華銀控股有限公司
SINO CREDIT HOLDINGS LIMITED

Stock Code : 00628

ANNUAL REPORT 2014

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Yeung Heung Yeung *(Chairman)*
Ms. Wong Yee Shuen, Regina
(Chief Executive Officer)
(appointed on 19 October 2013)
Mr. Chung Tat Fun
(appointed on 18 February 2014)
Mr. Chung Ho Chun
(appointed on 18 February 2014)

Non-executive Directors

Mr. So Chak Fai, Francis
(appointed on 29 July 2013)
Mr. Huang Weibo
(appointed on 15 April 2014)

Independent Non-executive Directors

Ms. Lee Shiow Yue
Mr. Poon Wai Hoi, Percy
Mr. Tang Chi Ho, Francis

COMPANY SECRETARY

Mr. Chan Kwong Leung, Eric

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants
31/F, Gloucester Tower
The Landmark, 11 Pedder Street
Central, Hong Kong

BANKERS

Industrial and Commercial Bank of China
Bank of Communications

SOLICITORS

As to Hong Kong Law

Goodwin Procter
Michael Li & Co.

As to Bermuda Law

Conyers Dill & Pearman

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 3903, 39/F
Far East Finance Centre
16 Harcourt Road
Admiralty
Hong Kong

SHARE REGISTRARS

Principal Share Registrar and Transfer Office

MUFG Fund Services (Bermuda) Limited
26 Burnaby Street
Hamilton HM 11
Bermuda

Hong Kong Branch Share Registrar and Transfer Office

Union Registrars Limited
18th Floor, Fook Lee Commercial Centre
Town Place
33 Lockhart Road
Wanchai
Hong Kong

INVESTOR RELATIONS

Website: www.sinocreditgp.com
Email: ir@sinocreditgp.com

BUSINESS REVIEW

During the year under review, the Directors considered that the former junket business in Macau provided limited room for long-term growth development for the Group and it was in the interests of the Group and the shareholders of the Company as a whole to devote more resources in the development of the fast growing financing services business in the PRC and Hong Kong. As such, the Group had strategically diversified its revenue streams and focused its core effort in its establishment in the financing services sector in the PRC and Hong Kong.

Following the Initial and Further Acquisition of Ability Wealth Group completed on 8 July 2013 and 27 January 2014 respectively, the Group gained operation and management controls of Guangdong Lido Pawnshop Co. Ltd. (廣東利都典當有限公司) which held the pawn operations business licence and the special industry licence permitted under the relevant PRC rules. Through this operating platform, the Group was to develop a wide spectrum of financing services including real estate-backed loan service, personal property pawn loan service and other loan services in the PRC.

To complement its development in financing services in the PRC and Hong Kong, the Group has been committed to expanding its service platforms. In February 2014, the Group obtained a money lender licence in Hong Kong under the provisions of the Money Lenders Ordinance and conducted lending business in Hong Kong during the year ended 31 March 2014. In addition, the Group established a wholly-owned financial leasing subsidiary in the PRC in anticipation to business opportunities in such area.

To better reflect the future prospect of the Group, the Company changed its English name from “Dore Holdings Limited” to “Sino Credit Holdings Limited”, and adopted “華銀控股有限公司” to replace “多金控股有限公司” as its Chinese name for identification purpose only effective on 16 December 2013.

The junket representative agreement in Macau was terminated in the end of December 2013 and the VIP junkets business ceased operation on 31 December 2013 accordingly.

In 2013, China’s GDP reached RMB 56.9 trillion, representing a slower economic growth rate of 7.7% which was lowest since 2009. Since 2013, consumers and businesses have been facing challenges from financing difficulties and shortage of liquidity in the financial systems. In order to safeguard the sustained competitiveness and healthy development of the business environment, The Central People’s Government of the PRC continued to increase its efforts in development of non-bank financial institutions and introduced a number of reform measures and policies to improve the financial environment for the macro economy. With the support of the favorable domestic economic environment, the consumer and business financing market gradually gathered pace of development. The Directors believe that the long term return from financial services business in the PRC will provide a strong stable growth driver for the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

With the effort given in developing the financing services, the Group has achieved revenue and segment results of over HK$28.3 million and HK$12.1 million respectively for the year ended 31 March 2014. Despite the revenue generated from the newly developed business, the Group has incurred an overall loss for this business segment due to the need to recruit more talented employees and incur more administrative costs to set up the foundation for future development. To realize the potential of the newly developed business platform, the Group has reserved its resources to expand into other untapped markets such as commercial factoring, micro finance and consumer finance.

During the year, the Group has raised approximately HK$206.9 million through placement and subscription of 300,000,000 new ordinary shares, which strengthened the Group's capital base and financial position to secure the development of financial services business.

FINANCIAL REVIEW

Continuing operations

For the years ended 31 March 2014 and 2013, the Group's consolidated revenue generated from continuing operations were approximately HK$28.3 million and nil respectively. The Group secured a number of substantial lending contracts and achieved an aggregate loans receivable of approximately HK$353.8 million as at 31 March 2014. Revenue generated from continuing operations comprising four sources of income namely real estate-backed loan service income, personal property pawn loan service income, other loans service income and consulting financial service income.

Real estate-backed loan service income

Under the current economic situation in the PRC, the Group is of a view that real estate collateral provides better security compared to other types of collateral. Hence, the Group has placed more allocation on real estate-backed loan services. For the year ended 31 March 2014, interest income from loan secured by real estate collateral was approximately HK$14.3 million, representing about 50.5% of the Group's aggregate income from continuing operations.

Personal property pawn loan service income

Interest income from pawn loan secured by personal property as collateral was approximately HK$3.5 million, representing about 12.4% of the Group's aggregate income from continuing operations for the year ended 31 March 2014. Such service was primarily provided by the Group's pawnshop situated in Guangzhou.

Other loans service income

Other loans service income was derived from the provision of money lending service in Hong Kong and the PRC secured by collateral other than real estate and personal property. The Group recorded revenue of approximately HK$5.8 million, representing about 20.5% of the Group's aggregate income from continuing operations for the year ended 31 March 2014.

Financial consulting service income

Revenue from the provision of financial consultancy service was HK$4.7 million, representing about 16.6% of the Group's aggregate income from continuing operations for the year ended 31 March 2014. Such income represents fees in relation to introduction of financial consulting services to the borrowers.

Other gains and losses

Other gains and losses was mainly composed of provision of bad debts of approximately HK$10.1 million related to personal property pawn loans receivable for the year ended 31 March 2014. Management had review individual customer accounts and evaluated a significant default may be happened.

Administrative expenses

The Group's administrative expenses for the year ended 31 March 2014 was approximately HK$14.3 million, representing an increase of 186% from approximately HK$5.0 million for the year ended 31 March 2013. The substantial increase was mainly attributed to the increase in staff cost due to recruitment of additional management and staff for the Group and its subsidiaries, and increase in legal and professional fees for the acquisition of lending business.

Fair value changes on financial assets

The Group incurred a loss of approximately HK$4.3 million and HK$4.1 million for the years ended 31 March 2014 and 2013 respectively resulting from a decrease fair value of the listed stocks that the Group had invested in.

Finance costs

The Group recorded interest expenses of approximately HK$0.80 million and nil for the years ended 31 March 2014 and 2013 respectively. The increase was mainly attributed to the interest arisen as a result of the convertible note issued for the acquisition of subsidiaries.

Discontinued operations

Revenue derived from the sharing of profit streams from investments in gaming and entertainment related business in Macau was approximately HK$24.3 million and HK$25.6 million for the years ended 31 March 2014 and 2013 respectively. The Group had resulted in a loss attributable to the owners of the Company of approximately HK$89.3 million for the year ended 31 March 2014 as compared to a profit of HK$25.6 million for the year ended 31 March 2013. The significant loss was mainly attributable to the recognition of the impairment loss of intangible assets of approximately HK$113.5 million with respect to the termination of the junket representative agreement between Nove Sociedade Unipessoal Limitada and Venetian and cessation of receiving profit pursuant to Nove Profit Agreement after 31 December 2013 as disclosed in the announcement of the Company dated 3 December 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

Loss for the year attributed from continuing operations

Loss attributable to the owners of the Company was restated to reflect performance from continuing operations of approximately HK$8.8 million and HK$9.1 million for the years ended 31 March 2014 and 2013 The overall reduction of loss was primarily due to the increase in revenue despite the increase in administrative expenses. Basic loss per share was 3.55 HK cents (2013: 4.24 HK cents).

PROSPECTS

Looking forward to 2015, the Directors believe that the demand for financing services for individual consumers and businesses in the PRC will continue to expand steadily which will create a favorable market environment for the development of financing services providers.

Going forward, the Group will continue its efforts in governing its risk management and internal control policies with improved IT infrastructure to complement its development in financing services in the PRC and money lending business in Hong Kong. The Group will introduce operation and marketing talents and strengthen all-round services to enhance customer loyalty and brand awareness. In addition, the Group will not only strive to explore licence of financing opportunities and to register licenses with a greater capital scale, but to devote more resources in micro financing and consumer finance segments in order to expand the scale of business and promote improvement in profitability.

LIQUIDITY AND FINANCIAL RESOURCES

Financial position of the Group has been healthy throughout the financial year. As at 31 March 2014, the Group had total assets of approximately HK$499.1 million (2013: HK$265.5 million), total liabilities of approximately HK$95.0 million (2013: HK$1.5 million). Equity attributable to owners of the Company at 31 March 2014 was approximately HK$404.1 million (2013: HK$263.9 million).The Group's gearing ratio, expressed as a percentage of total liabilities over owner's equity was 0.235 (2013: 0.006).

At 31 March 2014, the cash and cash equivalents of the Group amounted to approximately HK$98.6 million (2013: HK$122.6 million), and the borrowings amounted to approximately HK$70.0 million (2013: nil) which mainly comprised of a loan obtained from a third party lender. The Group's current ratio was 5.1 (2013: 98.6).

CAPITAL STRUCTURE

On 2 September 2013, share consolidation became effective, of which, every ten issued and unissued shares of HK$0.01 each in the share capital of the Company were consolidated into one consolidated share of HK$0.10 each. i.e. 2,154,938,571 shares of HK$0.01 each were consolidated into 215,493,857 consolidated shares of HK$0.10 each.

On 28 October 2013, the Company entered into a Subscription Agreements to issue 190,000,000 ordinary shares of HK$0.10 each comprising three tranches. Tranche 1 Subscription was completed on 27 January 2014 with new issuance of 10,000,000 ordinary shares at the Tranche 1 Subscription Price of HK$0.65 per Subscription Share. Tranche 2 Subscription was completed on 4 March 2014 with new issuance of 90,000,000 ordinary shares at the Tranche 2 Subscription Price of HK$0.70 per Subscription Share. Tranche 3 Subscription was completed on 31 March 2014 with new issuance of 90,000,000 ordinary shares at the Tranche 3 Subscription Price of HK$0.75 per Subscription Share. Total net proceeds raised as a result of the Subscriptions was approximately HK$137 million.

On 5 February 2014, the Company issued 110,000,000 ordinary shares of HK$0.10 each at the issued price of HK$0.65 per share by way of placing. Net proceeds raised as a result of the placing was approximately HK$69.9 million.

On 22 January 2014, the Company issued 20,000,000 ordinary shares of HK$0.10 each as a result of the exercise of the conversion rights attached to the convertible bonds of a principal amount of HK$14,000,000 issued by the Company on 8 July 2013 with respect to the Group's acquisition of 51% interest in the share capital of Ability Wealth ("Initial Acquisition").

On 27 January 2014, the Company issued 23,076,923 ordinary shares of HK$0.10 each with respect to the Group's acquisition of 49% remaining interest in the share capital of Ability Wealth ("Further Acquisition").

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATES

Pursuant to the Initial Acquisition and the Further Acquisition as described under the "Capital Structure" above, the Company acquired 100% of the issued share capital of Ability Wealth at an aggregate fair value consideration of HK$35 million. Details of the acquisition were disclosed in the Company's announcement dated 13 June 2013 and 28 October 2013 and the Company's circular dated 3 January 2014.

Save as disclosed above, the Group did not have any other material acquisitions and disposals of subsidiaries and associates during the year ended 31 March 2014.

CHARGES ON GROUP ASSETS

As at 31 March 2014, none of the Group's assets was pledged to any financial institution for facilities (2013: Nil).

CONTINGENT LIABILITIES

As at 31 March 2014, the Group had no significant contingent liabilities (2013: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

COMMITMENTS

As at 31 March 2014, the Group had no capital expenditure commitments (2013: Nil). Rental payment under non-cancellable operating leases amounted to approximately HK$5.4 million (2013: Nil).

FOREIGN EXCHANGE EXPOSURE

The Group is mainly exposed to the fluctuation of Hong Kong dollars ("HK$") against Renminbi ("RMB") as its reporting currency is HK$ which is not the functional currency of the business operation of the Group. The Group has not adopted any hedging policy or entered into any derivative products. However, the Board and management will continue to monitor the foreign currency exchange exposure and will consider adopting certain hedging measures against the currency risk when necessary.

TREASURY POLICIES

The Group continues to adopt a conservative treasury policy with all bank deposits in HK$ and RMB. The Board and the management have been closely monitoring the Group's liquidity position and performing ongoing credit evaluation and financial conditions of its customers in order to ensure the healthy cash position of the Group.

STAFF AND REMUNERATION

As at 31 March 2014, the Group had a total of 34 staff (2013: 3). Total staff costs during the year amounted to approximately HK$5.6 million (2013: HK$1.3 million). Employees were remunerated on the basis of their performance, experience and prevailing industry practices. The Group's remuneration policies and packages were reviewed by the Remuneration Committee and the Board on a regular basis. As an incentive for the employees, bonuses and cash awards may also be given to employees based on individual performance evaluation.

EVENTS AFTER THE REPORTING PERIOD

On 25 April 2014, the Company entered into a conditional placing agreement, pursuant to which the placing agent to place not more than 43,000,000 new shares to not less than six independent placees at a price of HK$1.25 per placing share. On 20 May 2014, an aggregate of 43,000,000 new shares, representing approximately 7.15% of the issued share capital of the Company immediately after completion of such placing, had been successfully placed. Total net proceeds raised from placing were approximately HK$52.7 million.

ADVANCE TO ENTITY

Pursuant to Rule 13.13 of the Listing Rules, a disclosure obligation arises where an advance to an entity from the Company exceeds 8% of the total assets of the Company. As at 31 March 2014, the Company's total assets were approximately HK$499,132,000. Pursuant to Rule 13.20 of the Listing Rules, details of the advance as defined under Rule 13.15 of the Listing Rules which remained outstanding as at 31 March 2014 were set out below.

On 24 March 2014, Pure Profit Holdings Limited ("Pure Profit"), an indirectly wholly-owned subsidiary of the Company, had entered into a revolving loan facilities agreement ("Mason Loan Agreement") with Mason Capital Limited ("Mason") as the borrower. Pursuant to the Mason Loan Agreement, Pure Profit agreed to grant the secured loan of HK$80 million to Mason for a term of 6 months at interest rate of 10.2% per annum. Koffman Greater China Limited, the sole shareholder of Mason, has pledged all issued shares in Mason and a personal guarantee has been provided by the beneficial owners of Mason in favour of Pure Profit as a security against all the obligations of Mason in Mason Loan Agreement. Interest is payable in every 30 days' period and the loan principal and any outstanding interest accrued is payable at the end of the loan term. Mason had drawn down a sum of HK$70 million on 27 March 2014 and the same amount was outstanding as at 31 March 2014. Mason is an independent third party and not connected with the Group. The Group will finance the loan with its internal resources. Details of the above were disclosed in the Company's announcements dated 24 March 2014.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Yeung Heung Yeung

aged 51, joined the Group as the Chairman and an Executive Director in October 2010. He is currently the Chairman of the Shenzhen Resources Investment and Development Company Limited. A Masters Graduate of Tsinghua University, Mr. Yeung brings a wealth of management and technical expertise in the petrochemical, real estate, high-tech and biomedical (Gene Therapy, Cell Therapy and Stem cell Therapy) industries. Additionally, Mr. Yeung has over 20 years of investment and management experience and he is currently a venture Partner of SAIF Partners.

Ms. Wong Yee Shuen, Regina

aged 39, was appointed as the Chief Executive Officer and an Executive Director in October 2013. She is a director of a number of the Company's subsidiaries. Ms. Wong holds a Master of Business Administration degree from the Hong Kong University of Science and Technology and a Bachelor of Commerce (Accounting) degree from University of British Columbia in Canada. She is a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and a member of The Hong Kong Institute of Directors. Ms. Wong has extensive experience in accounting, merger and acquisition, fund-raising and corporate finance. She had worked with corporations of various industries including mining, oil & gas, healthcare, shipping, retail and property investment. Ms. Wong is the spouse of Mr. Lam Tsz Chung.

Mr. Chung Tat Fun

aged 53, was appointed as an Executive Director in February 2014. He is a director of several major operating subsidiaries of the Group. Mr. Chung has extensive operation and management experience in businesses of various industries, including financing services, assets management, equity investment and property investment for over 20 years. Mr. Chung is a member of the committee of All-China Federation of Returned Overseas Chinese (中華全國歸國華僑聯合會), a vice president of China Federation of Overseas Chinese Entrepreneurs (中國僑商聯合會), a member of the standing committee of Guangdong Province Returned Overseas Chinese Association (廣東省歸國華僑聯合會), a standing executive vice president of Guangdong International Overseas Chinese Chamber of Commerce (廣東省國際華商會) and a member of the Guangzhou Yuexiu District Committee of Chinese People's Political Consultative Conference of Yuexiu (廣州市越秀區政協委員會) and a member of The Hong Kong Institute of Directors. Mr. Chung established East Summit Organization (Holdings) Limited ("East Summit") in 2006 and has been acting as a director. He is responsible for strategic planning, business operations and general management. East Summit currently involves in different industries including finance, commercial real estates, export trade and logistics. Mr. Chung has sponsored various charity activities in Mainland China. He is the father of Mr. Chung Ho Chun.

EXECUTIVE DIRECTORS (continued)

Mr. Chung Ho Chun

aged 25, was appointed as an Executive Director in February 2014. Mr. Chung is responsible for the business development of the Group. He graduated from Purdue University with a double degree in Actuarial Science and Applied Statistics and passed the financial mathematics examination organized by the Society of Actuaries. Mr. Chung previously worked for Bravo Group and Hopefluent Group Holdings Limited (stock code: 733), which shares are listed on The Stock Exchange of Hong Kong Limited. Mr. Chung is an associate member of The Hong Kong Institute of Directors. He is the son of Mr. Chung Tat Fun.

NON-EXECUTIVE DIRECTORS

Mr. So Chak Fai, Francis

aged 61, was appointed as a Non-executive Director in July 2013. Mr. So graduated from the University of San Francisco, USA, with a Bachelor of Business Administration Degree. Mr. So has over 30 years' experience in logistic services and is currently the director of Fond Express (SFO) Inc. and May Flower Travel Services Limited. Mr. So also has extensive business connections in Hong Kong, China and the United States of America.

Mr. Huang Weibo

aged 50, was appointed as a Non-executive Director in April 2014. Mr. Huang has more than 23 years of experience in manufacturing, trading and corporate management. From 1988 to 1994, he was the deputy general manager of a wholly owned subsidiary of Golik Holdings Limited (stock code: 1118), which shares are listed on The Stock Exchange of Hong Kong Limited. He is currently a director of a company that is engaged in packaging business. Mr. Huang also has extensive business connections in Hong Kong and China.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Lee Shiow Yue

aged 51, joined the Company as an Independent Non-executive Director in March 2010. She has over 20 years of working experience in accounting and management field.

Mr. Poon Wai Hoi, Percy

aged 49, joined the Company as an Independent Non-executive Director in June 2010. Mr. Poon was graduated from Lingnan University (previously known as Lingnan College) with an Honours Diploma in Accountancy and obtained his Master of Science degree in E-Commerce from the Hong Kong Polytechnic University. Mr. Poon is a member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales. He is currently a proprietor of a certified public accountant practice. Mr. Poon had worked for various international accounting firms, corporation and consultant company in Hong Kong. Mr. Poon's experience covered audit and assurance, internal controls, accounting and information technology.

INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

Mr. Tang Chi Ho, Francis
aged 47, joined the Company as an Independent Non-executive Director in June 2010. He has over 16 years experience in public administration. He was an urban councillor from the year of 1995 to the year of 2000. Mr. Tang was a council member of Kwun Tong district from 1994 to 2011.

SENIOR MANAGEMENT

Mr. Wong Kwan Kit, Eric
age 43, joined the Group as Group Financial Controller in August 2013. Mr. Wong oversees the overall accounting and finance function of the Group. He has extensive experience in accounting and financial management. Mr. Wong previously held senior management positions in a number of Hong Kong listed companies. He holds a Master of Business Administration degree from the Chinese University of Hong Kong and is a fellow member of the Hong Kong Institute of Certified Public Accountants.

Mr. Lam Tsz Chung
aged 41, joined the Group as the Chief Legal Counsel in October 2013. Mr. Lam is the head of the Group's legal department and he oversees all legal matters of the Group. He obtained a Bachelor of Laws and a Postgraduate Certificate of Laws from the University of Hong Kong in 1995 and 1996 respectively. Mr. Lam also obtained a Master of Laws from City University of Hong Kong and a Master of Science (Financial Analysis) from the Hong Kong University of Science and Technology.

Having practised law in Hong Kong for more than 15 years, he is qualified to practise in Hong Kong and England and Wales with expertise in civil litigation and commercial matters. Mr. Lam is currently a China-Appointed Attesting Officer appointed by Ministry of Justice of the PRC, an adjudicator of Immigration Tribunal, an adjudicator of Registration of Persons Tribunal, a member of Appeal Panel (Housing) and an advisor of Panel of Advisors established under the Film Censorship Ordinance (Cap. 392). Mr. Lam is the spouse of Ms. Wong Yee Shuen, Regina.

The Directors present their report and the audited consolidated financial statements of the Company and the Group for the year ended 31 March 2014.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holdings. Principal activities of the subsidiaries comprise of real estate-backed loan service, personal property pawn loan service and other loans service in the People's Republic of China ("PRC"), money lending service in Hong Kong and receive profit streams from gaming and entertainment related business in Macau, details of which are set out in note 19 to the consolidated financial statements.

CHANGE OF COMPANY NAME

The change of name of the Company from "Dore Holdings Limited" to "Sino Credit Holdings Limited", and adoption of "華銀控股有限公司" to replace "多金控股有限公司" as Chinese name of the Company for identification purpose only (the "Change of Company Name") was approved by the shareholders of the Company at the special general meeting held on 13 December 2013. The Certificate of Incorporation on Change of Name of the Company was issued by the Registrar of Companies in Bermuda on 18 December 2013 and the Certificate of Registration of Change of Corporate Name of Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 10 January 2014. The stock short names of the Company for trading in the shares of the Company on the Stock Exchange was changed from "DORE HOLDINGS" to "SINO CREDIT" in English and from "多金控股" to "華銀控股" in Chinese on 22 January 2014. The stock code of the Company remains unchanged as "628".

The Board considers that the new name can more accurately reflect the business focus of the Group and also give the investors and the shareholders of the Company a more defined corporate image and identity.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2014 are set out in the consolidated statement of profit or loss on page 36 of this annual report.

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2014 (2013: Nil).

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements and reclassified as appropriate, is set out on page 110 of this annual report. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Company and the Group during the year are set out in note 16 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital, together with the reasons therefor, are set out in note 30 to the consolidated financial statements.

SHARE OPTION SCHEME

On 28 September 2012, the Company adopted a share option scheme (the "Share Option Scheme"), which was approved by the shareholders of the Company (the "Shareholders") at the annual general meeting of the Company held on 28 September 2012.

The purpose of the Share Option Scheme is to enable the Group to grant share options to the eligible participants as incentives or rewards for their contributions to the Group.

According to the Share Option Scheme, the Board may grant share options to the eligible participants as defined in the Share Option Scheme to subscribe for such number of shares as the Board may determine. Share options granted should be accepted within 21 days from the date of the letter of grant. Upon acceptance of the share options, the grantee shall pay HK$1.00 to the Company by way of consideration for the grant. Subject to the terms of the Share Option Scheme and all applicable laws, the Board has the power to determine the period within which payments or calls must or may be made.

The subscription price of share options shall be determined by the Board, which shall be at least the highest of (i) the closing price of the shares as stated in the daily quotations sheet of the Stock Exchange on the date of the grant, which must be a business day; (ii) the average closing price of the shares as stated in the daily quotations sheet of the Stock Exchange for the five business days immediately preceding the date of the grant; and (iii) the nominal value of a share.

The maximum number of shares which may be issued upon the exercise of all share options to be granted under the Share Option Scheme and any other share option scheme(s) of the Company must not exceed 10% of the issued share capital of the Company on the date of approval and adoption of the Scheme provided that the Company may at any time seek approval from its shareholders to refresh the limit to 10% of the shares in issue as at the date of approval by the Shareholders in general meeting where such limit is refreshed. Share options previously granted under any share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with such schemes or exercised options) will not be counted for the purpose of calculating the limit as refreshed.

The total number of shares issued and which may fall to be issued upon exercise of the share options granted under the Share Option Scheme and any other share option scheme(s) of the Company (including exercised, cancelled and outstanding options) to each eligible participant in any 12-month period up to and including the date of grant shall not exceed 1% of the shares in issue as at the date of grant unless such grant has been duly approved by ordinary resolution of the Shareholders in general meeting at which the relevant eligible participant and his associates abstained from voting. Share options granted to substantial shareholders or Independent Non-executive Directors or any of their respective associates in any 12-month period in excess of 0.1% of the Company's issued share capital on the date of grant or with a value in excess of HK$5,000,000 must be approved in advance by the Shareholders.

The period during which a share option may be exercised will be determined by the Board at its absolute discretion, save that no share options can be exercised more than 10 years after it has been granted. There is no general requirement that a share options must be held for any minimum period before it can be exercised. The Share Option Scheme will expire on 27 September 2022.

For the year ended 31 March 2014, no share options were granted under the Share Option Scheme since its adoption on 28 September 2012. After the share consolidation effected on 2 September 2013, the maximum number of share option that can be granted by the Company was 21,549,385.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 31 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

At 31 March 2014, the Company's reserves available for distribution to shareholders, calculated in accordance with the provision of the Companies Act 1981 of Bermuda (as amended), amounted to nil (2013: nil).

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales generated from the Group's top five customers accounted for 55% of the total sales and there was no major supplier to the Group.

None of the Directors or any of their associates or any shareholders which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital has any beneficial interest in the Group's five largest customers.

RELATED PARTY TRANSACTION

The related party transactions set out in note 33 to the consolidated financial statements did not fall within the definition of "connected transaction" or "continuing connected transaction" in Chapter 14A of the Listing Rules.

DIRECTORS

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

Executive Directors:

Mr. Yeung Heung Yeung *(Chairman)*
Ms. Wong Yee Shuen, Regina *(Chief Executive Officer) (appointed on 19 October 2013)*
Mr. Chung Tat Fun *(appointed on 18 February 2014)*
Mr. Chung Ho Chun *(appointed on 18 February 2014)*

Non-executive Directors:

Mr. So Chak Fai, Francis *(appointed on 29 July 2013)*
Mr. Huang Weibo *(appointed on 15 April 2014)*

Independent Non-executive Directors:

Ms. Lee Shiow Yue
Mr. Poon Wai Hoi, Percy
Mr. Tang Chi Ho, Francis

Pursuant to Bye-law 87(1) of the Bye-laws, Mr. Poon Wai Hoi, Percy and Mr. Tang Chi Ho, Francis shall retire from office by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

Pursuant to Bye-law 86(2) of the Bye-laws, Ms. Wong Yee Shuen, Regina, Mr. Chung Tat Fun, Mr. Chung Ho Chun and Mr. Huang Weibo shall retire from office and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and senior management of the Company are set out on pages 10 to 12 of this annual report.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the Independent Non-executive Directors an annual confirmation of his/her independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company considers all of the Independent Non-executive Directors are independent.

DIRECTORS' SERVICE CONTRACTS

Ms. Wong Yee Shuen, Regina, the Chief Executive Officer and an Executive Director, has entered into a service agreement with the Company for no fixed term.

Mr. Chung Tat Fun and Mr. Chung Ho Chun, the Executive Directors, had entered into a service agreement with the Company for no fixed term.

Mr. So Chak Fai, Francis, a Non-executive Director, has entered into a service agreement with the Company for a term of 3 years commencing on 29 July 2013.

Mr. Huang Weibo, a Non-executive Director, has entered into a service agreement with the Company for no fixed term.

Save as disclosed above, no Director has entered into any service agreements with any members of the Group excluding contracts expiring or determinable by the employee within one year without payment of compensation other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

No Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party during the year.

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

At 31 March 2014, the interests and short positions of the Directors and the chief executive of the Company and their associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules were as follows:

Long positions:

Ordinary shares of HK$0.1 each of the Company

Name of Directors	Capacity	Interest in shares	Interest in underlying shares	Total interest	Approximate percentage of the issued share capital of the Company *(Note 1)*
Mr. Yeung Heung Yeung *(Note 2)*	Interest of controlled corporation	34,900,000	Nil	34,900,000	6.25%
Ms. Wong Yee Shuen, Regina *(Note 3)*	Interest of controlled corporation	70,000,000	Nil	70,000,000	12.53%
Mr. Chung Tat Fun *(Note 4)*	Interest of controlled corporation	80,000,000	Nil	80,000,000	14.32%
Mr. So Chak Fai, Francis	Beneficial owner	11,096,000	Nil	11,096,000	1.99%

Notes:

1. Based on 558,570,780 ordinary shares of the Company issued as at 31 March 2014.

2. SUR Limited held 34,900,000 shares. As SUR Limited is wholly and beneficially owned by Mr. Yeung Heung Yeung, an Executive Director and the chairman of the Company. Mr. Yeung Heung Yeung is deemed to be interested in 34,900,000 shares.

3. Regal Peak Development Limited held 70,000,000 shares. As Regal Peak Development Limited is wholly and beneficially owned by Ms. Wong Yee Shuen, Regina, an Executive Director and the Chief Executive Officer of the Company. Ms. Wong Yee Shuen, Regina is deemed to be interested in 70,000,000 shares.

4. Light Tower Holding Limited held 60,000,000 shares and East Summit Organization (Holdings) Limited held 20,000,000 shares. As Light Tower Holding Limited is wholly and beneficially owned by Mr. Chung Tat Fun, an Executive Director, and East Summit Organization (Holdings) Limited is 50% owned by Mr. Chung Tat Fun. Mr. Chung Tat Fun is deemed to be interested in total of 80,000,000 shares.

Save as disclosed above, as at 31 March 2014, none of the Directors or chief executive of the Company nor their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

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

At 31 March 2014, as far as known to the Directors, the following persons or entities (not being a Director or a chief executive of the Company) who had interests or short positions in the shares and 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 which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follow:

Long positions:

Ordinary shares of HK$0.1 each of the Company

Name of Shareholders	Capacity	Interest in shares	Interest in underlying shares	Total interest	Approximate percentage of the issued share capital of the Company *(Note 1)*
SUR Limited *(Note 2)*	Beneficial owner	34,900,000	Nil	34,900,000	6.25%
Regal Peak Development Limited *(Note 3)*	Beneficial owner	70,000,000	Nil	70,000,000	12.53%
Light Tower Holding Limited *(Note 4)*	Beneficial owner	60,000,000	Nil	60,000,000	10.74%
Flame Global Holding Limited *(Note 5)*	Beneficial owner	60,000,000	Nil	60,000,000	10.74%
Mr. Ng Cheuk Fai	Beneficial owner	35,294,117	Nil	35,294,117	6.32%
Mr. Fu Ear Ly	Beneficial owner	30,000,000	Nil	30,000,000	5.37%

Notes:

1. Based on 558,570,780 ordinary shares of the Company issued as at 31 March 2014.

2. SUR Limited held 34,900,000 shares. As SUR Limited is wholly and beneficially owned by Mr. Yeung Heung Yeung, an Executive Director and the chairman of the Company. Mr. Yeung Heung Yeung is deemed to be interested in 34,900,000 shares.

3. Regal Peak Development Limited held 70,000,000 shares. As Regal Peak Development Limited is wholly and beneficially owned by Ms. Wong Yee Shuen, Regina, an Executive Director and the Chief Executive Officer of the Company. Ms. Wong Yee Shuen, Regina is deemed to be interested in 70,000,000 shares.

4. Light Tower Holding Limited held 60,000,000 shares. As Light Tower Holding Limited is wholly and beneficially owned by Mr. Chung Tat Fun, an Executive Director. Mr. Chung Tat Fun is deemed to be interested in 60,000,000 shares.

5. Flame Global Holding Limited held 60,000,000 shares. As Flame Global Holding Limited is wholly and beneficially owned by Mr. Huang Weibo, who was appointed as a Non-executive Director on 15 April 2014. Mr. Huang Weibo is deemed to be interested in 60,000,000 shares.

Save as disclosed above, as at 31 March 2014, the Company has not been notified by any person (other than Directors or the chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 March 2014.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this annual report.

REPORT OF THE DIRECTORS

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the remuneration committee of the Company, on the basis of their performance, experience and prevailing industry practices.

The emoluments of the Directors are recommended by the remuneration committee of the Company, having regard to the Company's operating results, individual performance and/or comparable market statistics. As an incentive for the employees, bonuses and cash awards may also be given to employees based on individual performance evaluation. The Group has also implemented a share option scheme to reward eligible employees (including Executive Directors) according to their individual performance.

EVENTS AFTER THE REPORTING PERIOD

Details of the events after the reporting period are set out in note 35 to the consolidated financial statements.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices.

Details of the corporate governance practices adopted by the Company are set out in the "Corporate Governance Report" on pages 23 to 33 of this annual report.

AUDITORS

The consolidated financial statements for the year ended 31 March 2012 were audited by HLB Hodgson Impey Cheng and that for the year ended 31 March 2013 and 2014 were audited by HLB Hodgson Impey Cheng Limited.

On 30 August 2013, HLB Hodgson Impey Cheng Limited was re-appointed as the auditors of the Company for a term of office will expire upon the forthcoming annual general meeting. An ordinary resolution for the re-appointment of HLB Hodgson Impey Cheng Limited as the auditors of the Company for the subsequent year is to be proposed at the forthcoming annual general meeting.

On behalf of the board

Yeung Heung Yeung
Chairman

Hong Kong, 30 June 2014

CORPORATE GOVERNANCE PRACTICES

The board (the "Board") of directors (the "Directors") of the Company is committed to maintaining a high standard of corporate governance practices. The primary corporate governance rules applicable to the Company is the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Throughout the year ended 31 March 2014, the Company had complied with all code provisions set out in the CG Code, except for certain deviations disclosed herein.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as its own code of conduct regarding directors' securities transactions. Having made specific enquiry of all Directors, the Directors of the Company confirmed that they had complied with the required standard set out in the Model Code throughout the year ended 31 March 2014.

BOARD OF DIRECTORS

As at 31 March 2014, the Board comprises four Executive Directors, one Non-executive Director and three Independent Non-executive Directors. The Directors were:

Executive Directors:

Mr. Yeung Heung Yeung *(Chairman)*
Ms. Wong Yee Shuen, Regina *(Chief Executive Officer)*
Mr. Chung Tat Fun
Mr. Chun Ho Chun

Non-executive Director:

Mr. So Chak Fai, Francis

Independent Non-executive Directors:

Ms. Lee Shiow Yue
Mr. Poon Wai Hoi, Percy
Mr. Tang Chi Ho, Francis

Such balanced Board composition, coupled with the strong independent element, is over and above the recommended practice under the CG Code for the Board to have at least one-third in number of its members comprising Independent Non-executive Directors. The participation of Independent Non-executive Directors in the Board brings independent judgment to ensure the interests of all shareholders of the Company have been duly considered. In compliance with Rule 3.21 of the Listing Rules, Mr. Poon Wai Hoi, Percy, the chairman of the Audit Committee, is a member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales. He has worked for various international accounting firms, corporation and consultant company in Hong Kong. Mr. Poon's experience covered audit and assurance, internal controls, accounting and information technology.

During the year, the Board held twenty-one Board meetings and meets as and when required. The company secretary of the Company assisted the chairman and the Executive Directors in establishing the meeting agenda, and each director was able to request inclusion of items in the agenda. All such meetings were convened in accordance with the bye-laws of the Company (the "Bye-laws"). According to code provision A.1.3 of the CG Code, notice of at least 14 days should be given of a regular board meeting to give all directors an opportunity to attend.

During the year, certain regular Board meetings were convened with less than 14 days' notice to enable the Board members to react timely and make expeditious decisions in respect of transactions which were of significance to the Group's business. As a result, the Board meetings were held with a shorter notice period than required with the consent of all Directors for that time being. The Board will do its best endeavor to meet the requirement of code provision A.1.3 of the CG Code in the future. Adequate and appropriate information are circulated to the Directors normally three days in advance of Board meetings or such period accepted by them. In addition to regular Board meetings, the chairman of the Board held a meeting with the Non-executive Directors (including the Independent Non-executive Directors) without the presence of the Executive Directors during the year.

The Board considers that all of the Independent Non-executive Directors are independent. All of the Independent Non-executive Directors have signed their respective confirmation letters to the Company confirming their independence as set out in Rule 3.13 of the Listing Rules. Biographical details of the Directors are set out in the section of "Biographical Details of Directors and Senior Management" on pages 10 to 12 of this annual report. Mr. Chung Tat Fun is the father of Mr. Chung Ho Chun, Ms. Wong Yee Shuen, Regina is the spouse of Mr. Lam Tsz Chung. To the best knowledge of the Company, there is no financial, business, family or other material/relevant relationship among the Directors.

The Board possesses a balanced mix of skills and expertise which supports the continuing development of the Company. The Executive Directors have accumulated sufficient and valuable experience to hold their positions in order to ensure that their fiduciary duties have been carried out in an efficient and effective manner. The Board is responsible for setting the Group's strategic direction and overseeing the business performance of the Group while business operations are delegated to qualified management under the supervision of the Executive Directors. The Board also monitors the financial performance and the internal controls of the Group's business operations. The senior management is responsible for the day-to-day operations of the Group.

DIRECTORS INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

During the year, the newly appointed Directors were given an induction after their appointment so as to ensure that they have appropriate understanding of the Group's business and of their duties and responsibilities under the Listing Rules and the relevant statutory and regulatory requirements.

The Company provides regular updates on the business performance of the Group to the Directors. The Directors are continually updated with legal and regulatory developments, and the business and market changes to facilitate the discharge of their responsibilities. Continuing briefings and professional development to Directors will be arranged whenever necessary.

The Company has maintained a training record in order to assist the Directors to record the training that they have undertaken and they are asked to submit a training record to the Company on annual basis.

During the year, each individual Director has attended training courses or workshops or reading materials relevant to his/her professional and/or duties as Director.

The individual training record of each Director received for the year ended 31 March 2014 is summarised below:

Name of Directors	Courses/Seminars provided/ accredited by Professional Body	Reading materials
Executive Directors:		
Mr. Yeung Heung Yeung	–	✓
Ms. Wong Yee Shuen, Regina *(appointed on 19 October 2013)*	✓	✓
Mr. Chung Tat Fun *(appointed on 18 February 2014)*	✓	✓
Mr. Chung Ho Chun *(appointed on 18 February 2014)*	✓	✓
Non-executive Director:		
Mr. So Chak Fai, Francis *(appointed on 29 July 2013)*	–	✓
Independent Non-executive Directors:		
Ms. Lee Shiow Yue	–	✓
Mr. Poon Wai Hoi, Percy	–	✓
Mr. Tang Chi Ho, Francis	–	✓

All Directors also understand the importance of continuous professional development and they are committed to participating any suitable training and/or reading relevant materials to develop and refresh their knowledge and skills.

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for performing the corporate governance duties as set out below:

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

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

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

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

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

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE AND INDEMNITY

To indemnify Directors and officers of the Company against all costs, charges, losses, expenses and liabilities incurred by them in the executive of and discharge of their duties or in relation thereto, the Company has arranged insurance cover for this purpose.

CHAIRMAN AND CHIEF EXECUTIVE

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

The Company did not officially have a position of chief executive, but Mr. Yeung Heung Yeung, the chairman of the Board, has been assuming the roles of chief executive of the Company during the period from 1 April 2013 to 19 October 2013.

The Board believes that the roles of chairman and chief executive performed by, Mr. Yeung Heung Yeung could provide the Group with strong and consistent leadership and allow for more effective and efficient business planning and decisions as well as execution of long term business strategies. On 19 October 2013, the Company appointed Ms. Wong Yee Shuen, Regina as the Chief Executive Officer of the Company. The appointment is considered to have helped the Company comply with the code provision.

APPOINTMENTS, RE-ELECTION AND REMOVAL OF DIRECTORS

Pursuant to Bye-law 87(1) of the Bye-laws, one-third of the Directors for the time being shall retire by rotation at each annual general meeting of the Company at least once every three years. All retiring Director shall be eligible for re-election.

Bye-law 86(2) of the Bye-laws provides that (1) any director appointed by the Board to fill a casual vacancy shall hold office only until the next following general meeting of the Company after his/her appointment, or (2) any director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

According to code provision A.4.1 of CG Code, the Non-executive Directors should be appointed for a specific term, subject to re-election.

Ms. Lee Shiow Yue, Mr. Poon Wai Hoi, Percy and Mr. Tang Chi Ho, Francis being the Independent Non-executive Directors, were not appointed for a specific term but were subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the provisions of the Bye-laws and their appointments would be reviewed when they were due for re-election.

BOARD COMMITTEES

The Board has established three committees with specific responsibilities as described below. The terms of reference of the remuneration committee (the "Remuneration Committee"), nomination committee (the "Nomination Committee") and audit committee (the "Audit Committee") of the Company are posted on the websites of the Company and the Stock Exchange.

REMUNERATION COMMITTEE

As at 31 March 2014, the Remuneration Committee comprises two Independent Non-executive Directors, Ms. Lee Shiow Yue as the chairman, and Mr. Tang Chi Ho, Francis and an Executive Director, Mr. Yeung Heung Yeung. The majority of the members of the Remuneration Committee are Independent Non-executive Directors. It is responsible for reviewing and recommending all elements of the Executive Director and senior management remuneration. The fees of Non-executive Directors are determined by the Board. No individual Director is involved in decisions relating to his/her own remuneration. The Remuneration Committee has adopted the model under code provision B.1.2(c)(ii) of the CG Code to make recommendations to the Board on the remuneration packages of individual Directors and senior management. Meetings of the Remuneration Committee shall be held at least once a year.

During the year, there were four meetings held by the Remuneration Committee to (i) review and recommend the remuneration packages of the Executive Director; and (ii) review the remuneration packages of the newly appointed Directors for the year ended 31 March 2014.

Details of the remuneration paid to Directors and members of senior management by band for the year ended 31 March 2014 are disclosed in note 11 to the consolidated financial statements.

NOMINATION COMMITTEE

As at 31 March 2014, the Nomination Committee is chaired by Ms. Lee Shiow Yue with Mr. Tang Chi Ho, Francis and Mr. Yeung Heung Yeung as members. The majority of the members of the Nomination Committee are Independent Non-executive Directors. It is responsible for reviewing the Board composition and identifying and nominating candidates for appointment to the Board such that it has the required blend of skills, knowledge and experience. Meetings of the Nomination Committee shall be held at least once a year.

In June 2013, on the recommendation of the Nomination Committee, the Board has approved and adopted the revised terms of reference of the Nomination Committee in light of the amendments of the CG Code, and the same are published on the websites of the Stock Exchange and the Company. The Board also approved the adoption of the Board Diversity Policy. The Company seeks to achieve Board diversity through the consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualification, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

During the year, there were four meetings held by the Nomination Committee to (i) review the structure, size and composition of the Board; (ii) nominate three Directors for re-election at the annual general meeting held on 30 August 2013 (the "AGM"); (iii) assess the independence of Independent Non-executive Directors with reference to the requirements under the Listing Rules; (iv) identified individual suitably qualified to become Board members and made recommendation to the Board on the selection of individuals nominated for directorship; and (v) recommended the Board on the adoption of the revised terms of reference of the Nomination Committee and the Board Diversity Policy.

AUDIT COMMITTEE

As at 31 March 2014, the Audit Committee comprises three Independent Non-executive Directors, Mr. Poon Wai Hoi, Percy as the chairman, Ms. Lee Shiow Yue and Mr. Tang Chi Ho, Francis. The Audit Committee is responsible for reviewing the Group's financial statements, overseeing the Group's financial reporting and internal control procedures, and making recommendations to the Board. None of the members of the Audit Committee is a member of the former or existing auditors of the Company. The Audit Committee has adopted the principles set out in the CG Code. Meetings of the Audit Committee shall be held at least twice a year.

The Audit Committee has access to and maintains an independent communication with the external auditors and the management to ensure effective information exchange on all relevant financial accounting matters. During the year, there were two meetings held by the Audit Committee to (i) review the work done by external auditors, the relevant fees and terms, the accounting principles and practices adopted by the Group, Listing Rules and statutory compliance; (ii) review and discuss with the auditor the audited financial statements for the year ended 31 March 2013 and the unaudited interim financial statements for the six months ended 30 September 2013, with recommendations to the Board for approval; (iii) review report on internal control system covering financial, operational, procedural compliance and risk management functions; (iv) consider the independent auditors' independence and fee in relation to the unaudited interim financial statements of the Group for the six months ended 30 September 2013 and the audited financial statements of the Group for the year ended 31 March 2013; and (v) review and recommend to the Board the auditor's re-appointment and remuneration.

The chairman of the Audit Committee, Ms. Poon Wai Hoi, Percy, possesses appropriate professional qualification in finance and accounting and meets the requirements of Rule 3.21 of the Listing Rules.

AUDITORS' REMUNERATION

During the year, the Group was charged by the auditor, HLB Hodgson Impey Cheng Limited, the following auditing and non-auditing services as follows:

Service rendered	**Fees paid/payable** HK$'000
Audit services	550
Non-audit services	–
	550

BOARD MEETINGS, BOARD COMMITTEE MEETINGS AND GENERAL MEETINGS

Details of individual Directors' attendance at the Board meetings, Board Committee meetings, the AGM and the special general meetings (the "SGMs") held on 30 August 2013, 13 December 2013 and 20 January 2014, respectively, are set out as follow:

	Attended/Eligible to attend					
	Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings	Nomination Committee Meetings	AGM	SGMs
Executive Directors:						
Mr. Yeung Heung Yeung[1]	21/21	N/A	4/4	4/4	1/1	1/3
Ms. Wong Yee Shuen, Regina[2]	11/11	N/A	N/A	N/A	0/0	2/2
Mr. Chung Tat Fun[3]	2/2	N/A	N/A	N/A	N/A	N/A
Mr. Chung Ho Chun[3]	2/2	N/A	N/A	N/A	N/A	N/A
Non-executive Director:						
Mr. So Chak Fai, Francis[4]	16/16	N/A	N/A	N/A	0/1	1/3
Independent Non-executive Directors:						
Ms. Lee Shiow Yue[5]	21/21	2/2	4/4	4/4	0/1	0/3
Mr. Poon Wai Hoi, Percy[6]	21/21	2/2	N/A	N/A	1/1	2/3
Mr. Tang Chi Ho, Francis	21/21	2/2	4/4	4/4	0/1	0/3

Notes:

1. Mr. Yeung Heung Yeung is the chairman of the Board.

2. Ms. Wong Yee Shuen, Regina was appointed as an Executive Director and the Chief Executive Officer of the Company on 19 October 2013.

3. Mr. Chung Tat Fun and Mr. Chun Ho Chun was appointed as the Executive Directors on 18 February 2014.

4. Mr. So Chak Fai, Francis was appointed as a Non-executive Director on 29 July 2013.

5. Ms. Lee Shiow Yue is the chairman of the Remuneration Committee and Nomination Committee.

6. Mr. Poon Wai Hoi, Percy is the chairman of the Audit Committee.

ACCOUNTABILITY AND AUDIT

The Directors are responsible for the preparation of the financial statements of the Group for the relevant accounting periods under applicable statutory and regulatory requirements which give a true and fair view of the state of affairs, the results of operations and cash flows of the Group. In preparing the financial statements for the six months ended 30 September 2013 and for the year ended 31 March 2014, the Directors have adopted suitable accounting policies and applied them consistently. The accounts for the reporting year have been prepared on a going concern basis.

The Directors acknowledge their responsibility to prepare the financial statements as set out on page 34. The statement of the external auditors about their reporting responsibilities on the financial statements is set out in the "Independent Auditors' Report" on pages 34 to 35 of this annual report.

INTERNAL CONTROLS

The Board is responsible for maintaining an adequate internal control system to safeguard shareholder investments and Company assets and reviewing the effectiveness of such system on an annual basis.

The internal control system of the Group is designed to facilitate effective and efficient operations, to ensure reliability of financial reporting and compliance with applicable laws and regulations, to identify and manage potential risks and to safeguard assets of the Group. The internal auditor shall review and evaluate the control process and monitor any risk factors on a regular basis and report to the Audit Committee on any findings and measures to address the variances and identified risks.

The Board has conducted an annual review of the effectiveness of its internal control system covering all material controls, including financial, operational and compliance as well as risk management.

COMPANY SECRETARY

The Company's secretarial functions are outsourced to external service provider. Mr. Yeung Heung Yeung, the chairman of the Board and an Executive Director, is the primary contact person of the Company with the external service provider.

According to Rule 3.29 of the Listing Rules, Mr. Chan Kwong Leung, Eric, the company secretary of the Company, has taken no less than 15 hours of relevant professional training during the year ended 31 March 2014.

SHAREHOLDERS' RIGHTS

Procedures for convening a special general meeting

Shareholders shall have the right to request the Board to convene a special general meeting of the Company. Shareholders holding in aggregate of not less than one-tenth of the paid up capital of the Company may send a written request to the Board of the Company to request for special general meeting.

The written requisition, duly signed by the shareholders concerned, must state the purposes of the meeting and must be deposited at the Company's head office and principal place of business in Hong Kong at Unit 3903, 39/F., Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong or at the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong.

The Company would take appropriate actions and make necessary arrangements, and the shareholders concerned would be responsible for the expenses incurred in giving effect thereto in accordance with the requirements under Section 74 of the Companies Act 1981 of Bermuda (the "Companies Act") once a valid requisition is received.

Procedures for shareholders to put forward proposals at general meetings

The following shareholders are entitled to put forward a proposal (which may properly be put to the meeting) for consideration at a general meeting of the Company:

(a) any number of members representing not less than one-twentieth of the total voting rights of the Company on the date of the requisition; or

(b) not less than 100 members holding shares in the Company.

The requisition specifying the proposal, duly signed by the shareholders concerned, together with a statement of not more than 1,000 words with respect to the matter referred to in the proposal must be deposited at the Company's head office and principal place of business in Hong Kong at Unit 3903, 39/F., Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong or at the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong. The Company would take appropriate actions and make necessary arrangements, and the shareholders concerned would be responsible for the expenses incurred in giving effect thereto in accordance with the requirements under Sections 79 and 80 of the Companies Act once valid documents are received.

If a shareholder wishes to propose a person other than a retiring Director for election as a Director at a general meeting, the shareholder should follow the "Procedures for shareholders to propose a person for election as a Director", which can be found on the website of the Company.

Procedures for directing shareholders' enquiries to the Board

Shareholders may at any time send in their enquiries and concerns to the Board in writing via the following channel:

The Board of Directors/Company Secretary
Sino Credit Holdings Limited
Unit 3903, 39/F
Far East Finance Centre
16 Harcourt Road
Admiralty
Hong Kong

Shareholders may also make enquiries with the Board at the general meetings of the Company.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company established a shareholders' communication policy and review it on a regular basis to ensure its effectiveness. The Board is committed in providing clear and full performance information of the Group to shareholders through the publication of interim and annual reports. In addition to the circulars, notices and financial reports sent to shareholders, additional information of the Group is also available to shareholders on the website of the Company.

Shareholders are encouraged to attend the annual general meeting for which at least 20 clear business days' notice is given. The chairman of the Board and Directors are available to answer questions on the Group's business at the meeting. Subject to the Bye-laws, all shareholders shall have statutory rights to call for special general meetings and put forward agenda items for consideration in the general meetings. All resolutions at the general meeting are decided by a poll which is conducted by the Company's branch share registrar and transfer office in Hong Kong.

The Group values feedback from shareholders on its effort to promote transparency and foster investor relationships. Comments and suggestions are always welcomed.

INVESTOR RELATIONS

Except for (1) the share consolidation of shares that took place in August 2013 which have affected the par value of the share capital of the Company; and (2) the name of the Company was changed from "Dore Holdings Limited" to Sino Credit Holdings Limited" as the English name and adoption of "華銀控股有限公司" to replace "多金控股有限公司" as the Chinese name for identification purposes only both effect on 16 December 2013, and thus the relevant sections of the Bye-laws, there was no significant change in the Company's constitutional documents during the year. Details of the share consolidation and the change of name of the Company are set out in the Company's announcements dated 4 July 2013, 5 November 2013 and 17 January 2014, respectively, and the Company's circulars dated 30 July 2013 and 19 November 2013, respectively.

INDEPENDENT AUDITORS' REPORT

國衛會計師事務所有限公司
Hodgson Impey Cheng Limited

31/F Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

TO THE SHAREHOLDERS OF
SINO CREDIT HOLDINGS LIMITED
(FORMERLY KNOWN AS DORE HOLDINGS LIMITED)
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Sino Credit Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 36 to 109, which comprise the consolidated and Company statements of financial position as at 31 March 2014 and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

AUDITORS' RESPONSIBILITY (continued)

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2014 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Hon Koon Fai, Alex
Practicing Certificate Number: P05029

Hong Kong, 30 June 2014

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2014

	Note	2014 HK$'000	2013 HK$'000 (Restated)
Continuing operations			
Revenue	6	**28,304**	–
Other income	6	**288**	11
Other gains and losses	6	**(10,051)**	–
Administrative expenses		**(14,263)**	(5,037)
Fair value changes on financial assets at fair value through profit or loss		**(4,279)**	(4,101)
Finance costs	7	**(766)**	–
Loss before income tax		**(767)**	(9,127)
Income tax expenses	8	**(2,186)**	–
Loss for the year from continuing operations		**(2,953)**	(9,127)
Discontinued operations			
(Loss)/profit for the year from discontinued operations	9	**(89,275)**	25,604
(Loss)/profit for the year	10	**(92,228)**	16,477
(Loss)/profit for the year attributable to:			
Owners of the Company		**(98,097)**	16,477
Non-controlling interests		**5,869**	–
		(92,228)	16,477
(Loss)/profit attributable to owners of the Company arises from:			
Continuing operations		**(8,822)**	(9,127)
Discontinued operations		**(89,275)**	25,604
		(98,097)	16,477
(Loss)/earnings per share attributable to owners of the Company	12		
From continuing & discontinued operations			
Basic and diluted		**(39.43) HK cents**	7.65 HK cents
From continuing operations			
Basic and diluted		**(3.55) HK cents**	(4.24) HK cents

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2014

	2014 HK$'000	2013 HK$'000 (Restated)
(Loss)/profit for the year	**(92,228)**	16,477
Other comprehensive loss:		
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	**(1,038)**	–
Total comprehensive (loss)/income for the year	**(93,266)**	16,477
Total comprehensive (loss)/income for the year attributable to:		
Owners of the Company	**(99,268)**	16,477
Non-controlling interests	**6,002**	–
	(93,266)	16,477
Total comprehensive (loss)/income attributable to owners of the Company arises from:		
Continuing operations	**(9,993)**	(9,127)
Discontinued operations	**(89,275)**	25,604
	(99,268)	16,477

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2014

	Note	2014 HK$'000	2013 HK$'000
Assets			
Non-current assets			
Property, plant and equipment	16	**2,743**	7
Intangible assets	17	**5,862**	113,539
Goodwill	18	**7,148**	–
Deferred tax assets	20	**2,522**	–
		18,275	113,546
Current assets			
Financial assets at fair value through profit or loss	21	**27,542**	26,347
Loans receivable	22	**353,842**	–
Trade receivables	23	**–**	2,560
Prepayments, deposits and other receivables	24	**920**	417
Cash and cash equivalents	25	**98,553**	122,607
		480,857	151,931
Liabilities			
Current liabilities			
Trade payables	26	**637**	–
Accruals, receipt in advance and other payables	27	**20,264**	1,541
Borrowings	28	**70,000**	–
Tax liabilities		**2,642**	–
		93,543	1,541
Total assets less current liabilities		**405,589**	263,936
Non-current liabilities			
Deferred tax liabilities	20	**1,466**	–
Net assets		**404,123**	263,936
Capital and reserves			
Share capital	30	**55,857**	21,549
Reserves	31	**348,266**	242,387
Total equity		**404,123**	263,936

Approved and signed on behalf of the Board on 30 June 2014 by

Yeung Heung Yeung
Director

Chung Tat Fun
Director

The accompanying notes form an integral part of these consolidated financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 March 2014

	Note	2014 HK$'000	2013 HK$'000
Assets			
Non-current assets			
Property, plant and equipment	16	**23**	7
Interests in subsidiaries	19	**35,241**	1,591
		35,264	1,598
Current assets			
Amounts due from subsidiaries	19	**359,178**	–
Financial assets at fair value through profit or loss	21	**27,542**	26,347
Prepayments, deposits and other receivables	24	**532**	417
Cash and cash equivalents	25	**55,309**	121,583
		442,561	148,347
Liabilities			
Current liabilities			
Trade payables		**77**	–
Amounts due to subsidiaries	19	**157,064**	130,244
Accruals	27	**1,725**	1,536
Borrowings	28	**70,000**	–
		228,866	131,780
Total assets less current liabilities		**248,959**	18,165
Net assets		**248,959**	18,165
Capital and reserves			
Share capital	30	**55,857**	21,549
Reserves	31	**193,102**	(3,384)
Total equity		**248,959**	18,165

Approved and signed on behalf of the Board on 30 June 2014 by

Yeung Heung Yeung
Director

Chung Tat Fun
Director

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2014

	Attributable to owners of the Company										
	Share capital HK$'000	Share premium HK$'000	Contributed surplus HK$'000	Capital reserves HK$'000	Revaluation reserves HK$'000	Convertible note reserves HK$'000	Exchange reserves HK$'000	Accumulated losses HK$'000	Total reserves HK$'000	Non-controlling interests HK$'000	Total Equity HK$'000
At 1 April 2012	21,549	594,310	569,044	85,889	638	–	–	(1,023,971)	225,910	–	247,459
Profit for the year	–	–	–	–	–	–	–	16,477	16,477	–	16,477
At 31 March 2013	21,549	594,310	569,044	85,889	638	–	–	(1,007,494)	242,387	–	263,936
Loss for the year	–	–	–	–	–	–	–	(98,097)	(98,097)	5,869	(92,228)
Other comprehensive loss	–	–	–	–	–	–	(1,171)	–	(1,171)	133	(1,038)
Total comprehensive loss	–	–	–	–	–	–	(1,171)	(98,097)	(99,268)	6,002	(93,266)
Equity component of convertible note	–	–	–	–	–	3,160	–	–	3,160	–	3,160
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	9,475	9,475
Conversion of convertible note into shares	2,000	15,087	–	–	–	(3,160)	–	–	11,927	–	13,927
Issue of consideration shares	2,308	15,922	–	–	–	–	–	–	15,922	–	18,230
Acquisition of additional interest in subsidiaries	–	–	–	–	–	–	–	(2,753)	(2,753)	(15,477)	(18,230)
Subscription of shares	19,000	118,000	–	–	–	–	–	–	118,000	–	137,000
Placing of shares	11,000	60,500	–	–	–	–	–	–	60,500	–	71,500
Expense of issue of shares	–	(1,609)	–	–	–	–	–	–	(1,609)	–	(1,609)
At 31 March 2014	**55,857**	**802,210**	**569,044**	**85,889**	**638**	**–**	**(1,171)**	**(1,108,344)**	**348,266**	**–**	**404,123**

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2014

	Note	2014 HK$'000	2013 HK$'000 (Restated)
Cash flows from operating activities			
Loss before taxation from continuing operations		**(767)**	(9,127)
(Loss)/profit before taxation from discontinued operations	9	**(89,275)**	25,604
Adjustments for:			
Bank interest income	6	**(284)**	(11)
Release on interest payable upon conversion of convertible note	6	**(609)**	–
Finance costs	7	**766**	–
Fair value changes on financial assets at fair value though profit or loss		**4,279**	4,101
Impairment loss on loans receivable	6	**10,101**	–
Impairment loss on intangible assets	17	**113,539**	–
Depreciation	10	**587**	3
Operating cash flows before movements in working capital		**38,337**	20,570
Increase in loans receivable		**(352,047)**	–
Decrease/(increase) in trade receivables		**2,560**	(320)
Decrease/(increase) in prepayments, deposit and other receivables		**572**	(230)
Decrease in trade payables		**(651)**	–
Increase in accruals, receipt in advance and other payables		**18,710**	5
Cash (used in)/generated from operations		**(292,519)**	20,025
Income tax paid		**(2,069)**	–
Interest paid		**(80)**	–
Net cash (used in)/generated from operating activities		**(294,668)**	20,025

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

For the year ended 31 March 2014

	Note	2014 HK$'000	2013 HK$'000 (Restated)
Cash flows from investing activities			
Interest received		**284**	11
Net cash inflow on acquisition of subsidiaries	15	**1,318**	–
Purchase of short-term investment		**(5,474)**	(7,828)
Purchase of property, plant and equipment	16	**(1,329)**	–
Net cash used in investing activities		**(5,201)**	(7,817)
Cash flows from financing activities			
Borrowings		**70,000**	–
Subscription of shares		**137,000**	–
Placing of shares		**71,500**	–
Expenses of issue of shares		**(1,609)**	–
Net cash generated from financing activities		**276,891**	–
Net (decrease)/increase in cash and cash equivalents		**(22,978)**	12,208
Cash and cash equivalents at beginning of year		**122,607**	110,399
Effect of foreign exchange rate changes		**(1,076)**	–
Cash and cash equivalents at end of year		**98,553**	122,607

The accompanying notes form an integral part of these consolidated financial statements.

1. GENERAL INFORMATION

Sino Credit Holdings Limited (the "Company") was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "HKEx"). The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the principal place of business in Hong Kong is Unit 3903, 39/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries comprise, money lending, pawn business, financial leasing and financial consultation services in the People's Republic of China ("PRC"), money lending service in Hong Kong and receive profit streams from gaming and entertainment related business in Macau.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the same as functional currency of the Company, and the functional currency of some subsidiaries is Renminbi ("RMB"). The management considered that it is more appropriate to present the consolidated financial statements in HK$ as the share of the Company are listed on the HKEx. The consolidated financial statements are presented in thousands of units of HK$ (HK$'000), unless otherwise stated.

Pursuant to the special resolution passed at the special general meeting of the Company held on 13 December 2013, the name of the Company was changed from "Dore Holdings Limited" to "Sino Credit Holdings Limited" was effective from 16 December 2013.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In the current year, the Group has adopted all the new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for annual periods on or after 1 April 2013.

Except as explained below, the adoption of these amendments has no material impact on the Group's financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 July 2012.

The amendments to HKAS 1 introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a "statement of comprehensive income" is renamed as a "statement of profit or loss and other comprehensive income" and an "income statement" is renamed as a "statement of profit or loss". The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis. The amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Amendments to HKFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities

The Group has applied the amendments to HKFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities for the first time in the current year. The amendments to HKFRS 7 require entities to disclose information about:

a) recognised financial instruments that are set off in accordance with HKAS 32 Financial Instruments: Presentation; and

b) recognised financial instruments that are subject to an enforceable master netting agreement or similar agreement, irrespective of whether the financial instruments are set off in accordance with HKAS 32.

As the Group does not have any offsetting arrangements or any master netting agreements in place, the application of the amendments has had no material impact on the disclosures or on the amounts recognised in these consolidated financial statements.

HKFRS 10 Consolidated Financial Statements

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and HK(SIC) Int-12 Consolidation – Special Purpose Entities. HKFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee. Some guidance included in HKFRS 10 that deals with whether or not an investor that owns less than 50% of the voting rights in an investee has control over the investee is relevant to the Group.

HKFRS 13 Fair Value Measurement

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of HKFRS 13 is broad; the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are within the scope of HKAS 17 Leases, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

HKFRS 13 Fair Value Measurement (continued)

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, the Group has not made any new disclosures required by HKFRS 13 for the 2013 comparative period. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

New and revised HKFRSs in issue but not yet effective

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

HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[4]
HKAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions[2]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[1]
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets[1]
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting[1]
HKFRSs (Amendments)	Annual Improvements to HKFRS 2010 – 2012 Cycle[5]
HKFRSs (Amendments)	Annual Improvements to HKFRS 2011 – 2013 Cycle[2]
HKFRS 9	Financial Instruments[3]
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosure[3]
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities[1]
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations[4]
HKFRS 14	Regulatory Deferral Accounts[4]
HK(IFRIC) – Int 21	Levies[1]

1 Effective for annual periods beginning on or after 1 January 2014, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.
3 No mandatory effective date yet determined but is available for adoption.
4 Effective for annual periods beginning on or after 1 January 2016.
5 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described below:

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

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

The date when entities would be required to apply HKFRS 9 was previously started at 1 January 2015. This mandatory effective date has been removed to provide sufficient time for preparers of financial statements to make the transition to the new requirements, which will now become effective from a later date yet to be announced.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities

The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

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

The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash generating unit ("CGU") to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements regarding the fair value hierarchy, key assumptions and valuation techniques used when the recoverable amount of an asset or CGU was determined based on its fair value less costs of disposal.

The Group is in the process of assessing the potential impact of the above new and revised HKFRSs upon initial application but is not yet in a position to state whether the above new and revised HKFRSs will have a significant impact on the Group's and the Company's results of operations and financial position.

Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the HKICPA, accounting principles generally accepted in Hong Kong, the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance.

A summary of significant accounting policies adopted by the Group in the preparation of the consolidated financial statements is set out below:

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of preparation (continued)

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

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

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

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

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

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

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

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

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

Profit or loss and each 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 into line with the Group's accounting policies.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

Changes in the Group's ownership interests in existing subsidiaries

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

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

Business combinations

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations (continued)

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Noncurrent 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 reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations (continued)

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

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

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

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

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

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the assets to its location and working condition for its intended use. Expenses incurred after item of property, plant and equipment have been put into operation, such as repair and maintenance, is normally charged to the consolidated statement of profit or loss in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful lives and after taking into account their estimated residual values. The principal annual rates used for this purpose are as follows:

Leasehold improvements	33.3%
Furniture, fixtures and office equipment	20% to 33.3%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the consolidated statement of profit or loss in the year the asset is derecognised is the difference between the net proceeds and the carrying amount of the relevant assets.

Intangible assets

Intangible assets acquired separately

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination

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

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (continued)

Derecognition of intangible assets

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

Impairment of tangible and intangible assets other than goodwill

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

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

Recoverable amount is the higher of fair value less costs 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 CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or the CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) 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 CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the 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 the following specified categories: financial assets at fair value through profit or loss ("FVTPL") and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Financial assets (continued)

Financial assets at FVTPL

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

A financial asset is classified as held for trading if:

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Loans and receivables (including loans receivable, trade receivables, deposits and other receivables, cash and cash equivalents) are measured at amortised cost using the effective interest method, less any impairment.

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

Impairment of financial assets

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

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

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

For certain categories of financial assets, such as loans and trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Impairment allowances are assessed by a discounted cash flow method for loans receivable that are individually significant and have objective evidence of impairment. The impairment allowances are measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Financial assets (continued)

Impairment of 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 loans receivable, where the carrying amount is reduced through the use of an allowance account. When a loans receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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

Financial liabilities and equity instruments

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

Equity instruments

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

Convertible note

The component parts of compound instruments (convertible note) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Financial liabilities and equity instruments (continued)

Convertible note (continued)

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to convertible note reserve. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible note are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible note using the effective interest method.

Other financial liabilities

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

Effective interest method

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

Interest expense is recognised on an effective interest basis other than financial liabilities classified as at FVTPL.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Derecognition

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

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

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

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

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial positions, cash and cash equivalents comprise cash on hand and at banks, which are not restricted to use.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if measured reliably, revenue is recognised in profit or loss as follows:

(a) Revenue from assignment of profit is recognised when the right to receive profit is established.

(b) Dividend income from investments is recognised when the shareholders' right to receive payment have been established.

(c) 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 the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(d) Consultancy service fee income is recognised when services are provided.

Borrowing costs

Borrowing costs directly attributable to the acquisition 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 in profit or loss in the period in which they are incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasing

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

The Group as lessee

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 the 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 general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

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

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

Foreign currencies

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

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

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

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

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

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, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), 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.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Retirement benefits costs

Paid leave carried forward

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the end of each reporting period is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the end of reporting period the expected future cost of such paid leave earned during the year by the employees and carried forward.

Retirement benefits scheme

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

As stipulated by the rules and regulations of the PRC, the Company's subsidiaries registered in the PRC are required to contribute to a state-sponsored retirement plan for all its PRC employees at certain percentages of the basic salaries predetermined by the local governments. The state-sponsored retirement plan is responsible for the entire retirement benefit obligations payable to retired employees and the Group has no further obligations for the actual retirement benefit payments or other post- retirement benefits beyond the annual contributions.

The costs of employee retirement benefits are recognised as expenses in profit or loss in the period in which they are incurred.

Share option scheme

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The fair value of share options granted to employee is recognised as an employee cost with a corresponding increase in a reserve within equity. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of share options is spread over the vesting period, taking into account the probability that the options will vest.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share option scheme (continued)

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the fair value recognised in prior years is charged/credited to profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to the reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

Taxation

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

Current tax

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

Deferred tax

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax (continued)

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset 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 for the year

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

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligations.

Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contingent liabilities and contingent assets (continued)

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group. Contingent assets are not recognised but are disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, and asset is recognised.

Related party transactions

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

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

  (ii) has significant influence over the Group; or

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

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

  (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) the entity and the Group are joint ventures of the same third party.

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related party transactions (continued)

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

A transaction is considered to be a related party transaction when there is a transfer of resources and obligations between related parties.

Segment reporting

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

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In the process of applying the Group's accounting policies which are described in Note 2, management has made certain key assumptions concerning the future, and other key sources of estimation uncertain at the end of reporting period, that may have a significant risk in causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Income taxes

The Group is subject to income taxes in numerous tax authorities. Significant judgement is 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. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Impairment of intangible assets

Determine whether intangible assets are impaired required estimation of the value in use. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value.

The Group tests annually whether intangible assets have suffered any impairment in accordance with the accounting policy stated above. The recoverable amounts of intangible assets have been determined based on discounted cash flow method (Note 17).

The carrying amount of intangible assets at the end of the reporting period was approximately HK$ 5,862,000 (2013: HK$113,539,000).

Impairment of loans receivable

The provision policy for doubtful debts of the Group is based on the ongoing evaluation of the collectability and aging analysis of the outstanding loans receivable and on the management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these loans receivable, including creditworthiness and the past collection history of each customer and the related parties. If the financial conditions of the customers and other debtors of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment may be required.

4. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT

(a) Categories of financial instruments

	2014 HK$'000	2013 HK$'000
Group		
Financial assets:		
Loans and receivables		
Loans receivable	**353,842**	–
Trade receivables	**–**	2,560
Deposit and other receivables	**352**	7
Cash and cash equivalents	**98,553**	122,607
Financial assets at FVTPL		
Held for trading	**27,542**	26,347
Financial liabilities:		
At amortised cost		
Trade payables	**637**	–
Accruals, deposit received and other payables	**16,568**	1,541
Borrowings	**70,000**	–

	2014 HK$'000	2013 HK$'000
Company		
Financial assets:		
Loans and receivables		
Amounts due from subsidiaries	**359,178**	1,591
Deposits and other receivables	**8**	7
Cash and cash equivalents	**55,309**	121,583
Financial assets at FVTPL		
Held for trading	**27,542**	26,347
Financial liabilities:		
At amortised cost		
Trade payables	**77**	–
Accruals	**1,725**	1,536
Amounts due to subsidiaries	**157,064**	130,244
Borrowings	**70,000**	–

4. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

(b) Financial risk management objectives and policies

The main risks arising from the Group's and the Company's financial instruments are market risk (including interest rate risk, foreign exchange risk and other price risk), credit risk and liquidity risk.

The Group has engaged financing service business in the PRC in the current year. The Group and the Company has exposed to new financial risk underlying with the expenditure of new business operation. The Group and the Company have adopted new risk management objectives and policies to corporate with the financing service. The management reviews and agrees policies for managing each of these risks and they are summarised below.

Market risk

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

Market risk exposures are measured by sensitivity analysis.

Interest rate risk management

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's and the Company's interest rate positions arise from lending activities and borrowings. The Group's and the Company's exposures to fair value interest rate risk relates primarily to fixed-rate lendings and borrowings. The interest rates and terms of repayment of financial assets and borrowings of the Group and the Company are disclosed in Notes 22 and 28.

Although the Group's and the Company's loans receivable and borrowings are subject to interest rate risk, they are not remeasured in the consolidated financial statements in response to changes in interest rates and therefore changes in interest rate risk variables would not affect reported profit or loss in the short term.

The Group's and the Company's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

4. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

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

Market risk (continued)

Foreign exchange risk management

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The main operations of the Group were in the PRC and most of the transactions were denominated in RMB. Foreign exchange risk arises from the foreign currency denominated of commercial transactions, assets and liabilities. The Group has no significant direct exposure to foreign currencies as most of the commercial transactions, assets and liabilities are denominated in a currency as the functional currency of each entity of the Group.

In the opinion of the directors of the Company, since the Company risk is minimal, no sensitivity analysis is presented.

Other price risk management

The Group and the Company are exposed to equity price risk through its investment in listed equity securities. The management manages this exposure by maintaining a portfolio of investments with different risk and return profiles. The Group's and the Company's equity price risk is mainly concentrated on equity securities operating in mining resources, properties investment, provision of securities brokerage and provision of artists managements services quoted in the HKEx.

Sensitivity analysis on other price risk

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

If equity prices had been 5% higher/lower, net profit for the year ended 31 March 2014 would increase/decrease by approximately HK$ 1,377,000 (2013: HK$1,317,000). This is mainly due to the changes in fair value of financial assets at fair value through profit or loss.

4. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

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

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position. The Group's credit risk are primarily attributable to its loans receivable. In order to minimise the credit risk, the Group have established policies and systems for the monitoring and control of credit risk.

The management has delegated different divisions responsible for determination of credit limits, credit approvals and other monitoring processes to ensure that follow up action is taken to recover overdue debts. The Board has overall responsibility for the Group's credit policies and oversees the credit quality of the Group's advance portfolio. In addition, management reviews the recoverable amount of loans and receivables individually or collectively at each reporting date to ensure that adequate impairment losses are made for irrecoverable amounts. The Group also requests the customers to provide collateral for real-estate-backed loans and personal property paw loans arrangement as appropriate. In the event of default or failure to repay any outstanding guarantee amounts by the customers, the Group will proceed with sale of collateral. Moreover, the Group receives financial guarantee from financial institutions or individuals to secure the other loans arrangement. In order to maintain the credit risk at desirable levels, the Group's average loan-to-value ratio was kept at a level that could ensure the recoverability of the outstanding guarantee amount. In this regard, management considers that the Group's and the Company's credit risk are significantly reduced.

The Group does not have any other significant concentration of credit risk, with exposure spread over a number of counterparties and customers. Further quantitative disclosures in respect of the Group's exposure to credit risk arising from loans receivable are set out in Note 22.

The Group's policy requires the review of individual financial assets that are above materiality thresholds regularly. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at the end of the reporting period on a case-by-case basis, and are applied to all individually significant accounts. The assessment normally encompasses collateral held and the anticipated receipts for that individual account.

The credit risk of other financial assets of the Group and the Company, mainly comprise of cash and cash equivalent, is mitigated as cash is deposited in bank with high credit rating.

4. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

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

Liquidity risk

The Group's and the Company's liquidity risk management includes diversifying the funding sources. Internally generated cash flow and funds raising from issuance of shares are the general source of funds to finance the operation of the Group and of the Company. The Group and the Company regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

The following tables detail the Group's and the Company's remaining contractual maturity for its financial liabilities which are included in the maturity analysis provided internally to the key management personnel for the purpose of managing liquidity risk. For non-derivative financial liabilities, the table reflects the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The tables include both interest and principal cash flows.

Group	Weighted average effective interest rate	Within 1 year	2 to 5 years	Over 5 years	Total undiscounted cash flows	Total carrying amount
	%	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 31 March 2014						
Non-derivative financial liabilities						
Accruals, deposit received and other payables	–	**16,568**	–	–	**16,568**	**16,568**
Trade payables	–	**637**	–	–	**637**	**637**
Borrowings	**8.00**	**81,139**	–	–	**81,139**	**70,000**
At 31 March 2013						
Non-derivative financial liabilities						
Accruals	–	1,541	–	–	1,541	1,541

4. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

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

Liquidity risk (continued)

Company	Weighted average effective interest rate	Within 1 year	2 to 5 years	Over 5 years	Total undiscounted cash flows	Total carrying amount
	%	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 31 March 2014						
Non-derivative financial liabilities						
Accruals	**–**	**1,725**	**–**	**–**	**1,725**	**1,725**
Trade payables	**–**	**77**	**–**	**–**	**77**	**77**
Borrowings	**8.00**	**81,139**	**–**	**–**	**81,139**	**70,000**
Amounts due to subsidiaries	**–**	**157,064**	**–**	**–**	**157,064**	**157,064**
At 31 March 2013						
Non-derivative financial liabilities						
Accruals	–	1,536	–	–	1,536	1,536
Amount due to subsidiary	–	130,244	–	–	130,244	130,244

Fair value of financial instruments

The fair value of financial assets and financial liabilities are determined as follows:

(i) The fair value of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid prices and ask prices respectively.

(ii) The fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models (e.g. discounted cash flow analysis using observable and/or unobservable inputs).

(iii) The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

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

4. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

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

Fair value of financial instruments (continued)

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market date (unobservable inputs).

Group and Company

31 March 2014

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial assets				
Financial assets at FVTPL	**27,542**	**–**	**–**	**27,542**

31 March 2013

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial assets				
Financial assets at FVTPL	26,347	–	–	26,347

There were no transfers between Levels 1 and 2 in the both years.

4. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

(c) Capital risk management

The Group's objectives when managing capital are to provide returns for owners and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of debts which include total liabilities except receipt in advance, tax liabilities and deferred tax liabilities and equity attributable to owners of the Company, comprising issued share capital, reserves and accumulated losses.

Gearing ratio

The directors review the capital structure regularly. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. The ratio is calculated based on total debt and owners' equity. The increase in gearing ratio is mainly due to fund raising from a financial institution for the purpose of the new financial services operations during the year, which led to an increase in total debt.

The gearing ratio at the end of the reporting period was as follows:

	2014	2013
	HK$'000	HK$'000
Total debt	**87,205**	1,541
Owners' equity	**404,123**	263,936
Gearing ratio	**0.216**	0.006

5. SEGMENT INFORMATION

Management has determined the operating segments based on the internal reports reviewed and used by Executive Directors for strategic decision making. The Executive Directors consider the business from a product and service perspectives. Summary of details of the operating segments is as follows:

Continuing operations

- Financing services
  Provision of pawn loans services, real estate-backed loan service, other loan service and financial consulting services in the PRC, and money lending service in Hong Kong.

Discontinued operations

- Gaming and entertainment business
  Receiving profit streams from gaming and entertainment related business in Macau.

5. SEGMENT INFORMATION (continued)

(a) Business segments

An analysis of the Group's revenue, results and certain assets, liabilities and expenditure information by operating segments is as follows:

	Continuing operations Financing services		Discontinued operations		Total	
	2014	2013	**2014**	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
		(Restated)		(Restated)		(Restated)
For the year ended 31 March 2014 and 2013						
Revenue (from external customers)	**28,304**	–	**24,259**	25,614	**52,563**	25,614
Segment results	**12,059**	–	**(89,275)**	25,604	**(77,216)**	25,604
Fair value changes on financial assets at FVTPL					**(4,279)**	(4,101)
Bank interest income					**284**	11
Finance costs					**(766)**	–
Unallocated expenses					**(8,065)**	(5,037)
(Loss)/profit before income tax					**(90,042)**	16,477
Income tax expenses					**(2,186)**	–
(Loss)/profit for the year					**(92,228)**	16,477
As at 31 March 2014 and 2013						
Segment assets	**415,019**	–	**–**	116,099	**415,019**	116,099
Financial assets at FVTPL					**27,542**	26,347
Unallocated assets					**56,571**	123,031
Total assets					**499,132**	265,477
Segment liabilities	**(91,679)**	–	**–**	(5)	**(91,679)**	(5)
Unallocated liabilities					**(3,330)**	(1,536)
Total liabilities					**(95,009)**	(1,541)

Segment results represents the (loss)/profit earned by each segment without allocation of fair value changes on financial assets at FVTPL, finance income, finance costs and corporate expenses. This is the measure reported to the executive director for the purpose of resource allocation and assessment of segment performance.

5. SEGMENT INFORMATION (continued)

(a) Business segments (continued)

Other segment information:

For the year ended 31 March 2014 and 2013

	Continuing operations Financing services		Discontinued operations		Unallocated items		Total	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Depreciation	**(580)**	–	**–**	–	**(7)**	(3)	**(587)**	(3)
Impairment loss on loans receivable	**(10,101)**	–	**–**	–	**–**	–	**(10,101)**	–
Corporate expenditure	**(1,306)**	–	**–**	–	**(23)**	–	**(1,329)**	–

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

- All assets are allocated to reportable segments other than financial assets at FVTPL and corporate financial assets;
- All liabilities are allocated to reportable segments other than deferred tax liabilities and corporate financial liabilities

(b) Geographical information

The Group operates in two principal areas – the PRC and Hong Kong. Revenue and non-current assets by location from continuing operations are detailed below:

	Revenue from external customers		Non-current assets	
	2014	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong	**115**	–	**23**	7
PRC	**28,189**	–	**18,252**	–
	28,304	–	**18,275**	7

(c) Major customers

Continuing operations

Included in financing services revenue of approximately HK$28,304,000 (2013:Nil) are revenue of approximately HK$15,624,000 which arose from financing service revenue from the Group's top five customers (2013:Nil). Two (2013:Nil) customers contribute more than 10% financing service revenue of the Group which represent approximately HK$4,028,000 and HK$3,751,000 from each of the customer.

6. REVENUE, OTHER INCOME, OTHER GAINS AND LOSSES

	2014 HK$'000	2013 HK$'000 (Restated)
Continuing operations		
Revenue:		
Real estate-backed loan interest income	14,358	–
Personal property pawn loan interest income	3,483	–
Other loans interest income	5,798	–
Financial consultancy service income	4,665	–
	28,304	–
Other income:		
Bank interest income	284	11
Others	4	–
	288	11
Other gains and losses:		
Release on interest payable upon conversion of convertible note (Note 29)	609	–
Impairment loss on loans receivable (Note 22)	(10,101)	–
Exchange loss	(559)	–
	(10,051)	–

7. FINANCE COSTS

	2014 HK$'000	2013 HK$'000
Interest on:		
Borrowings wholly repayable within five years	80	–
Convertible note wholly repayable within five years	686	–
	766	–

8. INCOME TAX EXPENSES

	2014 Continuing operations HK$'000	2014 Discontinued operations HK$'000	2014 Total HK$'000	2013 Continuing operations HK$'000	2013 Discontinued operations HK$'000	2013 Total HK$'000 (Restated)
Current income tax:						
– Outside Hong Kong	**(4,711)**	**–**	**(4,711)**	–	–	–
Deferred tax (Note 20)	**2,525**	**–**	**2,525**	–	–	–
Income tax expense	**(2,186)**	**–**	**(2,186)**	–	–	–

PRC corporate income tax is provided for at the rate of 25% on the profits for the PRC statutory financial reporting purpose, adjusted for those items which are not assessable or deductible for the PRC corporate income tax purpose.

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profits arising from Hong Kong during the year. The Group has no assessable profit under Hong Kong profits tax for the years ended 31 March 2014 and 2013. The Group is not subject to any tax in Macau.

Continuing operations

	2014 HK$'000	2013 HK$'000 (Restated)
Loss before tax	**(767)**	(9,127)
Tax calculated at domestic tax rates applicable to profits in the respective country	**(192)**	(1,505)
Tax effects of:		
– Tax effect of income not taxable for tax purpose	**(7)**	–
– Tax effect of expenses not deductible for tax purpose	**2,534**	346
– Tax effect of unrecognised tax loss	**1,252**	–
– Effect of different tax rate of subsidiaries operating in other jurisdiction	**1,124**	–
– Tax effect of unrecognised temporary differences	**(2,525)**	1,159
Tax charge	**2,186**	–

9. DISCONTINUED OPERATIONS

Triple Gain Group Limited ("Triple Gain") had entered into an Nove Profit Agreement on 23 August 2007 (collectively referred to as the "Nove Profit") relating to the acquisition of a 100% interest in the rolling turnover generated by Nove Sociedade Unipessoal Limitada ("Nove") at the Venetian gaming rooms pursuant to the Nove Junket Representative Agreement. The Nove Junket Representative Agreement was terminated on 31 December 2013 and Triple Gain ceased to receive any Nove Profit after the termination. An impairment loss of approximately HK$113,539,000 was recognised in respect of the intangible assets arisen from the Nove Profit.

The loss and cash flows from discontinued operations for the year are set out below. The comparative profit and cash flows from discontinued operations have been restated to include the operation classified as discontinued in the current year.

(a) (Loss)/profit from discontinued operations

The analysis of the (loss)/profit from the gaming and entertainment business presented as discontinued operations is as follows:

	2014 **HK$'000**	2013 HK$'000 (Restated)
Revenue	**24,259**	25,614
Other income	**5**	–
Administrative expenses	**–**	(10)
Impairment loss on intangible assets (Note 17)	**(113,539)**	–
(Loss)/profit before income tax	**(89,275)**	25,604
Income tax	**–**	–
(Loss)/profit for the year	**(89,275)**	25,604
(Loss)/profit attributable to:		
Owners of the Company	**(89,275)**	25,604

(b) Analysis of the cash flows from discontinued operations

	2014 **HK$'000**	2013 HK$'000
Net cash generated from operating activities	**24,264**	25,604

10. (LOSS)/PROFIT FOR THE YEAR

The Group's (loss)/profit for the year is arrived at after charging:

	2014 HK$'000	2013 HK$'000
Business taxes and other levies	1,396	–
Depreciation	587	3
Auditors' remuneration	550	550
Legal and professional fee	1,812	1,441
Minimum lease payments under operating leases in respect of land and buildings	1,122	–
Staff costs (including directors' emoluments)	5,595	1,269

11. EMPLOYEE BENEFIT EXPENSES

(a) Directors' Emoluments

Directors' remuneration for the years ended 31 March 2014 and 2013 is as follows:

2014

	Fees HK$'000	Salaries and allowances HK$'000	Employers MPF HK$'000	Total HK$'000
Executive Directors				
Yeung Heung Yeung	–	–	–	–
Wong Yee Shuen, Regina (Note i)	–	720	8	728
Chung Tat Fun (Note ii)	–	70	–	70
Chung Ho Chun (Note ii)	–	141	–	141
Non-executive Director				
So Chak Fai, Francis (Note iii)	160	–	–	160
Independent Non-executive Directors				
Lee Shiow Yue	120	–	–	120
Poon Wai Hoi, Percy	120	–	–	120
Tang Chi Ho, Francis	120	–	–	120
	520	931	8	1,459

11. EMPLOYEE BENEFIT EXPENSES (continued)

(a) Directors' Emoluments (continued)

Notes:

(i) Ms. Wong Yee Shuen, Regina was appointed as an executive director and Chief Executive Officer on 19 October 2013.

(ii) Mr. Chung Tat Fun and Mr. Chung Ho Chun were appointed as Executive Directors on 18 February 2014.

(iii) Mr. So Chak Fai, Francis was appointed as a Non-executive Director on 29 July 2013.

2013

	Fees HK$'000	Salaries and allowances HK$'000	Employers MPF HK$'000	Total HK$'000
Executive Director				
Yeung Heung Yeung	–	–	–	–
Independent Non-executive Directors				
Lee Shiow Yue	120	–	–	120
Poon Wai Hoi, Percy	120	–	–	120
Tang Chi Ho, Francis	120	–	–	120
	360	–	–	360

For the years ended 31 March 2014 and 2013, no emoluments were paid by the Group to the directors as an inducement to join, or upon joining the Group, or as compensation for loss of office. None of the directors has waived any emoluments for the years ended 31 March 2014 and 2013.

11. EMPLOYEE BENEFIT EXPENSES (continued)

(b) Five Highest Paid Individuals and Senior Management

The highest paid employees during the year include 1 director (2013: Nil) with the details of emoluments state in Note 11(a) as above. Details of the remuneration of 4 (2013: 3) non-director, highest paid employees for the years are as follows:

	2014 **HK$'000**	2013 HK$'000
Basic salaries, other allowances and benefits in kind	**2,311**	1,254
Pension scheme contributions	**22**	15
	2,333	1,269

The emoluments of highest paid individuals who are senior management fell within the following bands:

	Number of individuals	
	2014	2013
Nil-HK$1,000,000	**3**	2
HK$1,000,001-HK$1,500,000	**1**	1

For the years ended 31 March 2014 and 2013, no emoluments were paid by the Group to the non-director, highest paid employee as an inducement to join, or upon joining the Group, or as compensation for loss of office. None of the non-director highest paid employees have waived or agreed to waive any emoluments for the years ended 31 March 2014 and 2013.

12. (LOSS)/EARNINGS PER SHARE

The calculation of the basic (loss)/earnings per share for the year is based on the Group's (loss)/profit from continuing operations and discontinued operations attributable to the equity holders of the Company and the weighted average number of ordinary shares in issue during the year. The weighted average number of ordinary shares for the calculation of the basic (loss)/earnings per share is set out as follows:

Continuing and discontinued operations

	2014 **HK$'000**	2013 HK$'000 (Restated)
(Loss)/profit		
(Loss)/profit for the purpose of (loss)/earnings per share	**(98,097)**	16,477

	2014 **HK$'000**	2013 HK$'000 (Restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of (loss)/earning per share	**248,800**	215,494

The basic and diluted (loss)/earnings per share for each of the years ended 31 March 2014 and 2013 are the same because there were no dilutive events existed during the years ended 31 March 2014 and 2013.

Continuing operations

	2014 **HK$'000**	2013 HK$'000 (Restated)
(Loss)/profit		
Group's (loss)/profit attributable to the equity holders of the Company	**(98,097)**	16,477
Less: Loss/(profit) for the year from discontinued operations	**89,275**	(25,604)
Loss for the purpose of (loss)/earnings per share from continuing operations	**(8,822)**	(9,127)

12. (LOSS)/EARNINGS PER SHARE (continued)

Discontinued operations

Both basic and diluted losses per share for the discontinued operations are HK$35.88 cents per share (2013: earnings per share of HK$11.88 cents), based on the loss for the year from the discontinued operations of approximately HK$89,275,000 (2013: profit for the year of HK25,604,000).

13. LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

The consolidated loss (2013: loss) attributable to owners of the Company for the year ended 31 March 2014 includes a loss of approximately HK$11,414,000 (2013: HK$8,575,000) which have been dealt with in the financial statement of the Company.

14. DIVIDEND

The directors do not recommend the payment of any dividend for the years ended 31 March 2014 and 2013.

15. BUSINESS COMBINATION

On 13 June 2013, the Company entered into a Sale and Purchase Agreement with East Summit Organisation (Holdings) Limited ("East Summit") under which the Company conditionally agreed to acquire the 51% issued share capital of Ability Wealth Holdings Limited ("Ability Wealth") and its subsidiaries (collectively referred to as the "Ability Wealth Group"). On 8 July 2013, the transaction was completed and the consideration for the acquisition was settled by the issuance of convertible note with a principal amount of HK$14,000,000. Details of the transactions were disclosed in the Company's announcement dated 13 June 2013.

Ability Wealth Group is principally engaged in the provision of pawn loans services, real estate-backed loan services, other loan services and financial consulting services in PRC.

15. BUSINESS COMBINATION (continued)

The net assets acquired in the transaction arising are as follows:

	Acquiree's carrying amount 8 July 2013 HK$'000	Fair value adjustment HK$'000	Fair value 8 July 2013 HK$'000
Net assets acquired of:			
Office equipment	107		107
Leasehold improvements	1,876		1,876
Loans receivable	11,883		11,883
Prepayments and other receivables	1,074		1,074
Cash and cash equivalents	1,318		1,318
Trade payables	(1,289)		(1,289)
Other payables	(14)		(14)
Intangible assets (Note 17)	–	5,842	5,842
Deferred tax liabilities (Note 20)	–	(1,460)	(1,460)
Net assets	14,955		19,337
Non-controlling interests			(9,475)
Goodwill arising on acquisition (Note 18)			7,148
			17,010
Satisfied by:			
Fair value of convertible note issued			17,010

15. BUSINESS COMBINATION (continued)

Non-controlling interests

The non-controlling interests 49% in Ability Wealth Group recognised at the completion date was measured by reference to the proportionate share of Ability Wealth Group's identifiable net assets and amounted to approximately HK$9,475,000.

Net cash inflow on acquisition of subsidiaries

	HK$'000
Cashflow arising on acquisition	1,318

Impact of acquisition on the results of the Group

Included in the revenue for the year is approximately HK$28,189,000 and HK$10,239,000 profit for the year attributable to the additional business generated by Ability Wealth Group.

Had these business combinations been effected at 1 April 2013, the revenue of the group from continuing operations would have been approximately HK$28,406,000, and profit for the year from continuing operations would have been approximately HK$9,037,000. The directors consider these pro-forma numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

Further acquisition on the non-controlling interests

On 28 October 2013, the Company entered into a Sale and Purchase Agreement with East Summit in relation to the acquisition of 49% remaining interests in the share capital of Ability Wealth Group at a total consideration of HK$15,000,000 ("Further Acquisition"). The consideration was settled by the issue of 23,076,923 consideration shares by the Company at a price of HK$0.65 per shares. The Further Acquisition was completed on 27 January 2014. The fair value of the consideration shares as at completion date was HK$0.79 per share. The Group recognised a decrease in non-controlling interests at approximately HK$15,477,000 and a decrease in equity of approximately HK$2,753,000.

16. PROPERTY, PLANT AND EQUIPMENT

Group

	Leasehold improvements HK$'000	Furniture, fixtures and office equipment HK$'000	Total HK$'000
Cost			
At 1 April 2012, 31 March 2013 and 1 April 2013	3,263	516	3,779
Acquisition of subsidiaries (Note 15)	1,876	107	1,983
Addition	–	1,329	1,329
Exchange alignment	246	3	249
At 31 March 2014	**5,385**	**1,955**	**7,340**
Accumulated depreciation			
At 1 April 2012	3,263	506	3,769
Charged for the year	–	3	3
At 31 March 2013 and 1 April 2013	3,263	509	3,772
Charged for the year	485	102	587
Exchange alignment	237	1	238
At 31 March 2014	**3,985**	**612**	**4,597**
Net book value			
At 31 March 2014	**1,400**	**1,343**	**2,743**
At 31 March 2013	–	7	7

16. PROPERTY, PLANT AND EQUIPMENT (continued)

Company

	Leasehold improvements HK$'000	Furniture, fixtures and office equipment HK$'000	Total HK$'000
Cost			
At 1 April 2012, 31 March 2013 and 1 April 2013	3,263	516	3,779
Addition	–	23	23
At 31 March 2014	**3,263**	**539**	**3,802**
Accumulated depreciation			
At 1 April 2012	3,263	506	3,769
Charged for the year	–	3	3
At 31 March 2013 and 1 April 2013	3,263	509	3,772
Charged for the year	–	7	7
At 31 March 2014	**3,263**	**516**	**3,779**
Net book value			
At 31 March 2014	**–**	**23**	**23**
At 31 March 2013	–	7	7

17. INTANGIBLE ASSETS

Group

	Pawn shop licenses HK$'000	Rights in sharing of profit streams HK$'000	Total HK$'000
Cost			
At 1 April 2012, 31 March 2013 and 1 April 2013	–	1,495,278	1,495,278
Acquisition of subsidiaries (Note 15)	5,842	–	5,842
Exchange alignment	20	–	20
At 31 March 2014	**5,862**	**1,495,278**	**1,501,140**
Accumulated impairment losses			
At 1 April 2012, 31 March 2013 and 1 April 2013	–	1,381,739	1,381,739
Impairment loss for the year (Note 9)	–	113,539	113,539
At 31 March 2014	**–**	**1,495,278**	**1,495,278**
Net carrying amount			
At 31 March 2014	**5,862**	**–**	**5,862**
At 31 March 2013	–	113,539	113,539

The intangible assets represent the right in sharing of profit streams from junket business at the casinos' VIP rooms in Macau and the right in operating pawn business in the PRC for an indefinite period of time. Such intangible assets is carried at cost less accumulated impairment losses. The recoverable amount of the intangible assets has been determined based on a value in use calculation.

17. INTANGIBLE ASSETS (continued)

Rights in sharing of profit streams

An impairment loss of approximately HK$ 113,539,000 (2013: Nil) was recognised during the year ended 31 March 2014 due to the termination of Nove Junket Representative Agreement for Nove Profit on 31 December 2013.

No impairment loss was recognised during the year ended 31 March 2013 by reference to the valuation report issued by Messrs. Grant Sherman Appraisal Limited, independent qualified professional valuer, which valued the intangible asset on discounted cash flow method. The calculation uses cash flow projections based on financial budgets approved by the management covering a 5-year period. The management considered that the junket business at this remaining casino's VIP room will not have further expansion, and the junket business is considered to be saturated in long run. Hence, the cash flow beyond the five-year period are extrapolated using zero growth rate. Key assumptions for the discounted cash flow method relate to the estimation of cash inflows/outflows which include gross margin, growth and discount rate, such estimation is based on past experience and management's expectations for the market development. The management believe that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount of the group of units to exceed the aggregate its recoverable amount. The discount rate applied was approximately 21% during the year ended 31 March 2013.

Pawn shop licenses

No impairment loss was recognised during the year ended 31 March 2014. The recoverable amount is determined based on a value in used calculation which uses cash flow projections based on financial budgets approved by the directors covering a five-year period, and a discount rate of 21.17% per annum. Cash flows beyond that five-year period have been extrapolated using a steady growth rate of 3% per annum which is the projected long-term average inflation rate for the financing services. Key assumptions for the discounted cash flow method relate to the estimation of cash inflows/outflows which include gross margin, growth and discount rate, such estimation is based on past experience and management's expectations for the market development. The directors believe that any reasonable possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount of the group of units to exceed its recoverable amount.

The pawn shop licences is renewable every six years by the Economic & Information Commission of Guangdong Province. The directors are not aware of any expected impediment with respect to the renewal of licences and consider that the possibility of failing in licence renewal is remote. Therefore, the directors consider that the intangible asset is treated as having indefinite useful lives.

18. GOODWILL

Group

	HK$'000
At 1 April 2012, 31 March 2013 and 1 April 2013	–
Recognised from business combinations occurring during the year (Note 15)	7,148
At 31 March 2014	**7,148**

Goodwill has been allocated to a single CGU of financial services during the year. The recoverable amount is determined based on a value in used calculation which uses cash flow projections based on financial budgets approved by the directors covering a five-year period, and a discount rate of 19.17% per annum. Cash flows beyond that five-year period have been extrapolated using a steady growth rate of 3% per annum which is the projected long-term average inflation rate for the financing services. Key assumptions for the discounted cash flow method relate to the estimation of cash inflows/outflows which include gross margin, growth and discount rate, such estimation is based on past experience and management's expectations for the market development. The directors believe that any reasonable possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount of the group of units to exceed its recoverable amount.

19. INTERESTS IN SUBSIDIARIES

	2014 **HK$'000**	2013 HK$'000
Investments, at cost	**35,241**	–
Amounts due from subsidiaries	**359,178**	1,591
Amounts due to subsidiaries	**(157,064)**	(130,244)
	202,114	(128,653)

The balances with subsidiaries are unsecured, interest-free and without fixed terms of repayment. The fair values of the amounts due from subsidiaries approximate their carrying amounts.

The table below lists out the subsidiaries of the Company as at year ended 31 March 2014 which, in the opinion of the directors, principally affected the results of the year or formed a substantial portion of the net assets of the Group.

19. INTERESTS IN SUBSIDIARIES (continued)

Name	Place of incorporation	Principal activities	Particulars of issued share capital/ paid-up capital	Percentage of equity interest attributable to the company Direct	Indirect
Rise Market Company Limited	British Virgin Islands	Investment Holding	US$1 Ordinary	100%	
Triple Gain Group Limited	British Virgin Islands	Receive profit streams from gaming and entertainment related business	US$100 Ordinary	–	100%
Oriental Well Investment Limited	Hong Kong	Investment Holding	HK$1 Ordinary	–	100%
Ability Wealth Holdings Limited	British Virgin Islands	Investment Holding	US$50,000 Ordinary	100%	–
Pure Profit Holdings Limited	Hong Kong	Money Lending	HK$1 Ordinary	–	100%
Greater China Leasing Limited	Hong Kong	Investment Holding	HK$2 Ordinary	–	100%
廣東聚謙融資租賃有限公司	PRC China	Financial Leasing	HK$31,235,318 paid-up capital	–	100%
廣東利都典當有限公司	PRC China	Pawn Business	RMB100,000,000 paid-up capital	–	100%
廣州市源謙投資咨詢有限責任公司	PRC China	Financial Consultating Service	HK$750,000 paid-up capital	–	100%

20. DEFERRED TAXATION

The movements in deferred income tax assets and liabilities during the year, are as follows:

Deferred tax assets

	Group	
	2014	2013
	HK$'000	HK$'000
At the beginning of the year	**–**	–
Credited to consolidated statement of profit or loss (Note 8)	**2,525**	–
Exchange alignment	**(3)**	–
At 31 March	**2,522**	–

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through the future taxable profits is probable. At 31 March 2014, the deferred tax assets are arising in PRC of bad debt provision for impairment losses on loans receivable (Note 22).

Deferred tax liabilities

	Group	
	2014	2013
	HK$'000	HK$'000
At the beginning of the year	**–**	–
Acquisition of subsidiaries (Note 15)	**1,460**	–
Exchange alignment	**6**	–
At 31 March	**1,466**	–

At 8 July 2013, the Group has recognised deferred tax liabilities in relation to the intangible assets during the acquisition of Ability Wealth Group.

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group and Company	
	2014	2013
	HK$'000	HK$'000
Financial assets at fair value through profit or loss comprise:		
Held for trading:		
– Equity securities listed in Hong Kong	**27,542**	26,347

The fair values of the listed equity securities are determined based on the quoted market bid prices available on the HKEx.

22. LOANS RECEIVABLE

	Group	
	2014	2013
	HK$'000	HK$'000
Real estate-backed loans receivable	**121,625**	–
Personal property pawn loans receivable	**63,689**	–
Other loans receivable	**178,616**	–
	363,930	–
Less: Provision for impairment loss on personal property pawn loans receivable	**(10,088)**	–
	353,842	–

22. LOANS RECEIVABLE (continued)

Based on the loan commencement date set out in the relevant contracts, aging analysis of the Group's loans receivable as of each reporting date is as follows:

	Group	
	2014	2013
	HK$'000	HK$'000
Within 3 months	**234,197**	–
3-6 months	**102,774**	–
6-12 months	**26,959**	–
	363,930	–
Less: Provision for impairment loss	**(10,088)**	–
	353,842	–

Aging analysis of the loans receivable that were neither past due nor impaired is as follows:

	Group	
	2014	2013
	HK$'000	HK$'000
Within 3 months	**224,109**	–
3-6 months	**102,774**	–
6-12 months	**26,959**	–
	353,842	–

Loans receivable which were neither past due nor impaired related to a wide range of customers for whom there was no recent history default.

22. LOANS RECEIVABLE (continued)

Movements in the impairment loss of the loans receivable during the year are as follows:

	Group	
	2014	2013
	HK$'000	HK$'000
At beginning of the year	**–**	–
Impairment loss recognised on personal property pawn loans receivable	**(10,101)**	–
Exchange alignment	**13**	–
At end of the year	**(10,088)**	–

The provision of impairment loss related to personal property pawn loans receivable which customers were noted with a significant default happened after the management assessed individual accounts. Interest income of approximately HK$245,000 was incurred from the impaired personal property pawn loan receivable.

The Group has certain concentration risk on loans receivable as it has five (2013: Nil) customers with total outstanding balances of approximately HK$182,855,000 (2013: Nil) as at 31 March 2014 and a single (2013: Nil) customer contribute more that 10% loans receivable of the Group.

The directors of the Company consider that the fair values of loans receivable which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

Real estate-backed loans receivable arising from the Group's real estate-backed loans services, the customers are obliged to settle the amounts according to the terms set out in the relevant contracts. The loan period range from 90 days to 365 days. The loans are secured by real estate collateral with fair value of approximately HK$313,393,000.

Personal property pawn loans receivable arising from the Group's pawn loans business, the customers are obliged to settle the amounts according to the terms set out in the relevant contracts. The loan period range 30 days to 120 days. The loans are secured by personal property as collateral with fair value of approximately HK$79,949,000.

22. LOANS RECEIVABLE (continued)

Other loans receivable arising from the provision of money lending services business, the customers are obligated to settle the amounts according to the terms set out in the relevant contracts. The loan period for other loan range from 30 days to 365 days. The loans are guaranteed by financial institutions or individuals and one of the loans was secured by a cash collateral with fair value of approximately HK$ 13,871,000 (Note 27).

The Group is not permitted to sell or re-pledge the collateral in the absence of default by the customers.

Interest rates on loans receivable are offered to customers based on the assessment of a number of factors including the borrowers' creditworthiness and repayment ability, collateral as well as the general economic trends. The effective interest rates of loan range from 0.67% to 3.0% per month (2013: Nil)

23. TRADE RECEIVABLES

The Group's trading terms with its customer are mainly on credit. The Group receives the profit streams within 15 days of the subsequent month. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed by senior management regularly. The Group does not hold any collateral over these balances.

An aged analysis of the trade receivables as at the end of the reporting period, based on invoice date, is as follows:

	Group	
	2014	2013
	HK$'000	HK$'000
Within 15 days	**–**	2,560

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Group		**Company**	
	2014	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000
Prepayments	**568**	410	**524**	410
Deposits	**307**	1	**1**	1
Other receivables	**45**	6	**7**	6
	920	417	**532**	417

25. CASH AND CASH EQUIVALENTS

At the end of the reporting period, the cash at bank and in hand of the Group denominated in RMB amounted to approximately HK$42,444,000 (2013: HK$ Nil). Cash at banks earns interest at floating rates based on the prevailing market rate which at 0.35% per annum during the reporting period. The cash at banks are deposits with creditworthy banks with no recent history of default. Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

26. TRADE PAYABLES

The following is an analysis of trade payables by age based on the invoice date.

	Group	
	2014	2013
	HK$'000	HK$'000
Within 3 months	**76**	–
Over 12 months	**561**	–
	637	–

The average credit period on certain expense is over 12 months. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

27. ACCRUALS, RECEIPT IN ADVANCE AND OTHER PAYABLES

	Group		Company	
	2014	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000
Receipt in advance	**3,696**	–	**–**	–
Accruals	**1,788**	1,541	**1,725**	1,536
Deposit received	**13,871**	–	**–**	–
Other payables	**909**	–	**–**	–
	20,264	1,541	**1,725**	1,536

Deposit received was being cash collateral from a customer in the other loans arrangement (Note 22).

28. BORROWINGS

	Group and Company	
	2014	2013
	HK$'000	HK$'000
Carrying amount repayable:		
On demand or within one year	**70,000**	–

Non-secured revolving loan facilities of up to HK$120,000,000 with fixed interest rate was entered with a money lender company in Hong Kong. The outstanding loan amount has a maturity period not exceeding 2 years and the incurred interest is payable quarterly. The weighted average effective interest rate on the fixed loans is 8.00% per annum.

Since the revolving loan facilities includes an ordinary repayment on demand clause in the loan agreement, the loan does not be classified according to the repayment schedule. Instead, the outstanding amount of the revolving loan facilities is classified as current liabilities.

29. CONVERTIBLE NOTE

On 8 July 2013, the Company issued a convertible note due on 7 July 2014 to East Summit with a principal amount of HK$14,000,000 to satisfy the consideration for the acquisition of 51% of Ability Wealth Group. The convertible note is interest-bearing at 8% per annum, payable on the maturity date. The Company is not entitled to pay the interest underlying to any part of the convertible note that is being converted before the maturity date. It is convertible at the option of the holder, in whole or in part, within the agreed period, into new shares of the Company. The conversion price initially set HK$0.07 and was adjusted to HK$0.7 on 2 September 2013 due to the Share Consolidation.

The convertible note contains two components: liability and equity components. The equity component is presented in equity heading "convertible note reserves". The effective interest rate of the liability component is 9.1% per annum.

The convertible note has been split as to the liability and equity components as follows:

	As at 8 July 2013
	HK'000
Fair value	17,010
Liability component	(13,850)
Equity component	3,160

29. CONVERTIBLE NOTE (continued)

The movement of the liability component of the convertible note for the year ended 31 March 2014 was as follows:

	HK'000
At date of issue	13,850
Interest expenses payable	(609)
Interest expenses charged	686
Conversion of convertible note into shares	(13,927)
At 31 March 2014	**–**

30. SHARE CAPITAL

(a) Ordinary Shares

		Number of shares '000	Share capital HK$'000
Authorised:			
Ordinary shares of HK$0.01 each as at 1 April 2012, 31 March 2013 and 1 April 2013		60,000,000	600,000
Effect of share consolidation		(54,000,000)	–
Ordinary shares of HK$0.1 each as at 31 March 2014		**6,000,000**	**600,000**
Issued and fully paid:			
Ordinary shares of HK$0.01 each as at 1 April 2012, 31 March 2013 and 1 April 2013		2,154,938	21,549
Effect of share consolidation	*(note i)*	(1,939,445)	–
Conversion of convertible note	*(note ii)*	20,000	2,000
Consideration shares	*(note iii)*	23,077	2,308
Issue new ordinary shares:			
Subscription of new ordinary shares	*(note iv)*	190,000	19,000
Placing of new ordinary shares	*(note iv)*	110,000	11,000
Ordinary shares of HK$0.1 each at 31 March 2014		**558,570**	**55,857**

30. SHARE CAPITAL (continued)

(a) Ordinary Shares (continued)

Notes:

i Pursuant to an ordinary resolution passed in the special general meeting held on 30 August 2013, every ten issued and unissued shares of the Company of HK$0.01 each in the share capital of the Company were consolidated into one consolidated share of HK$0.1 each. The new shares rank pari passu with the existing shares in all respects.

ii On 22 January 2014, 20,000,000 ordinary shares of HK$0.1 each were issued by the Company as a result of the exercise of the conversion rights attached to the convertible notes of an aggregate principal amount of HK$14,000,000 issued by the Company on 8 July 2013 at a conversion price of HK$0.7 each.

iii The consideration of the Further Acquisition was settled by the issue of 23,076,923 consideration shares by the Company at a price of HK$0.65 per share (Note 15). The completion of the Further Acquisition was on 27 January 2014.

iv On 28 October 2013, the Company entered into Subscription Agreements to issue 190,000,000 ordinary shares of HK$0.10 each ("Subscription Shares") comprising three tranches (together, the "Subscriptions"). Tranche 1 Subscription was completed on 27 January 2014 with new issuance of 10,000,000 ordinary shares at the Tranche 1 Subscription Price of HK$0.65 per Subscription Share. Tranche 2 Subscription was completed on 4 March 2014 with new issuance of 90,000,000 ordinary shares at the Tranche 2 Subscription Price of HK$0.70 per Subscription Share. Tranche 3 Subscription was completed on 31 March 2014 with new issuance of 90,000,000 ordinary shares at the Tranche 3 Subscription Price of HK$0.75 per Subscription Share. Net proceeds as a result of the Subscriptions was approximately HK$137 million.

On 5 February 2014, the Company issued 110,000,000 ordinary shares of HK$0.10 each at the issued price of HK$0.65 per share by way of placing (the "Placing"). Net proceeds as a result of the placing was approximately HK$69.9 million.

Details of the transactions of the Subscriptions and the Placing were disclosed in the Company's announcement dated 28 October 2013 and the Company's circular dated 3 January 2014.

30. SHARE CAPITAL (continued)

(b) Share option scheme

The Company approved and adopted a new share option scheme ("New Scheme") on 28 September 2012, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The purpose of the New Scheme is to enable the Company to grant options to selected employees and directors (including any directors, whether executive or non-executive and whether independent or not of the Company or any subsidiaries) and any suppliers, consultants, agents and adviser of any person who, in the sole discretion of the Board, has contributed or may contribute to the Group.

The subscription price for shares under the New Scheme will be a price determined by the Board and notified to each grantee and will be the higher of (i) the average closing prices of the shares on the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of the grant; or (ii) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of the grant, which must be a business day; and (iii) the nominal value of a share.

The maximum number of shares to be issued upon exercise of all outstanding options under the New Scheme and any other share option schemes of the Company will not exceed 30% (or where applicable, such higher percentage as may from time to time to be permitted under the Listing Rules or by the Stock Exchange) of the total number of the issued shares from time to time. The total number of shares available for issue under options which may be granted under the New Scheme and any other share option schemes of the Company must not in aggregate exceed 21,549,385 shares, after the share consolidation effected on 2 September 2013, representing 10% of the issued share capital of the Company, as at the date of adoption of the New Scheme. The Company may seek approval of its shareholders at a general meeting to renew the 10% limit. However, the total number of shares available for issue under options which may be granted under the New Scheme and any other share option schemes of the Company in these circumstances, must not exceed 10% of the issued share capital of the Company at the date of approval of renewing such a limit. No option may be granted to any one person which, if exercised in full, would result in the total number of shares issued and to be issued upon exercise of all options granted and to be granted to him/her in the 12-month period up to and including the date of such a grant, to exceed 1% of the issued share capital of the Company as at the date of the grant. Any further grant of options in excess of the foregoing limit must be subject to the approval of the shareholders of the Company in a general meeting.

Up to the date of this report, no share options have been granted by the Company under the New Scheme during the years ended 31 March 2014 and 2013.

31. RESERVES

(a) Company

	Share premium HK$'000	Contributed surplus HK$'000	Convertible note reserves HK$'000	Capital reserves HK$'000	Accumulated losses HK$'000	Total reserves HK$'000
Balance at 1 April 2012	594,310	569,044	–	85,889	(1,244,052)	5,191
Loss for the year	–	–	–	–	(8,575)	(8,575)
At 31 March 2013 and 1 April 2013	594,310	569,044	–	85,889	(1,252,627)	(3,384)
Loss for the year	–	–	–	–	(11,414)	(11,414)
Equity component of convertible note	–	–	3,160	–	–	3,160
Conversion of convertible note into shares	15,087	–	(3,160)	–	–	11,927
Issue of consideration shares	15,922	–	–	–	–	15,922
Subscription of shares	118,000	–	–	–	–	118,000
Placing of shares	60,500	–	–	–	–	60,500
Expense of issue of shares	(1,609)	–	–	–	–	(1,609)
Balance at 31 March 2014	**802,210**	**569,044**	**–**	**85,889**	**(1,264,041)**	**193,102**

31. RESERVES (continued)

(b) Group and Company

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 40 of the consolidated financial statements

Share premium

The share premium account of the Group includes shares issued at premium.

Contributed surplus

The contributed surplus of approximately HK$2,696,000 represents the difference between the nominal value of the shares, the share premium account and the contributed surplus of the subsidiaries acquired pursuant to the Group reorganisation prior to the listing of the Company's shares, over the nominal value of the Company's shares issued in exchange therefor.

The balance of approximately HK$472,295,000 was resulted from the elimination of accumulated losses from the share premium account during the year ended 31 March 2009. The amount of approximately HK$325,372,000 was credited to the contributed surplus due to capital reduction during year ended 31 March 2010.

The amount of approximately HK$231,319,000 was offset from the contributed surplus account to accumulated losses during 31 March 2010.

Capital reserves

The capital reserve of the Group represents the cash received in excess of the fair value of a promissory note issued by the Company on 4 January 2007.

Revaluation reserves

Included in the revaluation reserve, amount of approximately HK$638,000 represents the adjustment on change in fair values of Triple Gain between the initial acquisition of 60% equity interest on 10 December 2007 and further acquisition of 40% equity interest on 18 December 2007.

Convertible note reserves

The convertible note reserves represents the equity components of each of the convertible notes issued. Each convertible note issued are split into their liability and equity components at initial recognition at the fair values of each of the convertible note, which are determined by independent qualified professional valuer.

32. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Capital Commitments

The Group and the Company did not have any material capital commitments at 31 March 2014 and 2013.

(b) Operating Lease Commitments

The Group leases certain of its offices under operating lease arrangements, which are negotiated for terms ranging from one to five years.

At 31 March 2014, the Group had total future minimum lease payments under non-cancellable operating leases as follows:

	2014 **HK$'000**	2013 HK$'000
Not later than one year	**1,677**	–
Later than one year and no later than five years	**3,731**	–
	5,408	–

(c) Contingent Liabilities

The Group and the Company had no material contingent liabilities as at 31 March 2014 and 2013.

33. MATERIAL RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, during the years ended 31 March 2014 and 2013, the Group had entered into the following transactions with related parties which, in the opinion of the directors, were carried out in the ordinary course of the Group's business.

(a) Key management personnel remuneration

Remuneration for key personnel management, including amount paid to the Company's directors and senior management of the Company as disclosed in note 11 to the consolidated financial statements, is as follows:

	2014 **HK$'000**	2013 HK$'000
Salaries and allowances	**3,762**	360
Pension scheme contributions	**30**	–
	3,792	360

33. MATERIAL RELATED PARTY TRANSACTIONS (continued)

(b) Transactions carried out with related parties

	2014 HK$'000	2013 HK$'000
Other payables to related party	567	–
Corporate expenses paid to related party	330	–

Both other payables to and corporate expenses paid to a related party which has a common director with the Company. Other payables mainly comprise of a consultancy fee accrued before the acquisition of Ability Wealth Group, whereas the corporate expenses mainly comprise of share of office rental.

34. MAJOR NON-CASH TRANSACTION

As set out in note 15, the Group acquired 51% of the issued share capital of Ability Wealth by way of issuance of convertible note with a principal amount of HK$14,000,000 as at 8 July 2013 (Note 15).

The Group acquired the remaining 49% of the issued share capital of Ability Wealth by way of issuance of 23,076,923 consideration shares settled at a price of HK$0.79 per share on 27 January 2014 (Note 15).

35. EVENT AFTER REPORTING PERIOD

The Company has entered into a conditional placing agreement with the placing agent on 25 April 2014 in relation to the placing up to 43,000,000 placing shares at placing price of HK$1.25 per placing shares. The net proceeds are approximately HK$52,670,000 from the placing will be used to strength the capital base and the available funds to conduct lending business. The placing was completed on 20 May 2014. Details of the placing have been disclosed in the announcement date on 28 April 2014 and 20 May 2014.

36. COMPARATIVE FINANCIAL INFORMATION

Certain comparative figures have been restated to conform to current year presentation.

37. AUTHORISATION FOR ISSUE OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board on 30 June 2014.

FIVE YEAR FINANCIAL SUMMARY

The consolidated results, and assets and liabilities of the group for the last five financial years are summarised below.

Results

	Year ended 31 March				
	2014	2013	2012	2011	2010
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**28,304**	25,614	44,590	51,757	352,806
(Loss)/profit for the year attributable to:					
– Owners of the Company	**(98,097)**	16,477	9,190	(407,572)	(632,224)
– Non-controlling interests	**5,869**	–	–	–	–
	(92,228)	16,477	9,190	(407,572)	(632,224)

Assets and liabilities

	As at 31 March				
	2014	2013	2012	2011	2010
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Total assets	**499,132**	265,477	248,994	239,347	977,638
Total liabilities	**(95,009)**	(1,541)	(1,535)	(1,078)	(669,144)
Total equity	**404,123**	263,936	247,459	238,269	308,494