華銀控股有限公司

SINO CREDIT HOLDINGS LIMITED

Stock Code : 00628

ANNUAL REPORT 2015

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CORPORATE INFORMATION

BOARD OF DIRECTORS
Executive Directors
Mr. Chung Tat Fun *(Chairman)*
(re-designated on 23 September 2014)
Ms. Wong Yee Shuen, Regina
(Chief Executive Officer)
(to be re-designated as non-executive director with effect from 1 August 2015)
Mr. Chung Ho Chun
Mr. Fu Ear Ly
(appointed on 27 October 2014)
Mr. Yeung Heung Yeung *(Chairman)*
(resigned on 23 September 2014)

Non-executive Directors
Mr. So Chak Fai, Francis
Mr. Huang Weibo
(to be re-designated as executive director on 24 June 2015)

Independent Non-executive Directors
Ms. Lee Shiow Yue
Mr. Poon Wai Hoi, Percy
Mr. Tang Chi Ho, Francis

COMPANY SECRETARY
Ms. Foo Man Yee, Carina
(appointed on 23 September 2014)
Mr. Chan Kwong Leung, Eric
(resigned on 23 September 2014)

AUDIT COMMITTEE
Mr. Poon Wai Hoi, Percy *(Chairman)*
Ms. Lee Shiow Yue
Mr. Tang Chi Ho, Francis

REMUNERATION COMMITTEE
Ms. Lee Shiow Yue *(Chairman)*
Mr. Tang Chi Ho, Francis
Mr. Chung Tat Fun
(appointed on 23 September 2014)
Mr. Yeung Heung Yeung
(resigned on 23 September 2014)

NOMINATION COMMITTEE
Ms. Lee Shiow Yue *(Chairman)*
Mr. Tang Chi Ho, Francis
Mr. Chung Tat Fun
(appointed on 23 September 2014)
Mr. Yeung Heung Yeung
(resigned on 23 September 2014)

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
Suite 1502, 15/F
Far East Finance Centre
16 Harcourt Road
Admiralty
Hong Kong

SHARE REGISTRARS
Principal Share Registrar and Transfer Office
MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

Hong Kong Branch Share Registrar and Transfer Office
Union Registrars Limited
A18/F., Asia Orient Tower
Town Place, 33 Lockhart Road
Wanchai
Hong Kong

STOCK CODE
628

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In 2014, Mainland China was experiencing a major change in the model of economic growth. The transformation from heavy industries, infrastructure development and exports, to domestic consumption, business venture and market-oriented service industries has sustained the development of the country. The economic growth of the Mainland China has slowed down in 2014, with a 7.4% increase in gross domestic product (GDP) for 2014 and a 7% year-on-year increase in GDP for the first quarter of 2015, hitting the lowest quarterly level in years. The People's Bank of China has cut interest rates three times and lowered the required reserve ratio (RRR) twice during the period from the end of 2014 to May 2015, with the objective of injecting liquidity to markets. The central government has also proceeded with various measures to stimulate consumption and to ensure economic stability.

Under such changes in market environment, the Group maintained balance of yield relative to risks while prudently running lending business and developing new loan products. In addition, the Group also expanded its client base and lowered the amount of single lending in an attempt to reduce the related cost of default.

During the current year, the Group set up two wholly-owned subsidiaries in Shenzhen and Guangzhou that specialise in commercial factoring. These subsidiaries commenced operation and provided a wide range of commercial factoring solutions including receivable factoring and trade finance to small and medium-sized enterprises. Loans granted to customers of this business were approximately HK$71.2 million and aggregate revenue of approximately HK$7.0 million was achieved. Loans receivable were approximately HK$48.0 million as at 31 March 2015.

The Group established the second wholly-owned financial leasing subsidiary in Shenzhen in May 2014 to supplement another financial leasing subsidiary in Guangzhou that was registered in December 2013. Such subsidiary has commenced business since September 2014. The Group provided financial leasing service to customers with a leasing period ranging from one year to three years. During the current year, loans granted to customers of this business were approximately HK$50.4 million. Revenue generated from this business line was approximately HK$2.7 million. Finance lease receivables were approximately HK$48.5 million as at 31 March 2015.

FINANCIAL REVIEW

The Group's consolidated revenue generated for the year ended 31 March 2015 were approximately HK$55.9 million (2014: HK$28.3 million), an increase of 97.4% over the last year. Loss attributable to the owners of the Company for the year ended 31 March 2015 was approximately HK$41.8 million (2014: loss HK$98.1 million, of which approximately HK$89.3 million was attributable from discontinued operation). Basic loss per share was 6.85 HK cents (2014: 39.43 HK cents).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial services business

The Group continued in developing the business of providing financial services for small and medium-sized enterprises (SMEs) and individuals in the PRC and Hong Kong. In addition to real-estate-backed loan, personal property pawn loan and financial consultancy services, the Group had expanded into financial factoring and financial leasing services. For the year ended 31 March 2015, the Group achieved revenue of over HK$48.9 million. Revenue from financial services was increased by 72.9% over the last year. The growth in revenue is owing to the increased interest income from various loan provision services.

(HK$'000)	**31.3.2015**	31.3.2014	Change
Revenue	**48,932**	28,304	72.9%
Operating expenses	**(21,335)**	(6,064)	251.8%
Finance costs	**(6,104)**	(80)	7530.0%
Operating earnings	**21,493**	22,160	–3.0%
Credit/(charges) for bad and doubtful debts	**2,875**	(10,101)	–128.5%
Operating earnings before tax	**24,368**	12,059	102.1%

Financial services income

The following table sets forth the composition of financial services income.

(HK$'000)	**31.3.2015**	31.3.2014	Change
Real estate-backed loan	**8,446**	14,358	–41.2%
Personal property pawn loan	**10,820**	3,483	210.7%
Financing leasing	**2,660**	–	–
Commercial factoring	**7,019**	–	–
Other loans interest income	**17,365**	5,798	199.5%
Financial consultancy service income	**2,622**	4,665	–43.8%
Total	**48,932**	28,304	72.9%

Operating expenses

The following table sets forth the composition of operating expenses of financial services.

(HK$'000)	**31.3.2015**	31.3.2014	Change
Staff costs	**9,614**	2,227	331.7%
Rent and rates	**3,468**	1,122	209.1%
Business taxes and surcharges	**2,234**	1,396	60.0%
Others	**6,019**	1,319	356.3%
Total	**21,335**	6,064	251.8%
Operating expenses to revenue in %	**43.6%**	21.4%	

During the year, operating expenses-to-revenue ratio raise by 22.2% to 43.6% over previous year. The operating expenses were HK$21.3 million, an increase of HK$15.2 million, or 251.8%. 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, the increase in office rental expenses, and the increase in legal and professional fees for the expansion and operation of money lending business.

As at 31 March 2015, the gross loan balance (before provision for impairment allowance) reduced to HK$182.6 million, a 49.8% annual drop against the balance at 31 March 2014. During the year, the Group continued to maintain a tight policy by contracting credit risk in large sum lending. The Group had shifted more focus in providing financial services to small and medium-sized enterprise in the form of commercial factoring and financial leasing.

Key operating data

(HK$'000)	**31.3.2015**	31.3.2014	Change
Net loan balance	**175,364**	353,842	–50.4%
Gross loan balance	**182,582**	363,930	–49.8%
–Hong Kong	**59,066**	83,098	–28.9%
–PRC	**123,516**	280,832	–56.0%
Total return on loans (Revenue/Average gross loan balance)			
–Hong Kong	**10.34%**	10.10%	
–PRC	**20.57%**	20.08%	

MANAGEMENT DISCUSSION AND ANALYSIS

Bad and doubtful debts and impairment allowances

During the year, net credit for bad and doubtful debts were 2.8 million. These included bad debts reversal as well as charges arising from the impairment allowance was HK$7.2 million (2014: HK$10.1 million).

(HK$'000)	**31.3.2015**	31.3.2014
Charges to impairment allowance	**7,246**	10,101
Amount written off	**–**	–
Reversal	**(10,088)**	–
Net (credit)/charges for bad and doubtful debts	**(2,842)**	10,101

Loan quality analysis and impairment allowances

The following table sets forth the distribution of the Group's loans by the five category loan classification. Impairment allowances include substandard, doubtful and loss categories were HK$7.2 million (2014: HK$10.1 million). The impairment allowance as % of gross loan balance was 3.95% (2014: 2.77%).

(HK$'000)	**31.3.2015**	31.3.2014
Normal	**169,438**	353,842
Special mentioned	**3,525**	–
Substandard	**884**	–
Doubtful	**5,827**	10,088
Loss	**2,908**	–
Gross loan balance	**182,582**	363,930
Less: impairment allowances	**(7,218)**	(10,088)
Net loan balance	**175,364**	353,842
Impairment allowance as % of gross loan balance	**3.95%**	2.77%

Investment properties business

The Group issued promissory notes with carrying amount of HK$240 million as part of the consideration for the acquisition of Virtue Crest Group, which owned and operated a commercial property in Guangzhou. The fair value of the promissory notes at the valuation date 31 October 2014 was approximately HK$199.3 million based on its maturity in October 2019. During the year, the Group decided to improve our balance sheet structure and gearing ratio. The Group redeemed the notes in full from the seller. As a result, the Group recorded a non-cash accounting loss of approximately HK$40.3 million due to early redemption of the promissory notes.

During the year, rental income generated from the investment property was approximately HK$7.0 million. Mortgage loan on the investment property incurred interest expenses of approximately HK$6.7 million. The Group recorded a gain of approximately HK$12.5 million resulting from appreciation in fair value of the investment properties.

Share-based payment expenses

During the year, the Group recognised the share-based payment expenses of approximately HK$23.4 million (2014: NIL). The Company granted share options to its eligible grantees (the “Grantees”), under the share option scheme in September 2014, which enables the Grantees to subscribe for an aggregate of 60,000,000 ordinary shares of the Company.

Fair value changes on financial assets

The Group incurred a gain of approximately HK$3.0 million for the year ended 31 March 2015 (2014: loss of HK$4.3 million) resulting from an increase fair value of the listed securities that the Group had invested in.

PROSPECTS

The economic development of the PRC has entered into a new normal and significant improvement in corporate profits and economic data is yet to be seen. The directors also recognise that the credit risks in the PRC market are relatively high. As a result, the Group has been prudently developing its lending business while maintaining balance of yield relative to risks. In the meantime, the Group has been focusing on the prevention and control of market, operational and liquidity risks.

Going forward, we expect the PRC economy to maintain stable growth with further policies and measures on growth stabilisation, reformation and structural adjustments to be introduced by the government. The new normal of economic development in the PRC will be creating more business opportunities to the Group. It will proceed with innovation and transformation by leveraging on the internet in the future and provide efficient, convenient and secure online financial services to its customers on open and collaborative networks and platforms. In addition, the Group will invest more resources in exploring the opportunities in the market of consumer finance for the purposes of business diversification and long-term growth.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

Financial position of the Group has been healthy throughout the financial year. As at 31 March 2015, the Group had total assets of approximately HK$932.1 million (2014: HK$499.1 million), total liabilities of approximately HK$432.7 million (2014: HK$95.0 million). Equity attributable to owners of the Company was approximately HK$499.4 million (2014: HK$404.1 million). The Group's gearing ratio, expressed as a percentage of total liabilities except deferred tax liabilities over owner's equity was 64.2% (2014: 23.1%).

At 31 March 2015, the cash and cash equivalents of the Group amounted to approximately HK$26.4 million (2014: HK$98.6 million), and the borrowings amounted to approximately HK$287.6 million (2014: HK$70.0 million). The Group's current ratio was 2.12 (2014: 5.14).

The Group had issued 8 year corporate bond with principal of HK$25.0 million, which is due on December 2022, and carry interest at fixed rate of 7.0% per annum with interest payable semi-annually in arrears. The corporate bond is unsecured. The fund had been used as general working capital of the Company.

CAPITAL STRUCTURE

During the year, the Company raised net proceeds of approximately HK$52.7 million through placement of 43,000,000 new ordinary shares to more than six places who and whose ultimate beneficial owners are independent third parties at the issued price of HK$1.25 per share. The net proceeds had been used as capital injection into the financial leasing and commercial factoring companies to conduct its business.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATES

During the year, the Group acquired all the issued shares of Virtue Crest Investments Limited ("Virtue Crest") and its subsidiaries (collectively referred to as the ("Virtue Crest Group") for a total consideration of HK$380,032,000. Virtue Crest became a wholly-owned subsidiary of the Company. Virtue Crest Group owned a commercial property in Guangzhou. The Group used the property as investment property. Details of the acquisition were disclosed in the Company's announcements dated 12 August 2014, 24 October 2014 and 31 October 2014 and the Company's circular dated 30 September 2014.

Save as disclosed above, the Group did not have any material acquisitions and disposals of subsidiaries and associates during the year ended 31 March 2015.

CHARGES ON GROUP ASSETS

The Group had pledged the investment properties to secure a banking facility granted to it with outstanding loan balance approximately RMB172.4 million as at 31 March 2015.

CONTINGENT LIABILITIES

As at 31 March 2015, the Group had no significant contingent liabilities (2014: NIL).

COMMITMENTS

As at 31 March 2015, the Group had capital expenditure commitments amounted to approximately HK$1.9 million (2014: NIL). Rental payment under non-cancellable operating leases amounted to approximately HK$5.2 million (2014: HK$5.4 million).

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 had 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 2015, the Group had a total of 39 staff (2014: 34). Total staff costs included share-based compensation during the year amounted to approximately HK$36.3 million (2014: HK$5.6 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 share options may also be given to employees based on individual performance evaluation. The Group granted 60,000,000 share options to its eligible directors, employees and business associate under the share option scheme in September 2014.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Chung Tat Fun
aged 54, is the Chairman of the Company. Mr. Chung 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), 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). Mr. Chung has sponsored various charity activities in Mainland China. He is the father of Mr. Chung Ho Chun who is the executive director of the Company.

Ms. Wong Yee Shuen, Regina
aged 40, 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. 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.

Mr. Chung Ho Chun
aged 26, 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 organised 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. He is the son of Mr. Chung Tat Fun who is the executive director of the Company.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS (continued)

Mr. Fu Ear Ly

aged 30, was appointed as an Executive Director in October 2014. Mr. Fu graduated from Bentley University in the United States of America. Mr. Fu is a member of the standing committee of Guangdong Youth Federation, a vice president of Guangdong International Overseas Chamber of Commerce and a sponsor of Guangdong Zhixin Education Development Foundation. He was also elected as a torchbearer of the sixteenth Asian Games. Mr. Fu Ear Ly is the chairman of the Guangdong Bravo Group since 2007. He has extensive investment experience in real estate, financial and film and entertainment sectors.

NON-EXECUTIVE DIRECTORS

Mr. So Chak Fai, Francis

aged 62, 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 51, 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 52, 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 50, 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. He was appointed as the independent non-executive director of Mastermind Capital Limited (Stock code: 905) on 10 October 2014.

INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

Mr. Tang Chi Ho, Francis

aged 48, 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

aged 44, 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. Leung Yuen Ming , Henry

aged 36, joined the Group as a Marketing Director of Micro Finance Department in May 2015. He hold a Bachelor of Business Administration from Honolulu University. Mr. Leung had more than 15 years of experience worked in Hong Kong and China foreign banks and micro-credit company. He had extensive experience in consumer loans, mortgages loans, car loans and China SME loans.

The Directors present their report and the audited consolidated financial statements of the Company and the Group for the year ended 31 March 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Company is an investment holding. The principal activities of its subsidiaries comprise, pawn business, commercial factoring, financial leasing, financial consultation services and properties leasing in the People's Republic of China ("PRC") and money lending service in Hong Kong, details of which are set out in note 19 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2015 are set out in the consolidated statement of profit or loss on page 37 of this annual report.

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2015 (2014: 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 134 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 32 to the consolidated financial statements.

SHARE OPTION SCHEME

The Company's share option scheme was adopted on 28 September 2012 as an incentive to the Group's employees and business associates (the "Scheme"). The Scheme shall be valid for a period of ten years from that date.

The maximum number of shares in respect of which option may be granted under the Scheme of the Company may not exceed 10% of the issued share capital of the Company at the date of adoption of the Scheme. The maximum entitlement of each eligible participant in the total number of shares issued and to be issued upon exercise of options granted under the Scheme of the Company in any 12 month period shall not exceed 1% of the total number of shares in issue.

Pursuant to the Board resolutions passed on 2 September 2014 and 30 September 2014 respectively, 60,000,000 share options were granted under the Scheme for the year ended 31 March 2015.

Movements of the share option are set out in note 32 to the financial statements. As at the date of this report, the total number of share option that can be granted was 157,078 shares, representing 0.02% of the issued share capital of the Company.

RESERVES

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

DISTRIBUTABLE RESERVES

At 31 March 2015, 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 (2014: NIL).

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales generated from the Group's top five customers accounted for 28% 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 35 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. Chung Tat Fun (Chairman) (re-designated as the Chairman on 23 September 2014)
Mr. Chung Ho Chun
Mr. Fu Ear Ly (appointed on 27 October 2014)
Ms. Wong Yee Shuen, Regina (Chief Executive Officer) (to be re-designated as Non-executive Director with effect from 1 August 2015)
Mr. Yeung Heung Yeung (resigned on 23 September 2014)

Non-executive Directors

Mr. So Chak Fai, Francis
Mr. Huang Weibo (to be re-designated as Executive Director on 24 June 2015)

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, Ms. Lee Shiow Yue, Mr. So Chak Fai, Francis, and Mr. Poon Wai Hoi, Percy shall retire from office by rotation 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

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 2015, 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 in Shares and Underlying Shares in the Company

Ordinary shares of HK$0.1 each of the Company

	Number of shares/ underlying shares held in the Company						
Name of Director	Personal interest	Corporate interest	Equity derivatives (share options)	Spouse interest	Total interests	% of the issued share capital of the Company *(Note 6)*	Notes
Mr. Chung Tat Fun	–	60,000,000	6,000,000	–	66,000,000	10.39%	1
Ms. Wong Yee Shuen, Regina	–	54,000,000	6,000,000	6,000,000	66,000,000	10.39%	2
Mr. Chung Ho Chun	–	–	6,000,000	–	6,000,000	0.94%	3
Mr. Huang Weibo	–	60,000,000	6,000,000	–	66,000,000	10.39%	4
Mr. So Chak Fai, Francis	11,096,000	–	–	–	11,096,000	1.74%	
Mr. Fu Ear Ly	30,000,000	–	–	–	30,000,000	4.72%	

Notes:

1. Light Tower Holding Limited ("Light Tower") held 60,000,000 shares. Light Tower is wholly and beneficially owned by Mr. Chung Tat Fun, the Chairman and an Executive Director of the Company. Mr. Chung was granted 6,000,000 share options by the Company. By virtue of SFO, Mr. Chung is deemed to be interested in total of 66,000,000 shares.

2. Regal Peak Development Limited ("Regal Peak") held 54,000,000 shares. Regal Peak is wholly and beneficially owned by Ms. Wong Yee Shuen, Regina, an Executive Director and the Chief Executive Officer of the Company. Ms. Wong was granted 6,000,000 share options by the Company. Mr. Lam Tsz Chung is the a spouse of Ms. Wong and staff of the Group, was granted 6,000,000 share options by the Company. By virtue of SFO, Ms. Wong is deemed to be interested in total of 66,000,000 shares.

3. Mr. Chung Ho Chun was granted 6,000,000 share options by the Company.

4. Flame Global Holding Limited ("Flame Global") held 60,000,000 shares. Flame Global is wholly and beneficially owned by Mr. Huang Weibo, a Non-executive Director of the Company. Mr. Huang was granted 6,000,000 share option by the Company. By virtue of SFO, Mr. Huang is deemed to be interested in total of 66,000,000 shares.

5. Details of the Directors' interests in the share options granted by the Company are set out in note 32 to the financial statements.

6. As at 31 March 2015, the issued share capital of the Company is 634,780,780 shares.

Save as disclosed above, as at 31 March 2015, 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 2015, 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 follows:

Long positions in Shares and Underlying Shares in the Company

Ordinary shares of HK$0.1 each of the Company

Name of Shareholder	Nature of interests	Number of shares held in the Company	Equity derivatives (share options)	Total	% of the issued share capital of the Company	Notes
Light Tower Holding Limited	Beneficial owner	60,000,000	NIL	60,000,000	9.45%	1
Mr. Chung Tat Fun	Corporate Interest	60,000,000	NIL	66,000,000	10.39%	1
	Personal Interest	NIL	6,000,000			
Regal Peak Development Limited	Beneficial owner	54,000,000	NIL	54,000,000	8.50%	2
Ms. Wong Yee Shuen, Regina	Corporate Interest	54,000,000	NIL	66,000,000	10.39%	2
	Personal Interest	NIL	6,000,000			
	Spouse Interest	NIL	6,000,000			
Flame Global Holding Limited	Beneficial owner	60,000,000	NIL	60,000,000	9.45%	3
Mr. Huang Weibo	Corporate Interest	60,000,000	NIL	66,000,000	10.39%	3
	Personal Interest	NIL	6,000,000			
SUR Limited	Beneficial owner	34,900,000	NIL	34,900,000	5.49%	4
Mr. Yeung Heung Yeung	Corporate Interest	34,900,000	NIL	34,900,000	5.49%	4
Mr. Ng Cheuk Fai	Beneficial owner	35,294,117	NIL	35,294,117	5.56%	
Mr. Ma Siu Chung	Beneficial owner	44,648,000	NIL	44,648,000	7.03%	

Notes:

1. Light Tower Holding Limited ("Light Tower") held 60,000,000 shares. Light Tower is wholly and beneficially owned by Mr. Chung Tat Fun, the Chairman and an Executive Director of the Company. Mr. Chung was granted 6,000,000 shares options by the Company. By virtue of SFO, Mr. Chung is deemed to be interested in total of 66,000,000 shares.

2. Regal Peak Development Limited ("Regal Peak") held 54,000,000 shares. Regal Peak is wholly and beneficially owned by Ms. Wong Yee Shuen, Regina, an Executive Director and the Chief Executive Officer of the Company. Ms. Wong was granted 6,000,000 share options by the Company. Mr. Lam Tsz Chung is a spouse of Ms. Wong and staff of the Group was granted 6,000,000 share options by the Company. By virtue of SFO, Ms. Wong is deemed to be interested in total of 66,000,000 shares.

3. Flame Global Holding Limited ("Flame Global") held 60,000,000 shares. Flame Global is wholly and beneficially owned by Mr. Huang Weibo, a Non-executive Director of the Company. Mr. Huang was granted 6,000,000 share options by the Company. By virtue of SFO, Mr. Huang is deemed to be interested in total of 66,000,000 shares.

4. SUR Limited held 34,900,000 shares. As SUR Limited is wholly and beneficially owned by Mr. Yeung Heung Yeung, he is deemed to be interested in 34,900,000 shares.

Save as disclosed above, as at 31 March 2015, 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 2015.

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.

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.

REPORT OF THE DIRECTORS

EVENTS AFTER THE REPORTING PERIOD

Details of events after the reporting period are set out in note 37 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 21 to 34 of this annual report.

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51(B) of the Listing Rules, the changes in information of Directors subsequent to the date of this Report are set out below:

1. Mr. Huang Weibo, the Non-executive Director will be re-designated as an Executive Director with effect from 24 June 2015.

2. Ms. Wong Yee Shuen, Regina, the Executive Director and Chief Executive Officer ("CEO") will be re-designated as the Non-executive Director and cease to be the CEO with effect from 1 August 2015.

3. Mr. Chung Tat Fun will undertake the duties of CEO with effect from 1 August 2015.

4. Ms. Wong Yee Shuen, Regina will resign as the authorized representative and Mr. Chung Ho Chun will be appointed as the authorized representative of the Company with effect from 24 June 2015.

AUDITORS

The financial statements for the year ended 31 March 2015 have been audited by HLB Hodgson Impey Cheng Limited who will retire and being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company. A resolution will be submitted to the forthcoming annual general meeting of the Company for the re-appointment of HLB Hodgson Impey Cheng Limited as auditor of the Company.

On behalf of the board

Chung Tat Fun
Chairman

Hong Kong, 23 June 2015

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 2015, the Company had complied with all code provisions set out in the CG Code, except for deviation disclosed herein.

i. Code provision A.1.3

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 Directors to react timely and carry out expeditious decision making 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.

ii. Code provision A.4.1

According to code provision A.4.1 of the 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 of the Company and their appointment would be reviewed when they were due for re-election.

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 2015.

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

As at 31 March 2015, the Board comprises four Executive Directors, two Non-executive Directors and three Independent Non-executive Directors. The Directors were:

Executive Directors

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

Non-executive Directors

Mr. So Chak Fai, Francis
Mr. Huang Weibo

Independent Non-executive Directors

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

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.

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. To the best knowledge of the Company, there is no other financial, business, family or other material/relevant relationship among the Directors.

Chairman and Chief Executive Officer

According to the code provision A.2.1 of the CG Code, the roles of the Chairman, Mr. Chung Tat Fun, and the Chief Executive Officer (the "CEO"), Ms. Wong Yee Shuen, Regina are segregated in order to reinforce their independence and accountability.

There are clear demarcations of responsibility and authority between the Chairman and the CEO which ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

In performing the role of Chairman, Mr. Chung Tat Fun is mainly responsible for:

- ensuring that good corporate governance practices and procedures are established;
- ensuring that all Directors are properly briefed on issues arising at Board meetings and that all Directors receive, in a timely manner, adequate information which must be accurate, clear, complete and reliable;
- encouraging all Directors to make a full and active contribution to the Board's affair and to voice their concerns even with different views, allowing sufficient time for discussion of issues, ensuring that Board decisions fairly reflect Board consensus, and taking the lead to ensure that it acts in the best interests of the Group;
- ensuring that appropriate steps are taken to provide effective communication with Shareholders and their views are communicated to the Board as a whole; and
- promoting a culture of openness and debate by facilitating the effective contribution of Independent Non-executive Directors in particular and ensuring constructive relations between executive and Independent Non-executive Directors.

In performing the role of CEO, Ms. Wong Yee Sheun, Regina is responsible for, among other things:

- organising and manage the Group's business;
- leading the corporate team to implement the strategies and plans established by the Board; and
- coordinating overall daily business operations of the Group.

Board Diversity

The Board has adopted the Board Diversity Policy on 26 March 2013. The Company maintains that Board appointment should be based on merit that complements and expands the skills, experience and expertise of the Board as a whole, taking into account gender, age, professional experience and qualifications, cultural and educational background, and any other factors that the Board might consider relevant and applicable from time to time towards achieving a diverse Board.

Non-Executive Directors

All Non-executive Directors including Independent Non-executive Directors are subject to retirement by rotation and re-election in accordance with the Company's Bye-laws.

Independent Non-executive Directors are responsible to scrutinise the Company's performance in achieving agreed corporate goals and objectives; and ensuring that the exercise of the Board authority is within the powers conferred to the Board under the Bye-laws, applicable laws, rules and regulations.

Confirmation of Independence

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.

ROLES AND FUNCTIONS OF THE BOARD AND THE MANAGEMENT

The Board assumes responsibility for leadership and control of the Company; and is collectively responsible for directing and supervising the Company's affairs. The Board is fully responsible for the formulation of business policies and strategies in relation to the business operation of the Group, dividend policy and risk management strategies. The management are delegated the authorities and responsibilities by the Board for the day-to-day management and operation of the Group.

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 MEETINGS

The Board holds at least four regular meetings a year which are normally scheduled in the fourth quarter of the preceding year. The Board will also meet on other occasions when a board-level decision on a particular matter is required. During the financial year ended 31 March 2015, the attendance records of the Directors to these board meetings are set out below:

Name of Directors	No. of meeting attended/ No. of meetings held
Executive Directors	
Mr. Chung Tat Fun	6/7
Ms. Wong Yee Shuen, Regina	7/7
Mr. Chung Ho Chun	6/7
Mr. Fu Ear Ly (appointed on 27 October 2014)	1/1
Mr. Yeung Heung Yeung (resigned on 23 September 2014)	5/6
Non-Executive Directors	
Mr. So Chak Fai, Francis	5/7
Mr. Huang Weibo	4/7
Independent Non-Executive Directors	
Mr. Poon Wai Hoi, Percy	5/7
Mr. Tang Chi Ho, Francis	6/7
Ms. Lee Shiow Yue	6/7

COMPANY SECRETARY

The Company's secretarial functions are outsourced to external service provider. The Company Secretary reports to the Board through the Chairman or the CEO of the Company. All Directors may access to the advice and services of the Company Secretary. The Company Secretary regularly updates the Board on governance and regulatory matters.

The Board is fully involved in selection, appointment and dismissal of the Company Secretary. The Company Secretary is also responsible for ensuring the procedures of the Board meetings are observed and providing the Board opinions on matters in relation to the compliance with the procedures of the Board meetings.

During the year ended 31 March 2015, the Company Secretary has undertaken no less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

ACCESS TO INFORMATION

All Directors are kept informed on a timely basis of major changes that may have affected the Group's business, including relevant rules and regulations and are able to make further enquiries when necessary. Sufficient explanation and information have been provided to the Board to enable the Board to make an informed assessment of financial and other information put before it for approval. They also have unrestricted access to the advices and services of the Company Secretary, who is responsible for providing the Directors with board papers and related materials. A monthly update which gives a balanced and concise assessment of the Company's performance, position and prospects in sufficient details is provided to all Directors to enable the Board as a whole and each Director to discharge their duties. The Board has also agreed that the Directors may seek independent professional advice in performing their Directors' duties at the Company's expenses.

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 2015 is summarised below:

Name of Director	Courses/Seminars provided/accredited by Professional Body	Reading materials
Executive Directors		
Mr. Chung Tat Fun	–	✓
Ms. Wong Yee Shuen, Regina	✓	✓
Mr. Chung Ho Chun	✓	✓
Mr. Fu Ear Ly *(appointed on 27 October 2014)*	✓	✓
Mr. Yeung Heung Yeung *(resigned on 23 September 2014)*	–	–
Non-executive Directors		
Mr. So Chak Fai, Francis	✓	✓
Mr. Huang Weibo	✓	✓
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.

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 2015, 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. Chung Tat Fun. 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 Directors 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 two meetings held by the Remuneration Committee to (i) review and recommend the remuneration packages of the Executive Directors; and (ii) review the remuneration packages of the newly appointed Director(s) for the year ended 31 March 2015.

Details of the remuneration paid to Directors and members of senior management by band for the year ended 31 March 2015 are disclosed in note 11 to the consolidated financial statements.

Attendance of the Remuneration Committee during the relevant period is set out below:

Members	**No. of meetings attended/ No. of meeting held**
Ms. Lee Shiow Yue *(Chairman)*	2/2
Mr. Tang Chi Ho, Francis	2/2
Mr. Chung Tat Fun (appointed on 23 September 2014)	0/0
Mr. Yeung Heung Yeung (resigned on 23 September 2014)	2/2

NOMINATION COMMITTEE

As at 31 March 2015, the Nomination Committee is chaired by Ms. Lee Shiow Yue with Mr. Tang Chi Ho, Francis and Mr. Chung Tat Fun 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.

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 three meetings held by the Nomination Committee to (i) review the structure, size and composition of the Board; (ii) nominate Directors for re-election at the annual general meeting; (iii) assess the independence of Independent Non-executive Directors with reference to the requirements under the Listing Rules; (iv) identify individual suitably qualified to become Board members and made recommendation to the Board on the selection of individuals nominated for directorship; and (v) recommend the Board on the annual review of the terms of reference of the Nomination Committee and the Board Diversity Policy.

Attendance of the Nomination Committee during the relevant period is set out below:

Members	**No. of meetings attended/ No. of meeting held**
Ms. Lee Shiow Yue *(Chairman)*	3/3
Mr. Tang Chi Ho, Francis	3/3
Mr. Chung Tat Fun (appointed on 23 September 2014)	0/0
Mr. Yeung Heung Yeung (resigned on 23 September 2014)	2/3

AUDIT COMMITTEE

As at 31 March 2015, 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 2015 and the unaudited interim financial statements for the six months ended 30 September 2014, 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 2014 and the audited financial statements of the Group for the year ended 31 March 2015; and (v) review and recommend to the Board the auditor's re-appointment and remuneration.

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

Attendance of the Audit Committee during the relevant period is set out below:

Members	**No. of meetings attended/ No. of meeting held**
Mr. Poon Wai Hoi, Percy *(Chairman)*	2/2
Ms. Lee Shiow Yue	2/2
Mr. Tang Chi Ho, Francis	2/2

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	600
Non-audit services	550

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 2014 and for the year ended 31 March 2015, 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 35. The statement of the external auditors about their reporting responsibilities on the financial statements is set out in the "Independent Auditors' Report" on pages 35 to 36 of this annual report.

CORPORATE GOVERNANCE REPORT

INTERNAL CONTROLS

The Board is responsible for maintaining an adequate internal control system to safeguard the investment of the shareholder and assets of the Group 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.

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 Suite 1502, 15/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 A18/F., Asia Orient Tower, 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 Suite 1502, 15/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 A18/F., Asia Orient Tower, 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
Suite 1502, 15/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.

CORPORATE GOVERNANCE REPORT

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

The annual general meeting of the Company provides a useful forum for shareholders to exchange views with the Board. All Directors will make an effort to attend. External auditor is also available at the annual general meeting to address shareholders' queries. In case of any general meeting to approve a connected transaction or any other transaction that is subject to independent shareholders' approval, members of the independent Board committee will also make an effort to address shareholders' queries.

Details of the Directors' attendances of general meetings during the relevant period are as follows:

Name of Directors	No. of general meetings attended/ No. of general meetings held
Executive Directors	
Mr. Chung Tat Fun	0/4
Ms. Wong Yee Shuen, Regina	3/4
Mr. Chung Ho Chun	2/4
Mr. Fu Ear Ly (appointed on 27 October 2014)	0/1
Mr. Yeung Heung Yeung (resigned on 23 September 2014)	0/2
Non-Executive Directors	
Mr. So Chak Fai, Francis	1/4
Mr. Huang Weibo	0/4
Independent Non-Executive Directors	
Mr. Poon Wai Hoi, Percy	1/4
Mr. Tang Chi Ho, Francis	2/4
Ms. Lee Shiow Yue	0/4

CONSTITUTIONAL DOCUMENTS

The Company does not have any changes in the constitutional documents during the year under review.

HLB 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

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF
SINO CREDIT 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 37 to 133, which comprise the consolidated and Company's statement of financial position as at 31 March 2015 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 2015 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

Andrew Shek
Practising Certificate Number: P05895

Hong Kong, 23 June 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2015

	Note	2015 HK$'000	2014 HK$'000
Continuing operations			
Revenue	6	**55,879**	28,304
Other income	6	**179**	288
Other gains and losses, net	6	**(14,754)**	(4,229)
Administrative expenses		**(29,532)**	(14,263)
Impairment loss on loans receivable	23	**(7,246)**	(10,101)
Share-based compensation		**(23,357)**	–
Finance costs	7	**(13,244)**	(766)
Loss before income tax		**(32,075)**	(767)
Income tax expenses	8	**(9,708)**	(2,186)
Loss for the year from continuing operations		**(41,783)**	(2,953)
Discontinued operations			
Loss for the year from discontinued operations	9	**–**	(89,275)
Loss for the year	10	**(41,783)**	(92,228)
(Loss)/profit for the year attributable to:			
Owners of the Company		**(41,783)**	(98,097)
Non-controlling interests		**–**	5,869
		(41,783)	(92,228)
Loss attributable to owners of the Company arises from:			
Continuing operations		**(41,783)**	(8,822)
Discontinued operations		**–**	(89,275)
		(41,783)	(98,097)
Loss per share attributable to owners of the Company	12		
From continuing & discontinued operations			
Basic and diluted		**(6.85) HK cents**	(39.43) HK cents
From continuing operations			
Basic and diluted		**(6.85) HK cents**	(3.55) 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 2015

	2015 HK$'000	2014 HK$'000
Loss for the year	**(41,783)**	(92,228)
Other comprehensive income/(loss):		
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	**332**	(1,038)
Total comprehensive loss for the year	**(41,451)**	(93,266)
Total comprehensive (loss)/income for the year attributable to:		
Owners of the Company	**(41,451)**	(99,268)
Non-controlling interests	**–**	6,002
	(41,451)	(93,266)
Total comprehensive loss attributable to owners of the Company arises from:		
Continuing operations	**(41,451)**	(9,993)
Discontinued operations	**–**	(89,275)
	(41,451)	(99,268)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	Note	2015 HK$'000	2014 HK$'000
Assets			
Non-current assets			
Property, plant and equipment	16	**6,269**	2,743
Intangible assets	17	**5,878**	5,862
Goodwill	18	**53,646**	7,148
Investment properties	20	**627,328**	–
Deferred tax assets	21	**1,804**	2,522
		694,925	18,275
Current assets			
Financial assets at fair value through profit or loss	22	**30,559**	27,542
Trade and loans receivable	23	**177,669**	353,842
Prepayments, deposits and other receivables	24	**2,551**	920
Cash and cash equivalents	25	**26,426**	98,553
		237,205	480,857
Liabilities			
Current liabilities			
Trade payables	26	**511**	637
Accruals and other payables	27	**10,767**	20,264
Borrowings	28	**100,720**	70,000
Tax liabilities		**–**	2,642
		111,998	93,543
Net current assets		**125,207**	387,314
Total assets less current liabilities		**820,132**	405,589
Non-current liabilities			
Borrowings	28	**186,881**	–
Bonds	30	**21,945**	–
Deferred tax liabilities	21	**111,828**	1,466
		320,654	1,466
Net assets		**499,478**	404,123
Capital and reserves			
Share capital	32	**63,478**	55,857
Reserves		**436,000**	348,266
Total equity		**499,478**	404,123

Approved and signed on behalf of the Board on 23 June 2015

Chung Tat Fun
Director

Huang Weibo
Director

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

STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	Note	2015 HK$'000	2014 HK$'000
Assets			
Non-current assets			
Property, plant and equipment	16	**16**	23
Interests in subsidiaries	19	**35,241**	35,241
		35,257	35,264
Current assets			
Amounts due from subsidiaries	19	**556,332**	359,178
Financial assets at fair value through profit or loss	22	**30,559**	27,542
Prepayments, deposits and other receivables	24	**133**	532
Cash and cash equivalents		**12**	55,309
		587,036	442,561
Liabilities			
Current liabilities			
Amount due to a subsidiary	19	**75,786**	157,064
Accruals and other payables	27	**2,815**	1,802
Borrowings	28	**70,000**	70,000
		148,601	228,866
Net current assets		**438,435**	213,695
Total assets less current liabilities		**473,692**	248,959
Non-current liabilities			
Amount due to a subsidiary	19	**157,063**	–
Bonds	30	**21,945**	–
		179,008	–
Net assets		**294,684**	248,959
Capital and reserves			
Share capital	32	**63,478**	55,857
Reserves	33	**231,206**	193,102
Total equity		**294,684**	248,959

Approved and signed on behalf of the Board on 23 June 2015

Chung Tat Fun
Director

Huang Weibo
Director

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2015

	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$'000	Share option reserves HK$'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 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
At 1 April 2014	55,857	802,210	569,044	85,889	638	–	–	(1,171)	(1,108,344)	348,266	–	404,123
Loss for the year	–	–	–	–	–	–	–		(41,783)	(41,783)	–	(41,783)
Other comprehensive income	–	–	–	–	–	–	–	332	–	332	–	332
Total comprehensive income/(loss)	–	–	–	–	–	–	–	332	(41,783)	(41,451)	–	(41,451)
Issue of consideration shares	3,321	57,453	–	–	–	–	–	–	–	57,453	–	60,774
Shared-based payments	–	–	–	–	–	23,357	–	–	–	23,357	–	23,357
Placing of shares	4,300	49,450	–	–	–	–	–	–	–	49,450	–	53,750
Expense of issue of shares	–	(1,075)	–	–	–	–	–	–	–	(1,075)	–	(1,075)
At 31 March 2015	**63,478**	**908,038**	**569,044**	**85,889**	**638**	**23,357**	**–**	**(839)**	**(1,150,127)**	**436,000**	**–**	**499,478**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2015

	Note	2015 HK$'000	2014 HK$'000
Cash flows from operating activities			
Loss before taxation from continuing operations		**(32,075)**	(767)
Loss before taxation from discontinued operations	9	**–**	(89,275)
Adjustments for:			
Bank interest income	6	**(175)**	(284)
Release in interest payable upon conversion of convertible note	6	**–**	(609)
Finance costs	7	**13,244**	766
Fair value changes on investment properties	6,20	**(12,460)**	–
Fair value changes on financial assets at fair value though profit or loss	6	**(3,017)**	4,279
Reversal of impairment loss on loans receivable	6,23	**(10,088)**	–
Loss on early repayment of promissory notes	6,31	**40,318**	–
Share-based compensation	10	**23,357**	–
Provision for impairment loss on loans receivable	23	**7,246**	10,101
Impairment loss on intangible assets	9,17	**–**	113,539
Depreciation	10,16	**1,407**	587
Operating cash flows before movements in working capital		**27,757**	38,337
Decrease/(increase) in loans receivable		**179,384**	(352,047)
Decrease in trade receivables		**–**	2,560
Decrease in prepayments, deposits and other receivables		**75,359**	572
Decrease in trade payables		**(126)**	(651)
(Decrease)/increase in accruals and other payables		**(37,056)**	18,710
Cash generated from/(used in) operations		**245,318**	(292,519)
Income tax paid		**(6,571)**	(2,069)
Interest paid		**(12,316)**	(80)
Net cash generated from/(used in) operating activities		**226,431**	(294,668)

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

For the year ended 31 March 2015

	Note	2015 HK$'000	2014 HK$'000
Cash flows from investing activities			
Interest received		**175**	284
Net cash (outflow)/inflow on acquisition of subsidiaries	15	**(110,515)**	1,318
Repayment of bank borrowing		**(12,785)**	–
Addition on investment properties		**(4,822)**	–
Purchase of short-term investment		**–**	(5,474)
Purchase of property, plant and equipment	16	**(4,932)**	(1,329)
Net cash used in investing activities		**(132,879)**	(5,201)
Cash flows from financing activities			
Issue of bonds		**25,000**	–
Borrowing		**–**	70,000
Expenses of issue of bonds		**(3,125)**	–
Repayment of promissory notes		**(240,000)**	–
Subscription of shares		**–**	137,000
Placing of shares		**53,750**	71,500
Expenses of issue of shares		**(1,075)**	(1,609)
Net cash (used in)/generated from financing activities		**(165,450)**	276,891
Net decrease in cash and cash equivalents		**(71,898)**	(22,978)
Cash and cash equivalents at beginning of year		**98,553**	122,607
Effect of foreign exchange rate changes		**(229)**	(1,076)
Cash and cash equivalents at end of year		**26,426**	98,553

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 1502, 15/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, pawn business, commercial factoring, financial leasing, financial consultation services and properties leasing in the People's Republic of China ("PRC") and money lending service in Hong Kong.

The gaming and entertainment related business in Macau was discontinued for the year ended 31 March 2014.

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 Stock Exchange. 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 for the first time 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 2014.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – Investment Entities

The amendments to HKFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss ("FVTPL") in its consolidated and separate financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with professional investment management services;

- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

- measure and evaluate performance of substantially all of its investments on a fair value basis.

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. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by HKFRS 13 "Fair Value Measurements".

Amendments to HKAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"

The amendments to HKAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative hedging instrument arising from the novation should be included in the assessment of hedge effectiveness.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

HK (IFRIC) – Int 21 "Levies"

HK (IFRIC) – Int 21 "Levies" addresses the issue of when to recognise a liability to pay a levy. The interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay s levy that will be triggered by operating in a future period.

The application of the above new and revised HKFRSs had no material impact on the Group's consolidated financial performance and positions for the current and prior years. Accordingly, no prior period adjustments had been required.

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:

Amendments to HKFRSs	Annual Improvement to HKFRSs 2010-2012 Cycle[5]
Amendments to HKFRSs	Annual Improvement to HKFRSs 2011-2013 Cycle[3]
Amendments to HKFRSs	Annual Improvement to HKFRSs 2012-2014 Cycle[4]
HKAS 1 (Amendments)	Disclosure Initative[4]
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation[4]
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plant[4]
HKAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions[3]
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements[4]
HKFRS 9	Financial Instruments[1]
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception[4]
HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations[4]
HKFRS 14	Regulatory Deferral Accounts[6]
HKFRS 15	Revenue from Contracts with Customers[2]

1 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
3 Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.
4 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
5 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.
6 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016.

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

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. Debt instruments that are held with a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent 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 FVTPL, 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 FVTPL was presented in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

HKFRS 9 "Financial Instruments" (continued)

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

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

HKFRS 15 "Revenue from Contracts with Customers"

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Amendments to HKFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"

The amendments to HKFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in HKFRS 3 "Business Combinations". Specifically, the amendments state that the relevant principles on accounting for business combinations in HKFRS 3 and other standards (e.g. HKAS 36 "Impairment of Assets" regarding impairment testing of a CGU to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business, as defined in HKFRS 3, is contributed to the joint operation on its formation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by HKFRS 3 and other standards for business combinations.

Amendments to HKAS 16 and HKAS 38 "Clarification of Acceptable Methods of Depreciation and Amortisation"

The amendments to HKAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) when the intangible asset is expressed as a measure of revenue; or

b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

Amendments to HKAS 16 and HKAS 41 "Agriculture: Bearer Plants"

The amendments to HKAS 16 and HKAS 41 define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with HKAS 16, instead of HKAS 41. The produce growing on bearer plants continues to be accounted for in accordance with HKAS 41.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Amendments to HKAS 27 "Equity Method in Separate Financial Statements"

The amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements:

- At cost;
- In accordance with HKFRS 9 "Financial Instruments" (or HKAS 39 "Financial Instruments: Recognition and Measurement" for entities that have not yet adopted HKFRS 9), or
- Using the equity method as described in HKAS 28 "Investments in Associates and Joint Ventures".

The accounting option must be applied by category of investments.

The amendments also clarify that when a parent ceases to be an investment entity, or becomes an investment entity, it shall account for the change from the date when the change in status occurred.

In addition to the amendments to HKAS 27, there are consequential amendments to HKAS 28 to avoid a potential conflict with HKFRS 10 "Consolidated Financial Statements" and to HKFRS 1 "First time Adoption of Hong Kong Financial Reporting Standards".

Amendments to HKFRS 10 and HKAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

Amendments to HKAS 28:

- The requirements on gains and losses resulting from transactions between an entity and its associate or joint venture have been amended to relate only to assets that do not constitute a business.
- A new requirement has been introduced that gains or losses from downstream transactions involving assets that constitute a business between an entity and its associate or joint venture must be recognised in full in the investor's financial statements.
- A requirement has been added that an entity needs to consider whether assets that are sold or contributed in separate transactions constitute a business and should be accounted for as a single transaction.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Amendments to HKFRS 10 and HKAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" (continued)

Amendments to HKFRS 10:

- An exception from the general requirement of full gain or loss recognition has been introduced into HKFRS 10 for the loss control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method.

- New guidance has been introduced requiring that gains or losses resulting from those transactions are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement at fair value of investments retained in any former subsidiary that has become an associate or a joint venture that is accounted for using the equity method are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

Annual Improvements to HKFRSs 2010-2012 Cycle

The Annual Improvements to HKFRSs 2010-2012 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 2 (i) clarify the definitions of 'vesting condition' and 'market condition'; and (ii) separate the definitions of 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to HKFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to HKFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of HKFRS 9 or HKAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to HKFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to HKFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief-operating decision-maker.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Annual Improvements to HKFRSs 2010-2012 Cycle (continued)

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 might be perceived as removing the ability to measure short term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. As the amendments do not contain any effective date, they are considered to be immediately effective.

The amendments to HKAS 16 and HKAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to HKAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

Annual Improvements to HKFRSs 2011-2013 Cycle

The Annual Improvements to HKFRSs 2011-2013 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The amendments to HKAS 40 clarify that HKAS 40 and HKFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

- the property meets the definition of investment property in terms of HKAS 40; and

- the transaction meets the definition of a business combination under HKFRS 3.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Annual Improvements to HKFRSs 2012-2014 Cycle

The Annual Improvements to HKFRSs 2012-2014 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 introduce specific guidance in HKFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held-for-distribution accounting is discontinued. The amendments shall be applied prospectively.

The amendments to HKFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets and clarify that the offsetting disclosures (introduced in the amendments to HKFRS 7 "Disclosure – Offsetting Financial Assets and Financial Liabilities" issued in December 2011 and effective for periods beginning on or after 1 January 2013) are not explicitly required for all interim periods. However, the disclosures may need to be included in condensed interim financial statements to comply with HKAS 34 "Interim Financial Reporting".

The amendments to HKAS 19 clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefits should be issued in the same currency as the benefits to be paid. These amendments would result in the depth of the market for high quality corporate bonds being assessed at currency level. The amendments apply from the beginning of the earliest comparative period presented in the financial statements in which the amendments are first applied. Any initial adjustment arising should be recognised in opening retained earnings of the earliest comparative period presented.

The amendments to HKAS 34 clarify the requirements relating to information required by HKAS 34 that is presented elsewhere in the interim financial report. The amendments require that such information be incorporated by way of a cross reference from the interim financial statements to the other part of the interim financial report that is available to users on the same terms and at the same time as the interim financial statements.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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:

Basis of preparation

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.

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:

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of preparation (continued)

- 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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations (continued)

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 comprehensive income 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

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.

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 recognisesd in profit or loss when the asset is derecognised.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gain and losses arising from changes in the fair value of investment properties are included in the profit or loss in the period in which they arise.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecongised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 FVTPL 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 FVTPL are recognised immediately in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Financial assets

The Group's financial assets are classified into the following specified categories: financial assets at 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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Financial assets (continued)

Financial assets at FVTPL (continued)

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.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and loans receivable, other receivables, cash and cash equivalents as well as amounts due from subsidiaries) 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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 trade and loans receivable, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period range from 15 days to 180 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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

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

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and loans receivable, where the carrying amount is reduced through the use of an allowance account. When a trade and 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

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.

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, bonds, borrowings as well as amounts due to subsidiaries) are subsequently measured at amortised cost using the effective interest method.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Financial liabilities and equity instruments (continued)

Effective interest method

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

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

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 form 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 the services are provided.

(e) The Group's policy for recognition of revenue from operating leases is described in the accounting policy below.

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 lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

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

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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

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

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

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.

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 the consolidated statement of comprehensive income 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 the consolidated statements of profit or loss and other comprehensive income in the period in which they are incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Retirement benefits costs (continued)

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 capital 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.

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 the consolidated statement of comprehensive income 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 capital 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 capital 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax (continued)

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.

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.

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

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payment arrangements

Share-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based transaction are set out in note 32(b).

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

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

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

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

Cash-settled share-based payment transactions

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

Share-based payment transactions of the acquire in a business combination

When the share-based payment awards held by the employee of an acquiree (acquire awards) are replaced by the Group's share-based payment awards (replacement awards), both the acquire awards and the replacement awards are measured in accordance with HKFRS 2 "Share-based Payment" ('market-based measure') at the acquisition date. The portion of the replacement awards that is included in measuring the consideration transferred in a business combination equals the market-based measure of the acquire awards multiplied by the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the acquiree awards. The excess of the market-based measure of the replacement awards over the market-based measure of the acquire awards included in measuring the consideration transferred is recognised as remuneration cost for post-combination service.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payment arrangements (continued)

Share-based payment transactions of the acquire in a business combination (continued)

However, when the acquire awards expire as a consequence of a business combination and the Group replaces those awards when it does not have an obligation to do so, the replacement awards are measured at their market-based measure in accordance with HKFRS 2. All of the market-based measure of the replacement awards is recognised as remuneration cost for post-combination service.

At the acquisition date, when the outstanding equity-settled share-based payment transactions held by the employees of an acquiree are not exchanged by the Group for its share-based payment transactions, the acquire share-based payment transactions are measured at their market-based measure at the acquisition date. If the share-based payment transactions have vested by the acquisition date, they are included as part of the non-controlling interest in the acquiree. However, if the share-based payment transactions have not vested by the acquisition date, the market-based measure of the unvested share-based payment transactions is allocated to the non-controlling interest in the acquiree based on the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the share-based payment transaction. The balance is recognised as remuneration cost for post-combination service.

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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).

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.

Borrowing cost

Borrowing costs are expensed in profit or loss in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

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)

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.

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$5,878,000 (2014: HK$5,862,000).

3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Impairment of receivables

The provision policy for doubtful debts of the Group is based on the ongoing evaluation of the collectability and ageing analysis of the outstanding receivables and on the management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, 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.

Fair value of investment properties

The best evidence of fair value is current prices in an active market for similar lease and other contracts. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates including:

- current prices in an active market for property of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those difference; and

- recent prices of similar property in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those price; and

- net rental income of the property derived from the existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the lease, which have been then capitalised to determine the market value at an appropriate capitalisation rate.

The Group uses assumptions that are mainly based on market conditions existing at the end of each of the year.

The principal assumption underlying management's estimation of fair value is related to the estimated amount for which the properties should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and without compulsion.

The Group assesses the fair value of investment properties based on valuation determined by qualified independent professional surveyors.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Share-based payments

The Group follows the guidance of HKFRS 2 when determining the fair value of the share options granted at the grant date. This determination requires significant estimate. In making this judgement, the Group incorporates all factors and assumptions that knowledgeable, willing market participants would consider in setting the price and the valuation technique should be consistent with the generally accepted valuation methodologies for pricing financial instruments.

Deferred taxation on investment properties

The Group recognises deferred tax in respect of the changes in fair value of the investment properties based on directors' best estimate assuming future tax consequences through usage of such properties for rental purpose, rather than through sale. The final tax outcome could be different from the deferred tax liabilities recognised in the consolidated financial statements should the investment properties are subsequently disposed by the Group, rather than consumed substantially all of the economic benefits embodied in the investment properties by leasing over time. In the event the investment properties are being disposed, the Group may be liable to higher tax upon disposal.

Impairment of goodwill

The Group perform annual test on whether there has been impairment of goodwill in accordance with the accounting policy stated in note 2. The recoverable amounts of CGUs are determined based on value in use calculations. These calculations require the use of estimates and assumptions made by management on the future operation of the business, pre-tax discount rates, and other assumptions underlying the value in use calculations.

4 FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT

(a) Categories of financial instruments

	2015 HK$'000	2014 HK$'000
The Group		
Financial assets:		
Loans and receivables		
Trade and loans receivable	**177,669**	353,842
Other receivables	**1,521**	45
Cash and cash equivalents	**26,426**	98,553
Financial assets at FVTPL		
Held for trading	**30,559**	27,542
Financial liabilities:		
At amortised cost		
Trade payables	**511**	637
Accruals and other payables	**8,929**	16,568
Bonds	**21,945**	–
Borrowings	**287,601**	70,000

	2015 HK$'000	2014 HK$'000
The Company		
Financial assets:		
Loans and receivables		
Amounts due from subsidiaries	**556,332**	359,178
Other receivables	**7**	7
Cash and cash equivalents	**12**	55,309
Financial assets at FVTPL		
Held for trading	**30,559**	27,542
Financial liabilities:		
At amortised cost		
Accruals and other payables	**2,815**	1,802
Amounts due to subsidiaries	**232,849**	157,064
Bonds	**21,945**	–
Borrowings	**70,000**	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, bonds and borrowings. The Group's and the Company's exposures to fair value interest rate risk relates primarily to fixed-rate lendings, bonds and fixed-rate borrowings. The interest rates and terms of repayment of financial assets, bonds and fixed-rate borrowings of the Group and the Company are disclosed in Notes 23, 28 and 30.

Although the Group's and the Company's loans receivable, bonds and fixed-rate borrowing 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 cash flow interest rate risk relates primarily to floating-rate borrowing. The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group currently does not have any interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

4 FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

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

Market risk (continued)

Sensitivity analysis on interest rate risk

Regarding the cash flow interest rate risk, the sensitivity analysis set out below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For variable-rate borrowings, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis point higher/lower and all other variables were held constant, the Group's loss for the year ended 31 March 2015 would decrease/increase by approximately HK$1,088,000 (2014: NIL). This is mainly attributable to the Group's exposure to interest rates on its floating-rate borrowings.

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.

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 Group's and Company's risk exposure 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, provision of securities brokerage, development of large-scale new town, provision of healthcare and wellness service 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 2015 would increase/decrease by approximately HK$1,528,000 (2014: HK$1,377,000). This is mainly due to the changes in fair value of financial assets at FVTPL.

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 trade and 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 of directors 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 by using the Group's credit rating system 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 pawn 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. Besides, the customers provide leased assets as collateral for finance lease. In the event of default, the Group will proceed with sale of leased assets. 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 trade and loans receivable are set out in Note 23.

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.

The 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 2015						
Non-derivative financial liabilities						
Accruals and other payables	**–**	**8,929**	**–**	**–**	**8,929**	**8,929**
Trade payables	**–**	**511**	**–**	**–**	**511**	**511**
Bonds	**9.28**	**3,803**	**15,441**	**10,943**	**30,187**	**21,945**
Borrowings-bank loan	**7.21**	**45,561**	**160,148**	**71,954**	**277,663**	**217,601**
Borrowings-loan from other entity	**8.00**	**75,539**	**–**	**–**	**75,539**	**70,000**
At 31 March 2014						
Non-derivative financial liabilities						
Accruals and other payables	–	16,568	–	–	16,568	16,568
Trade payables	–	637	–	–	637	637
Borrowings-loan from other entity	8.00	81,139	–	–	81,139	70,000

4 FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

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

Liquidity risk (Continued)

The 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 2015						
Non-derivative financial liabilities						
Accruals and other payables	**–**	**2,304**	**–**	**–**	**2,304**	**2,304**
Trade payables	**–**	**511**	**–**	**–**	**511**	**511**
Borrowings-loan from other entity	**8.00**	**75,539**	**–**	**–**	**75,539**	**70,000**
Bonds	**9.28**	**3,803**	**15,441**	**10,943**	**30,187**	**21,945**
Amounts due to subsidiaries	**–**	**75,786**	**157,063**	**–**	**232,849**	**232,849**
At 31 March 2014						
Non-derivative financial liabilities						
Accruals	–	1,725	–	–	1,725	1,725
Trade payables	–	77	–	–	77	77
Borrowings-loan from other entity	8.00	81,139	–	–	81,139	70,000
Amounts due to subsidiaries	–	157,064	–	–	157,064	157,064

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 2015

	Level 1 HK$'000	**Level 2 HK$'000**	**Level 3 HK$'000**	**Total HK$'000**
Financial assets				
Financial assets at FVTPL	**30,559**	**–**	**–**	**30,559**

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

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 benefits for other stakeholders 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:

	2015 **HK$'000**	2014 HK$'000
Total debt	**318,986**	87,205
Owners' equity	**499,478**	404,123
Gearing ratio	**0.639**	0.216

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, commercial factoring, finance leasing and financial consulting services in the PRC, and money lending service in Hong Kong.

- Properties leasing
  Receiving profit streams from leasing retail premises in PRC.

5 SEGMENT INFORMATION (continued)

Discontinued operations

- Gaming and entertainment business

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

(a) Business segments

An analysis of the Group's revenue, results and certain assets, liabilities and expenditure information for the year ended 31 March 2015 and 2014 by operating segments is as follows:

	Continuing operations				Discontinued			
	Financing services		Properties leasing		operations		Total	
	2015 HK$'000	2014 HK$'000	**2015 HK$'000**	2014 HK$'000	**2015 HK$'000**	2014 HK$'000	**2015 HK$'000**	2014 HK$'000
Revenue (from external customers)	**48,932**	28,304	**6,947**	–	**–**	24,259	**55,879**	52,563
Segment results	**24,368**	11,979	**12,008**	–	**–**	(89,275)	**36,376**	(77,296)
Fair value changes on financial assets at FVTPL							**3,017**	(4,279)
Bank interest income							**1**	284
Finance costs							**(424)**	(686)
Share-based compensation							**(23,357)**	–
Loss on early repayment of promissory notes							**(40,318)**	–
Unallocated expenses							**(7,370)**	(8,065)
Loss before income tax							**(32,075)**	(90,042)
Income tax							**(9,708)**	(2,186)
Loss for the year							**(41,783)**	(92,228)

5 SEGMENT INFORMATION (continued)

(a) Business segments (continued)

	Financing services		Properties leasing		Total	
	2015	2014	**2015**	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Segment assets	**213,476**	415,019	**687,936**	–	**901,412**	415,019
Financial assets at FVTPL					**30,559**	27,542
Unallocated assets					**159**	56,571
Total assets					**932,130**	499,132
Segment liabilities	**(94,544)**	(91,679)	**(335,294)**	–	**(429,838)**	(91,679)
Unallocated liabilities					**(2,814)**	(3,330)
Total liabilities					**(432,652)**	(95,009)

Other segment information:

	Financing services		Property leasing		Unallocated items		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Depreciation	**(1,400)**	(580)	**–**	–	**(7)**	(7)	**(1,407)**	(587)
Impairment loss on loans receivable	**(7,246)**	(10,101)	**–**	–	**–**	–	**(7,246)**	(10,101)
Fair value change on investment properties	**–**	–	**12,460**	–	**–**	–	**12,460**	–
Corporate expenditure	**(4,932)**	(1,306)	**–**	–	**–**	(23)	**(4,932)**	(1,329)

Segment results represents the profit/(loss) 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)

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 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	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong	**7,351**	115	**2,673**	23
PRC	**48,528**	28,189	**692,252**	18,252
	55,879	28,304	**694,925**	18,275

(c) Major customers

Continuing operations

Included in revenue of approximately HK$55,879,000 (2014: HK$28,304,000) are revenue of approximately HK$15,589,000 which arose from the Group's top five customers (2014:HK$15,624,000). One (2014: Two) customer(s) contribute more than 10% revenue of the Group which represent approximately HK$6,846,000.

6 REVENUE, OTHER INCOME, OTHER GAINS AND LOSSES

	2015 HK$'000	2014 HK$'000
Revenue		
Real estate-backed loan interest income	**8,446**	14,358
Personal property pawn loan interest income	**10,820**	3,483
Other loans interest income	**17,365**	5,798
Financial consultancy service income	**2,622**	4,665
Commercial factoring interest income	**7,019**	–
Financing lease interest income	**2,660**	–
Rental Income	**6,947**	–
	55,879	28,304
Other income		
Bank interest income	**175**	284
Others	**4**	4
	179	288
Other gains and losses, net		
Release on interest payable upon conversion of convertible note (Note 29)	**–**	609
Fair value changes on investment properties (Note 20)	**12,460**	–
Reversal of impairment loss on loans receivable (Note 23)	**10,088**	–
Fair value changes on financial assets at FVTPL	**3,017**	(4,279)
Loss on early repayment of promissory notes (Note 31)	**(40,318)**	–
Exchange loss	**(1)**	(559)
	(14,754)	(4,229)

7 FINANCE COSTS

	2015 HK$'000	2014 HK$'000
Interest on:		
Bank borrowings not wholly repayable within five years	**6,716**	–
Borrowing wholly repayable within five years	**5,600**	80
Promissory notes wholly repayable within five years	**424**	–
Bonds not wholly repayable within five years	**504**	–
Convertible note wholly repayable within five years	**–**	686
	13,244	766

8 INCOME TAX EXPENSES

	2015 HK$'000	2014 HK$'000
Current income tax		
– Outside Hong Kong	**(5,873)**	(4,711)
Total Current tax	**(5,873)**	(4,711)
Deferred tax (Note 21)	**(3,835)**	2,525
Income tax expense	**(9,708)**	(2,186)

PRC corporate income tax is provided for at the rate of 25% (2014: 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% (2014: 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 2015 and 2014.

8 INCOME TAX EXPENSES (continued)

	2015 HK$'000	2014 HK$'000
Loss before tax	**(32,075)**	(767)
Tax calculated at domestic tax rates applicable to profits in the respective country	**(1,802)**	(932)
Tax effects of:		
– Tax effect of income not taxable for tax purpose	**(5,795)**	(7)
– Tax effect of expenses not deductible for tax purpose	**4,624**	2,534
– Tax effect of unrecognised tax loss	**8,846**	1,252
– Tax effect of unrecognised temporary differences	**3,835**	(2,525)
Tax charge	**9,708**	2,186

9 DISCONTINUED OPERATIONS

Triple Gain Group Limited ("Triple Gain") had entered into a 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 profit from 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 last year.

9 DISCONTINUED OPERATIONS (continued)

(a) Loss from discontinued operations

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

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

(b) Analysis of the cash flows from discontinued operations

	2014 HK$'000
Net cash generated from operating activities	24,264

10 LOSS FOR THE YEAR

The Group's loss for the year is arrived at after charging:

	2015 **HK$'000**	2014 HK$'000
Business taxes and other levies	**2,786**	1,396
Depreciation	**1,407**	587
Auditors' remuneration	**600**	550
Legal and professional fee	**3,612**	1,812
Minimum lease payments under operating leases in respect of land and buildings	**3,480**	1,122
Share-based compensation	**23,357**	–
Staff costs (including directors' emoluments)	**12,983**	5,595

11 EMPLOYEE BENEFIT EXPENSES

(a) Directors' Emoluments

Directors' remuneration for the years ended 31 March 2015 and 2014, disclosed pursuant to the Listing Rules is as follows:

2015

	Fees HK$'000	**Salaries and allowances HK$'000**	**Employers MPF HK$'000**	**Share-based payments HK$'000**	**Total HK$'000**
Executive directors					
Mr. Chung Tat Fun (Note i)	**–**	**704**	**8**	**2,322**	**3,034**
Mr. Chung Ho Chun (Note i)	**–**	**1,462**	**5**	**2,389**	**3,856**
Ms. Wong Yee Shuen, Regina (Note ii)	**–**	**1,440**	**15**	**2,389**	**3,844**
Mr. Fu Ear Ly (Note iii)	**–**	**50**	**–**	**–**	**50**
Mr. Yeung Heung Yeung (Note iv)	**–**	**–**	**–**	**–**	**–**
Non-executive directors					
Mr. So Chak Fai, Francis (Note v)	**240**	**–**	**–**	**–**	**240**
Mr. Huang Weibo (Note vi)	**230**	**–**	**–**	**2,389**	**2,619**
Independent non-executive directors					
Ms. Lee Shiow Yue	**120**	**–**	**–**	**–**	**120**
Mr. Poon Wai Hoi, Percy	**120**	**–**	**–**	**–**	**120**
Mr. Tang Chi Ho, Francis	**120**	**–**	**–**	**–**	**120**
	830	**3,656**	**28**	**9,489**	**14,003**

11 EMPLOYEE BENEFIT EXPENSES (continued)

(a) Directors' Emoluments (continued)

2014

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

Notes:

(i) Mr. Chung Tat Fun and Mr. Chung Ho Chun were appointed as executive directors on 18 February 2014. Mr. Chung Tat Fun was re-designated as the chairman on 23 September 2014.

(ii) Ms. Wong Yee Shuen, Regina was appointed as an executive director and chief executive officer on 19 October 2013. Ms. Wong Yee Shuen, Regina will be re-designated as the non-executive director and ceased to be the chief executive officer on 1 August 2015. Details please refer to the announcement dated on 23 June 2015.

(iii) Mr. Fu Ear Ly was appointed as an executive director on 27 October 2014.

(iv) Mr. Yeung Heung Yeung was resigned as an executive director and chairman on 23 September 2014.

(v) Mr. So Chak Fai, Francis was appointed as a non-executive director on 29 July 2013.

(vi) Mr. Huang Weibo was appointed as a non-executive director on 15 April 2014 and will be re-designated as the executive director on 24 June 2015 according to the announcement dated on 23 June 2015. Details please refer to the announcement dated on 23 June 2015.

For the years ended 31 March 2015 and 2014, 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 2015 and 2014.

11 EMPLOYEE BENEFIT EXPENSES (continued)

(b) Five Highest Paid Individuals and Senior Management

The highest paid employees during the year include 3 directors (2014: 1). Details of the remuneration of 2 (2014: 4) non-directors, highest paid employees for the years are as follows:

	2015 HK$'000	2014 HK$'000
Basic salaries, other allowances and benefits in kind	**1,691**	2,311
Share-based payments	**4,645**	–
Pension scheme contributions	**33**	22
	6,369	2,333

The emoluments fell within the following bands:

	Number of individuals 2015	2014
NIL-HK$1,000,000	**–**	3
HK$1,000,001-HK$1,500,000	**–**	1
HK$1,500,001-HK$2,000,000	**–**	–
HK$2,000,001-HK$2,500,000	**–**	–
HK$2,500,001-HK$3,000,000	**1**	–
HK$3,000,001-HK$3,500,000	**1**	–

For the years ended 31 March 2015 and 2014, no emoluments was paid by the Group to the non-directors and highest paid employees as an inducement to join, or upon joining the Group, or as compensation for loss of office.

12 LOSS PER SHARE

The calculation of the basic/diluted loss per share for the year is based on the Group's loss 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/diluted loss per share is set out as follows:

Continuing and discontinued operations

	2015	2014
	HK$'000	HK$'000
Loss		
Loss for the purpose of loss per share	**(41,783)**	(98,097)

	2015	2014
Number of shares		
Weighted average number of ordinary shares for the purpose of loss per share (in thousand shares)	**609,628**	248,800

Continuing operations

	2015	2014
	HK$'000	HK$'000
Loss		
Group's loss attributable to the equity holders of the Company	**(41,783)**	(98,097)
Less: Loss for the year from discontinued operations	**–**	89,275
Loss for the purpose of loss per share from continuing operations	**(41,783)**	(8,822)

For the year ended 31 March 2015, the effects of the Company's outstanding share options were anti-dilutive and therefore the diluted loss per share are the same as the basic loss per share.

The basic and diluted loss per share for the year ended 31 March 2014 are the same because there were no dilutive events during the year ended 31 March 2014.

13 LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

The consolidated loss (2014: loss) attributable to owners of the Company for the year ended 31 March 2015 includes a loss of approximately HK$55,063,000 (2014: HK$11,414,000) 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 2015 and 2014.

15 BUSINESS COMBINATIONS

Virtue Crest Acquisition

On 11 August 2014, Best Volume Investments Limited ("Best Volume"), a direct wholly owned subsidiary of the Company, entered into a Sale and Purchase Agreement with Ace Guide Holdings Limited ("Ace Guide") to acquire entire equity interests in Virtue Crest Investment Limited ("Virtue Crest") and its subsidiaries (collectively referred to as the "Virtue Crest Group"). On 31 October 2014, the transaction was completed and the consideration for acquisition was settled by the (i) cash with amount of HK$120,000,000; (ii) issuance of the promissory notes with a principal amount of HK$240,000,000; and (iii) issuance of the 33,210,000 ordinary shares of the Company ("Consideration Shares"). Details of the transactions were disclosed in the Company's circular dated 30 September 2014.

Virtue Crest Group is principally engaged in the properties leasing in PRC.

15 BUSINESS COMBINATIONS (continued)

Virtue Crest Acquisition (continued)

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

	Acquiree's carrying amount 31 Oct 2014	Fair value adjustment	Fair value 31 Oct 2014
	HK$'000	HK$'000	HK$'000
Net assets acquired of:			
Investment properties (Note 20)	620,321	(10,620)	609,701
Prepayment and other receivable	76,948		76,948
Cash and cash equivalents	9,485		9,485
Receipt in advance	(592)		(592)
Other payables	(24,551)		(24,551)
Borrowing	(230,276)		(230,276)
Deferred tax liabilities (Note 21)	(109,836)	2,655	(107,181)
Net assets	341,499		333,534
Goodwill arising on acquisition (Note 18)			46,498
			380,032
Satisfied by:			
Cash			120,000
Fair value of Consideration Shares issued			60,774
Fair value of promissory notes issued (Note 31)			199,258
			380,032

Goodwill arose in the acquisition of Virtue Crest Group because the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies and revenue growth. The benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

15 BUSINESS COMBINATIONS (continued)

Virtue Crest Acquisition (continued)

Impact of acquisition on the results of the Group

Included in the revenue for the year is approximately HK$6,947,000 and HK$12,008,000 profit for the year attributable to the additional business generated by Virtue Crest Group.

Had these business combinations been effected at 1 April 2014, the revenue of the group from this operations would have been approximately HK$8,141,000, and the profit for the year from this operations would have been approximately HK$366,599,000. The directors consider these pro-forma numbers to represent an approximate measure of the performance of the combined group on an annualised basis.

Net cash outflow on acquisition of subsidiaries

	HK$'000
Consideration paid in cash	120,000
Less: Cash and cash equivalent balances acquired	(9,485)
	110,515

Acquisition - related costs amounting to approximately HK$1,713,000 have been excluded from the consideration transferred and have been recognised as an expense in the period within the "administrative expenses" in the consolidated statement of profit or loss.

Ability Wealth Acquisition

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 COMBINATIONS (continued)

Ability Wealth Acquisition (continued)

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

	Acquiree's carrying amount 8 July 2013	Fair value adjustment	Fair value 8 July 2013
	HK$'000	HK$'000	HK$'000
Net assets acquired of:			
Office equipment	107		107
Leasehold improvement	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 21)	–	(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

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.

15 BUSINESS COMBINATIONS (continued)

Ability Wealth Acquisition (continued)

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 ended 31 March 2014 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 the profit for the year ended 31 March 2014 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 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 and 1 April 2014	5,385	1,955	7,340
Addition	3,852	1,080	4,932
Exchange alignment	3	1	4
At 31 March 2015	**9,240**	**3,036**	**12,276**
Accumulated depreciation			
At 1 April 2013	3,263	509	3,772
Charged for the year	485	102	587
Exchange alignment	237	1	238
At 31 March 2014 and 1 April 2014	3,985	612	4,597
Charged for the year	1,046	361	1,407
Exchange alignment	2	1	3
At 31 March 2015	**5,033**	**974**	**6,007**
Carrying amount			
At 31 March 2015	**4,207**	**2,062**	**6,269**
At 31 March 2014	1,400	1,343	2,743

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 2013	3,263	516	3,779
Addition	–	23	23
At 31 March 2014, 1 April 2014 and 31 March 2015	**3,263**	**539**	**3,802**
Accumulated depreciation			
At 1 April 2013	3,263	509	3,772
Charged for the year	–	7	7
At 31 March 2014 and 1 April 2014	3,263	516	3,779
Charged for the year	–	7	7
At 31 March 2015	**3,263**	**523**	**3,786**
Carrying amount			
At 31 March 2015	**–**	**16**	**16**
At 31 March 2014	–	23	23

17 INTANGIBLE ASSETS

Group

	Pawn shop license HK$'000	Rights in sharing of profit streams HK$'000	Total HK$'000
Cost			
At 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 and 1 April 2014	5,862	1,495,278	1,501,140
Exchange alignment	16	–	16
At 31 March 2015	**5,878**	**1,495,278**	**1,501,156**
Accumulated impairment			
At 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 April 2014 and 31 March 2015	**–**	**1,495,278**	**1,495,278**
Carrying amount			
At 31 March 2015	**5,878**	**–**	**5,878**
At 31 March 2014	5,862	–	5,862

17 INTANGIBLE ASSETS (continued)

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 asset is carried at cost less accumulated impairment losses. The recoverable amount of the intangible asset has been determined based on a value in use calculation.

Rights in sharing of profit streams

An impairment loss of approximately HK$113,539,000 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.

Pawn shop license

No impairment loss was recognised during the years ended 31 March 2015 and 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 pro-tax discount rate of 20.60% per annum (2014: 21.17% per annum). Cash flows beyond that five-year period have been extrapolated using a steady growth rate of 3% per annum (2014: 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 license 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 license and consider that the possibility of failing in license renewal is remote. Therefore, the directors consider that the intangible asset is treated as having indefinite useful lives.

18 GOODWILL

Group

	HK$'000
31 March 2014 and 1 April 2014	7,148
Recognised from business combinations occurring during the year (Note 15)	46,498
At 31 March 2015	**53,646**

The carrying amount of goodwill was allocated to groups of CGUs as follow:

	2015 **HK$'000**	2014 HK$'000
Financial services	**7,148**	7,148
Properties leasing	**46,498**	–
	53,646	7,148

Financial services

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 pro-tax discount rate of 18.60% (2014: 19.17%) per annum. Cash flows beyond that five-year period have been extrapolated using a steady growth rate of 3% (2014: 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.

Properties leasing

Goodwill has been allocated to a single CGU of properties leasing 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 over five-year period according to the contractual lease term, and a pro-tax discount rate of 6.63% per annum. Cash flows beyond that cash flow projection period have been extrapolated using a steady growth rate of 3% per annum which is the projected long-term average inflation rate for the business. Key assumptions for the discounted cash flow method relate to the estimation of cash inflows/outflows which include market rent, tax rate, 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

	2015 HK$'000	2014 HK$'000
Unlisted investments, at cost	**35,241**	35,241
Amounts due from subsidiaries	**578,483**	359,178
Less: Impairment loss recognised in respect of advances to subsidiaries	**(22,151)**	–
	556,332	359,178
Amount due to a subsidiary (current portion)	**(75,786)**	(157,064)
Amount due to a subsidiary (non-current portion)*	**(157,063)**	–

Movement in provision for impairment loss on investments in subsidiaries

	2015 HK$'000	2014 HK$'000
At 1 April	**–**	–
Impairment loss recognised	**22,151**	–
At 31 March	**22,151**	–

The balances with subsidiaries are unsecured, interest-free and without fixed terms of repayment except the non-current portion as mentioned below. The fair values of the amounts due from subsidiaries approximate their carrying amounts.

* In the opinion of the directors of the Company, the Company will not call for repayment within one year from the end of the reporting period and are therefore considered as non-current.

For the years ended 31 March 2015 and 2014, the directors of the Company assessed the recoverable amounts of the amounts due from subsidiaries after considering profitability, cash flow position, financial position, forecast business development and future prospects of the subsidiaries. Based on this assessment the carrying amounts of amounts due from subsidiaries are reduced to their recoverable amounts which are determined by reference to the estimation of future cash flows expected to be generated from the respective subsidiaries.

The table below lists out the subsidiaries of the Company as at year ended 31 March 2015 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/ registered share capital	Percentage of equity interest attributable to the company Direct (%)	Indirect (%)
Ability Wealth Holdings Limited	British Virgin Islands	Investment holding	HK$390,000 Ordinary	100%	–
Best Review Investments Limited	British Virgin Islands	Investment holding	US$1 Ordinary	100%	–
Best Volume Investments Limited	British Virgin Islands	Investment holding	US$1 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	Financial leasing	HK$156,000,000 Registered capital	–	100%
廣東利都典當有限公司	PRC	Pawn business	RMB100,000,000 Registered capital	–	100%
廣州市源謙投資咨詢有限責任公司	PRC	Consultation service	HK$750,000 Registered capital	–	100%
深圳市前海華銀商業保理有限公司	PRC	Commercial factoring	RMB50,000,000 Registered capital	–	100%
深圳前海华银融資租賃有限公司	PRC	Financial leasing	RMB170,000,000 Registered capital	–	100%
廣東恒昇商業保理有限公司	PRC	Commercial factoring	RMB50,000,000 Registered capital	–	100%
廣州市迎瑞房地產開發有限公司 (“Yingrui”)	PRC	Properties development	RMB16,000,000 Registered capital	–	100%
廣州殷貿環保科技有限公司	PRC	Trading of environmental protection product	RMB5,000,000 Registered capital	–	100%
廣州永瀚投資管理有限公司	PRC	Properties investment	RMB50,000,000 Registered capital	–	100%

20 INVESTMENT PROPERTIES

	Group	
	2015	2014
	HK$'000	HK$'000
Investment properties in PRC at fair value		
At 1 April 2014	**–**	–
Acquisition during the year (Note 15)	**609,701**	–
Net gain in fair value recognised in consolidated statement of profit or loss (Note 6)	**12,460**	–
Addition	**4,822**	–
Exchange adjustments	**345**	–
At 31 March 2015	**627,328**	–

Fair value gain on investment properties included in profit or loss for the year ended 31 March 2015 amounting to approximately HK$12,460,000. The direct operating expense from properties amounting to approximately HK$2,180,000.

The fair value of the investment properties at date of acquisition and 31 March 2015 has been arrived at on the basis of valuations carried out on the respective date by Cushman & Wakefield Valuation Advisory Services (HK) Limited ("Cushman & Wakefield"), independent qualified professional valuers not connected with the Group. Cushman & Wakefield have appropriate qualification and recent experience in the valuation of similar property in the relevant locations. The highest and best use of the investment properties is its current use in estimating the fair value of the properties.

The fair value was determined based on the income approach. It operated by taking into account the net rental income of the property derived from the existing tenancy with due allowance for the reversionary income potential, which are then capitalised into the value at an appropriate captialisation rate. The market rentals reassessed by reference to the rentals achieved in the letterable units of the property. The capitalisation rate is determined by reference to the yields derived from analysing the sales transaction of similar commercial property in the PRC and adjusted to take in account the market expectation from property investors to reflect factors specific to the Group's investment properties.

During the year, the management:

- verifies all major inputs to the independent valuation report;
- assess property valuations movements when compared to the valuation report as at acquisition date; and
- holds discussions with the independent valuers.

20 INVESTMENT PROPERTIES (continued)

Significant unobservable inputs used to determine the fair value

Description	Fair value at 31 March 2015	Valuation technique	Fair value hierarchy	Range of significant unobservable inputs	
				Market unit rent on gross floor area basis	Capitalistion rate
	HK$'000			(note (i))	(note (ii))
Investment properties located in the PRC	627,328	Income approach	Level 3	RMB349 to RMB1,101 per month per square metre	3.75% to 4.75%

Note: Description of the sensitivity in unobservable inputs and interrelationship:

(i) The fair value measurement is positively correlated to the unobservable input that a higher factor will result in a higher fair value.

(ii) The fair value measurement is negatively correlated to the unobservable input that a lower factor will result in a higher fair value.

The Group believes that possible changes in the input would not cause significant change in fair value of the investment properties.

Details of the Group's investment properties and information about the fair value hierarchy as at 31 March 2015 are as follows:

	Level 1	Level 2	Level 3	Total
	HK$'000	HK$'000	HK$'000	HK$'0000
Commercial properties units located in the PRC	–	–	627,328	627,328

There were no transfers into or out of Level 3 during the year.

The properties are either leased out in return of receiving rental income or held for capital appreciation and are measured using the fair value model and are classified and accounted as investment properties.

The investment properties are situated in PRC and is held under medium term lease.

During the year ended 31 March 2015, the Group had pledged the investment properties to secure the bank borrowing granted to the Group (Note 28).

21 DEFERRED TAXATION

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

Deferred tax assets

	Group	
	2015	2014
	HK$'000	HK$'000
At 1 April	**2,522**	–
(Debited)/credited to the consolidated statement of profit or loss	**(720)**	2,525
Exchange alignment	**2**	(3)
At 31 March	**1,804**	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 2015, the deferred tax assets are arising in PRC of bad debt provision for impairment losses on loans receivable (Note 23).

At 31 March 2015, the Group had tax losses of approximately HK$116,239,000 (2014: HK$73,671,000) that are available to carry forward indefinitely for offsetting against future taxable profits.

Deferred tax liabilities

	Group	
	2015	2014
	HK$'000	HK$'000
At 1 April	**1,466**	–
Acquisition of subsidiaries (Note 15)	**107,181**	1,460
Debited to the consolidated statement of profit or loss	**3,115**	–
Exchange alignment	**66**	6
At 31 March	**111,828**	1,466

21 DEFERRED TAXATION (continued)

The carrying amount of deferred tax liabilities was allocated as follows:

	Group	
	2015	2014
	HK$'000	HK$'000
Intangible assets	**1,469**	1,466
Investment properties	**110,359**	–
	111,828	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 (Note 15).

At 31 October 2014, the Group has recognised deferred tax liabilities in relation to the investment property during the acquisition of Virtue Crest Group (Note 15).

22 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group and Company	
	2015	2014
	HK$'000	HK$'000
Financial assets at fair value through profit or loss comprise:		
Held for trading:		
– Equity securities listed in Hong Kong	**30,559**	27,542

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

23 TRADE AND LOANS RECEIVABLE

	Group	
	2015	2014
	HK$'000	HK$'000
Trade receivable		
Rental receivable	**2,305**	–
Loans receivable		
Real estate-backed loans receivable	**6,962**	121,625
Personal property pawn loans receivable	**20,036**	63,689
Commercial factoring receivable	**48,026**	–
Financing lease receivable	**48,492**	–
Other loans receivable	**59,066**	178,616
	182,582	363,930
Less: Provision for impairment loss	**(7,218)**	(10,088)
	175,364	353,842
	177,669	353,842

The Group's loans receivables based on the loan quality as of each of reporting date is as follows:

	Group	
	2015	2014
	HK$'000	HK$'000
Normal	**169,438**	353,842
Special mentioned	**3,525**	–
Substandard	**884**	–
Doubtful	**5,827**	10,088
Loss	**2,908**	–
Gross loans receivable	**182,582**	363,930
Less: Provision for impairment loss	**(7,218)**	(10,088)
Net loans receivable	**175,364**	353,842

23 TRADE AND LOANS RECEIVABLE (continued)

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

	Group	
	2015	2014
	HK$'000	HK$'000
Within 3 months	**45,335**	234,197
3-6 months	**58,200**	102,774
6-12 months	**22,286**	26,959
Over 12 months	**59,066**	–
	184,887	363,930
Less: Provision for impairment loss	**(7,218)**	(10,088)
	177,669	353,842

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

	Group	
	2015	2014
	HK$'000	HK$'000
Within 3 months	**44,692**	224,109
3-6 months	**55,748**	102,774
6-12 months	**18,163**	26,959
Over 12 month	**59,066**	–
	177,669	353,842

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

23 TRADE AND LOANS RECEIVABLE (continued)

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

	Group	
	2015	2014
	HK$'000	HK$'000
At 1 April	**(10,088)**	–
Impairment loss recognised on loans receivable (Note 6)	**(7,246)**	(10,101)
Reversal of impairment loss * (Note 6)	**10,088**	–
Exchange alignment	**28**	13
At 31 March	**(7,218)**	(10,088)

* The Directors considered that the amounts due could not be recovered and full impairment has been made in the previous year. During the year, the debtor has made repayment in respect of the outstanding amount, therefore, the reversal of impairment loss was recognised for the year.

The recoverable amount of loans receivable had been reviewed individually or collectively by using the credit rating analysis to ensure that adequate impairment losses are made.

The Group has certain concentration risk on loans receivable as it has five (2014: five) customers with total outstanding balances of approximately HK$112,265,000 (2014: 182,855,000) as at 31 March 2015 and two (2014: single) customers contribute more than 10% of loans receivable of the Group.

The directors of the Company consider that the fair values of trade and 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$13,707,000 (2014: 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$28,435,000 (2014: HK$79,949,000).

23 TRADE AND LOANS RECEIVABLE (continued)

Finance lease receivable arising from the Group's finance leasing business, the customers are obliged to settle the amounts according to the terms set out in the relevant contracts, and must acquire the leased assets at the end of the lease period. The loans are secured by leased assets as collateral with fair value of approximately HK$50,499,000. The loan period range from 90 days to 1,095 days.

Commercial factoring receivable arising from the Group's commercial factoring business, the customers are obliged to settle the amounts according to the terms set out in the relevant contracts. The loan period range within 365 days.

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.

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 4.2% per month (2014: 0.67% to 3.0% per month).

Rentals are receivable from tenants pursuant to the Group's lease agreements entered into with all tenants.

24 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Group		Company	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Prepayments	**205**	568	**125**	524
Deposits	**825**	307	**1**	1
Other receivables	**1,521**	45	**7**	7
	2,551	920	**133**	532

25 CASH AND CASH EQUIVALENTS

At the end of the reporting period, the cash at banks and in hand of the Group denominated in RMB amounted to approximately HK$26,374,000 (2014: HK$42,444,000). Cash at banks earns interest at floating rates based on the prevailing market rate which at 0.35% per annum (2014: 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	
	2015	2014
	HK$'000	HK$'000
Within 3 months	**511**	76
Over 12 months	**–**	561
	511	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 AND OTHER PAYABLES

	Group		Company	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Receipt in advance	**1,838**	3,696	**–**	–
Accruals	**2,423**	1,788	**2,304**	1,725
Deposit received	**2,573**	13,871	**–**	–
Other payables	**3,933**	909	**511**	77
	10,767	20,264	**2,815**	1,802

Deposit received for the year ended 31 March 2014 was being cash collateral from a customer in the other loans arrangement (Note 23).

28 BORROWINGS

	Group		Company	
	2015 HK$'000	2014 HK$'000	**2015 HK$'000**	2014 HK$'000
Loan from other entity	**70,000**	70,000	**70,000**	70,000
Bank loan – secured	**217,601**	–	**–**	–
	287,601	70,000	**70,000**	70,000
Carrying amount repayable:				
On demand or within one year	**100,720**	70,000	**70,000**	70,000
More than one year, but not exceeding two years	**30,720**	–	**–**	–
More than two years, but not exceeding five years	**92,161**	–	**–**	–
More than five years	**64,000**	–	**–**	–
	287,601	70,000	**70,000**	70,000
Less: Amount shown under current liabilities	**(100,720)**	(70,000)	**(70,000)**	(70,000)
Amount shown under non-current liabilities	**186,881**	–	**–**	–

Non-secured revolving loan facilities of up to HK$120,000,000 with fixed interest rate was entered with a money lender company. 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.

The bank borrowing carried floating interest rate at the benchmark interest rate of the People Bank of China upward by 10% per annum. The effective interest rates as at 31 March 2015 was 7.205%.

The Group had pledged the investment properties to secure the bank borrowing granted to the Group (Note 20).

The secured bank borrowing has been reclassified to non-current liabilities during the year as the Group had further negotiation with the bank and confirmed that the loan will be repayable according to the repayment schedule.

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:

	HK'000
Fair value	17,010
Liability component	(13,850)
Equity component	3,160

The movement of the liability component of the convertible note for the year ended 31 March 2015 and 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, 1 April 2014 and 31 March 2015	–

30 BONDS

	Group and Company	
	2015	2014
	HK$'000	HK$'000
Unlisted corporate bonds	**21,945**	–

On 17 December 2014, the Company issued an unlisted corporate bond at a principal amount of HK$5 million which is unsecured, bears a fixed interest rate of 7% per annum and is fully redeemable by the Company after 8 years from the issue date at its principal amount of HK$5 million

On 22 December 2014, the Company issued an unlisted corporate bond at a principal amount of HK$10 million which is unsecured, bears a fixed interest rate of 7% per annum and is fully redeemable by the Company after 8 years from the issue date at its principal amount of HK$10 million.

On 15 January 2015, the Company issued an unlisted corporate bond at a principal amount of HK$10 million which is unsecured, bears a fixed interest rate of 7% per annum and is fully redeemable by the Company after 8 years from the issue date at its principal amount of HK$10 million.

The effective interest rate of the unlisted corporate bonds are approximately 9.28%.

	HK$'000
Unlisted corporate bond issued during the year	25,000
Transaction cost for issue of the unlisted corporate bond	(3,125)
Initial amortised cost	21,875
Interest charged	504
Interest included in other payables	(434)
At 31 March 2015	**21,945**

31 PROMISSORY NOTES

On 31 October 2014, the Company issued twenty-four promissory notes of HK$10,000,000 each to Ace Guide. Each promissory note is issued at interest-free with five years maturity from the date of issue. The net proceeds are intended to be used as a part of the consideration of Virtue Crest Acquisition (Note 15). The effective interest rate is 3.79%. During the year ended 31 March 2015, the promissory notes were fully settled by cash.

The carrying amount and fair value of promissory notes at the end of the reporting period:

	HK$'000
At date of issue (Note 15)	199,258
Interest expenses charged	424
Early redemption of promissory notes	(199,682)
At 31 March 2015	**–**

The loss on early repayment of promissory notes of approximately HK$40,318,000 is derived from the difference between the carrying amounts of liability components of approximately HK$199,682,000 and the value of consideration of approximately HK$240,000,000.

32 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 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, 1 April 2014 and 31 March 2015		**6,000,000**	**600,000**
Issued and fully paid:			
Ordinary shares of HK$0.01 each as at 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	(note iv)	190,000	19,000
– Placing of new ordinary shares	(note iv)	110,000	11,000
Ordinary shares of HK$0.1 each as at 31 March 2014 and 1 April 2014		558,570	55,857
Consideration shares	(note v)	33,210	3,321
Placing of new ordinary shares	(note vi)	43,000	4,300
Ordinary shares of HK$0.1 each at 31 March 2015		**634,780**	**63,478**

32 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.

The net proceed of the Subscriptions and the Placing are intended to be used for strengthening the cash position of the Group and ability of the Group to make additional lending under the pawn business and other financing related businesses.

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.

v The consideration of the Virtue Crest Acquisition was settled by the issue of 33,210,000 consideration shares by the Company at a price of HK$1.83 per share (Note 15). The completion of the Virtue Crest Acquisition was on 31 October 2014.

vi On 20 May 2014, the Company issued 43,000,000 ordinary shares of HK$0.10 each at the issued price of HK$1.25 per share by way of placing. The net proceeds of approximately HK$52.7 million are intended to be used for business expansion in financial leasing services and used as general working capital of the Company. Details of the placing was set out in the Company's announcement dated 28 April 2014.

32 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 of directors, 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 2014, 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.

32 SHARE CAPITAL (continued)

(b) Share option scheme (continued)

On 2 September 2014, the Company granted an aggregate of 21,000,000 share options to subscribe for ordinary shares of HK$0.1 each of the share to a number of eligible participants ("grantees") under the New Scheme. Each option shall entitle the grantee to subscribe for one share upon exercise of such option at an exercise price of HK$1.25 per share.

The term and conditions of the options granted at 2 September 2014 are stipulated as below:

Grantees	Directors	Consultant
Start Date	2 September 2014	2 September 2014
Expiry Date	1 September 2017	1 September 2017
Exercise Price	HK$1.25 per share	HK$1.25 per share
Earliest Exercise Date	Tranche 1:2 September 2014	Tranche 1: 2 September 2014
	Tranche 2: 2 March 2015	Tranche 2: 2 March 2015
Number of Share Options Granted	Tranche 1: 9,000,000	Tranche 1: 1,500,000
	Tranche 2: 9,000,000	Tranche 2: 1,500,000

On 30 September 2014, the Company granted an aggregate of 39,000,000 share options to subscribe for ordinary shares of HK$0.1 each of the share to a number of grantees under the New Scheme. Each option shall entitle the grantee to subscribe for one share upon exercise of such option at an exercise price of HK$1.23 per share.

The term and conditions of the options granted at 30 September 2014 are stipulated as below:

Grantees	Directors	Consultant/Employees
Start Date	30 September 2014	30 September 2014
Expiry Date	29 September 2017	29 September 2017
Exercise Price	HK$1.23 per share	HK$1.23 per share
Earliest Exercise Date	Tranche 1:30 September 2014	Tranche 1: 30 September 2014
	Tranche 2: 30 March 2015	Tranche 2: 30 March 2015
Number of Share Options Granted	Tranche 1: 3,000,000	Tranche 1: 16,500,000
	Tranche 2: 3,000,000	Tranche 2: 16,500,000

At 31 March 2015, the number of shares in respect of which option had been granted and remained outstanding under the New Scheme was 60,000,000, representing 9.4% of the shares in issue at that date.

32 SHARE CAPITAL (continued)

(b) Share option scheme (continued)

The fair value of the share options granted at 2 September 2014 was HK$8,336,000. Options were priced using a binomial option pricing model.

Inputs into the model

Grantees	Directors	Consultant
Option Life	3 years	3 years
Vesting Period (in year)	Tranche 1: N/A Tranche 2: 0.5	Tranche 1: N/A Tranche 2: 0.5
Risk-free Rate	0.709%	0.709%
Grant Date Share Price	HK$1.25 per share	HK$1.25 per share
Exercise Price	HK$1.25 per share	HK$1.25 per share
Expected Exercise Multiple	2.8x of the exercise price	2.2x of the exercise price
Expected Dividend Yield	0%	0%
Expected Volatility of Share Price	46.72%	46.72%

The fair value of the share options granted at 30 September 2014 was HK$15,021,000. Options were priced using a binomial option pricing model.

Inputs into the model

Grantees	Directors	Consultant/Employees
Option Life	3 years	3 years
Vesting Period (in year)	Tranche 1: N/A Tranche 2: 0.5	Tranche 1: N/A Tranche 2: 0.5
Risk-free Rate	0.925%	0.925%
Grant Date Share Price	HK$1.23 per share	HK$1.23 per share
Exercise Price	HK$1.23 per share	HK$1.23 per share
Expected Exercise Multiple	2.8x of the exercise price	2.2x of the exercise price
Expected Dividend Yield	0%	0%
Expected Volatility of Share Price	45.72%	45.72%

Expected volatility of share prices determined with reference to annualised historical weekly volatility of comparable listed companies' shares prices.

The binomial option pricing model has been used to estimate the fair value of the options. The variables and assumptions used in the computing the fair value of the share options are based on the directors' best estimate. The value of an options varied with different variables of certain subjective assumptions.

32 SHARE CAPITAL (continued)

(b) Share option scheme (continued)

The following table discloses movements of the Company's share option held by directors, top executives, consultant and employees during the year ended 31 March 2015.

	Number of share options										
	Outstanding at 1 April 2014	Granted during the year	Exercised during the year	Lapsed during the year	Reclassified during the year	Adjustment during the year	Outstanding at 31 March 2015	Exercise price at 1 April 2014	Exercise price at 31 March 2015	Date of grant	Exercisable period
Directors											
Ms. Wong Yee Shuen, Regina	–	3,000,000	–	–	–	–	3,000,000	–	1.25	2 Sep 2014	2 Sep 2014 to 1 Sep 2017
	–	3,000,000	–	–	–	–	3,000,000	–	1.25	2 Sep 2014	2 Mar 2015 to 1 Sep 2017
Mr. Chung Ho Chun	–	3,000,000	–	–	–	–	3,000,000	–	1.25	2 Sep 2014	2 Sep 2014 to 1 Sep 2017
	–	3,000,000	–	–	–	–	3,000,000	–	1.25	2 Sep 2014	2 Mar 2015 to 1 Sep 2017
Mr. Huang Weibo	–	3,000,000	–	–	–	–	3,000,000	–	1.25	2 Sep 2014	2 Sep 2014 to 1 Sep 2017
	–	3,000,000	–	–	–	–	3,000,000	–	1.25	2 Sep 2014	2 Mar 2015 to 1 Sep 2017
Mr. Chung Tat Fun	–	3,000,000	–	–	–	–	3,000,000	–	1.23	30 Sep 2014	30 Sep 2014 to 29 Sep 2017
	–	3,000,000	–	–	–	–	3,000,000	–	1.23	30 Sep 2014	30 Mar 2015 to 29 Sep 2017
	–	24,000,000	–	–	–	–	24,000,000				
Employees	–	15,000,000	–	–	–	–	15,000,000	–	1.23	30 Sep 2014	30 Sep 2014 to 29 Sep 2017
	–	15,000,000	–	–	–	–	15,000,000	–	1.23	30 Sep 2014	30 Mar 2015 to 29 Sep 2017
	–	30,000,000	–	–	–	–	30,000,000				
Consultant											
Consultant	–	1,500,000	–	–	–	–	1,500,000	–	1.25	2 Sep 2014	2 Sep 2014 to 1 Sep 2017
	–	1,500,000	–	–	–	–	1,500,000	–	1.25	2 Sep 2014	2 Mar 2015 to 1 Sep 2017
Consultant	–	1,500,000	–	–	–	–	1,500,000	–	1.23	30 Sep 2014	30 Sep 2014 to 29 Sep 2017
	–	1,500,000	–	–	–	–	1,500,000	–	1.23	30 Sep 2014	30 Mar 2015 to 29 Sep 2017
	–	6,000,000	–	–	–	–	6,000,000	–			
Total	**–**	**60,000,000**	**–**	**–**	**–**	**–**	**60,000,000**				
Weighted average exercise price	**–**	**–**	**–**	**–**	**–**	**–**	**HK$1.24**				

33 RESERVES

(a) Company

	Share premium HK$'000	Contributed surplus HK$'000	Convertible note reserves HK$'000	Capital reserves HK$'000	Share option reserves HK$'000	Accumulated losses HK$'000	Total reserve HK$'000
At 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 new shares	118,000	–	–	–	–	–	118,000
Placing of new shares	60,500	–	–	–	–	–	60,500
Expense of issue of shares	(1,609)	–	–	–	–	–	(1,609)
At 31 March 2014 and 1 April 2014	802,210	569,044	–	85,889	–	(1,264,041)	193,102
Loss for the year	–	–	–	–	–	(77,214)	(77,214)
Issue of consideration shares	57,453	–	–	–	–	–	57,453
Share based payments	–	–	–		9,490	–	9,490
Placing of new shares	49,450	–	–	–	–	–	49,450
Expense of issue of shares	(1,075)	–	–	–	–	–	(1,075)
At 31 March 2015	**908,038**	**569,044**	**–**	**85,889**	**9,490**	**(1,341,255)**	**231,206**

(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 41 of the consolidated financial statements

Share premium

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

33 RESERVES (continued)

(b) Group and Company (continued)

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.

Share option reserve

Share option reserve related to share options granted under the Company's share option scheme and which are reclassified to share capital and share premium when the share options were exercised, and to accumulated losses when the share options were lapsed or expired.

34 COMMITMENTS AND CONTINGENT LIABILITIES

(a) Capital Commitments

At 31 March 2015, the Group had capital commitment of approximately HK$1,890,000 (2014: NIL) in related to the addition of investment properties.

(b) Operating Lease Commitments

The Company as lessee

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 2015, the Group had total future minimum lease payments under non-cancellable operating leases as follows:

	2015	2014
	HK$'000	HK$'000
Not later than one year	**2,849**	1,677
Later than one year and no later than five years	**2,308**	3,731
	5,157	5,408

The Company as lessor

At 31 March 2015, the Group had contracted with the tenants for the following future minimum lease receivables:

	2015	2014
	HK$'000	HK$'000
Not later than one year	**24,345**	–
Later than one year and no later than five years	**109,280**	–
More than five years	**100,307**	
	233,932	–

(c) Contingent Liabilities

The Group and the Company had no material contingent liabilities as at 31 March 2015 and 2014.

35 MATERIAL RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, during the years ended 31 March 2015 and 2014, 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:

	2015 HK$'000	2014 HK$'000
Basic salaries, other allowances and benefits in kind	**6,177**	3,762
Share-based payments	**14,134**	–
Pension scheme contributions	**61**	30
	20,372	3,792

(b) Transactions carried out with a related party

	2015 HK$'000	2014 HK$'000
Other payable to a related party	**–**	567
Corporate expenses paid to a related party	**–**	330

Both other payable and corporate expenses paid to a company controlled by Ms. Wong Yee Shuen, Regina. Other payable mainly comprises of consultancy fee accrued before the acquisition of Ability Wealth Group, whereas the corporate expenses mainly comprise of share of office rental.

36 MAJOR NON-CASH TRANSACTION

As set out in note 15, the Group acquired equity interests in Virtue Crest Group by way of issuance of promissory notes with a principal amount of HK$240,000,000 and 33,210,000 consideration shares at a price of HK$1.83 per share on 31 October 2014.

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.

The Group acquired the remaining 49% of the issued share capital of Ability Wealth by way of issuance of 23,076,923 consideration shares at a price of HK$0.65 per share on 27 January 2014.

37 EVENTS AFTER REPORTING PERIOD

Yingrui is currently involved in a civil lawsuit with Zhanjiang City No. 4 Construction Engineering Co., Ltd. (湛江市第四建築工程有限公司) (the "Contractor"). On 1 April 2015, the Contractor commenced a lawsuit (the "Lawsuit") against Yingrui at the People's Court of the Yuexiu District, Guangzhou City with respect to certain outstanding payment of approximately RMB11.4 million (not including accrued interest) under the construction contract between Yingrui and the Contractor for the construction of the investment properties. The disputed amount of the Lawsuit includes approximately RMB1.4 million working progress fee, RMB1.0 million deposit and RMB9.0 million construction fee. On 7 April 2015, the People's Court of the Yuexiu District, Guangzhou City upon application of the Contractor, issued a seizure order on certain units within the investment property to protect the interest of the Contractor to the extent of RMB15.0 million in value. The Lawsuit is now pending further review by the People's Court of the Yuexiu District, Guangzhou City.

Regarding this Lawsuit, the Best Volume, the intermediate holding company of Yingrui, has secured an unconditional undertaking from the Ace Guide, the previous holder of Yingrui under which that the Ace Guide agrees to pay to the Best Volume or its assignee by way of damages an amount equal to any and all losses incurred by Yingrui and/or the Best Volume resulting from, arising out of or in relation to the Lawsuit, including without limitation payment under final effective judgement or settlement, and all other costs and expense in relation to the Lawsuit.

38 COMPARATIVE FINANCIAL INFORMATION

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

39 AUTHORISATION FOR ISSUE OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 23 June 2015.

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				
	2015	2014	2013	2012	2011
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**55,879**	28,304	25,614	44,590	51,757
(Loss)/profit for the year attributable to					
– Owners of the Company	**(41,783)**	(98,097)	16,477	9,190	(407,572)
– Non-controlling interests	**–**	5,869	–	–	–
Total equity	**(41,783)**	(92,228)	16,477	9,190	(407,572)

Assets and liabilities

	As at 31 March				
	2015	2014	2013	2012	2011
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Total assets	**932,130**	499,132	265,477	248,994	239,347
Total liabilities	**(432,652)**	(95,009)	(1,541)	(1,535)	(1,078)
Total equity	**499,478**	404,123	263,936	247,459	238,269