IT and business processes based on best practices.

4. *24x7 Managed IT and Security Services Outsourcing*

CPWorks aim to assist our clients to maintain a healthy IT environment by monitoring, managing, operating IT assets such as:

a) General IT Assets: desktops, servers, network devices;

b) IT Security assets: firewall, IPS, malware protection;

c) Provide a dedicated client single point of contact (SPOC) for IT and cyber security related services, problem and incidents enquires;

d) Incident and problem response and management.

Proprietary trading business

In relation to the Group's proprietary trading business, the global market continued to fill with uncertainties for the year ended 31 March 2017. Donald Trump's victory from the U.S. Presidential Election and "Brexit" has led to market with shock. Together with the continuing depreciation pressure of renminbi, investors are more conservative to the economic outlook of the future. These factors have led to a negative impact to the Hong Kong stock market and negative change in fair value of its financial assets at fair value through profit or loss of the Group. Looking forward, the implementation of Shenzhen-Hong Kong Stock Connect and the possibility of inclusion of A-shares into MSCI's indices will both attract capital inflow into the market and a market re-valuation is likely happen. The turnover in proprietary trading business recorded approximately HK$147.5 million for the year ended 31 March 2017 (2016: HK$39.7 million). The securities investment portfolio amounted to approximately HK$84.4 million as at 31 March 2017 (2016: HK$3.5 million). The Group is actively seeking opportunities in securities investment which will create value and will be beneficial to the Group and Shareholders. The Group also maintains a risk management policy in which key risk factors such as government and politic risks, country risks, price risks, interest rate risks, currency risks and economic risks have been identified and will be closely monitored.

Money lending business

Though the loan and credit market became very active and intense competition existed during the past few years as a result of the rapid booming housing market in Hong Kong and the global low interest rate environment, the Board is confident that through its long established relationship, history, reputation, network and synergy, the Group is able to participate in the market share of the money lending business and it will become one of the driver of its future profits of the Group. In view of the above, the Board will invest more resources into the business once financing resources have been obtained. In addition to the consumable loan, the Company is planning to offer a variety of loan products to secured mortgage loans to individual, unsecured loan, small and medium sized enterprises loans, debts consolidation loan and corporate loans. Despite the above, the money lending business is suffering from political risk, regulatory risk, credit risk, economic risk and industry risk. The interest income in money lending business recorded approximately HK$1.1 million for the year ended 31 March 2017 (2016: HK$0.3 million). The loan portfolio amounted HK$10 million as at 31 March 2017 (2016: HK$Nil).

Property investment

Upon the acquisition of Cicero Capital Limited with its subsidiary ("**CCL Group**") completed on 12 October 2016, CCL Group is the legal and beneficial owner of a landed property situated at the 9th Floor, Global Trade Square, No. 21 Wong Chuk Hang Road, Hong Kong, together with 3 car parking spaces at Global Trade Square (together the "**Property**"). The area of the office floor is approximately 7,906 square feet. The recognised rental income amounted to approximately HK$300,000 since February 2017. The Company believes that there will be increasing demand for office space in the area where the Property is located which is driven by the establishment of the South Island Line (East). The Directors therefore believe that the Property will benefit from potential value appreciation and surging demand for high-grade office buildings in the area. In light of the above, the Board is of the view that the Property is a sound investment opportunity and become an important asset of the Company.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 March 2017, the (deficit)/equity attributable to owners of the Company amounted to approximately HK$10.6 million (2016: HK$14.3 million). Current assets amounted to approximately HK$158.2 million (2016: HK$116.4 million), of which approximately HK$6.1 million (2016: HK$27.0 million) were cash and cash equivalents. Current liabilities were approximately HK$311.9 million (2016: HK$100.3 million) mainly include trade and other payables, bank and other borrowings and amounts due to customers for contract work. Bank and other borrowings amounted to approximately HK$212.2 million as at 31 March 2017 (2016: HK$Nil).

During the year under review and until the date of this report, the Company has made the following issue for cash of equity securities:

(i) On 29 December 2015, the Company passed the special resolution by the shareholders approving the capital reorganisation at the extraordinary general meeting. Please refer to the Company's announcements and circular dated 20 November 2015, 27 November 2015, 29 December 2015, 25 April 2016 and 3 December 2015 respectively, for details of capital reorganisation. The Company completed the capital reorganisation on 25 April 2016.

(ii) On 28 July 2016, a total of 19,790,313 shares have been successfully placed by a placing agent to not less than six placees at the placing price of HK$0.57 per placing share pursuant to the terms and conditions of the placing agreement. The net proceeds from the placing, after deducting relevant expenses incurred in relation to the placing, amount to approximately HK$10.9 million.

Net proceeds raised	Proposed use of the net proceeds	Actual use of net proceeds up to 31 March 2017
Approximately HK$10.9 million	For general working capital of the Group	Approximately HK$10.9 million was used in general working capital including (i) approximately HK$7.6 million was used for proprietary trading business; and (ii) the remaining balance of approximately HK$3.3 million was used for payment of general and administrative expenses.

GEARING RATIO

The gearing ratio was calculated on the basis of total liabilities over shareholders' equity. Since the Company recorded a deficit attributable to owners of the Company in 31 March 2017, the gearing ratio was not applicable for the year (2016: 790%).

FOREIGN CURRENCY EXPOSURE

During the year ended 31 March 2017, the Group experienced only immaterial exchange rate fluctuations, as the Group's operations were mainly denominated in Hong Kong dollars and Renminbi. As the risk on exchange rate difference considered being minimal, the Group did not employ any financial instruments for hedging purposes.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES DURING THE PERIOD UNDER REVIEW

The Company and the vendor entered into the sale and purchase agreement on 8 August 2016 to acquire 100% of issued share capital of CCL Group at the consideration of HK$128 million. CCL Group is the legal and beneficial owner of a landed property situated at the 9th Floor, Global Trade Square, No. 21 Wong Chuk Hang Road, Hong Kong, together with 3 car parking spaces at Global Trade Square.

The consideration was paid in cash and was funded by the Loan facilities up to HK$150 million from Cordoba Homes Finance Limited. Please refer to the Company's announcement dated 8 August 2016 and 12 October 2016 and the Company's circular dated 19 September 2016 for details. The acquisition was completed on 12 October 2016. Upon completion, the results, assets and liabilities of the CCL Group has been consolidated into the financial statements of the Group.

A wholly owned subsidiary of the Company and the vendor has entered into the sale and purchase agreement on 23 November 2016 to acquire 51% of issued share capital of MPL Group at the consideration of HK$14.4 million. CPWorks Limited is engaged in provision of cyber security services and solutions. The consideration was settled by issuance of promissory note at the interest rate 6% per annum for 3 years from the issue date. The acquisition was completed on 23 November 2016. Upon the completion, the results, assets and liabilities of MPL Group has been consolidated into the financial statements of the Group.

Save as disclosed above, the Company has not completed any material acquisitions or disposal during the year.

Pursuant to the announcement of the Company dated 23 March 2016, the wholly owned subsidiary of the Company, the purchaser has entered into a Memorandum of Understanding (the "**MOU**") with a connected person of the Company, the vendor to acquire a target group principally engaged in the businesses of building and selling of luxury motor yachts, as well as the sales of yacht-related products and provision of yacht-related services in Zhuhai, the PRC and Hong Kong. The purchaser and the vendor have not entered into a Formal Agreement in respect of the Proposed Acquisition on or before the Exclusive Period and no further extension of the Exclusive Period has been agreed between the parties in writing and in this regard, the MOU has therefore been lapsed in accordance with its terms on 23 September 2016.

Pursuant to the announcement of the Company dated 17 October 2016, the wholly owned subsidiary of the Company as the purchaser and the vendor has entered into the sale and purchase agreement to acquire 50% of issued share capital of Billion Ray Investments Limited and its subsidiary (collectively the "**BRI Group**") at the consideration of HK$280 million ("**First Agreement**"). On 30 December 2016, the purchaser and the vendor has entered into a Termination Deed pursuant to which the parties mutually agreed to forthwith irrevocably, unconditionally and absolutely terminate the First Agreement. After termination of the First Agreement, the purchaser and the vendor entered into a Second Agreement to acquire 20% of issued capital of BRI Group at the consideration of HK$100 million. The consideration will be satisfied by issuance of the promissory note to the vendor by the Company upon Completion. The BRI Group is principally engaged in the operation of the project, a Build-Operate-Transfer Project of Shantou City Chaoren Port Cultural Park (汕頭市潮人碼頭文化公園特許經營項目). The BRI Group has been granted an exclusive right to build and operate the Project over 42.25 years. The acquisition was completed on 9 May 2017.

Pursuant to the announcement of the Company dated 29 May 2017, the wholly owned subsidiary of the Company as the purchaser and the vendor has entered in to the sale and purchase agreement to acquire 85% of issued share capital of Full Wealthy International Limited and its subsidiaries (collectively the "**FWI Group**") at the consideration of HK$46.07 million. The consideration will be satisfied by the issue and allotment of the 23,035,000 new shares at an issue price of HK$2 per new share by the Company upon completion. The FWI Group is principally engaged in the business of providing multi-media related services and content in the Greater China via different platforms like cable TV. The acquisition has not completed up to the date of this report.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES

Company	Year ended 31 March 2017 Realised and unrealised gain/ (loss) *HK$'000*	As at 31 March 2017 Market Value *HK$'000*	Approximate percentage of financial assets at fair value through profit or loss
Union Asia Enterprise Holdings Limited ("UA")	(8,279)		
Code Agriculture (Holdings) Limited ("CA")	3,598		
Others	(2,536)		
Net realised loss	(7,217)		
Goldin Financial Holdings Limited ("GF")	(1,604)	23,400	27.7%
Goldin Properties Holdings Limited ("GP")	5,184	31,244	37.0%
Inno-tech Holdings Limited ("IT")	(1,251)	9,072	10.8%
UA	(4,323)	—	—
CNC Holdings Limited ("CNC")	(7,930)	3,013	3.6%
CA	(5,002)	8,897	10.5%
Celebrate International Holdings Limited ("CI")	(42)	3,800	4.5%
Others	(243)	4,931	5.9%
Net unrealised loss	(15,211)	84,357	100.0%
	(22,428)	84,357	100.0%

UA is principally engaged in trading of stainless steel wires, cosmetic and skincare products, nephrite and bottled water.

CA is principally engaged in provision of digital television services in the PRC, money lending business in Hong Kong, provision of car beauty services in Hong Kong, and manufacture and sale of tobacco agricultural machinery in the PRC.

GF is principally engaged in the provision of factoring services, financial investments, winery and wine related business, property developments and investments and publication.

GP is principally engaged property development and investments, hotel management services, consultancy services on polo club operation and membership services, project management services.

IT is principally engaged in buses and bus stations advertising business in the PRC and event management and marketing services.

CNC is principally engaged in the provision of waterworks engineering services for the public sector in Hong Kong, television broadcasting business in the Asia-Pacific region (excluding the PRC) in return for advertisement and related revenue and large outdoor display screen advertisement in the PRC.

CI is principally engaged in trading of food and beverage, money lending, provision of health care services, securities investment and trading and property investment.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group will continue to look for opportunities to create shareholders' value through making investments into and/or acquiring interests in companies or projects that have promising outlooks and prospects. The Group is broadening its perspective beyond the IT sector and potentially also invest into and/or make acquisitions in other industries (including renewable energy and other "green" businesses, the financial industry, and more traditional non-IT businesses) so long as such investments/acquisitions can bring value and are beneficial to the Company and its shareholders as a whole. It goes without saying that the Company will also continue to focus on existing business to bring further value to shareholders.

SEGMENT INFORMATION

During the year under review, the Group was principally engaged in four operating segments. The Group presents its segmental information based on the nature of the products and services and has reportable segments as follows:

- systems development;
- professional services;
- proprietary trading;
- money lending; and
- property investment.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2017, the Group hired 24 employees including the executive Directors (2016: 24). Total staff costs from continuing operations including Directors' remuneration for the year under review amounted to approximately HK$5.9 million (2016: HK$4.8 million).

Employees' remunerations are determined in accordance with their experiences, competence, qualifications and nature of duties and the current market trend. Apart from the basic salary, discretionary bonus and other incentives may be offered to the employees of the Group to reward their performance and contributions. The emoluments of the Directors are determined by the remuneration committee of the Company having regard to the performance of the individuals and market trend. The Group provides mandatory provident fund scheme for the employees employed under the jurisdiction of the Hong Kong Employment Ordinance.

The Group has not made any changes to its remuneration policy during the year under review.

The Company adopted a share option scheme pursuant to which eligible persons may be granted options to subscribe for the shares of the Company.

CHARGES ON THE GROUP'S ASSETS AND CONTINGENT LIABILITIES

Details of charges on the Group's assets and contingent liabilities are set out in Note 35 and Note 45 to the consolidated financial statements respectively.

The biographical details in respect of the Directors and the senior management of the Company as at the date of this report are as follows:

EXECUTIVE DIRECTORS

Mr. Lau Kelly, aged 38, was appointed as an executive Director on 31 December 2015 and re-designated as chief executive officer of the Company on 1 August 2016. He has worked with the Hong Kong Police Force for twelve years receiving commendations from Secretary of Civil Service and Secretary of Home Affairs for highly rated performances during his tenure. Mr. Lau has worked with Easy Finance Limited as Principal Consultant from 1 May 2011 to 31 October 2015 responsible for all regulatory and legal compliances.

Mr. Leung Chung Nam, aged 29, was appointed as an executive Director on 1 March 2016. He obtained a Bachelor degree of Business Administration in Accountancy from the City University of Hong Kong in 2010. He is a CFA charterholder, member of the Association of Chartered Certified Accountants and an associate member of both The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators. He has extensive experience in business and financial management.

Mr. Wong Kam Kwan, aged 52, has extensive experience in business operation and management in the textile industry. He has been working in management level since 2006. He engaged in his own import and export trading and property agency businesses since 2013. He is currently a managing director of a property agent company.

NON-EXECUTIVE DIRECTORS

Ms. Jim Ka Man, aged 36, was appointed as a non-executive Director on 4 March 2016. She has extensive working experience in sales and marketing, business management and planning. She has been working in management level since 2006. She is currently a managing director of a food company.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Wan Ho Yuen, Terence, aged 49, was appointed as an independent non-executive Director on 31 December 2015. He is currently the director of an accounting firm based in Hong Kong and an independent non-executive Director of Union Asia Enterprise Holdings Limited (Formerly known as Pan Asia Mining Limited), a company listed on the GEM of the Stock Exchange (stock code: 8173) since November 2015. Dr. Wan was an independent non-executive Director of China Railsmedia Corporation Limited, a company listed on the Main Board of the Stock Exchange (stock code: 745) from 17 January 2014 to 8 April 2015. Dr. Wan obtained a bachelor of law degree from Tsing Hua University, the PRC in January 2004; and a doctorate degree of philosophy in business administration from Bulacan State University, Philippines in May 2006. Dr. Wan is a certified public accountant (Practicing) of Hong Kong Institute of Certified Public Accountants. Dr. Wan has over 10 years of experiences in taxation advisory, business management and accounting with several professional accounting firms and companies.

Ms. Yeung Mo Sheung, Ann, aged 52, was appointed as an independent non-executive Director on 1 March 2016. She is presently a solicitor of Messrs. Fung & Fung, Solicitors, a legal firm in Hong Kong. She is currently an independent non-executive director of E Lighting Group Holdings Limited (stock code: 8222) and Merdeka Financial Services Group Limited (stock code: 8163), all being companies whose shares are listed on the GEM of the Stock Exchange. She is also currently an independent non-executive director of Success Universe Group Limited (stock code: 487), whose shares are listed on the Main Board of the Stock Exchange. During the past three years, she was an independent non-executive director of Hao Wen Holdings Limited (stock code: 8019) from January 2011 to July 2014, whose shares are listed on the GEM of the Stock Exchange and Dejin Resources Group Company Limited (stock code: 1163) from September 2013 to August 2015, whose shares are listed on the Main Board of the Stock Exchange. She holds a Bachelor degree of Retail Marketing with honours from the Manchester Metropolitan University in the United Kingdom and a Diploma in Marketing from The Chartered Institute of Marketing. She pursued her further study on legal course and has been awarded a Diploma in Legal Practice from the Manchester Metropolitan University in the United Kingdom in 1998. She has over 16 years of experience in legal field in private practise working with various law firms in Hong Kong.

Mr. Hau Chi Kit, aged 45, was appointed as an independent non-executive Director on 4 March 2016. He is currently an independent non-executive director of China Zenith Chemical Group Limited (stock code: 362) and eForce Holdings Limited (stock code: 943), all being companies whose shares are listed on the Main Board of the Stock Exchange. He is also an independent non-executive director of Code Agriculture (Holdings) Limited whose shares are listed on the GEM of the Stock Exchange. He was a barrister-at-law in private practice in Hong Kong from 2001 to 2008. Prior to becoming a barrister, Mr. Hau worked at the Securities and Futures Commission. During the past three years, he was an independent non-executive director of CNC Holdings Limited (stock code: 8356) from May 2011 to May 2015 and Celebrate International Holdings Limited (stock code: 8212) from May to November 2015, all being companies whose shares are listed on the GEM of the Stock Exchange. Mr. Hau is a solicitor.

SENIOR MANAGEMENT

Mr. Lau Kelly, aged 38, is the compliance officer of the Company. Mr. Lau, an executive Director of the board of Directors, was appointed as the Company's compliance officer on 29 April 2016. Please refer to the sub-section headed "Executive Directors" above for Mr. Lau's biographical details.

Mr. Chung Man Wai, Stephen, aged 38, was appointed as a company secretary of the Company on 3 December 2015. He was the chief financial officer and company secretary of UKF (Holdings) Limited (stock code: 1468) before joining the Company. Mr. Chung holds a Bachelor's degree of Science in Applied Accountancy from Oxford Brookes University in United Kingdom. He is a member of Hong Kong Institute of Certified Public Accountants and has extensive experience in the professional field of accounting and audit.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance in the interest of its shareholders. It has continued and will continue to identify and adopt the best corporate governance practices appropriate to the Company.

The Company has adopted the code provisions of the Corporate Governance Code (the "**Code**") contained in Appendix 15 of the GEM Listing Rules as its own code on corporate governance practices. Save as disclosed below, in the opinion of the Directors, the Company has complied with the code provisions as set out in the Code and there have been no material deviations from the Code during the year.

Code provision A.6.7-(i) One non-executive Director and three independent non-executive Directors were unable to attend the extraordinary general meetings of the Company held on 4 July 2016 and 5 October 2016 and (ii) one non-executive Director and three independent non-executive Directors were unable to attend the annual general meeting of the Company held on 30 August 2016 as they had other engagements.

Under code provision A.2.1 of the CG code, the role of chairman (the "**Chairman**") and chief executive officer (the "**CEO**") of the Company should be separated and should not be performed by the same individual to ensure their respective independence, accountability and responsibility. To ensure a balance of power and authority, the Company has a clear and defined division of the responsibilities between the Chairman and the CEO in accordance with the Code. The Chairman is responsible for the Group's strategic planning and the management of the operations of the Board, while the CEO takes the lead in the Group's operations and business development.

Subsequent to the resignation of former Chairman Dr. Chew Chee Wah on 29 April 2016, the post has been vacant as at 31 March 2017. The Board will keep reviewing the current structure of the Board from time to time and the Company will make appointment with suitable knowledge, skill and experience to fill the post of the Chairman as appropriate.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' securities transactions in securities of the Company.

Having made specific enquiry, all Directors have confirmed that they have complied with the required standard of dealings and there is no event of non-compliance throughout the year ended 31 March 2017.

Corporate Governance Report

BOARD OF DIRECTORS

The Board is responsible for the formulation of strategies and policies, including an oversight of the management. The management of the Company is responsible for the day-to-day operations of the Company under the leadership of the chief executive officer.

The Board also assumes the corporate governance duties of the Company, which include:

(i) developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board;

(ii) reviewing and monitoring the training and continuous professional development of Directors and senior management;

(iii) reviewing and monitoring the Company's policies and practices in compliance with the legal and regulatory requirements;

(iv) developing, reviewing and monitoring the code of conduct and compliance manual applicable to employees and Directors; and

(v) reviewing the Company's compliance with the Code and disclosure in the corporate governance report enclosed in the annual report of the Company.

Throughout the year under review, the Board has assumed the above corporate governance duties by discussing and considering the above matters.

As at 31 March 2017, the Board comprised of seven Directors, including (i) three executive Directors, namely Mr. Lau Kelly, Mr. Leung Chung Nam and Mr. Wong Kam Kwan; (ii) one non-executive Director, namely Ms. Jim Ka Man; and (iii) three independent non-executive Directors, namely Dr. Wan Ho Yuen, Terence, Ms. Yeung Mo Sheung, Ann and Mr. Hau Chi Kit. All of the independent non- executive Directors have appropriate professional qualifications, or accounting or related financial management expertise.

In determining the independence of independent non-executive Directors, the Board has followed the requirements set out in the GEM Listing Rules. The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules. Based on such confirmation, the Company is of the view that all the independent non-executive Directors have met the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and considers that they are independent.

Pursuant to the articles of association of the Company, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not more than one-third, shall retire from office by rotation provided that every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

The Board meets regularly, and at least four times a year of approximately quarterly internals. Between scheduled meetings, senior management of the Company from time to time meets with Directors to discuss the businesses of the Company. In addition, Directors have full access to information on the Group and independent professional advice whenever deemed necessary by the Directors.

During the financial year ended 31 March 2017, the Board held thirteen board meetings and three general meetings and the attendance records of these meetings are set out below:

	Attendance	
	Board meeting	**General meeting**
Executive Directors		
Dr. Chew Chee Wah *(resigned on 29 April 2016)*	N/A	N/A
Mr. Tam Kwok Leung *(resigned on 4 November 2016)*	5/5	3/3
Mr. Zhang Jinshu *(removed on 24 June 2016)*	0/3	N/A
Ms. Ju Lijun *(resigned on 21 June 2016)*	0/2	N/A
Mr. Lau Kelly	13/13	3/3
Mr. Leung Chung Nam	13/13	3/3
Mr. Wong Kam Kwan *(appointed on 5 January 2017)*	4/4	N/A
Non-executive Directors		
Ms. Jim Ka Man	11/13	1/3
Independent non-executive Directors		
Dr. Wan Ho Yuen, Terence	5/13	0/3
Mr. Lai Chi Leung *(resigned on 29 April 2016)*	N/A	N/A
Ms. Yeung Mo Sheung, Ann	5/13	0/3
Mr. Hau Chi Kit	10/13	0/3

Each of the non-executive Director were appointed for a term of one year from the date of his/her appointment or re-appointment as a Director.

There is no relationship (including financial, business, family or material/relevant relationship(s)) among members of the Board.

DIRECTORS' CONTINUOUS TRAINING AND PROFESSIONAL DEVELOPMENT

Pursuant to the code provision A.6.5 of the Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills so as to ensure their contribution to the Board remains informed and relevant. The Company should be responsible for arranging and funding suitable training, placing an appropriate emphasis on the roles, functions and duties of the Director.

During the year under review, all Directors have been provided with and read the materials prepared by the Company relating to their roles, functions and duties as directors of a listed issuer.

The Directors also provided their training record to the Company in respect of their participation in other training activities such as attending trainings and/or seminars, or reading newspapers, journals and updates relevant to the Group's businesses or to their duties and responsibilities as directors of a listed company, particulars of which are as follows:

Name	Trainings
Executive Directors	
Dr. Chew Chee Wah *(resigned on 29 April 2016)*	✓
Mr. Tam Kwok Leung *(resigned on 4 November 2016)*	✓
Mr. Zhang Jinshu *(removed on 24 June 2016)*	✓
Ms. Ju Lijun *(resigned on 21 June 2016)*	✓
Mr. Lau Kelly	✓
Mr. Leung Chung Nam	✓
Mr. Wong Kam Kwan *(appointed on 5 January 2017)*	✓
Non-executive Directors	
Ms. Jim Ka Man	✓
Independent non-executive Directors	
Dr. Wan Ho Yuen, Terence	✓
Mr. Lai Chi Leung *(resigned on 29 April 2016)*	✓
Ms. Yeung Mo Sheung, Ann	✓
Mr. Hau Chi Kit	✓

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare the Company's consolidated financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Company and of the results and cash flows of the Group for that year. In preparing the consolidated financial statements for the year ended 31 March 2017, the Board has selected suitable accounting policies and applied them consistently; made judgements and estimates that are prudent, fair and reasonable and prepared the accounts on a going concern basis.

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

The Directors, having made appropriate enquiries, consider that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for ensuring an effective system of risk management and internal control be maintained and for reviewing its effectiveness to safeguard the Company's assets and the Shareholders' interests.

The Audit Committee have been established under the Board, which is responsible for monitoring and reviewing the risk management procedures and internal control system of the Group.

The purpose of the Company's risk management process is to identify and manage risks in such a way that the Company is able to meet its strategic and financial targets. The Group formulated risk management procedures by taking into account adequately the eight elements of this risk management framework: Internal Environmental, Objective Setting, Event Identification, Risk Assessment, Risk Respond, Control Activities, Information and Communication and Monitoring.

The Group aims to develop risk awareness and control responsibility as our culture and the foundation of our internal control system. The internal control system applies to the Group's critical business processes including strategy development, business planning, investment decisions, capital allocation and day-to-day operations.

At beginning of each year, the Group conducts a risk assessment on the existing or potential risks that may impact the achievement of business objectives over the course of business operation. The assessment includes potential likelihood and impact of the identified risks. For the risks identified, the management determines the action plans and management targets in the expected time of completion according to the risk assessment result. The management is also responsible for managing their respective day-to-day operating risks, implementing measures to mitigate such risks.

The internal control system is designed and implemented to reduce the risks associated with the business accepted by the Group and minimise the adverse impact resulted from the risks. The risk management and internal control system are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

For the year ended 31 March 2017, the Group has engaged an external advisory firm to undertake the internal audit function to ensure the effectiveness and efficiency of the risk management and internal control system of the Group. There is no significant deficiency and weakness on the internal control system has been identified by the external advisory firm for the year ended 31 March 2017.

The Board considered that, for the year ended 31 March 2017, the risk management and internal control system and procedures of the Group, covering all material controls were reasonably effective and adequate.

REMUNERATION COMMITTEE

The remuneration committee of the Company (the "**Remuneration Committee**") was established in 2005 with written terms of reference. As at 31 March 2017, the chairman of the Remuneration Committee was Dr. Wan Ho Yuen, Terence, an independent non-executive Director, and the other members were Mr. Hau Chi Kit and Ms. Yeung Mo Sheung, Ann. All members were independent non-executive Directors.

Pursuant to the terms of reference of the Remuneration Committee, the Remuneration Committee is mainly responsible for:

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

(ii) having the delegated responsibility to determine the specific remuneration packages of all executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and making recommendations to the Board of the remuneration of non-executive Directors, and the Remuneration Committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the group and desirability of performance-based remuneration;

(iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;

(iv) reviewing and approving the compensation payable to executive Directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company;

(v) reviewing and approving compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate;

(vi) ensuring that no Director or any of his associates is involved in deciding his own remuneration; and

(vii) advising shareholders on how to vote with respect to any service contracts of Directors that require shareholders' approval under Rule 17.90 of the GEM Listing Rules.

During the financial year ended 31 March 2017, the Remuneration Committee held three meetings, and the attendance records of these meetings are set out below:

	Attendance
Dr. Wan Ho Yuen, Terence *(Chairman)*	2/3
Mr. Lai Chi Leung *(resigned on 29 April 2016)*	N/A
Ms. Yeung Mo Sheung, Ann	1/3
Mr. Hau Chi Kit	3/3

During the year under review, the Remuneration Committee has considered and reviewed the existing terms of appointment of the Directors. The Remuneration Committee considers that the existing terms of appointment of the Directors are fair and reasonable.

NOMINATION COMMITTEE

The nomination committee of the Company (the "**Nomination Committee**") was established in 2012 with written terms of reference. As at 31 March 2017, the Chairman of the Nomination Committee was Dr. Wan Ho Yuen, Terence, an independent non-executive Director, and the other members were Mr. Hau Chi Kit and Ms. Yeung Mo Sheung, Ann. All members were independent non-executive Directors.

Pursuant to the terms of reference of the Nomination Committee, the Nomination Committee is mainly responsible for:

(i) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and make recommendations to the board regarding any proposed changes;

(ii) identifying individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;

(iii) assessing the independence of independent non-executive Directors; and

(iv) making recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for directors in particular the chairman and the chief executive officer.

During the financial year ended 31 March 2017, the Nomination Committee held two meetings, and the attendance records of these meetings are set out below:

	Attendance
Dr. Wan Ho Yuen, Terence *(Chairman)*	1/2
Mr. Lai Chi Leung *(resigned on 29 April 2016)*	N/A
Ms. Yeung Mo Sheung, Ann	1/2
Mr. Hau Chi Kit	2/2

The Company adopted a board diversity policy which sets out the approach to achieve diversity on the Board and the factors (including but not limited to age, gender, cultural and educational background, professional experience, skill and knowledge) to be considered in determining the optimum composition of the Board so as to contribute to the achievement of the Company's corporate goals and strategic objectives. The Nomination Committee will review the board diversity policy when appropriate to ensure its effectiveness and will discuss any revisions that may be required to be considered and approved by the Board.

The Nomination Committee is of the view that the current diversity of the Board is appropriate.

During the year under review, the Nomination Committee has considered and reviewed the policy for the nomination of Directors, the process and criteria to select and recommend candidates for directorship. The Nomination Committee considers that the existing policy for nomination, selection and recommendation for directorship are suitable.

AUDIT COMMITTEE

In full compliance with Rule 5.28 of the GEM Listing Rules, the audit committee of the Company (the "**Audit Committee**") was established in 2000 with written terms of reference. As at 31 March 2017, the chairman of the Audit Committee was Dr. Wan Ho Yuen, Terence, an independent non-executive Director, and the other members were Mr. Hau Chi Kit and Ms. Yeung Mo Sheung, Ann. All members were independent non-executive Directors.

Pursuant to the terms of reference of the Audit Committee, the Audit Committee is mainly responsible for:

(i) considering the appointment of the external auditor, the performance of the external auditors, the audit fee and any questions of resignation or dismissal of the external auditor;

(ii) reviewing with the Group's management, external auditors and internal auditors, the adequacy of the Group's policies and procedures regarding internal controls (including financial, operational and compliance controls) and any statement by the Directors on such system to be included in the annual accounts prior to endorsement by the Board;

(iii) having familiarity, through the individual efforts of its members, with the financial reporting principles and practices applied by the Group in preparing its financial statements;

(iv) prior to its commencement, reviewing the scope of the external audit, including the engagement letter, and the review should include an understanding, from the external auditors of the factors considered by them in determining their audit scope, and negotiating the external auditors' fees with management;

(v) reviewing the extent of non-audit services provided by the external auditors in relation to their independence;

(vi) reviewing the quarterly, interim and annual report prior to approval by the Board, with particular focus on:

  (a) any changes in accounting policies and practices;

  (b) major judgmental areas;

  (c) significant adjustments resulting from the audit;

  (d) compliance with accounting standards;

  (e) compliance with the listing requirements of the Stock Exchange and legal requirements;

  (f) the fairness and reasonableness of any connected transaction and the impact of such transaction on the profitability of the Group;

  (g) whether all relevant items have been adequately disclosed in the Group's financial statements and whether the disclosures give a fair view of the Group's financial conditions;

  (h) the cash flow position of the Group; and

  (i) providing advice and comments thereon to the Board.

(vii) reviewing the draft representation letter prior to approval by the Board;

(viii) reviewing and considering the budget, revised budget prepared by the Board;

(ix) evaluating the cooperation received by the external auditors, including their access to all requested records, data and information; obtaining the comments of management regarding the responsiveness of the external auditors to the Group's needs; inquiring the external auditors as to whether there have been any disagreements with management which if not satisfactorily resolved would result in the issue of a qualified report on the Group's financial statements;

(x) discussing with the external auditors any relevant recommendations arising from the audit; and reviewing the draft management letter including management's response to the points raised;

(xi) when the auditors supply a substantial volume of non-audit services to the Group, keeping the nature and extent of such services under review, seeking to balance the maintenance of objectivity and value for money;

(xii) discussing with management the risk management and internal control systems and ensure that management has discharged its duty to have effective systems including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;

(xiii) appraising the Board of significant developments in the course of performing the above duties;

(xiv) recommending to the Board any appropriate extensions to, or changes, in the duties of the Audit Committee;

(xv) considering major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;

(xvi) (where an internal audit function exists) reviewing the internal audit program, ensure co-ordination between the internal and external auditors, and ensure that the internal audit function is adequately resourced and has appropriate standing within the Group; and

(xvii) considering other topics, as defined or assigned by the Board from time to time.

During the financial year ended 31 March 2017, the Audit Committee held four meetings, and the attendance records of these meetings are set out below:

	Attendance
Dr. Wan Ho Yuen, Terence *(Chairman)*	3/4
Ms. Yeung Mo Sheung, Ann	3/4
Mr. Hau Chi Kit	4/4

The audited consolidated results for the year ended 31 March 2016 have been reviewed by the Audit Committee on 24 June 2016. The results for the period ended 30 June 2016, 30 September 2016, 31 December 2016 have been reviewed by the Audit Committee on 10 August 2016, 14 November 2016 and 13 February 2017 respectively.

The audited consolidated results of the Group for the year ended 31 March 2017 have been reviewed by the Audit Committee as at the date of this report.

AUDITOR'S REMUNERATION

The audit works of the Group for the year ended 31 March 2017 and 2016 were performed by Elite Partners CPA Limited.

The total fee paid/payable in respect of the statutory audit and non-audit services provided by the external auditors is set out in the following table:

	2017 ***HK$'000***	2016 *HK$'000*
— Audit services	**700**	630
— Non-audit services	**569**	—
Total	**1,269**	630

COMPANY SECRETARY

Mr. Chung Man Wai Stephen ("**Mr. Chung**") is the company secretary of the Company.

According to the requirements of Rule 3.29 of the Listing Rules, Mr. Chung has taken not less than 15 hours of relevant professional training during the financial year ended 31 March 2017.

SHAREHOLDERS' RIGHTS

Pursuant to article 58 of the articles of association of the Company, any one or more shareholders of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

In the event that any shareholders of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company would like to call for an extraordinary general meeting, please make a written requisition to the principal office of the Company in Hong Kong from time to time, making attention to "The Board of Directors and the Company Secretary".

There are no provisions allowing shareholders to put forward proposals at the general meetings under the memorandum and articles of association. If shareholders wish to do so, they may request to convene an extraordinary general meeting as stipulated above and specify the proposals in such written requisition.

For any enquiries, shareholders are welcome to contact the Company by post to the principal office of the Company in Hong Kong, by phone at (852) 3108 0188 or by fax at (852) 3108 0187.

INVESTOR RELATIONS

All corporate communication materials published on the GEM website (http://www.hkgem.com) are posted on the Company's corporate website (http://www.trilliongrand.com) as soon as practicable after their release. The Company's constitutional documents are also available on both websites. During the year ended 31 March 2017, there have not been any significant changes to the Company's constitutional documents.

INTRODUCTION AND SCOPE OF ESG REPORT

This is the first Environmental, Social and Governance "ESG" report for the year ended 31 March 2017 prepared with accordance to Appendix 20 Environmental, Social and Governance Reporting Guide (the "**ESG Reporting Guide**") set out by The Stock Exchange of Hong Kong Limited on Growth Enterprise Market of the Stock Exchange of Hong Kong Limited ("**GEM Listing Rule**"). This ESG report intends to give insight into the approach adopted and actions taken by the Group regarding its operations and sustainability that have implication for the Group and the interest to stakeholders.

The ESG report of the Group has been presented into two subject areas, Environmental and Social and each subject area will have various aspects to disclose the relevant policies and the status of compliance with relevant laws and regulations as addressed by the ESG Guide.

The Group understands the importance of ESG report and is committed to making continuous improvements in corporate social responsibility into our business in order to better meet the changing needs of an advancing society. The first ESG report of the Group it will present general disclosure of required aspects in policies, initiatives and performance. The Group will continue to optimise and improve the disclosure requirements. The following will show the ESG issues that found material for the Group and the relation to the ESG Guide:

ESG Guide		Relevant ESG issues to the Group
A.	Environmental	
A.1	Emissions	Carbon dioxide emission and waste management
A.2	Use of resources	Energy and water consumption
A.3	Environmental and natural resources	Measures in reducing environmental impact
B.	Social	
B.1	Employment	Labour practices
B.2	Health and safety	Workplace health and safety
B.3	Development and training	Employee development and training
B.4	Labour standards	Child labour and forced labor
B.5	Supply chain management	Sub-contract to service provider
B.6	Product responsibility	Client's data and complaint handling
B.7	Anti-corruption	Anti-corruption and money laundering
B.8	Community investment	Community involvement

THE GROUP

The Group is currently organised into four operating divisions — systems development, professional services, proprietary trading, money lending and property investment which represent the Group's five operating segments.

A. Environmental

The Group always keeps itself up-to-date on developments in local legislation and standards for environmental protection. During the reporting period, the Group did not experience any cases of non-compliance relating to environmental laws and regulations in PRC and Hong Kong.

A.1 Emissions

Carbon dioxide emissions

The Group major source of emissions comes from the use of energy in office area. The Group does not generate significant air emissions or hazardous waste. Limited workplace effluents and waste are discharged into the municipal sewer systems for collective treatment. Workplace waste are handled by property management companies maintaining the offices. Continue assessment will be made to analyse methods for further emission reduction for the Group. The Group strictly complies with relevant environmental laws and regulations towards local laws and regulations on environment in PRC and Hong Kong such as Environmental Protection of the People's Republic of China Prevention 《中華人民共和國環境保護法》, Control of Atmospheric Pollution 《中華人民共和國大氣污染防治法》 and Urban Drainage and Sewage Treatment Ordinance 《城鎮排水與污水處理條例》.

Waste management

Waste generated from the Group's business activities mainly consists of office paper during reporting period as the system development has been sub-contracted to service provider. No substantial hazardous waste was produced by the Group during the Reporting period. The Group has launched a number of waste management programme, including:

- Recycling paper materials, printing cartridges and batteries.
- Encourage staffs to double-side print and reuse papers on one side in order to reduce paper consumption.

A.2 Use of resources

Energy and water consumption

The Group proactively seeks opportunities for increasing operating efficiency in order to reduce the use of resources through key initiatives set up during the reporting period to achieve higher energy efficiency:

- Blinds for windows to reduce the strength for lowering the temperature of air-conditioner.
- Switch off lights and air-conditioner in areas when not in use.
- Switched the Group's properties light bulbs to LED lights to save energy usage compared with fluorescent lights.

The Group's water consumption for the reporting period was not material, however, the Group actively promotes water efficient practices.

The Group will continue to closely monitors the utilisation of resources and conduct regular assessment to seek better ways for contributing to environmental protection.

A.3 Environmental and natural resources

This aspect is not applicable to the Company's operations, as the Company's environmental impact and use of natural resources is minimal.

B. Social

B.1 Employment

Labour practices

The Group expects that all employees and contractors treat one another with respect and dignity. In the Group's policy, it has covered issues relating to compensation and dismissal, recruitment and promotion, working hours, rest period, equal opportunity, diversity anti-discrimination and other benefits and welfare.

The Group complied with Labor Law of the People's Republic of China《中華人民共和國勞動法》, Labor Contract Law of People's Republic of China 《中華人民共和國勞動合同法》and other relevant laws and regulations.

The Group specifically prohibits discrimination on the basis of age, colour, disability, ethnicity, marital or family status, national origin, race, religion, sex, sexual orientation, or any other characteristic protected by law. These thoughts extended to all employment decisions, including but not limited to recruiting, training, promotion etc.

All employees are committed to maintaining a professional and harassment-free working environment — places where employees act with respect for one another and for those with whom we do business. Behaviors such as unwelcome conduct and sexual harassment are strictly prohibited

B.2 Health and Safety

Workplace health and safety

The Group is committed to providing a healthy and safe workplace for all its employees. In a safe and healthy working environment, fire facilities and safety equipment are regularly checked to ensure the safety of the employees and in prevention of fire accident. During the year ended 31 March 2017, the Group was not subject to any punishment by the government and was not involved in any lawsuit related to health and safety. To comply with Labour Law of the People's Republic of China《中華人民共和國勞動法》of occupational safety and health and other applicable regulations. The Group's also include guidelines of occupational health and safety to reduce the chances of accident and ensure the staffs understands the general risks that may occur at the workplace.

B.3 Development and Training

Employee development and training

The Group provides diversified on-the-job trainings based on the needs of respective positions and talents and interests of employees. The Group provides both internal and external trainings for employees, including orientation training for new employee, specialized trainings for different departments, management trainings etc. Moreover, the Group's guidelines is established to assess the performance of employee so as to identify and implement development programs for employees.

B.4 Labour Standards

Child labour and forced labor

The Group does not tolerate any form of forced child labour and forced labour. In the Group's recruitment guideline, candidate under legal working age is not allowed to work in the company. During the year ended 31 March 2017, the Group was not subject to any punishment by the government and was not involved in any lawsuit relating to child and forced labour.

B.5 Supply Chain Management

Sub-contract to service provider

The Group sub-contracted the system development section to service provider making this section not applicable to the Group. Although the service is out-sourced, the Group will continue to make assessment in service providers to ensure the quality meets the Group's standard.

B.6 Product Responsibility

Client's data and complaint handling

Once a compliant is received by telephone, email or letter, it must be reported to the management. Investigation is carried out to identify the reason of the compliant. Responsible department is required to formulate long term strategy and the result will be reviewed by quality assurance department. Data is our valuable asset. The Group has developed a policy of information management system to provide guidance to staff on control and usage of company data and to restrict access or use where necessary to protect the interests of the Group. Data is classified into different levels according to the confidentiality as public, internal, and restricted/confidential.

B.7 Anti-Corruption

Anti-corruption and money laundering

A system with good moral integrity and anti-corruption mechanism is the cornerstone for a sustainable and healthy development of the Group and therefore, the Group is committed to the compliance with Criminal law of the People's Republic of China《中華人民共和國刑法》and the Anti-Unfair Competition Law of the People's Republic of China《中華人民共和國反不正當競爭法》and other relevant laws and regulations. To maintain high standard in our business integrity there is no tolerance towards any corruption, fraud, money laundering, bribery and extortion. For the year ended 31 December 2016, no such events took place in the Group. The department will from time to time evaluate the policies. The Board has reviewed the effectiveness of implementation of such policies.

B.8 Community investment

Community involvement

For the continuous effort in giving back to the society, the Group would seek for opportunities to get involved in various community programs. The Group's approach towards community involvement is as follows:

- The Group would fulfill corporate social responsibility through the sustainable development strategy to expand its efforts in the areas of charity work.

- Assessment will be taken on how to give business activities to the interests of community.

- The Group is committed to the provision of career opportunities to the locals and promotes the development of the community's economy.

The Board is pleased to present its report together with the audited financial statements of the Group for the year ended 31 March 2017.

PRINCIPAL ACTIVITIES AND SEGMENT INFORMATION

The principal activity of the Company is investment holding and the activities of the subsidiaries are set out in Note 47 to the consolidated financial statements.

An analysis of the Group's performance for the year ended 31 March 2017 by segments are set out in Note 12 to the consolidated financial statements.

ANNUAL RESULTS

The annual results of the Group for the year ended 31 March 2017 are set out in the section headed "Consolidated statement of profit or loss or other of comprehensive income" of this report.

SHARE CAPITAL

Details of the movements in share capital of the Group during the year ended 31 March 2017 are set out in Note 37 to the consolidated financial statements.

RESERVES

Details of the movements in reserves of the Group during the year under review are set out in the section headed "Consolidated statement of changes in equity" of this report.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 March 2017.

DISTRIBUTABLE RESERVES

The Company did not have reserves available for distribution to the shareholders as at 31 March 2017. Under the Companies Law of the Cayman Islands, the share premium of the Company amounted to approximately HK$463.1 million at 31 March 2017 is distributable to the shareholders of the Company subject to the provisions of the Company's memorandum and articles of association and provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

BORROWINGS AND INTEREST CAPITALISED

Particulars of bank and other borrowings and bonds of the Group as at 31 March 2017 are set out in Notes 35 and 36 to the consolidated financial statements.

PLANT AND EQUIPMENT

Details of the movements in plant and equipment of the Group during the year ended 31 March 2017 are set out in Note 20 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2017, the aggregate percentage of purchases attributable to the Group's five largest suppliers accounted for approximately 91% of the total purchases of the Group and the largest supplier amounted to approximately 73%.

For the year ended 31 March 2017, the aggregate percentage of sales attributable to the Group's five largest customers accounted for approximately 38% of the total sales of the Group and the largest customer amounted to approximately 14%.

At no time during the year have the Directors, chief executive, substantial shareholders of the Company or any of its subsidiaries or their associates (which to the knowledge of the Directors own more than 5% of the Company's share capital) had any interest in these major customers and suppliers.

DIVIDENDS

The Board does not recommend the payment of any final dividend for the year ended 31 March 2017.

RETIREMENT BENEFITS SCHEME

Details of the Group's retirement benefits scheme for the year ended 31 March 2017 are set out in Note 18 to the consolidated financial statements.

RELATED PARTY TRANSACTIONS

Details of the Group's related party transactions are set out in Note 48 to the consolidated financial statements. Such related party transactions do not fall under the definition of connected transaction or continuing connected transaction under the GEM Listing Rules.

DIRECTORS

During the year ended 31 March 2017 and up to the date of this report, the Board comprises the following Directors:

Executive Directors

Dr. Chew Chee Wah *(resigned on 29 April 2016)*
Mr. Tam Kwok Leung *(resigned on 4 November 2016)*
Mr. Zhang Jinshu *(removed on 24 June 2016)*
Ms. Ju Lijun *(resigned on 21 June 2016)*
Mr. Lau Kelly
Mr. Leung Chung Nam
Mr. Wong Kam Kwan *(appointed 5 January 2017)*

Non-executive Director

Ms. Jim Ka Man

Independent non-executive Directors

Dr. Wan Ho Yuen, Terence
Mr. Lai Chi Leung *(resigned on 29 April 2016)*
Ms. Yeung Mo Sheung, Ann
Mr. Hau Chi Kit

The biographical details of the Directors as at the date of this report are set out in the section of "Directors and senior management profile" of this report.

DIRECTORS' SERVICE CONTRACTS

As at 31 March 2017, Mr. Lau Kelly, Mr. Leung Chung Nam and Mr. Wong Kam Kwan being the executive Directors of the Company; and Dr. Wan Ho Yuen, Terence, Ms. Yeung Mo Sheung, Ann and Mr. Hau Chi Kit, being the independent non-executive Directors of the Company, have entered into service contracts with the Company for an initial term of three years commencing from their dates of appointment, and their employments are subject to the rotation requirements under the articles of association of the Company.

None of the Directors has entered into any service contract with any member of the Group which in order to entitle the Company to terminate the service contract, expressly requires the Company to give a period of notice of more than 1 year or to pay compensation or make other payments equivalent to more than 1 year's remuneration, other than statutory compensation.

Saved as disclosed above, the non-executive Director was appointed for a term of one year from the date of his/her appointment or re-appointment as a Director.

INDEPENDENT NON-EXECUTIVE DIRECTORS CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive directors an annual confirmation of his or her independence in relation to their services for the year ended 31 March 2017 pursuant to Rule 5.09 of the GEM Listing Rules and the Company considers that each of the independent non-executive Directors is independent.

DIRECTORS' REMUNERATION

Details of the Directors' remuneration are set out in Note 19 to the consolidated financial statements.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 31 March 2017, none of the Directors and chief executive of the Company were interested in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong) ("**SFO**")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have under such provisions of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which are required, pursuant to the required standard of dealing by the Directors under the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS

So far as is known to the Directors, as at 31 March 2017, none of the person (other than a director or chief executive of the Company) who have interests or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who is, directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

LONG POSITIONS IN UNDERLYING SHARES OF THE COMPANY

As at 31 March 2017, no long positions of other persons or substantial shareholders in the underlying shares of equity derivatives of the Company and its associated corporations were recorded in the register.

SHORT POSITIONS IN SHARES OF THE COMPANY

As at 31 March 2017, no short positions of other persons or substantial shareholders in the shares of the Company and its associated corporations were recorded in the register.

SHORT POSITIONS IN UNDERLYING SHARES OF THE COMPANY

As at 31 March 2017, no short positions of other persons or substantial shareholders in the underlying shares of equity derivatives of the Company and its associated corporations were recorded in the register. Save as disclosed above, as at 31 March 2017, the Directors were not aware of any other person who has an interest or short position in the shares or underlying shares (including interest in options, if any) of the Company as recorded in the register required to be kept under section 336 of the SFO.

CONTRACTS OF SIGNIFICANCE

No contract of significance in relation to the Group's business to which any member of the Group was a party and in which a director of the Group had a material interest, whether directly or indirectly, subsisted at the end of the year ended 31 March 2017.

No contract of significance between the Company, or any of its subsidiaries, and a controlling shareholder or any of its subsidiaries subsisted during the year ended 31 March 2017.

No contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder or any of its subsidiaries subsisted during the year ended 31 March 2017.

DIRECTORS' COMPETING INTERESTS

As at 31 March 2017, none of the Directors, the substantial shareholders or their respective associates (as defined under the GEM Listing Rules) had any business or interest in a business which competes or may compete with the business of the Group.

SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed at an annual general meeting of the Company held on 12 November 2014, the Company approved and adopted a share option scheme (the "**Scheme**"). Summary of the Scheme are set out below:

(a) Purpose of the Scheme

The purpose of the Scheme is to provide participants with the opportunity to acquire proprietary interests in the Company and to encourage participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its Shareholders as a whole.

(b) Participants

The categories of the participant under the Scheme include any directors (including executive directors, non-executive directors and independent non-executive directors) and employees of the Group or any entity in which any member of the Group holds an equity interest (an "**Invested Entity**") and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers, shareholders, co-investors, lenders of or to, and persons who have business relationships with, any member of the Group or any Invested Entity (including the employees thereof) who the Board considers, in its sole discretion, have contributed or will contribute to the Group.

The scope of participants under the Scheme is with an aim to attract, retain and maintain on-going business relationship with the other participants whose contributions are or will be beneficial to the long term growth of the Group which would enhance the value of the Company and its shares on the basis of the Board's discretion with reference to their history, business relationship and contributions with/to the Group.

(c) Maximum number of shares

The maximum number of shares to be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company must not in aggregate exceed 30 per cent. in nominal amount of the issued share capital of the Company from time to time ("**Scheme Limit**").

(i) The maximum number of shares in respect of which options may be granted under the Scheme shall not (when aggregated with any shares subject to any other share option scheme(s) of the Company) exceed 10 per cent. in nominal amount of the issued share capital of the Company on the adoption date (the "**Scheme Mandate Limit**"). Option lapsed in accordance with the terms of the Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit.

(ii) The Scheme Mandate Limit referred to in paragraph (c) (i) may be renewed at any time subject to prior Shareholders' approval but in any event shall not exceed 10 per cent. of the issued share capital of the Company as at the date of approval of the renewal of the Scheme Mandate Limit. Option previously granted under the Scheme or any other share option schemes (including those outstanding, cancelled, lapsed in accordance with the terms or exercised options) will not be counted for the purpose of calculating the refreshed Scheme Mandate Limit.

(iii) The Company may grant options beyond the Scheme Mandate Limit to Participants if:

(a) the Company has first sent a circular to Shareholders containing a generic description of the specified participants in question, the number and terms of the options to be granted, the purpose of granting options to the specified participants with an explanation as to how the terms of the options serve such purpose; and

(b) separate Shareholder's approval has been obtained.

(d) Maximum entitlement of each participant

The maximum number of shares in respect of which options may be granted to a specifically identified single grantee under the Scheme shall not (when aggregated with any shares subject to any other share option scheme(s) of the Company) in any 12-month period exceed 1 per cent. of the shares in issue (the "Individual Limit"). The Company may grant options beyond the Individual Limit to a participant at any time if:

(i) the Company has first sent a circular to Shareholders containing the identity of the participant in question, the number and terms of the options to be granted (and options previously granted to such participant); and

(ii) separate Shareholder's approval has been obtained in general meeting with the proposed relevant grantee (as the case may be) and his associates abstaining from voting.

(e) Subscription price for shares

The subscription price shall be determined by the Board in its absolute discretion but in any event shall not be less than the greater of:

(i) the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange on date of grant;

(ii) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding date of grant; and

(iii) the nominal value of a share.

(f) Duration of the Scheme

Subject to the provisions of the Scheme, the Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date (the "**ten-year**" period), after which period no further options shall be offered or granted but the provisions of the Scheme shall remain in full force and effect in all other respects. Options granted during the life of the Scheme shall continue to be exercisable in accordance with their terms of grant after the end of the ten-year period.

(g) Exercise of options

An option may be exercised in whole or in part in accordance with the terms of the Scheme by the grantee (or his legal personal representative(s)) by giving notice in writing to the Company stating that the option is thereby exercised and the number of shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the subscription price multiplied by the number of shares in respect of which the notice is given. Within 28 days after receipt of the notice and, where appropriate, receipt of the Auditors' certificate or the certificate from the independent financial adviser to the Company, the Company shall accordingly allot and issue the relevant number of Shares to the grantee (or his legal personal representative(s)) credited as fully paid and issue to the grantee (or his legal personal representative(s)) share certificates in respect of the Shares so allotted.

LITIGATION

On 4 April 2014, the Company was served with a sealed copy of a petition (the "**Petition**") issued by Metal Winner Limited ("**MWL**") in Companies (Winding-up) Proceedings No. 83 of 2014 in the High Court of Hong Kong (the "**Winding-up Proceedings**") under which MWL (a) claimed that the Company was indebted to MWL in the sum of HK$5,700,000; and (b) petitioned that the Company be wound up by the Court. As at the date of this report, this Petition was dismissed by the High Court of Hong Kong. Separately, there are two other parties who claimed the Company was indebted to them. After investigation, the Company found that the alleged debts claimed by these two parties arose from certain dealings between a former director of the Company and these two parties. The nature and mechanism of these dealings were the same or very similar to that of MWL's. In the Winding-up Proceedings, the court has found that there was an illegal scheme perpetrated on the Company by the aforesaid former director and MWL was a party to that scheme. In gist, the illegal scheme was that the aforesaid former director obtained loans from the counterparty and the Company was falsely made as a borrower to answer the repayment obligation. The Company commenced legal proceedings in the High Court (the "**Injunction Proceedings**") against these two parties seeking an injunction to restrain them from presenting any petition for the winding-up of the Company or to apply to substitute MWL as petitioner in the Winding-up Proceedings (the "**Restrained Acts**"). The two parties gave an undertaking to the court not to do the Restrained Acts until the resolution of the Injunction Proceedings.

After the Winding-up Proceedings were dismissed by court, the Company also managed to resolve the Injunction Proceedings by way of a consent order after the two parties were willing to give further undertaking to the court not to present any petition for the winding-up of the Company pending determination of the Writ of Summons to be issued (if any) by them against the Company for recovery of the said alleged debts and/or the determination of any counterclaims or the Writ of Summons to be issued (if any) by the Company against them for declaratory relief that the said alleged debts are void or unenforceable.

On 19 February 2016, the Company has been served with a sealed copy of the Writ of Summons (the "**Writ**") issued by one of the two parties sued in the Injunction Proceedings (the "**Plaintiff**"). Under the statement of claim endorsed on the Writ, the Plaintiff claims against the Company for a total sum of HK$16,600,000 allegedly due on the dishonoured cheques issued by the Company and interest thereon.

In view of the Court's favourable findings in the Winding-up Proceedings and the striking similarity between the case of the Plaintiff and that of MWL in the Winding-up Proceedings, the Company believes that it has strong merits in defending the Plaintiff's claims and in counter-claiming such alleged debts are void and unenforceable. Therefore, the Company will vigorously contend the Plaintiff's claims and will seek legal advice to take all appropriate steps in the legal proceedings to safeguard the Company's interest.

The Company will keep the shareholders of the Company updated with the development of the aforesaid proceedings.

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

During the year ended 31 March 2017, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

FIVE YEAR SUMMARY

A summary of results and of the assets and liabilities of the Group for the last five financial years is set out in the section headed "Five year summary" of this report.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands.

AUDITOR

The consolidated financial statements for the year ended 31 March 2015, 31 March 2016 and 31 March 2017 were audited by Elite Partners.

Elite Partners will retire and a resolution for their reappointment as auditor of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Lau Kelly
Executive Director
Hong Kong
13 June 2017

TO THE MEMBERS OF
TRILLION GRAND CORPORATE COMPANY LIMITED
(FORMERLY KNOWN AS TAI SHING INTERNATIONAL (HOLDINGS) LIMITED)
(Incorporated in Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Trillion Grand Corporate Company Limited (formerly known as Tai Shing International (Holdings) Limited) (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 42 to 113, which comprise the consolidated statement of financial position as at 31 March 2017, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code") and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY IN RELATION TO GOING CONCERN

We draw attention in note 2 to the consolidated financial statements which describes that the Group had net current liabilities and net liabilities with the amount of approximately HK$153,733,000 and approximately HK$10,627,000 respectively. These conditions, along with other matters as set forth in note 2 to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of on this matter. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the year ended 31 March 2017. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How the matter was addressed in our audit
Acquisition of Business	
During the year ended 31 March 2017, the Group acquired the following subsidiaries: (a) 100% equity interests in Cicero Capital Limited and its subsidiary ("CCL Group") for a cash consideration of HK$128,000,000. CCL Group was principally engaged in property investment in Hong Kong. The acquisition of CCL Group was classified as acquisition of assets through acquisition of subsidiaries and was not within the scope of HKFRS 3 Business Combinations. (b) 51% equity interests in Magnificent Power Limited and its subsidiary ("MPL Group") for a consideration of HK$14,400,000 payable by an issuance of promissory note. MPL Group was principally engaged in the provision of services and solutions on cyber security to customers mainly in Hong Kong. The acquisition of MPL Group was classified as an acquisition of business under the scope of HKFRS 3 Business Combinations. We have identified the acquisition of subsidiaries as a key audit matter because significant judgements were required for determining (i) whether the acquisition of subsidiaries were within the scope of HKFRS 3 Business Combinations and (ii) measuring the fair value of assets involved in the business combination (e.g. intangible asset).	Our major audit procedures to address the acquisition of subsidiaries included the following: • We examined the sales and purchase agreements for the acquisitions and the underlying businesses of the acquired companies to determine whether the acquisitions were within the scope of HKFRS 3 Business Combinations; • We discussed with the management and the independent external valuers engaged by the Company and assessed the methodology and assumptions adopted in arriving at the forecast in valuing the intangible asset to ensure that the methodology and assumptions were reasonable; • We checked on a sample basis the accuracy and reliance of the input data used for valuing both the investment property and intangible asset; • We performed recalculation on the valuation models to ensure their mathematical accuracy; and • We assessed the competency and capabilities of the independent external valuer taking into account of their experience and qualification.

Key audit matter	How the matter was addressed in our audit
Valuation of investment property	
Management has estimated the fair value of the Group's investment property of approximately HK$145,000,000 as at 31 March 2017 with a fair value gain for the year ended 31 March 2017 recorded in the consolidated statement of profit or loss and other comprehensive income of approximately HK$17,099,000. The fair value of investment property was determined bases on the independent external valuer. Independent external valuations reports were obtained in order to support management's estimates. We have identified the valuation of investment property a key audit matter because the valuations are dependent on certain key assumptions that require significant management judgement including capitalisation rates and fair value of market rents.	Our major audit procedures in relation to management's valuation of investment property included the following: • We assessed the competency and capabilities of the independent external valuer taking into account of their experience and qualifications; • We assessed the methodologies used and the appropriateness of the key assumptions used by the valuer and management in arriving at the fair value of investment properties; and • We checked, on a sample basis, the accuracy and relevance of the input data used.
Impairment assessment of goodwill and intangible asset	
As at 31 March 2017, the Group had goodwill of approximately HK$9,810,000 and intangible asset of approximately HK$4,138,000 which were arising from the acquisition of MPL Group. No impairment recognised as at 31 March 2017. The Group had engaged an independent valuer to assist the management of the Company in determining the recoverable amount of each value-in-use calculations. We had identified the impairment assessment goodwill and intangible asset as a key audit matter because the amounts involved were significant and the significant management judgement was required to develop key assumptions.	Our major audit procedures in relation to the management's impairment assessment of goodwill and intangible asset included the following: • We assessed the management's identification based on the Group's accounting policies and our understanding of the Group; • We assessed the reasonableness of the methodology on the value-in-use calculations and the assumptions used for the preparation of the cash flow projections adopted by the management of the Company based on our knowledge of the business and industry; • We evaluated the competence, capabilities and objectivity of independent valuer and the method used for estimating the market value; and • We discussed with the valuer the appropriateness of the methodology and assumptions used in estimating the value in use and performed certain procedures to assess data and assumptions used by the management and the valuer in estimating the recoverable amount of each value-in-use.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charge with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Chan Wai Nam, William with Practising Certificate number P05957.

Elite Partners CPA Limited
Certified Public Accountants

10/F,
8 Observatory Road,
Tsim Sha Tsui,
Kowloon, Hong Kong

13 June 2017

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2017

	Notes	2017 HK$'000	2016 HK$'000 (Re-presented)
Turnover	10	**183,657**	103,016
Continuing operations			
Revenue	10	**36,116**	63,289
Other income and gains	11	**5,937**	34,684
Subcontractors costs		**(26,699)**	(61,288)
Other expenses		**(19,469)**	(17,883)
Impairment loss on trade and other receivables		**(8,266)**	(1,515)
Impairment loss on financial assets at fair value through profit or loss		**(4,582)**	—
Gain on change in fair value of investment property		**17,099**	—
Loss on disposal of available-for-sale investments		**—**	(664)
Loss on disposal of financial assets at fair value through profit or loss		**(7,217)**	(22,498)
Net loss on change in fair value of financial assets at fair value through profit or loss		**(15,211)**	(139)
Finance costs	13	**(9,696)**	(8,025)
Depreciation of plant and equipment		**(671)**	(871)
Amortisation of intangible asset		**(296)**	—
Staff costs, including Directors' emoluments	18 & 19	**(5,908)**	(4,835)
Share of profit of an associate		**—**	20
Loss before tax		**(38,863)**	(19,725)
Income tax expenses	14	**(457)**	(11)
Loss for the year from continuing operations	15a	**(39,320)**	(19,736)
Discontinued operation			
Loss for the year from discontinued operation	15b & 39	**—**	(66)
Loss for the year		**(39,320)**	(19,802)
Other comprehensive income			
Item that will not be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		**1,843**	2,206
Total comprehensive expenses for the year		**(37,477)**	(17,596)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2017

	Notes	2017 HK$'000	2016 HK$'000 (Re-presented)
Loss for the year attributable to owners of the Company			
— from continuing operations		**(39,686)**	(19,736)
— from discontinued operations		**—**	(66)
Loss for the year attributable to owners of the Company		**(39,686)**	(19,802)
Loss for the year attributable to non-controlling interest			
— from continuing operations		**366**	—
— from discontinued operations		**—**	—
Loss for the year attributable to non-controlling interest		**366**	—
		(39,320)	(19,802)
Total comprehensive income for the year attributable to:			
Owners of the Company		**(37,843)**	(17,596)
Non-controlling interest		**366**	—
		(37,477)	(17,596)
Loss per share	*17*		
From continuing and discontinued operations			
— Basic and diluted		**HK35 cents**	HK26 cents
From continuing operations			
— Basic and diluted		**HK35 cents**	HK26 cents

Consolidated Statement of Financial Position

At 31 March 2017

	Notes	2017 HK$'000	2016 HK$'000 (Re-presented)
Non-current Assets			
Plant and equipment	20	**3,500**	3,949
Investment property	21	**145,000**	—
Goodwill	22	**9,810**	—
Investment in an associate	23	**—**	—
Intangible asset	24	**4,138**	—
Available-for-sale investments	25	**6,600**	6,600
		169,048	10,549
Current Assets			
Trade and other receivables	26	**39,467**	35,527
Loan receivables	27	**10,000**	3,000
Disposal receivables	28	**—**	11,400
Deposit paid for acquisition of investment	29	**—**	15,796
Deposits and prepayments	30	**4,778**	12,865
Amounts due from customers for contract work	31	**7,972**	7,311
Financial assets at fair value through profit or loss	32	**84,357**	3,465
Pledged bank balance	33	**5,530**	—
Bank balances and cash	33	**6,074**	26,986
		158,178	116,350
Current Liabilities			
Amounts due to customers for contract work	31	**7,397**	8,619
Trade and other payables	34	**86,109**	86,058
Receipts in advance		**1,518**	1,269
Bank and other borrowings	35	**212,165**	—
Tax payable		**4,722**	4,397
		311,911	100,343
Net Current (Liabilities)/Assets		**(153,733)**	16,007
Total Assets less Current Liabilities		**15,315**	26,556

Consolidated Statement of Financial Position

At 31 March 2017

	Notes	2017 HK$'000	2016 HK$'000 (Re-presented)
Capital and Reserves			
Share capital	*37*	**119**	99,351
Share premium and reserves		**(12,943)**	(85,091)
(Deficit)/Equity attributable to owners of the Company		**(12,824)**	14,260
Non-controlling interest		**2,197**	—
Total (Deficit)/Equity		**(10,627)**	14,260
Non-current Liabilities			
Bonds	*36*	**13,705**	12,296
Promissory note	*38*	**11,554**	—
Deferred tax liabilities	*39*	**683**	—
		25,942	12,296
		15,315	26,556

The consolidated financial statements on pages 42 to 113 were approved and authorised for issue by the Board of Directors on 13 June 2017 and are signed on its behalf by:

Lau Kelly
Director

Leung Chung Nam
Director

Consolidated Statement of Changes in Equity

For the year ended 31 March 2017

	Attributable to owners of the Company										
	Share capital	Share premium	General reserve	Capital reserve	Share option reserve	Exchange translation reserve	Warrants reserve	Accumulated losses	Sub-total	Non-controlling interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2015	54,161	417,565	3,056	1,200	—	5,899	1,147	(530,046)	(47,018)	—	(47,018)
Loss for the year	—	—	—	—	—	—	—	(19,802)	(19,802)	—	(19,802)
Exchange difference arising on translation of foreign operations	—	—	—	—	—	2,206	—	—	2,206	—	2,206
Total comprehensive income/(expense) for the year	—	—	—	—	—	2,206	—	(19,802)	(17,596)	—	(17,596)
Recognition of equity-settled share based payment	—	—	—	—	7,321	—	—	—	7,321	—	7,321
Issue of shares upon											
— Exercise of warrants	2,869	9,180	—	—	—	—	(1,147)	—	10,902	—	10,902
— Placement of shares	24,405	7,583	—	—	—	—	—	—	31,988	—	31,988
— Conversion of zero coupon convertible bonds	5,714	13,343	—	—	—	—	—	—	19,057	—	19,057
— Exercise of share options	12,202	7,321	—	—	(7,321)	—	—	—	12,202	—	12,202
Share placement expenses	—	(1,562)	—	—	—	—	—	—	(1,562)	—	(1,562)
Share reorganisation expenses	—	(1,034)	—	—	—	—	—	—	(1,034)	—	(1,034)
Disposal of a subsidiary	—	—	—	—	—	(429)	—	429	—	—	—
At 31 March 2016	99,351	452,396	3,056	1,200	—	7,676	—	(549,419)	14,260	—	14,260
Loss for the year	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(39,686)**	**(39,686)**	**366**	**(39,320)**
Exchange difference arising on translation of foreign operations	**—**	**—**	**—**	**—**	**—**	**1,843**	**—**	**—**	**1,843**	**—**	**1,843**
Total comprehensive income/(expense) for the year	**—**	**—**	**—**	**—**	**—**	**1,843**	**—**	**(39,686)**	**(37,843)**	**366**	**(37,477)**
Issue of shares upon											
— Placement of shares	**20**	**11,306**	**—**	**—**	**—**	**—**	**—**	**—**	**11,326**	**—**	**11,326**
Share placement expenses	**—**	**(341)**	**—**	**—**	**—**	**—**	**—**	**—**	**(341)**	**—**	**(341)**
Share reduction	**(99,252)**	**—**	**—**	**—**	**—**	**—**	**—**	**99,252**	**—**	**—**	**—**
Share reduction expenses	**—**	**(226)**	**—**	**—**	**—**	**—**	**—**	**—**	**(226)**	**—**	**(226)**
Acquisition of subsidiaries	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**1,831**	**1,831**
At 31 March 2017	**119**	**463,135**	**3,056**	**1,200**	**—**	**9,519**	**—**	**(489,853)**	**(12,824)**	**2,197**	**(10,627)**

Note: According to the relevant rules and regulations of the PRC, the Company's subsidiaries established in the PRC should allocate part of their profit after taxation to the general reserve, which can be used for making good losses and to convert into paid-up capital.

Consolidated Statement of Cash Flows

For the year ended 31 March 2017

	2017 *HK$'000*	2016 *HK$'000* (Re-presented)
OPERATING ACTIVITIES		
Loss before tax		
Loss from continuing operations	**(38,863)**	(19,725)
Loss from discontinued operation	**—**	(66)
Adjustments for:		
Depreciation of plant and equipment	**671**	899
Amortisation of intangible asset	**296**	—
Loss on disposal of financial assets at fair value through profit or loss	**7,217**	22,498
Loss on redemption of convertible bonds	**—**	116
Loss/(gain) on change in fair value of		
— financial assets at fair value through profit or loss	**15,211**	139
— investment property	**(17,099)**	—
Finance costs	**9,696**	8,216
Loss on disposal of plant and equipment, net	**18**	—
Gain on disposal of subsidiaries	**—**	(698)
Loss on disposal of available-for-sales investments	**—**	664
Impairment loss recognised in respect of:		
— trade receivables	**8,130**	1,475
— other receivables	**136**	40
— financial assets at fair value through profit or loss	**4,582**	—
Interest income	**(18)**	(32)
Imputed interest income	**(203)**	(3,897)
Reversal of impairment loss in respect of:		
— trade receivables	**(140)**	(2,859)
— other receivables	**(5,270)**	(25,069)
Equity-settled share based payment	**—**	7,321
Share of profit of an associate	**—**	(20)
Net exchange gain	**—**	(246)
Operating cash flows before movements in working capital	**(15,636)**	(11,244)
Increase in trade and other receivables	**(4,169)**	18,832
Increase in loan receivables	**(6,989)**	—
Decrease/(increase) in deposits and prepayments	**8,247**	(97)
(Increase)/decrease in financial assets at fair value through profit or loss	**(107,902)**	7,900
(Increase)/decrease in amounts due from customers for contract work	**(1,338)**	1,468
(Decrease)/increase in amounts due to customers for contract work	**(661)**	3,825
Decrease in trade and other payables	**(117)**	(5,572)
Increase/(decrease) in receipts in advance	**249**	(4,206)
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	**(128,316)**	10,906
Income tax paid	**(184)**	—
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	**(128,500)**	10,906

Consolidated Statement of Cash Flows

For the year ended 31 March 2017

	2017 *HK$'000*	2016 *HK$'000* (Re-presented)
INVESTING ACTIVITIES		
Purchase of plant and equipment	**(468)**	—
Proceeds from disposal of subsidiaries in prior year	**11,400**	5,300
Proceeds from disposal of subsidiaries	**—**	18,138
Proceeds from disposal of assets held for sales	**—**	7,000
Proceeds from disposal available-for-sales investments	**—**	4,200
Acquisition of subsidiaries	**64**	(465)
Acquisition of assets through acquisition of subsidiaries	**(128,000)**	—
Acquisition of available-for-sale investments	**—**	(6,600)
Deposits refund from acquisition of subsidiaries	**15,999**	8,500
Interest received	**18**	32
Decrease in pledged bank deposits	**—**	1,457
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	**(100,987)**	37,562
FINANCING ACTIVITIES		
Proceeds from issue of shares	**11,326**	55,092
Expenses on issue of shares	**(567)**	(2,596)
Proceeds from issue of bonds	**—**	20,331
New bank and other borrowings raised	**239,027**	—
Repayment of bank borrowings	**(26,862)**	(17,798)
Repayment of convertible bonds	**—**	(10,000)
Repayment of bonds	**—**	(8,770)
Repayment of convertible note	**—**	(17,651)
Repayment of promissory note	**(400)**	(46,000)
Interest and finance costs paid	**(8,045)**	(695)
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	**214,479**	(28,087)
NET DECREASE/(INCREASE) IN CASH AND CASH EQUIVALENTS	**(15,008)**	20,381
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**26,986**	6,880
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**(374)**	(275)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**11,604**	26,986
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	**11,604**	26,986

1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office 3rd Floor, 24 Shedden Road, P.O. Box 1586, Grand Cayman, KY1-1110, Cayman Islands. The address of its principal place of business in Hong Kong is Unit B, 29/F., CKK Commercial Centre, 289–295 Hennessy Road, Wanchai, Hong Kong. The Company's shares are listed on Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the "GEM").

The functional currency of the Company is Renminbi ("RMB"). The consolidated financial statements are presented in Hong Kong dollar ("HK$") as the directors of the Company consider that HK$ is the appropriate presentation currency for the users of the Group's financial statements given that the shares of the Company are listed on the GEM.

The Company is principally engaged in investment holding and the principal activities of its principal subsidiaries are set out in Note 47.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

Statement of Compliance and Basis of Preparation

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

The consolidated financial statements have been prepared on the historical cost basis except for investment property and financial assets at fair value through profit or loss which were measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in the exchange for goods.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, 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.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Statement of Compliance and Basis of Preparation (Continued)

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

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

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

— Level 3 inputs are unobservable inputs for the asset or liability. The principal accounting policies are set out in Note 4 below.

In preparing these consolidated financial statements, the directors have considered the future liquidity of the Group. As at 31 March 2017, the Group had recorded net current liabilities and net liabilities of approximately HK$153,733,000 and HK$10,627,000 respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding the aforesaid conditions, the consolidated financial statements have been prepared on a going concern basis on the assumption that the Group will be able to operate as a going concern for the foreseeable future. In the opinion of the directors, the Group can meet its financial obligations as and when they fall due within the next year from the date of the consolidated financial statements, after taking into consideration of the following measures and arrangements made subsequent to the reporting date:

1. On 8 June 2017, the Company entered into a supplemental agreement with a third party, under which the repayment date of other borrowing of approximately HK$120,343,000 has been extended to 5 May 2018. The loan carries interest at 12% per annum and was secured by the floating charge over all the assets of Group;

2. On 9 June 2017, the Company obtained loan facility from an independent third party up to HK$30,000,000. The loans carry interest at 2% per month. The facility has not been utilised up to the date of approval of these consolidated financial statements.

3. On 13 June 2017, the Company obtained a loan facility from an independent third party up to HK$15,000,000. The loan carries interest at 12% per annum. The loan facility has been fully utilised up to the date of approval of these consolidated financial statements.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Statement of Compliance and Basis of Preparation (Continued)

In light of the measures and arrangements implemented to date, the directors are of the view that the Group has sufficient cash resources to satisfy its working capital and other financial obligations for the next twelve months from the date of the consolidated financial statements, after having taken into account of the Group's projected cash flows, current financial resources and capital expenditure requirements with respect to the development of its businesses. Accordingly, the directors are of the view that it is appropriate to prepare these consolidated financial statements on a going concern basis. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to restate the value of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these potential adjustments have not been reflected in these consolidated financial statements.

3. APPLICATION OF NEW AND REVISED HKFRSs

In the current year, the Group has adopted the following amended HKFRSs and HKASs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2016.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle
HKFRS 14	Regulatory Deferral Accounts
Amendments to HKAS 27 (2011)	Equity Method in Separate Financial Statements

Except as described below, the application of the above amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. APPLICATION OF NEW AND REVISED HKFRSs (Continued)

Amendments to HKAS 1 "Disclosure Initiative"

The Group has applied the amendments to HKAS 1 Disclosure Initiative for the first time in the current year. The amendments to HKAS 1 clarify that an entity does not need to provide a specific disclosure required by a HKFRSs if the information resulting from that disclosure is not material, and give guidance on the bases of aggregating and disaggregating information. However, the amendments reiterate that an entity should consider providing additional disclosures when compliance with the specific requirements in HKFRS is insufficient to enable users of consolidated financial statements to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance.

Furthermore, the amendments require that an entity's share of the other comprehensive income of associates accounted for using the equity method should be presented separately from those arising from the Group, and should be separated into the share of items that, in accordance with other HKFRSs: (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met. Other than such a change in presentation, the application of these amendments has not resulted in any impact on the financial performance or financial position of the Group.

New and revised HKFRSs that in issue but not yet effective

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

HKFRS 9	Financial Instruments[1]
HKFRS 15 and amendments to HKFRS 15	Revenue from Contracts with Customers[1]
HKFRS 16	Leases[2]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 7	Disclosure Initiative[4]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[4]
Amendments to HKAS 40	Transfers on Investment Property[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014–2016 Cycle[5]

1 Effective for annual periods beginning on or after 1 January 2018.
2 Effective for annual periods beginning on or after 1 January 2019.
3 Effective for annual periods beginning on or after a date to be determined.
4 Effective for annual periods beginning on or after 1 January 2017.
5 Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate.

The directors of the Company do not anticipate that the application of these will have a material effect on the Group's consolidated financial statements.

3. APPLICATION OF NEW AND REVISED HKFRSs (Continued)

HKFRS 9 Financial Instruments

HKFRS 9 has introduced new requirements for a) classification and measurement of financial assets, b) impairment of financial assets and c) general hedge accounting.

Specifically, with regard to the classification and measurement of financial assets, HKFRS 9 requires all recognised financial assets that are within the scope of HKFRS 9 to be subsequently measured at amortised cost or fair value. 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 each of the subsequent accounting periods. Debt investments 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 that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income (FVTOCI). All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. Further, 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 nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 applies) in other comprehensive income, with only dividend income generally recognised in profit or loss and that cumulative fair value changes will not be reclassified to profit or loss upon derecognition of the investment.

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 a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's 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 is presented in profit or loss.

With regard to impairment of financial assets, HKFRS 9 has adopted an expected credit loss model, as opposed to an incurred credit loss model required under HKAS 39. In general, the expected credit loss model requires an entity to assess the change in credit risk of the financial asset since initial recognition at each reporting date and to recognise the expected credit loss depending on the degree of the change in credit risk.

With regard to the general hedge accounting requirements, HKFRS 9 retains the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, 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 Group is still in the process of assessing the impact of HKFRS 9. The directors of the Company believe that it is impractical to disclose the impact in these consolidated financial statements until the Group has completed the assessment.

3. APPLICATION OF NEW AND REVISED HKFRSs (Continued)

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 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, HKFRS 15 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.

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent consideration, as well as licensing application guidance.

The directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures. As for the timing and amounts of revenue recognised in respective reporting period, the Group is still in the process of assessing the impact of HKFRS 15. The directors of the Company believe that it is impractical to disclose the impact in these consolidated financial statements until the Group has completed the assessment.

3. APPLICATION OF NEW AND REVISED HKFRSs (Continued)

HKFRS 16 Leases

HKFRS 16 will supersede the current lease guidance including HKAS 17 Leases and the related interpretations when it becomes effective.

With regard to lessee accounting, the distinction of operating leases and finance leases, as required by HKAS 17, has been replaced by a model which requires a right-of-use asset and a corresponding liability to be recognised for all leases by lessees except for short-term leases and leases of low value assets. Specifically, the right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any re-measurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments. Furthermore, the classification of cash flows will also be affected as operating lease payments under HKAS 17 are presented as operating cash flows; whereas, under the HKFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

With regard to lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, HKFRS 16 requires extensive disclosures in the financial statements.

The Group is in the process of assessing the impact of HKFRS 16. The directors of the Company believe that it is impractical to disclose the impact in these consolidated financial statements until the Group has completed the assessment.

Amendments to HKAS 7 Disclosure Initiative

The amendments require an entity to make disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in 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.

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

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs).

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Business combinations

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

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

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

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

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that standard.

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

(c) Acquisition of subsidiaries not constituting a business

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets and financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Goodwill

Goodwill arising on acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's relevant cash-generating units (or groups of cash-generating units), that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently, when there is indication that the unit may be impaired. When the recoverable amount of cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of profit or loss and other comprehensive income. An impairment loss for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described in paragraph (e) below.

(e) Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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

On acquisition of investment in an associate, any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of the associate is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Investments in associates (Continued)

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

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss.

Where a group entity transacts with an associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

(f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is reduced by sale related taxes.

a. Systems development service

Revenue arising from the provision of systems development is recognised on the percentage of completion method, provided that the revenue, the cost incurred and the estimated costs to completion can be measured reliably. The percentage of completion is established by reference to the costs incurred to date as compared to the estimated total costs for each contract. When the outcome of a systems development contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that is probable to be recoverable.

b. Professional service income

Professional service income represents fees for the provision of information technology engineering and technical support services and are recognised when the underlying professional services are rendered.

c. Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income 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 estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

d. Rental income

Rental income is recognised on a straight-line basis over the period of the lease terms.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Systems development contracts

Where the outcome of a systems development contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, as measured based on the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a systems development contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as amounts due to customers for contract work. Amounts received before the related work is performed are included in the consolidated statement of financial position, as a liability, as receipts in advance. Amounts billed for work performed but not yet paid by the customers are included in the consolidated statement of financial position under trade and other receivables.

(h) Foreign currencies

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

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

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Borrowing costs

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

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

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

(j) Retirement benefit costs

Payments to mandatory provident fund scheme and other state-managed retirement benefit schemes are charged as an expense when employees have rendered service entitling them to the contributions.

(k) Share-based payment arrangements

Share options granted by the Company to employees of the Group in an equity-settled share-based payment arrangement

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

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 corresponding increase in equity (share options reserve).

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Taxation

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

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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

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 rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

Current and deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Plant and equipment

Plant and equipment are stated in 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 of assets less their residual value over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with 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 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.

(n) Investment properties

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

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

Investment properties are derecognised upon disposal or when the investment properties are permanently withdrawn from use and no future economic benefits are expected from its disposal. The gain or loss on disposal of an investment property is the difference between the net sales proceeds and the carrying amount of the property, and is recognised in profit or loss.

(o) Intangible assets acquired in a business combination

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

Subsequent to initial recognition, Intangible assets acquired in a business combination with finite useful lives are reported at cost less accumulated amortisation and any accumulated impairment losses. 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 effective of any changes in estimate being accounted for on a prospective basis.

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Impairment losses on tangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where 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 to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised 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 estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

(q) Provisions and contingent liabilities

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 that 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 (where the effect is of the time value of money is material).

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Financial instruments

Financial assets and financial liabilities are recognised on the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

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

Financial assets

The Group's financial assets are classified into one of the three categories, including financial assets at fair value through profit or loss ("FVTPL"), loans and receivables and available-for-sale financial assets. 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 financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Financial assets at FVTPL

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

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- on initial recognition, it is a part of an identified portfolio of 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.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on financial asset and is included in the other income and gains, and other losses and expenses respectively in the consolidated statement of profit or loss and other comprehensive income. Fair value is determined in the manner described in Note 9.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Financial instruments (Continued)

Financial assets (Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including disposal receivables, trade and other receivables, pledged bank deposits and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment loss (see accounting policy on impairment loss on financial assets below).

Available-for-sale financial assets ("AFS financial assets")

AFS financial assets are non-derivatives that are either designated as available-for-sale or not classified as financial assets at FVTPL, loans and receivables or held-to-maturity investments.

AFS financial assets, which represent equity instruments that do not have a quoted market price in an active market and where fair value cannot be reliably measured, are measured at cost less any identified impairment losses at the end of the reporting period (see accounting policy on impairment loss on financial assets below).

Impairment loss on financial assets

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 financial assets have been affected.

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

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

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

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the 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, an impairment loss is recognised as the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Financial instruments (Continued)

Financial assets (Continued)

Impairment loss on financial assets (Continued)

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. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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. Impairment loss recognised will not be reversed in subsequent period.

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

Financial liabilities and equity instruments

Classification of debt or equity

Debts and equity instruments issued by a group entity are classified either as 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 the Group after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Other financial liabilities

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

Effective interest method

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset, 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 is recognised in profit or loss.

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

(s) 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 lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of relevant lease. Initial direct costs included in negotiating and arranging an operating lease are added to the carrying amount of the leased asset.

The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's accounting policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Related parties

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

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

(ii) has significant influence over the Group; or

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

(b) An entity is related to the Group if any of the following conditions apply:

(i) 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).

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

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

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

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

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

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

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

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:

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

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

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

(u) Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographic area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Discontinued operation (Continued)

When an operation is classified as discontinued, a single amount is presented in the income statement, which comprises the post-tax profit or loss of the discontinued operation and the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group constituting the discontinued operation.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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.

Going concern basis

Management makes an assessment of the Group's ability to continue as a going concern when preparing the consolidated financial statements. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the date of the financial statement. The degree of consideration depends on the facts in each case.

Management believes that the Group is able to continue as a going concern after taking into account the measures, financial supports and the future profitable operations. Accordingly, management has prepared the consolidated financial statements on a going concern basis. An adverse change in any of the above conditions would require the consolidated financial statements to be prepared on an alternative authoritative basis and such basis, together with the fact that the consolidated financial statements is not prepared on a going concern basis, would need to be disclosed. If the Group was unable to continue as a going concern, adjustments relating to the recoverability and classification of recorded asset amounts or classification of liabilities may need to be incorporated into the consolidated financial statements.

Revenue and profit recognition

Management of the Group estimates the percentage of completion of the systems development contracts by reference to the estimated total outcome of the systems development contracts as well as the work performed to date with reference to the work performed and costs incurred. The actual outcome in terms of total cost or revenue may be different from the estimates at the end of the reporting period, such differences will impact the revenue and the profit or loss recognised in the period in which such estimation is made. Budget cost or revenue of each contract will be reviewed periodically and revised accordingly where significant variances are noted during the revision.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Impairment loss recognised in respect of trade receivables and retention receivables

The Group performs ongoing credit evaluations of its customers and retention receivables and adjusts credit limits based on payment history and the customer's current credit-worthiness, as determined by the 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. In addition, the Group will make provision based on the aging analysis of the trade and retention receivables.

Depreciation of plant and equipment

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account of their estimated residual values. The determination of the useful lives and residual values involve management's estimation. The Group assesses annually the residual value and the useful life of the plant and equipment and if the expectation differs from the original estimate, such a difference may impact the depreciation in the year and the estimate will be changed in the future period.

Income taxes

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

Fair value measurement of investment property

Investment property is stated at fair value based on the valuation performed by the independent professional valuers. The valuers have determined the fair value based on a method of valuation which involves certain estimates. In relying on the valuation report prepared by the valuer, management has reviewed the valuation including the assumptions and estimates adopted.

6. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from that of the prior year.

The capital structure of the Group consists of debts and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital and will balance its overall capital structure through issues of new shares and debts, repayment of existing debts and payment of dividends.

7. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2017 HK$'000	2016 HK$'000
Financial assets		
Available-for-sale investments, at cost less impairment	**6,600**	6,600
Financial assets at fair value through profit or loss	**84,357**	3,465
Loans and receivables, at amortised cost		
Loan receivables	**10,000**	3,000
Deposit paid for acquisition of investment	**—**	15,796
Disposal receivables	**—**	11,400
Trade and other receivables	**39,467**	35,527
Deposits	**1,435**	1,139
Pledged bank balance	**5,530**	—
Bank balances and cash	**6,074**	26,986
	153,463	103,913
Financial liabilities		
Financial liabilities at amortised cost		
Trade and other payables	**86,109**	86,058
Bank and other borrowings	**212,165**	—
Promissory note	**11,554**	—
Bonds	**13,705**	12,296
	323,533	98,354

8. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include available-for-sale investments, financial assets at FVTPL, deposit paid for acquisition of investment, disposal receivables, trade and other receivables, pledged bank deposits, loan receivable, bank balances and cash, trade and other payables, bank and other borrowings, promissory note and bonds. Details of these financial instruments are disclosed in respective notes.

Management monitors and manages the financial risks relating to the Group through internal risk assessment, which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. Management manages and monitors these exposures to ensure that appropriate measures are implemented on a timely and effective manner.

There has been no change in the Group's exposure to these kinds of risks or the manner in which the Group manages and measures these risks.

8. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and equity prices.

Foreign currency risk

Foreign currency risk refers to the risk associated with movements in foreign currency rates which will affect the Group's financial results and its cash flows. Management considers that the Group is not exposed to significant foreign currency risk as the majority of its operations are in the PRC with their functional currency of RMB.

For the two years ended 31 March 2017 and 2016, the Group mainly earned revenue in RMB and incurred costs in HK$ and RMB. Although the Group currently does not have any foreign currency hedging policies, it manages its foreign currency exposure by ensuring that the revenue earned in RMB are used to pay for RMB denominated costs. Funds raised from financing activities which are mainly denominated in HK$ are used to pay for HK$ expenses.

The directors do not expect the fluctuation in the exchange rate of RMB to HK$ to have any material adverse effect on the operation of the Group, accordingly no sensitivity analysis is presented.

Interest rate risk

The Group is exposed to interest rate risk in relation to its variable-rate bank deposits, loan receivables, bank and other borrowings, promissory note and bonds. The pledged bank deposits, bank balances and bank and other borrowings bearing interests at variable rates expose the Group to cash flow interest rate risk. Loan receivables, promissory note and bonds bearing interest at fixed rates expose the Group to fair value interest rate risk.

The directors consider that the Group's exposure to interest rate risk of bank deposits, which are short term in nature, is insignificant, accordingly no sensitivity analysis is presented.

Sensitivity analysis

If interest rates have been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax loss for the year ended 31 March 2017 would increase/decrease by approximately HK$337,000 (2016: HK$Nil). This is mainly attributable to the Group's exposure to interest rates on its bank borrowings which carried interest at floating rates.

The Group's exposure to interest-rate risk arises from its bank balances and bank borrowings. These bank balances and bank borrowings bear interests at floating rates varied with the then prevailing market condition. A 50-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Price risk

The Group is exposed to equity price risk through its investment in listed equity securities. Management manages this exposure by maintaining a portfolio of investments with different risks. The Group's equity price risk is mainly concentrated on equity instruments quoted in the Stock Exchange of Hong Kong Limited.

8. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Market risk (Continued)

Sensitivity analyses

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

If the prices of the respective equity instruments had been 10% (2016: 10%) higher/lower, loss for the year would decrease/increase by HK$8,814,000 (2016: HK$347,000) as a result of the changes in fair value of investment in listed equity securities.

Credit risk

As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group in the event of the counterparties' failure to perform their obligations is the respective recognised financial assets as stated in the consolidated statement of financial position.

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

The Group has concentration of credit risk as 13% (2016: 69%) of the total trade receivables are due from the Group's five largest customers respectively and are attributable to the systems development business segment. In addition, the Group has also concentration of credit risk regarding the other receivables and disposal receivables as detailed in Notes 26 and 28 respectively.

The Group has concentration of credit risk as 100% (2016: N/A) of the total loan receivables are due from the Group's five largest customers respectively and are attributable to the money lending business segment.

The credit risk on pledged bank balances deposited are limited because the counterparties are banks with high credit ratings agencies.

8. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and to mitigate the effects of fluctuation in cash flows. The management monitors the recognise of bank and other borrowings and ensures compliance with loan covenants, if any.

The following tables details the Group's remaining contractual maturity for its non-derivative financial liabilities. For non-derivative financial liabilities, the table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

In addition, the following tables detail the Group's expected maturity for its non-derivative financial assets. The tables have been drawn up based on the undiscounted contractual cash flows of the financial assets including interest that will be earned on those assets. The inclusion of information on these non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Within 1 year or on demand *HK$'000*	1–2 years *HK$'000*	2–5 years *HK$'000*	Over 5 years *HK$'000*	Total undiscounted cash flows *HK$'000*	Carrying amount *HK$'000*
At 31 March 2017						
Non-derivative financial assets						
Available-for-sale investments	**6,600**	**—**	**—**	**—**	**6,600**	**6,600**
Loan receivables	**11,125**	**—**	**—**	**—**	**11,125**	**10,000**
Trade and other receivables	**39,467**	**—**	**—**	**—**	**39,467**	**39,467**
Deposit	**1,435**	**—**	**—**	**—**	**1,435**	**1,435**
Financial assets at fair value through profit or loss	**84,357**	**—**	**—**	**—**	**84,357**	**84,357**
Pledged bank balance	**5,530**	**—**	**—**	**—**	**5,530**	**5,530**
Bank balances and cash	**6,074**	**—**	**—**	**—**	**6,074**	**6,074**
	154,588	**—**	**—**	**—**	**154,588**	**154,463**
Non-derivative financial liabilities						
Trade and other payables	**86,109**	**—**	**—**	**—**	**86,109**	**86,109**
Promissory note	**—**	**—**	**13,388**	**—**	**13,388**	**11,554**
Bank and other borrowings	**233,802**	**—**	**—**	**—**	**233,802**	**212,165**
Bonds	**—**	**—**	**9,808**	**10,602**	**20,410**	**13,705**
	319,911	**—**	**23,196**	**10,602**	**353,709**	**323,533**

8. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk (Continued)

	Within 1 year or on demand	1–2 years	2–5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 31 March 2016						
Non-derivative financial assets						
Available-for-sale investments	6,600	—	—	—	6,600	6,600
Disposal receivables	11,400	—	—	—	11,400	11,400
Deposit paid for acquisition of investment	18,415	—	—	—	18,415	15,976
Loan receivables	3,360	—	—	—	3,360	3,000
Trade and other receivables	35,527	—	—	—	35,527	35,527
Financial assets at fair value through profit or loss	3,465	—	—	—	3,465	3,465
Bank balances and cash	26,986	—	—	—	26,986	26,986
	105,753	—	—	—	105,753	102,954
Non-derivative financial liabilities						
Trade and other payables	86,058	—	—	—	86,058	86,058
Bonds	—	—	9,800	10,531	20,331	12,296
	86,058	—	9,800	10,531	106,389	98,354

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

At 31 March 2017, the Group had net current liabilities of approximately HK$153,733,000 and net liabilities of approximately HK$10,627,000. The directors have taken steps to improve the Group's liquidity position and mitigate its liquidity risk as disclosed in note 2 to the consolidated financial statements.

9. FAIR VALUE

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

The Group's financial assets at fair value through profit or loss and derivative financial instruments of convertible bonds are measured at fair value at the end of the reporting period. The financial assets at fair value through profit or loss are measured at quoted bid prices in an active market which is classified as level 1. It has no significant unobservable input.

The investment property is classified as Level 3 valuation by using significant unobservable inputs in determining the fair value.

	Fair value as at 31 March		Fair value hierarchy	Valuation technique(s) and key inputs	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	2017	2016				
	HK$'000	*HK$'000*				
Financial assets						
Financial assets at fair value through profit or loss	**84,357**	3,465	Level 1	Quoted bid prices in an active market	N/A	N/A

There were no transfer of the financial assets and financial liabilities between the levels in both of the years presented.

(ii) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The directors consider that the carrying amounts of financial assets and financial liabilities at amortised cost in the consolidated financial statements approximate their fair values.

(iii) Reconciliation of Level 3 fair value measurements

At 31 March 2016

	Derivative financial instruments of convertible bonds
	HK$'000
At 1 April 2015	9
Converted during the year	(9)
At 31 March 2016	—
Total loss recognised in the consolidated statement of profit or loss and other comprehensive income relating to liabilities held at 31 March 2016	—

10. REVENUE

Revenue of the Group, represents income from systems development, professional services rendered, proprietary trading, money lending business and rental income, net of sales related taxes if any.

	2017	2016
	HK$'000	*HK$'000*
Continuing operations		
Revenue from provision of		
Systems development	**15,398**	46,263
Professional services fees	**18,118**	17,000
Proprietary trading	**1,242**	—
Interest income arising from money lending business	**1,058**	26
Rental income arising from investment property	**300**	—
Total revenue	**36,116**	63,289
Proceeds from sales of financial assets at fair value through profit or loss	**147,541**	39,727
Turnover	**183,657**	103,016

11. OTHER INCOME AND GAINS

	2017	2016
	HK$'000	*HK$'000*
Continuing operations		
Other income and gains		
Bank interest income	**18**	32
Imputed interest income	**203**	3,897
Sundry income	**306**	1,949
Gain on disposal of subsidiaries	**—**	246
Waive of current account with discontinued operations subsidiaries	**—**	632
Reversal of impairment loss in respect of:		
— trade receivables	**140**	2,859
— other receivables	**5,270**	25,069
	5,937	34,684

12. SEGMENT INFORMATION

The Group has adopted HKFRS 8 "Operating Segments" which requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance.

During the current year, the Group commenced its property investment business in Hong Kong which formed a separate operating division of the Group. Therefore, the Group is currently organised into five operating divisions — systems development, professional services, proprietary trading, money lending and property investment which represent the Group's five operating segments. During the year ended 31 March 2016, the Group has four operating divisions — systems development, professional services, proprietary trading and money lending which represent the Group's four operating segments.

Systems development	—	Provision of systems development, maintenance and installation as well as consulting service and software licensing.
Professional services	—	Provision of information technology engineering and technical support services including financial valuation and IT service.
Proprietary trading	—	Trading of listed securities in Hong Kong.
Money lending	—	Provision of financing services in Hong Kong.
Property investment	—	Lease of property in Hong Kong.

a. Segment revenues and results

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

	For the year ended 31 March											
	Systems development		Professional services		Proprietary trading		Money lending		Property Investment		Consolidated	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Continuing operations												
REVENUE												
Revenue from external customers	**15,398**	46,263	**18,118**	17,000	**1,242**	—	**1,058**	26	**300**	—	**36,116**	63,289
RESULT												
Segment results	**(8,927)**	(5,307)	**3,281**	7,297	**(25,742)**	(23,036)	**1,058**	26	**15,728**	—	**(14,602)**	(21,020)
Interest income											**221**	3,929
Unallocated income and gains											**5,576**	27,896
Unallocated expenses and losses											**(20,362)**	(22,525)
Finance costs											**(9,696)**	(8,025)
Share of profit of an associate											**—**	20
Loss before tax											**(38,863)**	(19,725)

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment results represents the results of each segment without allocation of interest income, certain other income and gains and other expenses and losses (including central administration costs and directors' remunerations and finance costs) and share of results of an associate. This is the measure reported to the chief operating decision maker of the Group for the purposes of resource allocation and assessment of segment performance.

12. SEGMENT INFORMATION (Continued)

b. Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by its operating and reportable segments.

	At 31 March											
	Systems development		Professional services		Proprietary trading		Money lending		Property Investment		Consolidated	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS												
Segment assets	**21,388**	32,020	**10,126**	3,168	**84,357**	3,465	**10,840**	3,157	**145,000**	—	**271,711**	41,810
Unallocated corporate assets												
— Plant and equipment											**246**	11
— Goodwill											**9,810**	—
— Available-for-sale investments											**6,600**	6,600
— Disposal receivables											**—**	11,400
— Deposit paid for acquisition of investment											**—**	15,796
— Other receivables, deposits and prepayments											**27,255**	24,296
— Pledged bank deposits											**5,530**	—
— Bank balances and cash											**6,074**	26,986
Total assets											**327,226**	126,899
LIABILITIES												
Segment liabilities	**45,800**	50,585	**5,719**	7,686	**70,800**	—	**—**	—	**—**	—	**122,319**	58,271
Unallocated corporate liabilities												
— Other payables											**42,824**	37,675
— Other borrowings											**142,046**	—
— Bonds											**13,705**	12,296
— Promissory notes											**11,554**	—
— Deferred tax liabilities											**683**	—
— Tax payable											**4,722**	4,397
Total liabilities											**337,853**	112,639

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

i. all major assets are allocated to reportable segments other than investment in an associate, available-for-sale investments, disposal receivables, deposits paid for acquisition of investment, other receivables, deposits and prepayments, pledged bank deposits and bank balances and cash. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and

ii. all major liabilities are allocated to reportable segments other than certain other payables, other borrowings, bonds, promissory notes, deferred tax liabilities and tax payable. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

12. SEGMENT INFORMATION (Continued)

c. Geographical information

Information about the Group's revenue presented based on the location of customers is as below:

	2017	2016
	HK$'000	*HK$'000*
Hong Kong	**12,538**	26
PRC	**23,578**	63,263
	36,116	63,289

Information about the Group's non-current assets (excluding available-for-sale investments) presented based on the location of assets is as below:

	2017	2016
	HK$'000	*HK$'000*
Hong Kong	**159,066**	34
PRC	**3,382**	3,915
	162,448	3,949

d. Other segment information

Amounts included in the measure of segment profit or loss or segment assets:

	Systems development		**Professional services**		**Proprietary trading**		**Money lending**		**Property investing**		**Segment total**		**Unallocated**		**Consolidated**	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Continuing Operations																
Other segment information																
Depreciation of plant and equipment	**(658)**	(857)	**—**	—	**—**	—	**(5)**	(6)	**—**	—	**(663)**	(863)	**(8)**	(8)	**(671)**	(871)
Amortisation of intangible asset	**(296)**	—	**—**	—	**—**	—	**—**	—	**—**	—	**(296)**	—	**—**	—	**(296)**	—
Impairment loss recognised in respect of:																
— available-for-sale investments	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**—**	(664)	**—**	(664)
— trade and other receivables	**(7,142)**	(1,515)	**(988)**	—	**—**	—	**—**	—	**—**	—	**(8,130)**	(1,515)	**(136)**	—	**(8,266)**	(1,515)
— financial assets	**—**	—	**—**	—	**(4,582)**	—	**—**	—	**—**	—	**(4,582)**	—	**—**	—	**(4,582)**	—
Loss on disposal of:																
— plant and equipment	**—**	—	**—**	—	**—**	—	**18**	—	**—**	—	**18**	—	**—**	—	**18**	—
Gain/(loss) on change in fair value of:																
— financial assets at fair value through profit or loss	**—**	—	**—**	—	**(15,211)**	—	**—**	—	**—**	—	**(15,211)**	—	**—**	(139)	**(15,211)**	(139)
Reversal of impairment loss in respect of:																
— trade receivables	**105**	2,859	**35**	—	**—**	—	**—**	—	**—**	—	**140**	2,859	**—**	—	**140**	2,859
— other receivables	**—**	25,069	**—**	—	**—**	—	**—**	—	**—**	—	**—**	25,069	**5,270**	—	**5,270**	25,069
Gain on fair value of investment property	**—**	—	**—**	—	**—**	—	**—**	—	**17,099**	—	**17,099**	—	**—**	—	**17,099**	—
Gain/(loss) on disposal of financial assets at fair value through profit or loss	**—**	1	**—**	—	**(7,217)**	(22,499)	**—**	—	**—**	—	**(7,217)**	(22,499)	**—**	—	**(7,217)**	(22,498)
Gain on disposal of subsidiaries/associate	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**—**	395	**—**	395
Additions to non-current assets *(Note)*	**4,589**	—	**—**	—	**—**	—	**—**	—	**145,000**	—	**149,589**	—	**9,827**	—	**159,416**	—

Note: Non-current assets excluded financial instruments.

12. SEGMENT INFORMATION (Continued)

e. Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group is as follows:

Revenue generated from		2017 HK$'000	2016 HK$'000
Continuing operations			
Customer A	System development	**13,597**	11,942

13. FINANCE COSTS

	2017 HK$'000	2016 HK$'000
Continuing operations		
Interest on bank and other borrowings repayable within one year	**7,626**	203
Imputed interest on promissory note	**242**	2,179
Imputed interest on convertible bonds	**—**	3,203
Interest on amount due to noteholder	**—**	1,404
Interest on bonds	**1,409**	735
Others	**419**	301
	9,696	8,025
Discontinued operation		
Interest on bank borrowings repayable within one year	**—**	64
Finance costs on finance leases	**—**	127
	—	191
	9,696	8,216

14. INCOME TAX EXPENSES

	2017 HK$'000	2016 HK$'000
Continuing operations		
Current tax		
— PRC Enterprise Income Tax	**(524)**	—
— Over/(Under) provision in prior year	**18**	(11)
	(506)	(11)
Deferred tax	**49**	—
	(457)	(11)

a. Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the years ended 31 March 2017 and 2016.

b. Under the Law of the PRC on Enterprise Income Tax ("EIT Law") and Implementation Regulation of the EIT Law, the standard tax rate applicable to PRC Enterprise Income Tax is 25%.

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

	2017 HK$'000	2016 HK$'000
Continuing operations		
Loss before tax	**(38,863)**	(19,725)
Tax at the applicable tax rate of 25% (2016: 25%)	**(9,716)**	(4,931)
Lower the rate for specific provinces or or enacted by local authorities	**11,880**	—
Tax effect of income not taxable for tax purposes	**(2,563)**	(30,148)
Tax effect of expenses not deductible for tax purposes	**1**	33,978
Tax effect of tax losses and other deductible temporary differences not recognised	**873**	1,101
(Over)/Under provision in prior year	**(18)**	11
Income tax	**457**	11

Details of deferred taxation are set out in Note 39.

15a. LOSS FOR THE YEAR FROM CONTINUING OPERATIONS

Loss for the year from continuing operations has been arrived at after charging:

	2017 HK$'000	2016 HK$'000
Staff costs		
Salaries and other benefits	**5,709**	4,711
Retirement benefits scheme contributions	**199**	124
	5,908	4,835
Auditors' remuneration	**700**	630
Share-based payment expenses	**—**	7,321
Depreciation of plant and equipment	**671**	871
Amortisation of intangible asset	**296**	—
Operating lease	**5,218**	1,128
Loss on disposal of plant and equipment, net	**18**	—

15b. LOSS FOR THE YEAR FROM DISCONTINUED OPERATION

Loss for the year from discontinued operation has arrived at after charging:

	2017 HK$'000	2016 HK$'000
Staff costs, including Directors' remuneration		
Salaries and other benefits	**—**	320
Retirement benefits scheme contributions	**—**	17
	—	337
Depreciation of plant and equipment	**—**	28
Operating leases	**—**	244

16. DIVIDENDS

No dividend was paid or proposed during the year ended 31 March 2017, nor has any dividend been proposed since the end of the reporting date (2016: Nil).

17. LOSS PER SHARE

From continuing and discontinued operations

The calculation of the basic and diluted loss per share attributable to owners of the Company from continuing and discontinued operations is based on the following data:

Loss

	2017 HK$'000	2016 HK$'000
Loss for the purpose of basic loss per share		
Loss for the period attributable to owners of the Company	**(39,686)**	(19,802)

17. LOSS PER SHARE (Continued)

From continuing and discontinued operations (Continued)

Number of shares

	2017	2016
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**112,798,050**	75,750,743

Diluted loss per share for the years ended 31 March 2017 and 2016 are same as basic loss per share for the respective years since there is no dilutive ordinary shares outstanding.

From continuing operations

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

Loss

	2017 *HK$'000*	2016 *HK$'000*
Loss for the purpose of basic and diluted loss per share		
Loss for the period attributable to owners of the Company	**(39,686)**	(19,736)

The denominators used for the calculation of basic and diluted loss per share of continuing operation are the same as those detailed above for continuing and discontinued operation.

From discontinued operation

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

Loss

	2017 *HK$'000*	2016 *HK$'000*
Loss for the purpose of basic loss per share (loss for the period attributable to owners of the Company)	**—**	(66)
Loss per share		
From discontinued operation		
— basic and diluted (HK cents)	**N/A**	(0.09)

The denominators used for the calculation of basic and diluted loss per share of discontinued operation are the same as those detailed above for continuing and discontinued operation.

18. STAFF COSTS (EXCLUDING DIRECTORS' EMOLUMENTS)

	2017 HK$'000	2016 HK$'000
Continuing operations		
Salaries and other benefits	**4,021**	2,780
Retirement benefits scheme contributions	**158**	124
	4,179	2,904
Discontinued operation		
Salaries and other benefits	—	320
Retirement benefits scheme contributions	—	17
	—	337
	4,179	3,241

Hong Kong

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") for all qualifying employees in Hong Kong. The MPF Scheme is a defined contribution retirement plan administered by independent trustees, the assets of the scheme are held separately from those of the Group in funds under the control of trustees. Contributions are made based on a percentage of the employees' relevant income and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The Group's contributions vest fully with the employees when payments are made.

PRC, other than Hong Kong

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement scheme operated by the PRC government. The subsidiaries are required to contribute a certain percentage of the payroll of its employees to the retirement benefit scheme. The only obligations of the Group with respect to the retirement benefit scheme is to make the specific contribution.

At the end of the reporting period, no forfeited contributions may be used by the employer to reduce the existing level of contributions.

19. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

a. Directors' emoluments

	2017 HK$'000	2016 HK$'000
Directors' fees	586	605
Salaries and other benefits	1,102	1,326
Retirement benefits scheme contributions	41	—
	1,729	1,931

The emoluments paid or payable to each of the directors were as follows:

	For the year ended 31 March 2017			
	Fees HK$'000	Salaries and other benefits (Note i) HK$'000	Retirement benefits scheme contributions HK$'000	Total HK$'000
Executive directors:				
Dr. Chew Chee Wah (resigned on 29 April 2016)	—	34	—	34
Mr. Tam Kwok Leung (resigned on 4 November 2016)	—	250	—	250
Mr. Zhang Jinshu (removed on 24 June 2016)	—	—	—	—
Ms. Ju Lijun (resigned on 21 June 2016)	—	—	—	—
Mr. Lau Kelly	—	415	20	435
Mr. Leung Chung Nam	—	332	17	349
Mr. Wong Kam Kwan (Appointed on 5 January 2017)	—	71	4	75
Non-executive directors and independent non-executive directors:				
Ms. Jim Ka Man	216	—	—	216
Dr. Wan Ho Yuen, Terence	120	—	—	120
Mr. Lai Chi Leung (resigned on 29 April 2016)	10	—	—	10
Ms. Yeung Mo Sheung, Ann	120	—	—	120
Mr. Hau Chi Kit	120	—	—	120
	586	1,102	41	1,729

Notes:

(i) Salaries, allowance and benefits in kind paid to or for the executive directors are generally emoluments paid or receivable in respect of those persons' other services in connection with the management of the affairs of the Company and its subsidiaries.

19. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

a. Directors' emoluments (Continued)

The emoluments paid or payable to each of the directors were as follows:

	For the year ended 31 March 2016			
	Fees	Salaries and other benefits (Note i)	Retirement benefits scheme contributions	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors:				
Dr. Chew Chee Wah (resigned on 29 April 2016)	—	420	—	420
Mr. Tam Kwok Leung (resigned on 4 November 2016)	—	240	—	240
Mr. Zhang Jinshu (removed on 24 June 2016)	—	120	—	120
Ms. Ju Lijun (resigned on 21 June 2016)	—	120	—	120
Mr. Luk Chi Shing (resigned on 16 March 2016)	—	174	—	174
Ms. Zhang He (resigned on 16 November 2015)	—	—	—	—
Mr. Lee Yiu Tung (resigned on 14 December 2015)	—	127	—	127
Mr. Lau Kelly (appointed on 31 December 2015)	—	100	—	100
Mr. Leung Chung Nam (appointed on 1 March 2016)	—	25	—	25
Non-executive directors and independent non-executive directors:				
Ms. Jim Ka Man (appointed on 4 March 2016)	16	—	—	16
Dr. Pan Jin (resigned on 28 October 2015)	—	—	—	—
Mr. Dai Yuanxin (resigned on 1 December 2015)	—	—	—	—
Ms. Xiao Yongzhen (resigned on 11 December 2015)	150	—	—	150
Dr. Wan Ho Yuen, Terence (appointed on 31 December 2015)	30	—	—	30
Mr. Chan Yee Sze (resigned on 31 December 2015)	50	—	—	50
Ms. Hu Yun (resigned on 19 November 2015)	—	—	—	—
Mr. Koh Kwing Chang (resigned on 30 March 2016)	120	—	—	120
Mr. Lui Wai Ming (resigned on 29 January 2016)	100	—	—	100
Mr. Lai Chi Leung (resigned on 29 April 2016)	120	—	—	120
Ms. Yeung Mo Sheung, Ann (appointed on 1 March 2016)	10	—	—	10
Mr. Hau Chi Kit (appointed on 4 March 2016)	9	—	—	9
	605	1,326	—	1,931

19. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

b. Senior management's emoluments

Of the five individuals with the highest emoluments in the Group, three (2016: one) was director of the Company whose emoluments included in the disclosures in note a above.

The emoluments of the remaining two (2016: four) highest paid individuals were as follows:

	2017	2016
	HK$'000	*HK$'000*
Salaries and other benefits	**1,209**	2,159
Retirement benefits scheme contributions	**36**	171
	1,245	2,330

Their emoluments were within the following band:

	Number of individuals	
	2017	2016
Nil–HK$1,000,000	**2**	4

c. No emoluments were paid by the Group 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 the two years ended 31 March 2017 and 2016. No bonuses were paid by the Group to the directors or the five highest paid individuals which are discretionary or are based on the Group's performance during the two years ended 31 March 2017 and 2016.

During the year ended 31 March 2017, no directors waived emoluments amounted to HK$Nil (2016: HK$1,012,000) which included in sundry income.

20. PLANT AND EQUIPMENT

	Leasehold improvements	Furniture and fixtures	Plant and machinery	Computer and office equipment	Motor vehicles	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
COST						
At 1 April 2015	1,810	45	—	4,600	5,749	12,204
Exchange realignment	(88)	—	—	(217)	(284)	(589)
Additions through acquisition of a subsidiary	179	21	5,773	89	—	6,062
Disposal of a subsidiary	(179)	(21)	(5,773)	(89)	—	(6,062)
At 31 March 2016	1,722	45	—	4,383	5,465	11,615
Exchange realignment	(104)	—	—	(256)	(349)	(709)
Additions	—	—	—	119	349	468
Disposal	(31)	—	—	—	—	(31)
At 31 March 2017	1,587	45	—	4,246	5,465	11,343
ACCUMULATED DEPRECIATION						
At 1 April 2015	1,781	45	—	4,089	1,463	7,378
Exchange realignment	(88)	—	—	(193)	(94)	(375)
Provision for the year	33	6	190	32	638	899
Eliminated on disposals	(27)	(6)	(190)	(13)	—	(236)
At 31 March 2016	1,699	45	—	3,915	2,007	7,666
Exchange realignment	(104)	—	—	(229)	(148)	(481)
Provision for the year	5	—	—	14	652	671
Eliminated on disposals	(13)	—	—	—	—	(13)
At 31 March 2017	1,587	45	—	3,700	2,511	7,843
CARRYING AMOUNTS						
At 31 March 2017	—	—	—	546	2,954	3,500
At 31 March 2016	23	—	—	468	3,458	3,949

The above items of plant and equipment are depreciated on a straight-line basis over their estimated useful lives, less their residual values, as follows:

Leasehold improvements	Over the shorter of lease terms or 5 years
Furniture and fixtures	5 years
Plant and machinery	5 to 25 years
Computer and office equipment	5 years
Motor vehicles	$3\frac{1}{3}$ to 8 years

21. INVESTMENT PROPERTY

	2017 HK$'000	2016 HK$'000
At beginning of the year	—	—
Acquisition of assets through acquisition of subsidiaries	**127,901**	—
Increase in fair value gain of investment property	**17,099**	—
At end of the year	**145,000**	—
Unrealised gain on investment property included in profit or loss	**17,099**	—

The valuations of the Group's investment property was carried out by an independent external property valuer (the "valuer") called Colliers International (Hong Kong) Ltd, which has appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The valuer applied income capitalization method in determining the open market values. The specific risk inherent in each property are taken into consideration in arriving at the valuations. The management has discussions with the valuers on the valuation assumptions and valuation results when the valuation is performed at each annual reporting date.

	Fair value as at 31 March 2017 HK$'000	Fair value as at 31 March 2016 HK$'000	Fair value hierarchy	Valuation technique(s) and key inputs	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Financial assets						
Investment property	**145,000**	—	Level 3	Income capitalisation method	Rental value of HK$200,000 per square feet per month.	The higher the rental value, the higher the fair value.
					Capitalisation rate of 1.66%	The lower the capitalisation rate, the higher the fair value

The investment property with a fair value of approximately HK$145,000,000 were pledged as collateral for the bank loan of approximately HK$70,119,000 as at 31 March 2017.

22. GOODWILL

	2017 HK$'000	2016 HK$'000
At beginning of the year	—	—
Acquisition of subsidiaries	**9,810**	—
At end of the year	**9,810**	—

The Group performed its annual impairment test for goodwill allocated to the MPL Group by comparing its recoverable amount to its carrying amount as at the end of the reporting period. The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations used cash flow projections based on a five-year financial budget approved by management. Cash flows beyond a five-year period approved by management have been extrapolated with an estimated general annual growth of 3%. The discount rate used of 19.0% reflects specific risks related to the relevant segment. Other key assumptions for value in use calculations relate to the estimation of cash inflows/outflows which include budged sales and gross margin, such estimation is based on the unit's past performance and management's expectations for the market development.

23. INVESTMENT IN AN ASSOCIATE

	2017 HK$'000	2016 HK$'000
Unlisted investments, at cost	—	—
Share of post-acquisition profit	—	—
	—	—
Movements during the year are as follows:		
At the beginning of year	—	18,057
Share of profit/(loss) for the year	—	20
Disposal of interests in an associate	—	(18,077)
At the end of year	—	—

24. INTANGIBLE ASSET

	Non-competition Arrangement HK$'000
Cost	
At 1 April 2016	—
Acquisition of subsidiaries	4,434
At 31 March 2017	4,434
Accumulated amortisation	
At 1 April 2016	—
Charge for the year	296
At 31 March 2017	296
Net carrying amount	
At 31 March 2017	4,138
At 31 March 2016	—

During the year ended 31 March 2017, acquisitions of intangible asset with amount of approximately HK$4,434,000 acquired through acquisition of MPL Group, represent a Non-competition Arrangement with 5 years useful life. Detail of impairment review, please refer to note 22.

25. AVAILABLE-FOR-SALE INVESTMENTS

	2017 *HK$'000*	2016 *HK$'000*
Unlisted equity securities, at cost *(Note b)*	**6,600**	6,600
Less: Impairment loss recognised	**—**	—
	6,600	6,600
Movements during the year:		
Balance at beginning of the year	**6,600**	4,864
Acquisition of equity investment	**—**	6,600
Loss on disposal of available-for-sale investments	**—**	(664)
Disposal of equity investment *(Note a)*	**—**	(4,200)
Balance at end of the year	**6,600**	6,600

Notes:

a. On 13 January 2016, the Group entered into a sale and purchase agreement with an independent third party (for the disposal of a subsidiary which is an investment holding company of an available-for-sale investment). Under the sale and purchase agreement, the purchaser agreed to acquire the subsidiary with a cash consideration of HK$4,200,000 and has been received in full. In respect of the disposal, the Group has recorded a loss on disposal of available-for-sale investments of HK$664,000 in 2016.

b. On 10 April 2015, the wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with an independent third party for the acquisition of 0.10% equity interest in HEC Capital Limited and its subsidiaries which designated as an available-for-sale investment. Which principally engaged in investment holding, property investment, forest holding, money lending, securities brokerage and financial services, corporate finance advisory services, asset management, investment advisory and fund management, at a consideration of HK$6,600,000 in cash.

26. TRADE AND OTHER RECEIVABLES

	2017 HK$'000	2016 HK$'000
Trade and bills receivables	**41,790**	40,393
Less: Impairment loss recognised	**(35,012)**	(29,060)
	6,778	11,333
Retention receivables	**5,662**	10,548
Less: Impairment loss recognised	**(848)**	(903)
	4,814	9,645
Other receivables	**63,926**	58,349
Less: Impairment loss recognised	**(36,051)**	(43,800)
	27,875	14,549
	39,467	35,527

Notes:

a. Trade and bills receivables

Trade and bills receivables are due for settlement in accordance with the terms of the underlying agreements with the customers. Trade receivables with balances that are more than 9 months' overdue are requested for settlement of all outstanding balances before any further credit is granted.

Impairment loss is recognised against trade and bills receivables based on estimated irrecoverable amounts determined by reference to past default experience of customers.

An aged analysis of trade and bills receivables based on dates of invoices, net of impairment loss recognised, is as follows:

	2017 HK$'000	2016 HK$'000
0–30 days	**3,657**	1,829
31–90 days	**776**	8,202
Over 90 days	**2,345**	1,302
	6,778	11,333

Movements in impairment loss on trade and bills receivables are as follows:

	2017 HK$'000	2016 HK$'000
At beginning of the year	**29,060**	51,116
Exchange realignment	**(2,038)**	(1,546)
Recognised during the year	**8,130**	1,475
Reversal during the year	**(140)**	(2,859)
Derecognised on disposal of subsidiaries	**—**	(19,126)
At end of the year	**35,012**	29,060

26. TRADE AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

a. Trade and bills receivables (Continued)

Trade and bills receivables amounted to approximately HK$35,012,000 at 31 March 2017 (2016: HK$29,060,000) were individually determined to be impaired and impairment loss on these receivables has been made in full. The Group does not hold any collateral over these balances.

An analysis of trade and bills receivables at 31 March 2017 and 2016 not impaired is as follows:

			Past due but not impaired		
	Total	**Neither past due nor impaired**	**Not more than 90 days**	**More than 90 days but less than 1 year**	**Over 1 year**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
31 March 2017	6,778	—	4,433	2,345	—
31 March 2016	11,333	—	10,031	1,302	—

Trade and bills receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

b. Retention receivables

Retention receivables, net of impairment loss recognised, amounted to approximately HK$4,814,000 as at 31 March 2017 (2016: HK$9,645,000) are substantially due for settlement after a period of more than 12 months.

Movements in impairment losses of retention receivables are as follows:

	2017	2016
	HK$'000	*HK$'000*
At beginning of the year	**903**	950
Exchange realignment	**(55)**	(47)
At end of the year	**848**	903

Retention receivables amounting to approximately HK$848,000 at 31 March 2017 (2016: HK$903,000) were individually impaired and impairment loss on these receivables has been made in full. The Group does not hold any collateral over these balances.

c. Other receivables

	2017	2016
	HK$'000	*HK$'000*
Advances to third parties	**62,712**	55,887
Advances to staff of the Group	**1,214**	2,462
	63,926	58,349
Less: Impairment loss recognised	**(36,051)**	(43,800)
	27,875	14,549

26. TRADE AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

c. Other receivables (Continued)

The other receivables are unsecured, interest free and repayable on demand.

Movements in impairment loss of other receivables are as follows:

	2017 *HK$'000*	2016 *HK$'000*
At beginning of the year	**43,800**	71,816
Exchange realignment	**(2,615)**	(2,987)
Recognised during the year	**136**	40
Reversal during the year *(Note 11)*	**(5,270)**	(25,069)
At end of the year	**36,051**	43,800

Other receivables amounted to approximately HK$36,051,000 at 31 March 2017 (2016: HK$43,800,000) were individually impaired and impairment loss on these receivables has been made in full. The Group does not hold any collateral over these balances.

27. LOAN RECEIVABLES

The Group's loan receivables arose from the money lending business. All loan receivables are unsecured and repayable within one year from the end of the reporting period. Interest rate on the fixed rate loans receivables as at 31 March 2017 is at 12% (2016: 12%) per annum.

In determining the impairment of loans receivables from money lending business, the management considers the settlements subsequent to maturity of the relevant loans receivables.

Loan receivables are neither past due nor impaired at the end of the reporting period and the directors of the Company are of the opinion that the amounts are recoverable.

28. DISPOSAL RECEIVABLES

	2017 *HK$'000*	2016 *HK$'000*
Proceeds receivable from disposal of:		
— a subsidiary, net *(Note a)*	**—**	11,400
	—	11,400
Less: amount receivable within one year and included in current assets	**—**	(11,400)
Amount shown under non-current assets	**—**	—

Movements in impairment loss recognised:

	2017 *HK$'000*	2016 *HK$'000*
Balance at end of the year	**—**	27,947

28. DISPOSAL RECEIVABLES (Continued)

Notes:

a. The Group completed the disposal of its 51% equity interest in a subsidiary, 上海景福保險經紀有限公司（「上海景福」） in prior year. On 3 July 2014, the Company and the purchaser reached an agreement for the revision of terms of settlement of the outstanding disposal consideration, under which the outstanding consideration of RMB15,000,000 will be paid by the purchaser to the Company in five equal instalments of RMB3,000,000, each of which falls due on 31 December 2014, 28 February 2015, 31 March 2017, 31 May 2015 and 30 June 2015 respectively. The proceeds receivable of HK$16,735,000 represents the present value of the disposal receivable totaled RMB15,000,000 by applying the discount rate of 12% per annum and based on the terms of settlement and an impairment loss of HK$4,266,000 has been recognised in prior years.

On 16 February 2015, the Company entered into a deed of settlement with the purchaser, under which the outstanding receivable is revised from RMB15,000,000 to HK$17,700,000 and is payable by the purchaser by seven instalments. Impairment loss on the disposal receivable amounted to HK$1,347,000 has been recognised and was included in other losses and expenses for the year ended 31 March 2014. The impairment loss is determined based on the present value of the receivable estimated to be HK$15,846,000 at the date of the deed of settlement by applying the discount rate of 12% per annum.

As at 31 March 2016, the principal amount of HK$5,300,000 was settled by the purchaser. The outstanding principal receivable is HK$10,400,000 and will be settled within 1 year and hence the disposal receivable shall be classified as current assets.

As at 31 March 2017, the disposal receivable was fully recovered.

29. DEPOSIT PAID FOR ACQUISITION OF INVESTMENT

	2017 ***HK$'000***	2016 *HK$'000*
Deposit paid for possible acquisition of not more than 20% equity interest in Gold Depot Limited ("Gold Depot")	—	15,796
Less: amount receivable within one year and included in current assets	—	(15,796)
Balance shown under non-current assets	—	—

During the year ended 31 March 2016, negotiations for the acquisition of equity interest in Gold Depot have terminated and the amount was fully refunded by the contracting party during the year ended 31 March 2017.

30. DEPOSITS AND PREPAYMENTS

During the year ended 31 March 2017, deposits and prepayments included a refundable deposit amounted to HK$Nil (2016: HK$10,000,000) paid to a third party relating to the provision of services by the third party in respect of seeking business opportunity in the PRC.

31. AMOUNTS DUE FROM/(TO) CUSTOMERS FOR CONTRACT WORK

	2017 HK$'000	2016 HK$'000
Contracts in progress at the end of the reporting period:		
Contract costs incurred plus recognised profits less recognised losses	**176,959**	161,730
Less: Progress billings	**(176,384)**	(163,038)
	575	(1,308)
Analysed for reporting purposes as:		
Amounts due from customers for contract work	**7,972**	7,311
Amounts due to customers for contract work	**(7,397)**	(8,619)
	575	(1,308)

At 31 March 2017, retentions held by customers for contract works, net of impairment loss recognised, amounted to approximately HK$4,814,000 (2016: HK$9,645,000).

32. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2017 HK$'000	2016 HK$'000
Equity securities listed in Hong Kong, at fair value	**84,357**	3,465

The financial assets are held for trading purposes. The fair values of these financial assets are based on quoted market bid prices (Level 1 measurement).

The Group's investments in equity securities included equity securities of a company whose listing was suspended during the year ended 31 March 2017 and the Stock Exchange of Hong Kong had considered that the company had failed to maintain sufficient operations and had commenced procedures to cancel the Company's listing. Based on the published annual report of the Company for the year ended 31 March 2017, the Company was in net liability position. Accordingly, an amount of HK$4,582,000 of impairment loss was recognised to fully write down the carrying amount of the investment in this investee.

The financial assets at fair value through profit or loss of approximately HK$69,495,000 were pledged as collateral for bank loan of approximately HK$70,119,000 as at 31 March 2017.

33. PLEDGED BANK BALANCE AND BANK BALANCES AND CASH

The pledged bank balance of approximately HK$5,530,000 were pledged as collateral for bank loan of approximately HK$70,119,000 as at 31 March 2017.

34. TRADE AND OTHER PAYABLES

	2017 HK$'000	2016 HK$'000
Trade payables *(Note a)*	**39,356**	43,800
Amount due to a former shareholder *(Note b)*	**16,571**	17,655
Accrued expenses and other payables	**30,182**	24,603
	86,109	86,058

34. TRADE AND OTHER PAYABLES (Continued)

Notes:

a. An aged analysis of trade payables at the end of the reporting period, based on invoice dates, is as follows:

	2017 *HK$'000*	2016 *HK$'000*
0–30 days	**25,717**	9,103
31–90 days	**301**	21,954
Over 90 days	**13,338**	12,743
	39,356	43,800

The average credit period granted by the suppliers of the Group is 30–90 days (2016: 30–90 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

b. The amount due to an entity, which was a registered shareholder of the Company in prior years, is unsecured, interest free and repayable on demand. This entity ceased to be the Company's registered shareholder since 2014.

35. BANK AND OTHER BORROWINGS

	2017 *HK$'000*	2016 *HK$'000*
Bank borrowings	**70,119**	—
Other borrowings	**142,046**	—
	212,165	—

Notes:

a. The Group's bank borrowings are secured by 100% of the issued capital of certain subsidiaries of the Group and the certain assets of the Group as follows:

	2017 *HK$'000*
Investment property	**145,000**
Finance assets at fair value through profit or loss	**69,495**
Bank balances	**5,530**
	220,025

b. As at 31 March 2017, the Group has banking facilities totaling HK$76,800,000, of which HK$70,119,000 has been utilised, all banking facilities were secured.

c. All other borrowings were unsecured and will be settled within 1 year and hence classified as current liability.

d. As at 31 March 2017, the other borrowings were interest bearing at a fixed rate of 12% per annum.

e. As at 31 March 2017, bank borrowings were bearing interest at a variable rate of 2% per annum over 1 month HIBOR or Bank's cost of funds.

36. BONDS

The bonds are repayable as follows:

	2017 HK$'000	2016 HK$'000
Within 1 year	—	—
Between 2 to 5 years	**7,368**	6,552
After 5 years	**6,337**	5,744
	13,705	12,296

(a) On 16 July 2015, the Company issued a bond with principal amount of HK$10,005,000 to an independent third party with coupon interest of 4.85% per annum and a maturity of 7 years from the date of issue. The effective interest rate for the bond is 10.32% per annum after considering the direct transaction costs.

(b) On 17 July 2015, the Company issued a bond with principal amount of HK$527,000 to an independent third party with coupon interest of 4.85% per annum and a maturity of 7 years from the date of issue. The effective interest rate for the bond is 10.32% per annum after considering the direct transaction costs.

(c) On 14 September 2015, the Company issued a bond of HK$9,800,000 to an independent third party with coupon interest of 6% per annum and a maturity of 4 years from the date of issue. The effective interest rate for the bond is 12.41% per annum after considering the direct transaction costs.

37. SHARE CAPITAL

	Number of shares	**Nominal amount** *HK$'000*
Authorised:		
Ordinary shares of HK$0.05 each at 31 March 2015	4,000,000,000	200,000
Effect of share consolidation *(Note a)*	(2,000,000,000)	—
Effect of share consolidation *(Note b)*	(1,800,000,000)	—
Ordinary shares of HK$1 each at 31 March 2016	200,000,000	200,000
Capital reduction and subdivision *(Note g)*	199,800,000,000	—
Ordinary shares of HK$0.001 each at 31 March 2017	200,000,000,000	200,000
Issued and fully paid:		
Ordinary shares of HK$0.05 each at 31 March 2015	1,083,223,857	54,161
Issue of shares upon:		
— exercise of warrants *(Note c)*	57,380,000	2,869
— placements of shares *(Note d)*	352,369,633	24,405
— conversion of convertible bonds *(Note e)*	57,142,857	5,714
— exercise of share option *(Note f)*	122,023,623	12,202
Effect of share consolidation *(Note a and b)*	(1,572,788,405)	—
Ordinary shares of HK$1 each at 31 March 2016	99,351,565	99,351
Capital reduction and subdivision *(Note g)*	—	(99,252)
Issue of shares upon:		
— placements of shares *(Note h)*	19,870,313	20
Ordinary shares of HK$0.001 each at 31 March 2017	119,221,878	119

37. SHARE CAPITAL (Continued)

Notes:

(a) On 8 September 2015, the Company completed a share consolidation pursuant to which every two issued and unissued shares of HK$0.05 each be consolidated into one consolidated share of HK$0.1.

(b) On 30 December 2015, the Company completed a share consolidation pursuant to which every ten issued and unissued shares of HK$0.1 each be consolidated into one consolidated share of HK$1.

(c) On 1 April 2015, the holders of non-listed warrants exercised its rights to subscribe for 57,380,000 shares at HK$0.19 per share.

(d) During the year ended 31 March 2016, certain placements of shares with aggregate amount of 352,369,633 shares have been placed as set out as follow:

— On 29 July 2015, a total of 216,644,771 shares have been successfully placed by a placing agent to not less than six placees at the placing price of HK$0.085 per placing share pursuant to the terms and conditions of the placing agreement.

— On 19 November 2015, a total of 135,724,862 shares have been successfully placed by placing agent to not less than six placees at the placing price of HK$0.1 per placing share pursuant to the terms and conditions of the placing agreement.

(e) On 16 November 2015, the 2013 Convertible Bonds with principal amount of HK$30,000,000 was converted into 57,142,857 ordinary shares of the Company at a conversion price of HK$0.35 per share.

(f) During the year ended 31 March 2016, 122,023,623 ordinary shares were issued to share option holder who had exercised his options.

(g) Pursuant to an order granted by the Court of the Cayman Islands on 14 April 2016, the reduction of the issued share capital of the Company by reducing the par value of each issued share from HK$1 to HK$0.001 by cancelling the paid up share capital to the extent of HK$0.999 per issued share was approved, each authorised but unissued share of the Company with nominal value of HK$1 also has been subdivided into 1,000 shares of the Company with nominal value of HK$0.001 each, with effect after 4:00 p.m. on 25 April 2016 but before 9:00 a.m. on 26 April 2016. Further details of the capital reduction of issued shares and subdivision of unissued shares are set out in the announcements dated 20 November 2015, 27 November 2015 and 29 December 2015 and the circular dated 3 December 2015.

(h) During the year ended 31 March 2017, certain placements of shares with amount of 19,870,313 shares have been placed on 18 July 2016 by a placing agent at the placing price of HK$0.57 per placing share pursuant to the terms and conditions of the placing agreement.

38. PROMISSORY NOTE

The promissory note were settled and movements of the promissory note during the year are as follows:

	2017 *HK$'000*	2016 *HK$'000*
At beginning of the year	—	42,521
Acquisition of a subsidiary	**11,716**	—
Interest charge for the year	**242**	5,196
Interest payable on promissory note included in trade and other payables	**(4)**	(1,717)
Early redemption	**(400)**	(46,000)
At end of the year	**11,554**	—

The promissory note are repayable as follows:

	2017 *HK$'000*	2016 *HK$'000*
Within 1 year	—	—
Between 2 to 5 years	**11,554**	—
	11,554	—

(a) On 12 July 2012, the Company issued a promissory note (''PN1'') to an ex-director. On 30 November 2015, the Company and the promissory noteholder mutually agreed for the early repayment of the promissory note together with accrued interests reduced from HK$9,340,000 to HK$9,250,000. The Company has settled all the amount in full of HK$13,250,000 to the promissory noteholder.

(b) On 30 March 2015, the Company issued a promissory note (''PN2'') with principal amount of HK$32,500,000 to a third party. The promissory note is unsecured and carries interest at 12% per annum and will be matured on 30 September 2016. The Company has early repaid all the amount in full of HK$32,750,000 to the promissory noteholder.

(c) On 23 November 2016, the Company issued a promissory note ("PN3") with principal amount of HK$14,400,000 to a third party as a part of the consideration. The promissory note is unsecure, carries interest at 6% per annum and will be matured on 22 November 2019 ("the PN3 Maturity Date"). The Company has the right to redeem in full or in part of the principal amount together with interest accrued thereon at any time prior to the PN3 Maturity Date. The fair value of the early redemption option was insignificant as at the issue date and as at 31 March 2017. The effective interest rate of PN3 is 6.08%.

39. DEFERRED TAX LIABILITIES

The components of deferred tax liabilities recognised in the consolidated statement of financial position and the movement during the year are as follows:

	Recognition of intangible asset *HK$'000*
At 1 April 2016	—
Acquisition of subsidiaries	732
Deferred tax credit to the consolidated statement of profit or loss during the year	(49)
At 31 March 2017	683

39. DEFERRED TAXATION (Continued)

Under the EIT Law, withholding tax is imposed on dividends in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards (the "Post-2008 Earnings"). No deferred taxation has been provided for PRC in the consolidated financial statements in respect of temporary differences attributable to the Post-2008 Earnings as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

As at 31 March 2017, deferred tax liabilities relating to the undistributed profits of the Company's PRC subsidiaries of HK$54,478,000 (2016: HK$51,185,000) were not recognised as the Company controls the dividend policy of these subsidiaries and it has determined that those profits will not be distributed in the foreseeable future.

40. ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES

Cicero Capital Limited and its subsidiary ("CCL Group")

On 8 August 2016, the Group has entered into a sales and purchase agreement with an independent third party for the acquisition of 100% of the issued share capital of CCL Group at a cash consideration of HK$128,000,000. The CCL Group is the legal and beneficial owner of a landed property situated with 3 car parking spaces located in Hong Kong. The acquisition was completed on 12 October 2016.

CCL has not carried out any businesses on acquisition date. In the opinion of the directors, the acquisition did not constitute an acquisition of business in substance within the scope of HKFRS 3 Business Combinations. The acquisition of the investment property was then considered as acquisition of assets through acquisition of subsidiaries.

The following summarises the consideration paid and the fair value of the assets acquired and liabilities assumed at the date of acquisition:

	HK$'000
Investment property	127,901
Other receivables	99
Net assets acquired	128,000

The fair value of investment property at the date of acquisition was valued by Colliers International (Hong Kong) Limited, independent qualified valuer not connected to the Group, by reference to the market evidence of transaction price for similar properties.

Analysis of net cash outflow arising on acquisition:

	HK$'000
Purchase consideration settled in cash	(128,000)
Less: Bank balances and cash acquired from the subsidiaries	—
Net cash outflow from acquisition of assets through acquisition of subsidiary	(128,000)

41. ACQUISITION OF SUBSIDIARIES

MPL Group

On 23 November 2016, the Group acquired 51% of the issued share capital of MPL Group for consideration of HK$14,400,000 which was satisfied by issuance of promissory note at fair value of HK$11,716,000. The amount of goodwill arising as a result of the acquisition was HK$9,810,000. MPL Group is engaged in provision of services and solutions on cyber security to customers. MPL Limited was acquired so as to expand the revenue steam of the Group. The acquisition was completed on 19 September 2016.

Assets acquired and liabilities recognised at the date of acquisition are as follows:

	Fair value recognised on acquisition *HK$'000*
Intangible asset	4,434
Bank balances and cash	64
Trade and other receivables	141
Trade and other payables	(169)
Deferred tax liabilities	(732)
Total identifiable net assets at fair value	3,738
Non-controlling interest	(1,832)
	1,906
Goodwill arising on acquisition	9,810
Satisfactory by promissory note	11,716

Goodwill arose in the acquisition of MPL Group because the cost of the combination included in relation to the benefits of revenue growth, future market development and the assembled workforce. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible asset.

None of the goodwill arising on these acquisition is expected to be deductible for tax purpose.

	HK$'000
Bank balances and cash acquired from the subsidiaries	64
Net cash inflow for the acquisition of subsidiaries	64

41. ACQUISITION OF SUBSIDIARIES (Continued)

Impact of the acquisition on the results of the Group

Since the acquisition, MPL Group contributed approximately HK$5,939,000 to the Group's revenue and approximately HK$875,000 to the consolidated profit for the year ended 31 March 2017.

If the acquisition of the MPL Group had been completed on 1 April 2016, the revenue of the Group and loss of the Group for the year ended 31 March 2017 would have been approximately HK$36,462,000 and HK$38,918,000 respectively. The pro forma information is for illustrative purpose only and is not necessarily an indication of revenue and results of operation of the Group that actually would have been achieved had the acquisition been completed on 1 April 2016, nor is it intended to be a projection of future results.

42. DISCONTINUED OPERATION

On 21 December 2015, the Group entered into an agreement with an independent third party for the disposal of 100% of the issued share capital of Wilco Printing Co., Limited ("Wilco") and the Shareholder's loan. Wilco is principally engaged in the provision of printing services and solutions on advertisement, brochures and bound books to customers mainly in Hong Kong. The Group's printing services operation was treated as discontinued operation. The disposal was completed on 22 December 2015.

The loss from the discontinued operation for the year ended 31 March 2016 as follows:

	2016 *HK$'000*
Loss for the year	(518)
Gain on disposal of the discontinued operation	452
	(66)

The results from the discontinued operation for the year ended 31 March 2016 are as follows:

	2016 *HK$'000*
Revenue	4,770
Cost of services	(4,114)
Gross profit	656
Administrative expenses	(983)
Finance costs *(note 13)*	(191)
Loss before taxation	(518)
Income tax expenses	—
Loss for the year	(518)

The following summarises the consideration received and the amounts of the assets and liabilities disposed of at the date of disposal:

	HK$'000
Disposal consideration received in cash	1,611
Less: Carrying amount of net assets disposed of	(1,159)
Gain on disposal of the discontinued operation	452

42. DISCONTINUED OPERATION (Continued)

The assets and liabilities of Wilco at the disposal date were as follows:

	HK$'000
Plant and equipment	5,826
Deferred tax assets	198
Bank balances and cash	287
Trade and other receivables	1,304
Trade and other payables	(1,676)
Bank borrowings	(1,715)
Obligations under finance leases	(3,065)
Net assets disposed	1,159

Analysis of net cash inflow from the disposal of subsidiary:

	HK$'000
Disposal consideration received in cash	1,611
Less: Bank and cash disposed	(287)
Net cash inflow	1,324

43. SHARE-BASED PAYMENT TRANSACTIONS

The Company's share option scheme was adopted pursuant to a resolution passed on 22 October 2003 (the "Old Scheme") for the primary purpose of providing incentives to selected participants, including directors and eligible employees. Under the Old Scheme, the Board of Directors of the Company may grant option to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company. The Old Scheme was expired on 21 October 2013.

The Company's share option scheme (the "New Scheme") was adopted pursuant to a resolution passed on 12 November 2014 for the primary purpose of providing incentives to selected participants, including directors and eligible employees. Under the New Scheme, the Board of Directors of the Company may grant option to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

During the year ended 31 March 2016, share options had been granted to certain eligible persons to subscribe for a total of 122,023,623 ordinary shares at HK$0.1 per share. All share options had been exercised during the year of 31 March 2016 and there were no movement and no outstanding share options as at 31 March 2017.

A nominal consideration of HK$1 is payable on the grant of an option. Options may be exercised at any time from the date of grant of the share option to the last day of the ten-year period after grant date. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the shares for five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares.

43. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

No share-based payment expenses were recognised for the year ended 31 March 2017 (2016: HK$7,321,000) in relation to share options granted by the Company.

Movements during the year ended 31 March 2016 of share options granted under the New Scheme are as follows:

	Date of grant	*Exercise price (Note) HK$*	Exercisable period	Outstanding at 1 April 2015	Number of options granted during the year	Adjusted due to share consolidation	Number of options exercised during the year	Number of options forfeited during the year	Number of options expired during the year	Outstanding at 31 March 2016
Employees	4/9/2015	0.1	4/9/2015–3/9/2025	—	40,622,385	(20,311,193)	(20,311,192)	—	—	—
Non-employees	4/9/2015	0.1	4/9/2015–3/9/2025	—	67,700,000	(33,850,000)	(33,850,000)	—	—	—
	16/11/2015	0.1	16/11/2015–15/11/2025	—	67,862,431	—	(67,862,431)	—	—	—
Weighted average exercise price				—	HK$0.1	—	HK$0.1	—	—	—

Note: The number and the exercise price of the share option were adjusted as a result of the share consolidation with effect from 8 September 2015. The above share option is exercisable within 10 years after the date of grant.

During the year ended 31 March 2016, option was granted on 4 September 2015 and 16 November 2015 with fair values of HK$3,249,000 and HK$4,072,000, respectively.

In respect of the share options granted on 4 September 2015 and 16 November 2015, the fair values were calculated using the Black-Scholes option pricing model (the "Black-Scholes Model"). The inputs into the model were as follows:

	4 September 2015	16 November 2015
Number of options granted	54,161,192	67,862,431
Share price at grant date	HK$0.092	HK$0.1
Original exercise price	HK$0.1	HK$0.1
Expected volatility	100%	86%
Expected life	10 years	10 years
Annual risk-free rate	1.5%	1.63%
Expected dividend yield	Nil	Nil

44. COMMITMENTS

At the end of the reporting period, the Group had the following commitments:

Commitments under operating leases

The Group as lessee

The Group leased certain of its office premises under operating leases. Leases for properties were negotiated for a term ranging from one to three years and rentals were fixed, with an option to renew the lease. At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2017 HK$'000	2016 HK$'000
Within one year	**3,902**	3,988
In the second to fifth years inclusive	**3,194**	6,525
	7,096	10,513

The Group as lessor

The Group leases out investment property under operating leases on terms ranging from two to five years and with an option to renew the lease by the Group after that date at which time all terms are renegotiated. None of the leases includes contingent rentals.

The Group's total future minimum lease payment receivable under non-cancellable operating leases are as follows:

	2017 HK$'000	2016 HK$'000
Within one year	**2,400**	—
In the second to fifth years inclusive	**1,200**	—
	3,600	—

45. CONTINGENT LIABILITIES

On 4 April 2014, the Company was served with a sealed copy of a petition (the "Petition") issued by Metal Winner Limited ("MWL") in Companies (Winding-up) Proceedings No. 83 of 2014 in the High Court of Hong Kong (the "Winding-up Proceedings") under which MWL (a) claimed that the Company was indebted to MWL in the sum of HK$5,700,000; and (b) petitioned that the Company be wound up by the Court. As at the date of this report, this Petition was dismissed by the High Court of Hong Kong. Separately, there are two other parties who claimed the Company was indebted to them. After investigation, the Company found that the alleged debts claimed by these two parties arose from certain dealings between a former director of the Company and these two parties. The nature and mechanism of these dealings were the same or very similar to that of MWL's. In the Winding-up Proceedings, the court has found that there was an illegal scheme perpetrated on the Company by the aforesaid former director and MWL was a party to that scheme. In gist, the illegal scheme was that the aforesaid former director obtained loans from the counterparty and the Company was falsely made as a borrower to answer the repayment obligation. The Company commenced legal proceedings in the High Court (the "Injunction Proceedings") against these two parties seeking an injunction to restrain them from presenting any petition for the winding-up of the Company or to apply to substitute MWL as petitioner in the Winding-up Proceedings (the "Restrained Acts"). The two parties gave an undertaking to the court not to do the Restrained Acts until the resolution of the Injunction Proceedings.

After the Winding-up Proceedings were dismissed by court, the Company also managed to resolve the Injunction Proceedings by way of a consent order after the two parties were willing to give further undertaking to the court not to present any petition for the winding-up of the Company pending determination of the Writ of Summons to be issued (if any) by them against the Company for recovery of the said alleged debts and/or the determination of any counterclaims or the Writ of Summons to be issued (if any) by the Company against them for declaratory relief that the said alleged debts are void or unenforceable.

On 19 February 2016, the Company has been served with a sealed copy of the Writ of Summons (the "Writ") issued by one of the two parties sued in the Injunction Proceedings (the "Plaintiff"). Under the statement of claim endorsed on the Writ, the Plaintiff claims against the Company for a total sum of HK$16,600,000 allegedly due on the dishonoured cheques issued by the Company and interest thereon.

In view of the Court's favourable findings in the Winding-up Proceedings and the striking similarity between the case of the Plaintiff and that of MWL in the Winding-up Proceedings, the Company believes that it has strong merits in defending the Plaintiff's claims and in counter-claiming such alleged debts are void and unenforceable. Therefore, the Company will vigorously contend the Plaintiff's claims and will seek legal advice to take all appropriate steps in the legal proceedings to safeguard the Company's interest.

46. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2017 *HK$'000*	2016 *HK$'000*
Non-current Assets			
Investments in subsidiaries		**3**	1
		3	1
Current Assets			
Amounts due from subsidiaries	*(a)*	**140,501**	23,597
Disposal receivables		**—**	11,400
Deposit paid for acquisition of investment		**—**	15,796
Deposits and prepayments		**—**	10,000
Bank balances		**99**	980
		140,600	61,773
Current Liabilities			
Other payables		**4,073**	5,016
Bank and other borrowings		**135,501**	—
Amount due to subsidiaries	*(a)*	**536**	534
		140,110	5,550
Net Current (Liabilities)/Assets		**490**	56,223
Total Assets less Current Liabilities		**493**	56,224
Capital and Reserves			
Share capital		**119**	99,351
Share premium and reserves	*(b)*	**(24,886)**	(55,423)
Total Equity		**(24,767)**	43,928
Non-current Liabilities			
Bonds		**13,706**	12,296
Promissory notes		**11,554**	—
		25,260	12,296
		493	56,224

The Company's statement of financial position was approval by the Board of Directors on 13 June 2017 and was signed on its behalf.

Lau Kelly	**Leung Chung Nam**
Director	*Director*

46. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Notes:

a. Amounts due from/(to) subsidiaries

The amounts are unsecured, non-interest bearing and repayable on demand.

b. Share premium and reserves

	Share premium	Capital reserve	Share option reserve	Exchange translation reserve	Warrant reserve	Accumulated losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
		(Note i)	*(Note ii)*		*(Note iii)*		
At 1 April 2015	417,565	1,200	—	1,986	1,147	(493,359)	(71,461)
Total comprehensive expenses for the year	—	—	—	—	—	(17,646)	(17,646)
Recognition of equity-settled share based payment	—	—	7,321	—	—	—	7,321
Issue of shares upon							
— Exercise of warrants	9,180	—	—	—	(1,147)	—	8,033
— Placement of shares	7,583	—	—	—	—	—	7,583
— Conversion of zero coupon bonds	13,343	—	—	—	—	—	13,343
— Exercise of share options	7,321	—	(7,321)	—	—	—	—
Share placement expenses	(1,562)	—	—	—	—	—	(1,562)
Share reorganisation expenses	(1,034)	—	—	—	—	—	(1,034)
At 31 March 2016	452,396	1,200	—	1,986	—	(511,005)	(55,423)
Loss for the year	**—**	**—**	**—**	**—**	**—**	**(79,454)**	**(79,454)**
Total comprehensive expenses for the year	**—**	**—**	**—**	**—**	**—**	**(79,454)**	**(79,454)**
Share reduction	**—**	**—**	**—**	**—**	**—**	**99,252**	**99,252**
Issue of shares upon		**—**	**—**	**—**	**—**	**—**	**—**
— Placement of shares	**11,306**	**—**	**—**	**—**	**—**	**—**	**11,306**
Share placement expenses	**(341)**	**—**	**—**	**—**	**—**	**—**	**(341)**
Share reduction expenses	**(226)**	**—**	**—**	**—**	**—**	**—**	**(226)**
At 31 March 2017	**463,135**	**1,200**	**—**	**1,986**	**—**	**(491,207)**	**(24,886)**

Notes:

i. Capital reserve

The capital reserve represents waiver of amount due to a shareholder of the Company during the year ended 31 March 2003. As the waived amount was in substance equivalent to a capital contribution to the Company, hence, it was accounted for as capital reserve.

ii. Share option reserve

The share option reserve relates to share options granted to employees under the Company's employee share option scheme. Further information about share-based payments to employees is set out in Note 43.

46. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Notes: (Continued)

b. Share premium and reserves (Continued)

Notes: (Continued)

iii. Warrant reserve

Warrant reserve represents proceeds received from the issue of warrants of the Company. The reserve will be transferred to share capital and share premium account upon exercise of the warrants.

On 3 April 2012, the Company issued 57,380,000 units of non-listed warrants at an issue price of HK$0.02 per unit. Each unit of warrants entitles the holder thereof to subscribe for one ordinary share of the Company at the subscription price of HK$0.19 per share during the period of three years commencing from the date of issue of the warrants.

On 1 April 2015, the holders of non-listed warrants exercised its rights to subscribe for 57,380,000 shares at HK$0.19 per share.

47. PRINCIPAL SUBSIDIARIES

The following list contains only the particulars of the Company's subsidiaries at 31 March 2017 and 2016 which principally affect the results or assets of the Group as the directors are of the opinion that a complete list of all the subsidiaries will be of excessive length.

Name of subsidiary	Place of incorporation/ establishment	Place of operations	Class of shares held	Issued share capital/registered capital	Kind of legal entity	Proportion of nominal value of issued capital/registered capital held by the Company				Proportion of voting power held		Principal activities
						Directly		Indirectly				
						2017 %	2016 %	2017 %	2016 %	2017 %	2016 %	
Tongfang Electronic Company Limited	British Virgin Islands ("BVI")	BVI	Ordinary shares	US$65	Limited liability company	**100%**	100%	—	—	**100%**	100%	Investment holding
Tongfang Electronic (Hong Kong) Company Limited	Hong Kong	Hong Kong	Ordinary shares	HK$100,000	Limited liability company	—	—	**100%**	100%	**100%**	100%	Investment holding
Beijing Tongfang Electronic Science & Technology Co., Ltd	PRC	PRC	Contributed capital	US$4,300,000	Wholly owned foreign enterprise	—	—	**100%**	100%	**100%**	100%	Research, development and provision of integrated management information system
Trend Brilliant Limited	Hong Kong	Hong Kong	Ordinary shares	HK$10,000	Limited liability company	**100%**	100%	—	—	**100%**	100%	Investment holding
Sage Choice Inc	Vanuatu	Hong Kong	Ordinary shares	US$100	Limited liability company	**100%**	100%	—	—	**100%**	100%	Investment holding
ISL Investment Limited	Hong Kong	Hong Kong	Ordinary shares	HK$125,298,000	Limited liability company	—	—	**100%**	—	**100%**	—	Investment property
CPWorks Limited	Hong Kong	Hong Kong	Ordinary shares	HK$10,000	Limited liability company	—	—	**51%**	—	**51%**	—	Provision of services and solutions on cyber security to customers

None of the subsidiaries had any debt securities outstanding at 31 March 2017 and 2016 or at the time during the years ended on those dates.

48. RELATED PARTY TRANSACTIONS

All material transactions and balances with related parties have been disclosed elsewhere in the consolidated financial statements.

The key management personnel of the Group comprise all directors of the Company. Details of their emoluments are disclosed in Note 19. The remuneration of the directors of the Company is determined by the remuneration committee having regard to the performance of the individuals and market trends.

49. COMPARATIVE FIGURES

Certain comparative figures have been reclassified and represented to conform with the current presentation.

50. EVENT AFTER REPORTING PERIOD

On 30 December 2016, the Group has entered into an agreement with an independent third party for the acquisition of 20% equity interest in Billion Ray Investments Limited at a consideration of HK$100,000,000 which will satisfied by issuance of promissory note at principle amount of HK$100,000,000. Billion Ray Investments Limited engaged in the businesses of developing and managing the project. This acquisition was completed on 9 May 2017.

On 29 May 2017, the Group has entered into an agreement with an independent third party for the acquisition of 85% equity interest in Full Wealthy International Limited and its subsidiaries ("FWI Group") at a consideration of HK$46,070,000 satisfied by issuance of 23,035,000 ordinary shares of the Company of HK$2 each. FWI Group engaged in the business of providing multi-media related services and content in the PRC via different platforms like cable TV. As the purchase consideration and the fair value of certain assets and liabilities of FWI Group as at the date of acquisition are currently not determined, according, goodwill on this acquisition is yet to be measured.

On 8 June 2017, the Company entered into a supplemental agreement with an independent third party, under which the repayment date of the other borrowing of approximately HK$120,343,000 has been extended to 5 May 2018. The loan carries interest at 12% per annum and is secured by the floating charge over all the assets of the Group;

On 9 June 2017, the Company obtained a loan facility from an independent third party, under which loan facility of HK$30,000,000. The loan carries interest at 2% per month. The loan facility has not been utilised up to the date of approval of these consolidated financial statements.

On 13 June 2017, the Company obtained a loan facility from an independent third party up to HK$15,000,000. The loan carries interest at 12% per annum. The loan facility has been fully utilised up to the date of approval of these consolidated financial statements.

51. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 13 June 2017.

FIVE YEAR SUMMARY

	For the year ended 31 March				
	2017	2016	2015	2014	2013
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	**36,116**	63,289	73,210	49,302	51,857
Loss before tax	**(38,863)**	(19,725)	(1,038)	(204,666)	(259,207)
Loss for the year	**(39,320)**	(19,802)	(460)	(207,019)	(260,531)
Attributable to:					
Owners of the Company	**(39,686)**	(19,802)	(460)	(207,019)	(260,531)
Non-controlling interests	**366**	—	—	—	—
	(39,320)	(19,802)	(460)	(207,019)	(260,531)

	As at 31 March				
	2017	2016	2015	2014	2013
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Total assets	**327,226**	126,899	169,349	139,444	258,742
Total liabilities	**(337,853)**	(112,639)	(216,367)	(185,948)	(145,255)
	10,627	14,260	(47,018)	(46,504)	113,487
Equity/(deficit) attributable to owners of the Company	**(12,824)**	14,260	(47,018)	(46,504)	110,794
Non-controlling interests	**2,197**	—	—	—	2,693
	(10,627)	14,260	(47,018)	(46,504)	113,487