天順證券集團有限公司*
SKYWAY SECURITIES GROUP LIMITED

(formerly known as Mission Capital Holdings Limited)
(Incorporated in Bermuda with limited liability)

(Stock Code: 1141)

Our Vision Your Future

2016 Annual Report

* For identification purpose only

Contents

Corporate Information

BOARD OF DIRECTORS
(as at the date of this report)

Executive Directors
Ms. Lin Yuehe *(Chairlady)*
(appointed as Chairlady and Executive Director on 1 March 2016)
Mr. Ng Kwok Leung
(appointed as Chief Executive Officer on 29 February 2016)
Mr. Tam Tak Wah

Independent Non-Executive Directors
Mr. Chan Kwan Pak
Mr. Siu Gee Tai
Mr. Siu Siu Ling, Robert

AUDIT COMMITTEE
Mr. Chan Kwan Pak *(Chairman)*
Mr. Siu Gee Tai
Mr. Siu Siu Ling, Robert

REMUNERATION COMMITTEE
Mr. Siu Siu Ling Robert *(Chairman)*
Mr. Chan Kwan Pak
Mr. Siu Gee Tai

NOMINATION COMMITTEE
Mr. Siu Gee Tai *(Chairman)*
Mr. Siu Siu Ling Robert
Mr. Chan Kwan Pak

COMPANY SECRETARY
Mr. Ng Kwok Leung
(appointed on 29 February 2016)
Mr. Suen Yick Lun Philip
(resigned on 29 February 2016)

TRADING OF SHARES
The Stock Exchange of Hong Kong Limited
(Stock Code: 1141)
(Warrant Code: 1153)

REGISTERED OFFICE
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS
Suite 903, 9th Floor
Great Eagle Centre
23 Harbour Road
Wanchai
Hong Kong

PRINCIPAL BANKERS
Bank of Communications Co., Ltd.
Hong Kong Branch
Bank of China (Hong Kong) Limited
Hang Seng Bank Limited
Bank J. Safra Sarasin Limited

LEGAL ADVISERS
Michael Li & Co
Howse Williams Bowers

Corporate Information

AUDITOR

Messrs. Deloitte Touche Tohmatsu

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
26 Burnaby Street
Hamilton HM11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

WEBSITE

www.ssgroup.hk

Chairman's Statement

BUSINESS REVIEW

For the year ended 31 March 2016, the Group recorded a loss attributable to owners of the Company of approximately HK$1,874.8 million (2015: profit of approximately HK$487.1 million) and basic losses per share of HK18.53 cents (2015: basic earnings per shares of HK10.40 cents). The results were mainly contributed by the substantial net loss on securities investments recorded by the Group. For the year under review, the Group reported revenue of approximately HK$57.1 million, significantly decreased by 81.0% over last year (2015: approximately HK$300.7 million), and gross profit of approximately HK$47.3 million, increased by approximately 47.8% compared to the previous year (2015: approximately HK$32.0 million). The declines in the Group's revenue was mainly due to the combined effect of the (i) sharp decrease in trading volume of metal minerals transacted from the supply and procurement segment during the year, (ii) increase in revenue from provision of finance due to comparatively large average amount of loans lent to borrowers and the increase in number of borrowers, and (iii) contribution from brokerage and related services since the completion of the acquisition of Skyway Securities Investment Limited and Skyway Futures Limited (the "Acquisition") in November 2015. Increase in gross profit was resulted from the higher gross margin from brokerage and related services. The Group recorded total comprehensive expense attributable to owners of the Company of approximately HK$1,874.8 million for the year under review (2015: total comprehensive income attributable to the owners of the Company of approximately HK$487.1 million).

PROSPECTS

With the anticipated Shenzhen-HK Stock Connect Scheme to be launched in the second half of 2016, together with the existing Shanghai-Hong Kong Stock Connect Scheme, it is expected to stimulate the financial market in the near future. The Group is optimistic about the development of the brokerage and related services and provision of finance.

Looking ahead, the Group will continually enhance its principal business and will seek good business opportunities to enhance the value of the shareholders of the Company and the Company as a whole.

APPRECIATION

On behalf of the Board, I would like to sincerely thank all our shareholders, investors, bankers, business associates and customers for their continuing support to the Group, and to my fellow directors and all staff members for their hard work during the past year.

Lin Yuehe
Chairlady

Hong Kong, 24 June 2016

Management Discussion and Analysis

OPERATIONS REVIEW

For the year ended 31 March 2016, the Group continued to engage in the businesses of securities investments, supply and procurement of commodities, provision of finance and real estate. A new business line of brokerage and related services became one of the principal activities of the Group commencing in November 2015.

REVENUE

The Group's revenue decreased by 81.0% to approximately HK$57.1 million compared to approximately HK$300.7 million in the prior year. It was mainly due to the combined effect of the (i) sharp decrease in trading volume of metal minerals transacted from the supply and procurement segment, (ii) decrease in revenue from securities investments segment, (iii) increase in revenue from provision of finance segment and (iv) contribution from brokerage and related services segment upon the Acquisition in November 2015. The analysis of the Group's revenue by reportable segments is as below.

Investments

Securities Investments

During the year under review, the segment revenue, which included dividend income on investment in listed equity securities, and interest income on investment in convertible bonds of approximately HK$3.2 million decreased by approximately 88.9% from approximately HK$28.8 million as compared to the prior year.

As a whole, the segment loss of approximately HK$1,500.0 million in the current year as compared to a profit of approximately HK$625.2 million in the prior year. The turnaround from profit to loss was mainly attributable to:

(1) net losses on investments at fair value through profit or loss of approximately HK$1,509.2 million, which turned from net gains of approximately HK$596.4 million as compared to the prior year; and

(2) dividend income from investment in listed equity securities of approximately HK$2.6 million, the income decreased by approximately HK$25.5 million, as compared to the dividend income of approximately HK$28.1 million for last year.

Management Discussion and Analysis

At 31 March 2016, the Group's securities portfolio mainly constituted of listed equity securities in semiconductors company. During the year, the stock market in Hong Kong was adversely affected by a number of factors of which were out of the control of the Company. Under such circumstances, the Company has decided to realized most of the Group's then existing securities investment in tandem with the unattractive market sentiment prevailing in the past few months.

Other Investment

At 31 March 2016, an impairment loss of approximately HK$327.8 million is recognized on the Group available-for-sales investments, with reference to the latest financial information of the investees available to the Group.

Provision of Finance

The interest income and segment profit generated by the Group's financing segment increased by 503.4% to approximately HK$17.5 million (2015: approximately HK$2.9 million) and 551.9% to approximately HK$17.6 million (2015: approximately HK$2.7 million) respectively comparing to the prior year. It was mainly due to the comparatively large average amount of loans lent to borrowers and the increase in number of borrowers.

Brokerage and Related Services

During the year under review, the Group had completed the acquisition of Skyway Securities Investment Limited and Skyway Futures Limited (the "Acquisition") in November 2015. Subsequent to the Acquisition, the Group has further expand its business on brokerage and related services. The segment revenue and segment loss contributed by brokerage and related services were approximately HK$36.0 million (2015: nil) and HK$22.8 million (2015: nil) respectively.

Real Estate

The segment recorded rental income of approximately HK$0.3 million (2015: nil) and segment profit of approximately HK$5.3 million (2015: nil) during the year under review.

Supply and Procurement

The Group's supply and procurement segment related to the sourcing, transporting and supplying of metal minerals and recyclable metal materials. Compared to last year, the segment recorded a 100% decrease in revenue and profit. The declines in the segment's revenue and profit were principally attributed to the decreased volume of metal minerals transacted during the year under review, which was in turn mainly a result of dropping in demand for building materials following the slowdown of property sector in the People's of Republic of China. However, the management is proactively looking for the potential transaction during the year.

Management Discussion and Analysis

GROSS PROFIT

The Group's gross profit during the year under review was approximately HK$47.3 million, which increased by approximately HK$15.3 million, as compared to approximately HK$32.0 million in last year. The increase was mainly resulted from the higher gross margin from brokerage and related services.

RESULTS

For the year ended 31 March 2016, the Group recorded a loss attributable to owners of the Company of approximately HK$1,874.8 million (2015: profit of approximately HK$487.1 million) and basic losses per share of HK18.53 cents (2015: earnings per share of HK10.40 cents).

FINANCIAL REVIEW

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group primarily financed its operations with internally generated cash flows, borrowing, and by its internal resources and shareholder's equity.

At 31 March 2016 the Group had current assets of approximately HK$1,088.7 million (2015: approximately HK$2,370.2 million) and liquid assets comprising cash (excluding segregated bank accounts) and short-term securities investments totaling approximately HK$487.5 million (2015: approximately HK$2,220.7 million). The Group's current ratio, calculated based on current assets of approximately HK$1,088.7 million (2015: approximately HK$2,370.2 million) over current liabilities of approximately HK$357.6 million (2015: approximately HK$179.6 million), was at a ratio of about 3.04 at the year end (2015: 13.2). The Group's accounts receivable amounted to approximately HK$425.7 million, increased by 3,447.5% from last year (2015: approximately HK$12.0 million) which was primarily due to the contribution from the brokerage and related services after the Acquisition during the year.

The Group's finance costs for the current year represented the effective interest on notes payable of approximately HK$8.2 million (2015: approximately HK$8.2 million), effective interest on promissory notes of approximately HK$7.1 million (2015: nil) and interest on borrowing of approximately HK$8.0 million (2015: approximately HK$2.3 million). At 31 March 2016, the Company had long-term notes payable of approximately HK$147.1 million (2015: HK$146.4 million), long-term promissory notes of approximately HK$260.0 million (2015: nil) and short-term bank borrowings of approximately HK$80.0 million (2015: approximately HK$158.1 million).

At the year end, total equity attributable to owners of the Company amounted to approximately HK$1,414.9 million (2015: approximately HK$2,328.7 million).

FINANCIAL REVIEW (continued)

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE (continued)

At 31 March 2016, the Group's indebtedness comprised of long-term notes payable and promissory notes, short-term bank borrowings and bank overdrafts totaling approximately HK$553.4 million (2015: approximately HK$304.5 million which comprised of short-term bank borrowings and long-term notes payable). The notes payable were denominated in Hong Kong dollars, due on the seventh anniversary from the respective issue dates of the notes, and bore interests at 5% fixed rate per annum. The promissory notes were denominated in Hong Kong dollars, due on the third anniversary from the issue dates of the notes, and bore interests at 2.5% fixed rate per annum. The bank borrowings and bank overdrafts were denominated in Hong Kong dollars, due within one year, and bore interests at floating rate. The Group's gearing ratio, calculated on the basis of total indebtedness divided by the sum of total indebtedness and equity attributable to the Company's owners, was at a low ratio of about 28.1% (2015: about 11.6%).

During the year, as a return to the shareholders of the Company and an opportunity to allow the shareholders of the Company to participate in the business growth of the Company, the Company announced bonus warrants on the basis of one warrant for every five shares held on the record date. As a result, a total of 2,523,640,250 warrants were issued at an initial subscription price of HK$0.10 per share each to confer subscription rights to the holders of warrants to subscribe in cash for 2,523,640,250 shares (during the period from 12 February 2016 up to 13 February 2017) in February 2016 (the "2017 Warrants"). In addition, in order to recognise the contributions by certain employees and persons to the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of and contribution to the Group, the Company had adopted a share award scheme in February 2016 (the "Share Award Scheme"). Pursuant to the Share Award Scheme, maximum number of 1,261,820,125 shares may be acquired by the Administration Committee or the Trustee at the cost of the Company, such shares will be held in trust for the selected persons until the vesting criteria and conditions have been satisfied.

As at 31 March 2016, no shares have been purchased or granted to the selected persons of the group under the Share Award Scheme.

In January 2015, a total of 855,670,100 warrants were issued by the Company to the shareholders of the Company pursuant to the bonus warrants issue which conferred the subscription rights to the holders of warrants to subscribe in cash for 835,670,100 shares of an initial subscribe price of HK$0.10 per share, during the period from 27 January 2015 up to 26 January 2016 (the "2016 Warrants"). During the year, a total of 822,500,234 warrants were exercised by the holders of the 2016 Warrants to subscribe for 822,500,234 shares (equivalent to HK$82,250,023.40). The Company has utilised the proceed in amount of HK$82,250,023.40 as to (i) approximately 73.0% for money lending business and (ii) approximately 27.0% for general working capital of which 8.0% for corporate branding and promotion, 24.0% for human resources and 68.0% for office utilities and others.

Management Discussion and Analysis

FINANCIAL REVIEW (continued)

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE (continued)

As for the 2017 Warrants, a total of 45,997,196 warrants were exercised by the holders of the 2017 Warrants during the year (equivalent to HK$4,599,719.60). The Company has utilised the proceed in amount of HK$4,599,719.60 for general working capital of which 2.0% for corporate branding and promotion, 19.0% for human resources and 79.0% for office utilities and others and general expenses.

With the amount of liquid assets on hand, the management is of the view that the Group has sufficient financial resources to meet its ongoing operational requirements.

MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES

(a) As disclosed in the announcement of the Company dated 11 May 2015, and the circular of the Company dated 26 August 2015, the Company and the majority shareholders of Skyway Futures Limited and Skyway Securities Investment Limited (the "Target Companies") (the "Vendors 1") entered into a sale and purchase agreement on 7 May 2015, pursuant to which the Company conditionally agreed to purchase and the Vendors 1 conditionally agreed to sell 81% equity interests in each of the Target Companies, at a total consideration of HK$972,000,000. The Target Companies are corporations licensed under the Securities and Futures Ordinance and their principal activities are provision of brokerage services, securities margin financing to clients, provision of futures and options contracts dealing services to clients. And further on 11 May 2015, the Company and the remaining shareholder of the Target Companies (the "Vendor 2") entered into a sale and purchase agreement, pursuant to which the Company conditionally agreed to purchase and Vendor 2 conditionally agreed to sell the remaining equity interests of 19% in each of the Target Companies, at a consideration of HK$228,000,000. The transactions were completed on 4 November 2015 by fulfilling all conditions set out in both sale and purchase agreements. The Target Companies have become the wholly-owned subsidiaries of the Company and the financial results of the Target Companies would be consolidated in the accounts of the Group. Details of completion of the major acquisition is set out in the Company's announcement dated 4 November 2015. The completion of the acquisition can further extend the Group's financial services business and its market presence.

MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES (continued)

(b) As disclosed in the announcement of the Company dated 16 February 2015, Million Brilliance Limited ("Million Brilliance"), an indirect wholly-owned subsidiary of the Company entered into the conditional agreement with Qualipak Development Limited ("Qualipak Development") pursuant to which Million Brilliance agreed to purchase sale shares in Empire New Assets Limited ("Empire New Assets"), a company incorporated in the British Virgin Islands, representing entire issued share capital of Empire New Assets, and assignment of the Loan of HK$32,216,000 at a consideration of HK$90,000,000. The consideration is satisfied by (i) HK$10,100,000 payable in cash and (ii) HK$79,900,000 payable by issue of 850,000,000 consideration shares in the Company. Empire New Assets is principally engaged in holding of property. The shares in Empire New Assets acquired are classified as property held for sale purposes for the Company and 850,000,000 shares were allotted under general mandate to the nominee of Qualipak Development. The acquisition of trading assets was completed on 20 May 2015. The trading assets were subsequently disposed to an independent third party at a consideration of HK$95,000,000 on 24 June 2015. A trading profit of HK$5,000,000 was recorded for the transaction of the acquisition and disposal of the trading assets.

(c) As disclosed in the announcement of the Company dated 2 July 2015, Ultron Prime Limited (the "Subscriber"), being an indirect wholly-owned subsidiary of the Company and Freewill Holdings Limited ("FHL") entered into the Share Subscription Agreement on 2 July 2015 (after trading hours), pursuant to which FHL has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe, or procure its nominee(s) appointed by the Subscriber to subscribe, 80,000,000 FHL Subscription Shares at the consideration of HK$440 million. The FHL Subscription Shares represent approximately 29.95% of the issued share capital of FHL as at the date of the Share Subscription Agreement and approximately 23.05% of the enlarged issued share capital of FHL. FHL is an investment holding company, which principally engages in financial services related businesses including money lending and has a money lending licence.

FOREIGN CURRENCY RISK MANAGEMENT

The majority of the Group's assets are held in Hong Kong dollars with no material foreign exchange exposure. During the year under review, the directors are of the view that the Group's exposure to exchange rate risk is not material, and will continue to monitor it.

PLEDGE OF ASSETS

At 31 March 2016, marketable securities portfolio of approximately HK$225.2 million (2015: approximately HK$717.4 million) were pledged to banks to secure borrowings.

At 31 March 2015, a revolving loan facility from a private bank was granted to the Group which was secured by the Group's marketable securities portfolio of approximately HK$717.4 million. Under the revolving loan facility, a total amount of approximately HK$158.1 million was utilized. Such revolving loan facility had been fully repaid as of 31 March 2016 and the pledge of the Group's marketable securities portfolio had been released thereafter.

CONTINGENT LIABILITY

At 31 March 2016, the Group had no significant contingent liability (2015: nil).

CAPITAL COMMITMENT

At 31 March 2016, the Group had no significant capital commitment (2015: nil).

RISKS AND UNCERTAINTIES

The Company has identified principal risks and uncertainties that the Group faces with respect to economic risks, operational risks, regulatory risks, financial risks, and specific risks related to the Group's corporate structure. The Group's business, future results of operations and future prospects could be materially and adversely affected by those risks and uncertainties. The following highlights the principal risks and uncertainties of the Group and it is not meant to be exhaustive. There may be other risks and uncertainties which are not known to the Group or which may not be material now but turn out to be material in the future.

Economic Risks

– An economy downturn.

– Negative effect on our operational, financing or investing activities due to inflation, fluctuations of interest rates and other measures relating to financial policies.

Operational Risks

– Failure to compete in the competitive environment which the Group operates in.

Financial Risk

– Details of financial risk are set out in Note 34 to the consolidated financial statements.

Capital Risk

– Details of capital risk are set out in Note 33 to the consolidated financial statements.

Management Discussion and Analysis

EVENTS AFTER THE REPORTING PERIOD

On 4 March 2016, Gold Mission Limited ("Gold Mission"), an indirect wholly owned subsidiary of the Company, entered into the sale and purchase agreement with Central Wealth Financial Group Limited ("Central Wealth") pursuant to which Gold Mission agreed to acquire and Central Wealth agreed to sell the sale share comprising one share in the share capital of Sky Eagle Global Limited ("Sky Eagle"), representing 100% of the entire issued share capital of Sky Eagle and a loan amounting to approximately HK$214,000,000 at a consideration of HK$218,000,000 of which HK$7,000,000 will be satisfied in cash as deposit and as to the remaining balance of HK$211,000,000 shall be satisfied by the allotment and issue of the 1,300,000,000 consideration shares by the Company at the issue price of HK$0.14 per consideration share to the Central Wealth and by issue of the promissory notes in the principal amount of HK$29,000,000. Sky Eagle is principally engaged in investment holding and owns 100% of a Hong Kong subsidiary, Metro Victor Limited which in turn holds a property. The only significant asset of this group is the property. The acquisition of investment property has not yet been completed up to the report date.

On 3 May 2016, Skyway Securities, an indirect wholly owned subsidiary of the Company and a placing agent, entered into the placing agreement with the Company pursuant to which the Company has conditionally agreed to place through the placing agent up to 2,550,000,000 placing shares at the placing price of HK$0.18 per placing share to not less than six placees who and whose beneficial owners shall be independent third parties. The placing of shares has not yet been completed up to the report date.

Subsequent to the end of the reporting period, Capital Union Inc., an holder of promissory notes initiated to early settle the relevant promissory notes through the proceed of share subscription. On 3 May 2016, the Company entered into the subscription agreement with Capital Union Inc., pursuant to which Capital Union Inc. has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 1,450,000,000 new shares at the subscription price of HK$0.18 per subscription share. There will be no net proceeds from the subscription as the subscription will be settled by way of set off against the outstanding promissory notes. The transaction was completed on 13 May 2016. The early settlement of the promissory notes has resulted in a loss of HK$41,428,000, being the difference between the carrying amount of the promissory notes and the fair value of the shares, recognised in the profit or loss for the year ending 31 March 2017.

HUMAN RESOURCES AND REMUNERATION POLICY

At 31 March 2016, the Group had 51 (2015: 20) employees including directors. For the year under review, total staff costs, including directors' remuneration, was approximately HK$15.6 million (2015: approximately HK$12.1 million). Total staff costs increased by approximately 28.9% was mainly due to the increase in headcount. Remuneration packages for employees and directors are structured by reference to market terms and individual competence, performance and experience. Benefits plans maintained by the Group include provident fund scheme, medical insurance, share option scheme, share award scheme and discretionary bonuses.

Biographical Details of Directors

EXECUTIVE DIRECTORS

Ms. Lin Yuehe ("Ms. Lin"), aged 58, joined the Company as an Executive Director and the Chairlady of the Company on 1 March 2016. Concurrently Ms. Lin is a general manager in a property developer in mainland China and she has over 25 years of experience in property developments, including acquisition of land, planning, sales and marketing, project financing and related business development.

With her relevant working experience, Ms. Lin will be primarily responsible for the formulation of business strategy and development of the Group, and will review the Group's investment portfolio from time to time. She will also give strategic advice and make recommendation on development directions on the operation and overall management of the Group.

Mr. Ng Kwok Leung ("Mr. Ng"), aged 33, joined the Company as an Executive Director on 20 July 2015 and was appointed as the Chief Executive Officer and Company Secretary of the Company on 29 February 2016. Mr. Ng is also a director of various subsidiaries of the Group. Mr. Ng obtained a Bachelor of Arts (Honours) degree in Accountancy from the Hong Kong Polytechnic University in 2004. He has been a fellow member of the Association of Chartered Certified Accountants and member of the Hong Kong Institute of Certified Public Accountants. Mr. Ng has over ten years of experience in accounting, corporate finance and auditing fields. Prior to joining the Company, Mr. Ng served in an international accountants firm.

Mr. Tam Tak Wah ("Mr. Tam"), aged 50, joined the Company as an Executive Director on 20 July 2015. He is a fellow member of the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and a fellow member of the Association of Chartered Certified Accountants of the United Kingdom. Mr. Tam has been appointed to be a member of Disciplinary Panel of the HKICPA for the period from February 2014 to January 2018. He has over 25 years of experience in accounting, corporate finance and corporate development. He is currently an executive director of International Standard Resources Holdings Limited (stock code: 91), an independent non-executive director of Central Wealth Financial Group Limited (stock code: 572), Tech Pro Technology Development Limited (stock code: 3823) and a non-executive director of Kingbo Strike Limited (stock code: 1421), all of which are listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Mr. Tam served as an independent non-executive director of Goldenway, Inc (stock code: GWYI) which was a company whose common stocks were traded in the OTCQB of the United States of America and Siberian Mining Group Company Limited (stock code: 1142) which is a company listed on the main board of the Stock Exchange, and resigned in August 2013 and February 2014 respectively.

Biographical Details of Directors

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Kwan Pak ("Mr. Chan"), aged 59, is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants, the Institute of Chartered Secretaries and Administrators as well as the Hong Kong Institute of Chartered Secretaries. Mr. Chan holds a Master's degree in Business Administration and a Bachelor of Laws degree. Mr. Chan is currently a consultant to a number of companies listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), advising them on corporate governance issues. Mr. Chan was appointed by the Hong Kong SAR Government as an Adjudicator of the Registration of Persons Tribunal during the period from 2005 to 2011. He is the Honorary Secretary and a Council Member of the Energy Saving & Environment Concern Alliance. Mr. Chan is currently an independent non-executive director of Pearl Oriental Oil Limited, a Company listed on the main board of the Stock Exchange (Stock code: 632). Mr. Chan was a non-executive director of Ruifeng Petroleum Chemical Holdings Limited ("Ruifeng"), a company listed on GEM Board of the Stock Exchange (Stock Code: 8096), during the period from 11 August 2008 to 9 October 2015. Reifeng is in winding-up proceedings, which was commenced after Mr. Chan ceased to be its non-executive director.

Mr. Siu Siu Ling, Robert ("Mr. Siu"), aged 64, has been appointed as independent non-executive Director of the Company with effect from 24 July 2015. He is a sole proprietor of the firm, Messrs. Robert Siu & Co., Solicitors. He is an independent non-executive director of Central Wealth Financial Group Limited (formerly known as China For You Group Company Limited) (stock code: 0572), a company listed on the Main Board of the Stock Exchange, and independent non-executive director of Kaisun Energy Group Limited (stock code: 8203) and Finet Group Limited (stock code: 8317), both of them are listed on the Growth Enterprise Market of the Stock Exchange. Mr. Siu was a director of MBMI Resources Inc. during the period from November 2012 to March 2015, a company listed on the Toronto Stock Exchange. Mr. Siu holds a bachelor's degree in laws from University of London in the United Kingdom and a postgraduate certificate in laws from The University of Hong Kong and a master degree in laws from University of Greenwich. He has been admitted as a solicitor in Hong Kong since 1992 and has been admitted as a solicitor in England and Wales since 1993. His legal practice is mainly in the field of commercial and corporate finance.

Mr. Siu Gee Tai ("Mr. Siu"), aged 58, had been appointed as Independent Non-executive Director of the Company with effect from 30 July 2015. Mr. Siu is an entrepreneur specializing in trading business in the People's Republic of China and has over 20 years' experience in this field.

Report of the Directors

REPORT OF THE DIRECTORS

The Directors hereby present their report and the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 March 2016.

CHANGE OF COMPANY NAME

Pursuant to a special resolution passed by the shareholders of the Company at the special general meeting of the Company held on 10 August 2015 (the "SGM"), the English name of the Company has been changed from "Mission Capital Holdings Limited" to "Skyway Securities Group Limited" which was approved by the Registrar of Companies in Bermuda on 21 August 2015, and the certificate of registration of alternation of name of registered non-Hong Kong company was issued by the Registrar of Companies in Hong Kong on 9 September 2015. The Chinese name of the Company, which was adopted for identification purpose only, has been changed from "保興資本控股有限公司" to "天順證券集團有限公司".

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in note 43 to the consolidated financial statements and management discussion and analysis, the Group had no after material event after the reporting period.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holdings, supply and procurement, securities investment, provision of brokerage service and securities margin financing, provision of futures and option contracts dealing services, provision of finance and real estate. Details of the principal activities of the principal subsidiaries are set out in Note 41 to the consolidated financial statements.

RESULTS

The results of the Group for the year ended 31 March 2016 are set out in the consolidated statement of profit or loss and other comprehensive income on page 37.

BUSINESS REVIEW

The business review of the Group for the year ended 31 March 2016 is set out in the section headed "Business Review" on page 4 of this annual report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the year, as far as the Directors are aware, there was no material non-compliance with applicable laws and regulations by the Group that has a significant impact on the Group's business and operations.

Report of the Directors

RELATIONSHIPS WITH STAKEHOLDERS

Competitive remuneration packages and a sound performance appraisal system with appropriate incentives are provided and implemented to attract and motivate employees, as the Group regarded employees as the most important and valuable assets. In addition, to conform to the market standard, the Group regularly reviews the remuneration package of employees and makes necessary adjustments.

Moreover, the Group understands the importance of maintaining good relationship with business partners is vital to achieve its long-term goals. Thus, senior management of the Group have kept good communication, promptly exchanged ideas and shared business update with them as and when appropriate. During the year, there was no material and significant dispute between the Group and its business partners.

ENVIRONMENTAL POLICIES

The Group is committed to building an environmentally-friendly corporation that pays close attention to conserving natural resources. The Group strives to minimize its environmental impact by saving electricity and encouraging recycle of office supplies and other materials.

FINAL DIVIDEND

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

FINANCIAL SUMMARY

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements of the Company, is set out on page 120. This summary does not form part of the audited consolidated financial statements.

SHARE CAPITAL, WARRANTS AND SHARE OPTIONS

Details of movements in the Company's share capital and warrants, and share options during the year are set out in Notes 31 and 35 to the consolidated financial statements, respectively.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws or the Companies Act 1981 of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

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

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

RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out on page 117 and page 40 and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

At 31 March 2016, the Company had no reserve available for distribution and/or distribution in specie as computed in accordance with the Companies Act 1981 of Bermuda. The Company's share premium account, in the amount of approximately HK$2.5 billion may be distributed in the form of fully paid bonus shares.

DONATIONS

During the year under review, the Group did not make charitable and other donations (2015: nil).

MAJOR CUSTOMERS AND SUPPLIERS

During the year under review, the Group's five largest customers accounted for approximately 21.1% of the total revenue for the year and the largest customer accounted for approximately 13.5%. In the Board's opinion, the Group has no major suppliers due to the nature of the Group's principal activities of provision of brokerage service and securities margin financing, provision of futures and options contracts dealing services, provision of finance, securities investments and real estate.

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) had any beneficial interest in the Group's five largest customers or suppliers during the year.

Report of the Directors

DIRECTORS

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

Executive Directors:

Ms. Lin Yuehe *(appointed on 1 March 2016) (Chairlady)*
Mr. Ng Kwok Leung *(appointed on 20 July 2015)*
Mr. Tam Tak Wah *(appointed on 20 July 2015)*
Mr. Suen Yick Lun Philip *(resigned on 29 February 2016)*
Mr. Kitchell Osman Bin *(resigned on 30 July 2015)*
Mr. Lau King Hang *(resigned on 21 July 2015)*

Independent Non-executive Directors:

Mr. Siu Siu Ling *(appointed on 24 July 2015)*
Mr. Chan Kwan Pak *(appointed on 30 July 2015)*
Mr. Siu Gee Tai *(appointed on 30 July 2015)*
Dr. Leung Shiu Ki Albert *(resigned on 30 November 2015)*
Mr. Man Wai Chuen *(resigned on 27 November 2015)*
Ms. Chen Wei *(resigned on 30 July 2015)*
Mr. Wong Kwok Tai *(resigned on 30 July 2015)*
Mr. Wong Yat Fai *(resigned on 30 July 2015)*

In accordance with bye-law 86(2) of the Company's Bye-laws, Ms. Lin Yuehe will hold office until the forthcoming Annual General Meeting (the "AGM") and, being eligible, offer herself for re-election at the forthcoming AGM.

In accordance with bye-law 87 of the Company's Bye-laws, Mr. Chan Kwan Pak and Mr. Siu Siu Ling, Robert will retire by rotation at the forthcoming AGM and, being eligible, offer themselves for re- election at the forthcoming AGM.

DIRECTORS' SERVICE CONTRACTS

None of the directors being proposed for re-election at the forthcoming AGM has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

Details of the directors' remuneration are set out in Note 11 to the consolidated financial statements.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "Connected Transactions" in this Report of the Directors, no contract of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2016, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under 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") contained in the Listing Rules, were as follows:

Long positions in the shares of the Company:

Name of director	Capacity and nature of interest	Number of shares held or deemed to be interested	Approximate percentage of the Company's issued share capital
Ms. Lin	Beneficial owner	20,000	0.00%
Mr. Tam	Beneficial owner	15,945,000 (Note)	0.13%
Mr. Ng	Beneficial owner	6,378,000 (Note)	0.05%

Note: This represents the ordinary shares of the Company to be alloted and issued upon exercise of the share options granted to Mr. Tam and Mr. Ng under the share option scheme of the Company pursuant to the share option scheme adopted by the Company on 24 September 2012. As disclosed in the announcement of the Company dated 28 January 2016, the exercise price of and the number of ordinary shares to be alloted and issued upon exercise in full of the subscription rights attaching to the outstanding share options have been adjusted with effect from 29 January 2016 as a result of the 2017 Warrants. Accordingly the number of share options granted to Mr. Tam and Mr. Ng has been adjusted from 15,000,000 to 15,945,000 and 6,000,000 to 6,378,000 respectively.

Report of the Directors

Save as disclosed above, as at 31 March 2016, none of the directors or chief executive of the Company had registered an interest or short positions in the shares,underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" above and in the "Share Option Scheme" disclosed in Note 35 to the consolidated financial statements, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the directors of the Company or their spouse or minor children had any rights to subscribe for the securities of the Company, or had exercised any such rights during the year.

EQUITY-LINKED AGREEMENTS

As disclosed in the announcement of the Company dated 11 May 2015, on 6 May 2015, the Company and the majority shareholders of Skyway Futures Limited and Skyway Securities Investment Limited (the "Target Companies") (the "Vendors 1") entered into a sales and purchase agreement, pursuant to which the Company conditionally agreed to purchase and the Vendors 1 conditionally agreed to sell 81% equity interests in each of the Target Companies, at a total consideration of HK$972,000,000. The consideration shall be satisfied by the Company by (i) the issue of 2,106,000,000 shares at the issue price of HK$0.25 per share and (ii) 3 years with interest rate of 2.5% per annum promissory note with aggregate principal amount of up to HK$445,500,000 issued by the Company to the Vendors 1. The Target Companies are corporations licensed under the Securities and Futures Ordinance and their principal activity is dealing in securities and future contracts. And further on 11 May 2015, the Company and the remaining shareholder of the Target Companies (the "Vendor 2") entered into the a sales and purchase agreement, pursuant to which the Company conditionally agreed to purchase and Vendor 2 conditionally agreed to sell the remaining equity interests of 19% in each of the Target Companies, at a consideration of HK$228,000,000. The consideration shall be satisfied by the Company by (i) the issue of 494,000,000 shares at the issue price of HK$0.25 per share and (ii) 3 years with interest rate of 2.5% per annum promissory note with aggregate principal amount of HK$104,500,000 issued by the Company to the Vendor 2. The said transaction has been completed on 4 November 2015.

Report of the Directors

On 4 March 2016, Gold Mission Limited ("Gold Mission") an indirect wholly owned subsidiary of the Company, entered into the sale and purchase agreement with the Central Wealth Financial Group Limited ("Central Wealth") pursuant to which Gold Mission agreed to acquire and Central Wealth agreed to sell the sale share comprising one share in the share capital of the Sky Eagle Global Limited ("Sky Eagle"), representing 100% of the entire issued share capital of Sky Eagle and the a loan amounts to approximately HK$214,000,000 at a consideration of HK$218,000,000 of which HK$7,000,000 will be satisfied in cash as deposit and as to the remaining balance of HK$211,000,000 shall be satisfied by the allotment and issue of the 1,300,000,000 consideration shares by the Company at the issue price of HK$0.14 per consideration share to Central Wealth and by issue of the promissory notes in the principal amount of HK$29,000,000. Sky Eagle is principally engaged in investment holding and owns 100% of the a Hong Kong subsidiary, Metro Victor Limited which in turn holds a property. The only significant asset of this group is the property. The acquisition of trading assets was not yet completed up to the report date.

During the year, as a return to the shareholders of the Company and an opportunity to allow the shareholders of the Company to participate in the business growth of the Company, the Company announced bonus warrants on the basis of one warrant for every five shares held on the record date. As a result, a total of 2,523,640,250 warrants were issued at an initial subscription price of HK$0.10 per share each to confer subscription rights to the holders of warrants to subscribe in cash for 2,523,640,250 shares (during the period from 12 February 2016 up to 13 February 2017) in February 2016 (the "2017 Warrants").

A total of 45,997,196 warrants were exercised by the holders of the 2017 Warrants during the year (equivalent to HK$4,599,719.60).

SHARE OPTION SCHEME

Details of the share option scheme of the Company are set out in Note 35 to the consolidated financial statements.

SHARE AWARD SCHEME

The Company adopted the Share Award Scheme on 19 February 2016. The purposes and objectives of the Share Award Scheme are to recognize the contributions by certain employees and persons to the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of and contribution to the Group.

As at 31 March 2016, no shares have been purchased or granted to the selected persons of the Group under the Share Award Scheme.

Report of the Directors

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 31 March 2016, the following interests of more than 5% of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

Long positions in the shares and underlying shares of the Company:

Name of shareholders	Capacity and nature of interest	Number of shares held	Total interests	Approximate percentage of the Company's issued share capital
China Soft Power Technology Holdings Limited	Interest of controlled corporation	2,749,935,829 (Note 1)	2,749,935,829	21.71%
Lam Hoi Sze ("Mr. Lam")	Beneficial Owner	2,106,000,000 (Note 2)	2,106,000,000	16.63%
Central Wealth Financial Group Limited ("Central Wealth")	Beneficial Owner	1,300,000,000 (Note 3)	1,300,000,000	10.27%
Ai Qing	Beneficial Owner	1,100,000,000	1,100,000,000	8.69%

Notes:

1. These interests were held by Main Purpose Investment Limited and NWS Holdings Limited, which were wholly owned subsidiaries of Ho Shing Limited, which in turn was a wholly owned subsidiary of China Soft Power Technology Holdings Limited (Stock Code: 139), the shares of which are listed on the main board of the Stock Exchange.

2. Mr. Lam is the brother of the Chairlady of the Company, Ms. Lin Yuehe.

3. As disclosed in the announcement of the Company dated 4 March 2016, Gold Mission Limited, a wholly owned subsidiary of the Company, entered into the Sale and Purchase Agreement on 4 March 2016 with Central Wealth in relation to the acquisition of the issued share of Sky Eagle Global Limited and its shareholder's loan by Gold Mission Limited for an aggregate consideration of HK$218,000,000, of which HK$7,000,000 will be satisfied in cash as deposit and as to the remaining balance of HK$211,000,000 shall be satisfied by the allotment and issue of the 1,300,000,000 consideration shares by the Company at the Issue Price of HK$0.14 per consideration Share to Central Wealth and by issue of the Promissory Notes in the principal amount of HK$29,000,000 (the "Acquisition"). As at 31 March 2016, the Acquisition has not yet been completed.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO (continued)

Save as disclosed above, the Company had not been notified of any other relevant interests or short positions in the shares and underlying shares of the Company as at 31 March 2016 as required pursuant to section 336 of the SFO.

CONNECTED TRANSACTIONS

The Group has not entered into any other connected transaction or continuing connected transactions for the year ended 31 March 2016 which should be disclosed pursuant to the requirement of Chapter 14A to the Listing Rules.

RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken in the usual cause of business are set out in Note 40 to the consolidated financial statements. None of these related party transactions constitutes a discloseable connected transaction as defined under the Listing Rules.

DIRECTOR'S INTERESTS IN COMPETING BUSINESS

None of Directors is interested in any business apart from the Group's business which competes or is likely to compete, either directly or indirectly with the business of the Group.

REMUNERATION POLICY

The Group remunerates its employees based on their competence, performance, experience and prevailing market terms. Other employee benefits included provident fund scheme, medical insurance, share option scheme, share award scheme as well as discretionary bonuses.

The determination of directors' remuneration has taken into consideration of their respective responsibilities and contributions to the Company and with reference to market terms.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the Company's business was entered into or existed during the year under review.

ANNUAL CONFIRMATION OF INDEPENDENCE

The Company has received the annual confirmation of independence from each of the independence non-executive Directors as required under Rule 3.13 of the Listing Rules. The Company considered all independent non-executive Directors to be independent.

Report of the Directors

COMPLIANCE WITH THE CODE OF BEST PRACTICE

In the opinion of the Directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules throughout the financial year except the deviation set out in the Corporate Governance Report.

PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-laws of the Company, every Director shall be entitled to be indemnified by the Company out of the assets of the Company against all costs, charges, losses, damages and expenses which he/she may sustain or incur or about the execution and discharge of his duties or in relation thereto. The Company has arranged appropriate Directors' and Officers' liability insurance coverage for the Directors and officers of the Company during the year.

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 is held by the public as at the date of this report.

AUDIT COMMITTEE

The audited consolidated financial statements of the Company for the year ended 31 March 2016 have been reviewed by the Audit Committee of the Company before they are duly approved by the Board under the recommendation of the Audit Committee.

AUDITOR

The consolidated financial statements of the Company for the year ended 31 March 2016 have been audited by Messrs. Deloitte Touche Tohmatsu.

A resolution will be proposed at the forthcoming AGM to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Lin Yuehe
Chairlady

Hong Kong, 24 June 2016

Corporate Governance Report

The Board is committed to maintaining high standards of corporate governance practices at all times. The Board believes that good corporate governance helps the Company to safeguard the interests of its shareholders and to enhance the performance of the Group.

CORPORATE GOVERNANCE

The Company has complied with all the applicable provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules for the year ended 31 March 2016, except for the following deviations with reasons as explained:

THE BOARD

Code Provision A.2.1

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Deviation

Neither the Company's Bye-laws nor Bermuda Act, 1981 contains any requirement as to the separation of these roles. During the period from 1 April 2015 to 29 February 2016, Mr. Suen Yick Lun Philip ("Mr. Suen"), an executive director of the Company, acted as Acting Chairman and Managing Director of the Company. The Board is of the opinion that it is appropriate and in the best interests of the Company that should hold both offices. The Board believes that it is able to effectively monitor and assess management in a manner that properly protects and promotes the interests of shareholders. After the resignation of Mr. Suen from the above positions on 29 February 2016, Mr. Ng Kwok Leung ("Mr. Ng"), an executive director of the Company, has been appointed as the Chief Executive Officer on 29 February 2016 and Ms. Lin Yuehe has been appointed as the Chairlady and an executive director of the Company on 1 March 2016. The roles of chairman and chief executive have been separated from 1 March 2016.

APPOINTMENT OF NEW DIRECTORS

Code Provision A.4.1

Code provision A.4.1 of the CG Code stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

Deviation

There has been a deviation from the code provision since the appointment of three independent non-executive directors of the Company, namely Mr. Siu Siu Ling Robert on 24 July 2015, and Mr. Chan Kwan Pak and Mr. Siu Gee Tai on 30 July 2015. They are not appointed for a specific term but shall retire from office by rotation at least once every three years as referred to in bye-law 87 of the Company's Bye-laws which provides that at each annual general meeting one-third of the directors of the Company for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance is no less exacting than those set out in the CG Code.

CORPORATE GOVERNANCE (continued)

RESPONSIBILITIES OF DIRECTORS

Code Provision A.6.7

Code provision A.6.7 of the CG Code stipulates that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders.

Deviation

Two independent non-executive directors of the Company, namely Mr. Chan Kwan Pak and Mr. Siu Gee Tai were unable to attend the special general meeting of the Company held on 10 August 2015 (the "SGM") as they had other important business engagement. However, there were two executive Directors and three independent non-executive Directors presented at the SGM to enable the Board to develop a balanced understanding of the views of shareholders of the Company.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by directors of the Company. Having made specific enquiry with the Directors, all of them confirmed that they have complied with the required standards set out in the Model Code during the year ended 31 March 2016.

BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Company. The Board reviews and approves the objectives, strategies, direction and policies of the Group, the annual budget, annual and interim results, the management structure of the Company as well as internal control, risk management, other significant policy and financial matters. The Board has delegated the responsibility of day-to-day operations of the Group to the management of the Company.

As at 24 June 2016, the date of this annual report, the Board comprises six Directors, three of which are Executive Directors, namely Ms. Lin Yuehe, Mr. Ng Kwok Leung, Mr. Tam Tak Wah and three are Independent Non-executive Directors, namely Mr. Chan Kwan Pak, Mr. Siu Gee Tai and Mr. Siu Siu Ling Robert. The Directors are all experienced individuals. Their mix of professional skills and experience is an important element in the proper functioning of the Board and in ensuring a high standard of objective debate and overall input to the decision-making process.

BOARD OF DIRECTORS (continued)

The Company has received from each of the independent non-executive directors an annual confirmation of his independence and has satisfied itself of such independence up to the date of this report pursuant to Rule 3.13 of the Listing Rules. The Company considers all the independent non-executive directors are independent in accordance with the independence guidelines set out in the Listing Rules. Biographical details of the Directors are set out under the section headed "Biographical Details of Directors" on pages 13 to 14 of this annual report.

There is no other financial, business, family or other material/relevant relationship between the Chairlady and the Chief Executive Officer and among senior management and members of the Board.

The Company will provide a comprehensive, formal and tailored induction to each newly appointed director on his or her first appointment in order to enable him or her to have appropriate understanding of the business and operations of the Company and that he or she is fully aware of his or her responsibilities and obligations under the Listing Rules and relevant regulatory requirements. Moreover, all directors are provided with monthly updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

All directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. Directors are continually updated on developments in the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities such as by attending seminars organised by professional bodies or reading various materials regarding director's responsibilities, updates on the Listing Rules and disclosure of inside information, etc. During the year under review, four of the Directors, namely Mr. Ng Kwok Leung, Mr. Tam Tak Wah, Mr. Chan Kwan Pak and Mr. Siu Siu Ling Robert have participated in continuous professional development. The Company has also provided timely technical updates, including the briefing on the amendments on the Listing Rules and the news release published by the Stock Exchange to the directors. Continuing briefing and professional development for directors are arranged where necessary.

BOARD OF DIRECTORS (continued)

During the year ended 31 March 2016, the details of the attendance of individual directors at board meetings (including operational meetings), committee meetings, and general meetings are set out in the table below:

	Board meeting	Annual General Meeting	General Meeting	Audit Committee Meeting	Nomination Committee Meeting	Remuneration Committee Meeting
Executive Directors						
Ms. Lin Yuehe *(Chairlady)* *(appointed on 1 March 2016)*	1/1	-	-	-	-	-
Mr. Ng Kwok Leung *(Chief Executive Officer)* *(appointed on 20 July 2015)*	76/76	1/1	3/3	1/1	-	-
Mr. Tam Tak Wah *(appointed on 20 July 2015)*	42/42	1/1	2/3	1/1	-	-
Mr. Suen Yick Lun, Philip *(resigned as the Executive Director, Acting Chairman and Managing Director on 29 February 2016)*	109/109	1/1	4/4	2/2	3/3	3/3
Mr. Lau King Hang *(resigned on 21 July 2015)*	41/41	-	1/1	-	-	-
Mr. Kitchell Osman Bin *(resigned on 30 July 2015)*	24/25	-	1/1	-	-	-
Independent Non-Executive Directors						
Mr. Chan Kwan Pak *(appointed on 30 July 2015)*	19/20	1/1	2/3	1/1	2/2	2/2
Mr. Siu Gee Tai *(appointed on 30 July 2015)*	20/20	1/1	2/3	1/1	2/2	2/2
Mr. Siu Siu Ling Robert *(appointed on 24 July 2015)*	21/21	1/1	3/3	2/2	3/3	3/3
Dr. Leung Shiu Ki Albert *(resigned on 30 November 2015)*	24/24	1/1	3/3	4/4	3/3	3/3
Mr. Man Wai Chuen *(resigned on 27 November 2015)*	23/23	1/1	3/3	4/4	-	3/3
Ms. Chen Wei *(resigned on 30 July 2015)*	13/13	-	1/1	2/2	2/2	-
Mr. Wang Yat Fai *(resigned on 30 July 2015)*	12/13	-	1/1	-	2/2	2/2
Mr. Wong Kwok Tai *(resigned on 30 July 2015)*	13/13	-	1/1	2/2	2/2	2/2

CHAIRMAN AND CHIEF EXECUTIVE

The Chairman is responsible for overseeing all Board functions, while the executive directors and senior management are under the leadership of the Chief Executive Officer to oversee the day-to-day operations of the Group and implement the strategies and policies approved by the Board.

As disclosed in the sub-section of Corporate Governance of the Corporate Governance Report, the positions of the Chairman of the Board and Chief Executive Officer are currently held by Ms. Lin Yuehe and Mr. Ng Kwok Leung respectively.

AUDIT COMMITTEE

The Audit Committee has specific written terms of reference as set out in the CG Code. As at the date of this annual report, the Audit Committee comprises three Independent Non-executive Directors, namely Chan Kwan Pak, Mr. Siu Siu Ling Robert and Mr. Siu Gee Tai. Mr. Chan Kwan Pak is the Chairman of the Audit Committee.

The Audit Committee is mainly responsible for assisting the Board in applying financial reporting, risk management and internal control principles and in maintaining an appropriate relationship with the Company's auditor. The Audit Committee is also delegated the corporate governance function of the Board to monitor, procure and manage corporate governance compliance within the Group. The full terms of reference are available on the Company's website and the Stock Exchange's website.

The Audit Committee met four times during the year ended 31 March 2016. The attendance of each member is set out in the sub-section of the Boards of Directors of the Corporate Governance Report.

The following is a summary of work performed by the Audit Committee during the year:

1. reviewed and discussed the audited financial statements of the Group for the year ended 31 March 2015 and recommended to the Board for approval;

2. reviewed and discussed the unaudited financial statements of the Group for the six months ended 30 September 2015 and recommended to the Board for approval;

3. reviewed and made recommendations to the Board on the re-appointment of the Company's auditor;

4. reviewed and approved the remuneration and the terms of engagement of the Company's auditor;

5. reviewed the corporate governance compliance with the CG Code and the disclosure requirements for the corporate governance report;

AUDIT COMMITTEE (continued)

6. reviewed the effectiveness of the internal control and risk management system of the Group; and

7. reviewed and discussed with the management and auditor of the Company the accounting policies and practices which may affect the Group and the scope of the audit.

NOMINATION COMMITTEE

The Nomination Committee has specific written terms of reference as set out in the GC Code. As at the date of this annual report, the Nomination Committee comprises three members which are the three Independent Non-executive Directors, namely Mr. Siu Gee Tai, Mr. Siu Siu Ling Robert and Mr. Chan Kwan Pak. Mr. Siu Gee Tai is the Chairman of the Nomination Committee.

The Nomination Committee is mainly responsible for making recommendations to the Board on the appointment of directors, evaluation of board composition, assessment of the independence of independent non-executive directors and the management of board succession. The full terms of reference are available on the Company's website and the Stock Exchange's website.

The Nomination Committee met five times during the year ended 31 March 2016 to review the structure, size and composition of the Board; assess the independence of the Independent Non-executive Directors of the Company; review and make recommendations to the Board on the re-election of directors; and review and make recommendations to the Board on the appointment of a director.

The Board has adopted a board diversity policy (the "Policy") in September 2013 which sets out the approach to achieve diversity on the Board. All Board appointments shall be based on meritocracy, and candidates will be considered against selection criteria, having regard for the benefits of diversity on the Board. Selection of candidates will be based on range of diversity perspectives, which would include but not limited to educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Nomination Committee will monitor the implementation of the Policy and will from time to time review the policy, as appropriate, to ensure the effectiveness of the Policy. The attendance of each member is set out in the sub-section of the Boards of Directors of the Corporate Governance Report.

Corporate Governance Report

REMUNERATION COMMITTEE

The Remuneration Committee has specific written terms of reference as set out in the CG Code. As at the date of this annual report, the Remuneration Committee comprises three members which are the three Independent Non-executive Directors, namely Mr. Siu Siu Ling Robert, Mr. Chan Kwan Pak and Mr. Siu Gee Tai. Mr. Siu Siu Ling Robert is the Chairman of the Remuneration Committee.

The Remuneration Committee is mainly responsible for making recommendations to the Board on the Company's policy and structure for all directors and senior management remuneration; determining the remuneration packages of individual executive directors and senior management and making recommendations to the Board on the remuneration of non-executive directors. The full terms of reference are available on the Company's website and the Stock Exchange's website.

The Remuneration Committee met five times during the year ended 31 March 2016 to review discretionary bonus for executive directors; and review and make recommendations to the Board on the remuneration packages of directors. The attendance of each member is set out in the sub-section of the Boards of Directors of the Corporate Governance Report.

AUDITOR AND AUDITOR'S REMUNERATION

The statement of the external auditor of the Company about their responsibilities on the Company's consolidated financial statements for the year ended 31 March 2016 is set out in the "Independent Auditor's Report" on pages 35 to 36 of this annual report.

For the year ended 31 March 2016, remuneration payable to the Group's auditor, Messrs. Deloitte Touche Tohmatsu, for the provision of audit services was HK$2,835,000. During the year, HK$1,649,000 was paid as remuneration to Messrs. Deloitte Touche Tohmatsu for the provision of non-audit related services including (i) tax services (HK$219,000), (ii) advisory services in relation to acquisition of Skyway Securities and Skyway Futures (HK$1,380,000) and (iii) advisory services in relation to adjustments to the warrants (HK$50,000).

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other financial disclosures required under the Listing Rules and other regulatory requirements.

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Company for the year ended 31 March 2016.

Corporate Governance Report

CORPORATE GOVERNANCE FUNCTIONS

In order to establish the duties and responsibilities of the Board in performing its corporate governance functions, the Board has delegated certain corporate governance functions to the Audit Committee, which include (i) developing and reviewing policies and practices on corporate governance; (ii) reviewing and monitoring the training and continuous professional development of the directors and senior management; (iii) reviewing and monitoring policies and practices on compliance with legal and regulatory requirements; (iv) developing, reviewing and monitoring the code of conduct and compliance manual applicable to employees and the directors; and (v) reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board recognises its responsibilities for maintaining an adequate system of internal control and risk management to safeguard the Group's assets and shareholders' interests. An internal control and risk management system, including a defined management structure with limits of authority, is designed to help achieving business objectives, safeguarding assets against unauthorized use, and maintaining proper accounting records for the provision of reliable financial information for internal use and for publication. The internal control and risk management system is set up to provide reasonable, but not absolute, assurance against material misstatement of financial statements or loss of assets and to manage rather than eliminate risks of failure in operational systems and achievement of the Group's objectives. Significant findings and areas of improvement have been reported to the Audit Committee from time to time and the Audit Committee shall conduct regular review at the effectiveness of the internal control system to ensure that the system is adequate.

For the year ended 31 March 2016, the Audit Committee and the Board conducted a review of the effectiveness of the internal control and risk management system of the Group. The Board considers that the Group has adequate internal control systems to comply with the Listing Rules and other relevant rules and regulations and there is no major internal control deficiency of the Group that has given rise to material changes to the Group's operation after completion of the internal control review.

COMPANY SECRETARY

Mr. Ng Kwok Leung was appointed as the Company Secretary of the Company on 29 February 2016. The biographical details of Mr. Ng Kwok Leung are set out under the section headed "Biographical Details of Directors" on page 13 of this annual report. Mr. Ng Kwok Leung has taken not less than 15 hours of the relevant professional training during the financial year ended 31 March 2016.

SHAREHOLDERS' RIGHTS

PROCEDURES FOR SHAREHOLDERS TO CONVENE A SPECIAL GENERAL MEETING

According to bye-law 58 of the Company's Bye-laws, shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty one days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Companies Act 1981 of Bermuda (the "Companies Act").

PROCEDURES FOR SHAREHOLDERS TO PUT FORWARD PROPOSALS AT GENERAL MEETINGS

Pursuant to the Companies Act, any number of shareholders representing not less than one-twentieth of the total voting rights of all the shareholders having at the date of the requisition a right to vote at the meeting to which the requisition relates or not less than one hundred shareholders, can request the Company in writing to:

(a) give to shareholders of the Company entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and

(b) circulate to shareholders of the Company entitled to have notice of any general meeting send to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

The requisition must be deposited to the Company not less than six weeks before the meeting in case of a requisition requiring notice of a resolution or not less than one week before the meeting in case of any other requisition.

SHAREHOLDERS' RIGHTS (continued)

PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR OF THE COMPANY

According to bye-law 88 of the Company's Bye-laws, no person other than a director retiring at the general meeting of the Company shall, unless recommended by the directors for election, be eligible for election as a director at general meeting of the Company unless a notice signed by a shareholder of the Company (other than the person to be proposed) duly qualified to attend and vote at the general meeting of the Company for which such notice is given of his/her intention to propose such person for election and also a notice signed by the person to be proposed of his/her willingness to be elected shall have been lodged at the Company's head office in Hong Kong or at the Company's branch share registrar in Hong Kong, Tricor Tengis Limited provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven days and that (if the notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgement of such notice(s) shall commence on (and including) the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting.

PROCEDURES FOR DIRECTING SHAREHOLDERS' ENQUIRIES TO THE BOARD

Shareholders may at any time send their enquiries and concerns in writing to the Company Secretary of the Company at the Company's head office in Hong Kong at Suite 903, 9th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong.

INVESTOR RELATIONS

The Company has established a range of communication channels between itself and its shareholders, investors and other stakeholders. These include the annual general meeting, the annual and interim reports, notices, announcements and circulars and the Company's website at www.ssgroup.hk.

Independent Auditor's Report

Deloitte.
德勤

TO THE SHAREHOLDERS OF SKYWAY SECURITIES GROUP LIMITED
(FORMERLY KNOWN AS MISSION CAPITAL HOLDINGS LIMITED)
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Skyway Securities Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 37 to 118, which comprise the consolidated statement of financial position as at 31 March 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, 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.

Independent Auditor's Report

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

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

OPINION

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
24 June 2016

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2016

	Notes	2016 HK$'000	2015 HK$'000
Revenue	5	**57,052**	300,700
Cost of sales		**(9,786)**	(268,657)
Gross profit		**47,266**	32,043
Net (loss) gains on investments at fair value through profit or loss		**(1,509,211)**	596,440
Other income	7	**57,377**	3,235
Other gains and losses	8	**(378,851)**	(2,956)
Selling and distribution costs		**–**	(481)
Administrative expenses		**(43,762)**	(27,480)
Other expenses	10	**(80,234)**	(38,975)
Finance costs	9	**(23,422)**	(10,424)
(Loss) profit before taxation	10	**(1,930,837)**	551,402
Taxation	13	**55,813**	(64,345)
(Loss) profit and total comprehensive (expense) income for the year		**(1,875,024)**	487,057
(Loss) profit and total comprehensive (expense) income for the year attributable to:			
Owner of the Company		**(1,874,835)**	487,057
Non-controlling interests		**(189)**	–
		(1,875,024)	487,057
(Loss) earnings per share	15		
Basic (HK cents per share)		**(18.53)**	10.40
Diluted (HK cents per share)		**(18.53)**	10.35

Consolidated Statement of Financial Position

As at 31 March 2016

	Notes	2016 HK$'000	2015 HK$'000
Non-current assets			
Property, plant and equipment	16	**594**	96
Goodwill	17	**551,445**	–
Contingent consideration	18	**67,934**	–
Intangible assets	19	**135,973**	–
Available-for-sale investments	20	**358,218**	349,400
Deposits		**8,956**	–
		1,123,120	349,496
Current assets			
Accounts receivable	21	**425,684**	11,974
Prepayments, deposits and other receivables	22	**4,654**	17,497
Loans receivable	23	**7,000**	120,000
Tax recoverable		**5,187**	50
Investments at fair value through profit or loss	24	**406,355**	2,203,143
Cash and bank balances			
– Segregated accounts	25	**158,729**	–
– House accounts	25	**81,128**	17,585
		1,088,737	2,370,249
Current liabilities			
Accounts payable	26	**192,302**	2,590
Other payables and accruals		**16,474**	18,917
Bank borrowings	27	**80,000**	158,128
Bank overdrafts	27	**66,286**	–
Tax payable		**2,500**	–
		357,562	179,635
Net current assets		**731,175**	2,190,614
Total assets less current liabilities		**1,854,295**	2,540,110

Consolidated Statement of Financial Position

As at 31 March 2016

	Notes	2016 HK$'000	2015 HK$'000
Non-current liabilities			
Notes payable	28	**147,073**	146,375
Promissory notes	29	**260,010**	–
Deferred tax liabilities	30	**30,026**	65,000
		437,109	211,375
Net assets		**1,417,186**	2,328,735
Capital and reserves			
Share capital	31	**126,641**	64,178
Reserves		**1,288,284**	2,264,557
Equity attributable to owners of the Company		**1,414,925**	2,328,735
Non-controlling interests		**2,261**	–
Total equity		**1,417,186**	2,328,735

The consolidated financial statements on pages 37 to 118 were approved and authorised for issue by the Board of Directors on 24 June 2016 and are signed on its behalf by:

NG KWOK LEUNG
DIRECTOR

TAM TAK WAH
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31 March 2016

		Attributable to owners of the Company							
	Notes	Share capital HK$'000	Share premium HK$'000 (Note 1)	Contributed surplus HK$'000 (Note 2)	Share option reserve HK$'000	Accumulated (losses) profit HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 April 2014		342,268	1,522,928	3,085	–	(274,856)	1,593,425	–	1,593,425
Profit and total comprehensive income for the year		–	–	–	–	487,057	487,057	–	487,057
Capital reduction	31(ii)	(385,052)	–	385,052	–	–	–	–	–
Bonus issue	31(i)	85,567	(85,567)	–	–	–	–	–	–
Open offer	31(iv)	21,392	192,526	–	–	–	213,918	–	213,918
Transaction cost directly attributable to issue of shares		–	(4,674)	–	–	–	(4,674)	–	(4,674)
Exercise of warrants	31(iii)	3	31	–	–	–	34	–	34
Recognition of share based payment	35	–	–	–	38,975	–	38,975	–	38,975
At 31 March 2015 and 1 April 2015		**64,178**	**1,625,244**	**388,137**	**38,975**	**212,201**	**2,328,735**	**–**	**2,328,735**
Loss and total comprehensive expense for the year		**–**	**–**	**–**	**–**	**(1,874,835)**	**(1,874,835)**	**(189)**	**(1,875,024)**
Placing of shares	31(vi)	**15,000**	**135,000**	**–**	**–**	**–**	**150,000**	**–**	**150,000**
Issue of shares	31(v)	**34,500**	**555,000**	**–**	**–**	**–**	**589,500**	**–**	**589,500**
Exercise of share options	31(vii)	**4,278**	**87,320**	**–**	**(38,975)**	**–**	**52,623**	**–**	**52,623**
Transaction cost directly attributable to issue of shares		**–**	**(170)**	**–**	**–**	**–**	**(170)**	**–**	**(170)**
Exercise of warrants	31(iii)	**8,685**	**78,165**	**–**	**–**	**–**	**86,850**	**–**	**86,850**
Recognition of share based payment	35	**–**	**–**	**–**	**82,222**	**–**	**82,222**	**–**	**82,222**
Capital contributed from non-controlling interests		**–**	**–**	**–**	**–**	**–**	**–**	**2,450**	**2,450**
At 31 March 2016		**126,641**	**2,480,559**	**388,137**	**82,222**	**(1,662,634)**	**1,414,925**	**2,261**	**1,417,186**

Notes:

1. Share premium account is governed by Section 40 of the Companies Act 1981 of Bermuda.

2. Amounts represent credits arising from the capital reduction and share premium cancellation transferred to the contributed surplus account, which had been partially utilised to eliminate the accumulated losses of the Group.

Consolidated Statement of Cash Flows

For the year ended 31 March 2016

	2016 HK$'000	2015 HK$'000
Operating activities		
(Loss) profit for the year	**(1,875,024)**	487,057
Adjustments for:		
Income tax (credit) expense recognised in profit or loss	**(55,813)**	64,345
Finance costs	**23,422**	10,424
Bank interest income	**–**	(407)
Interest income from provision of finance and securities margin financing	**(43,456)**	(2,904)
Dividend income on investment in listed equity securities	**(2,604)**	(28,070)
Impairment loss recognised in respect of accounts receivable	**22,642**	390
Impairment loss recognised in respect of other receivable, net	**375**	1,626
Impairment loss recognised in respect of available-for-sale (the "AFS") investments	**327,782**	–
Unrealised gain on investments at fair value through profit or loss	**(53,245)**	(609,832)
Depreciation of property, plant and equipment	**188**	567
Gain on disposal of property, plant and equipment	**(366)**	–
Amortisation of intangible assets	**9,786**	–
Loss on disposals of AFS investment	**28,400**	–
Equity settled share option expense	**82,222**	38,975
Operating cash flows before movements in working capital	**(1,535,691)**	(37,829)
Decrease in trading assets	**79,900**	–
(Increase) decrease in accounts receivable	**(46,020)**	113,184
Decrease in prepayments, deposits and other receivables	**20,046**	41,358
Decrease (increase) in loans receivable	**113,000**	(77,767)
Decrease (increase) in investments at fair value through profit or loss	**1,893,686**	(291,387)
Increase in bank balances – segregated accounts	**(53,306)**	–
Increase (decrease) in accounts payable	**69,183**	(6,440)
(Decrease) increase in other payables and accruals	**(8,909)**	2,012
Cash from (used in) operations	**531,889**	(256,869)
Interest received	**43,456**	2,904
Dividend received on investment in listed equity securities	**2,604**	28,070
Hong Kong Profits Tax paid	**(5,690)**	–
Net cash from (used in) operating activities	**572,259**	(225,895)

Consolidated Statement of Cash Flows

For the year ended 31 March 2016

	Note	2016 HK$'000	2015 HK$'000
Investing activities			
Bank interest received		–	407
Purchases of AFS investments		(440,000)	(331,400)
Purchases of property, plant and equipment		(37)	(229)
Purchases of other assets		(6)	–
Acquisitions of subsidiaries	32	4,419	–
Proceeds from disposals of property, plant and equipment		418	1,735
Proceeds from disposals of AFS investments		75,000	–
Pledged bank deposits refunded		–	21,116
Net cash used in investing activities		(360,206)	(308,371)
Financing activities			
Proceeds from issue of new shares in share placing		150,000	–
Proceeds from exercise of share options		52,623	–
Contribution from non-controlling interest		2,450	–
Proceeds from issue of new shares in open offer		–	213,918
Proceeds from exercise of warrants		86,850	34
Transaction costs attributable to issue of shares		(170)	(4,674)
New borrowings from financial institutions		–	158,128
Repayment on bank advances for discounted bills		–	(119,355)
Repayment of bank borrowings		(223,631)	–
Repayment of promissory notes		(265,000)	–
Interest paid		(17,918)	(9,766)
Net cash (used in) from financing activities		(214,796)	238,285
Net decrease in cash and cash equivalents		(2,743)	(295,981)
Cash and cash equivalents at beginning of year		17,585	313,566
Cash and cash equivalents at end of year		14,842	17,585
Analyses of cash and cash equivalents at end of year:			
Bank balances – House accounts		81,128	17,585
Bank overdrafts		(66,286)	–
		14,842	17,585

Notes to the Consolidated Financial Statements

For the year ended 31 March 2016

1. GENERAL INFORMATION

The Company is a limited liability company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of registered office and the principal place of business of the Company are disclosed in the corporate information section to the annual report.

The principal activities of the Company are investment holdings, securities investment, supply and procurement, real estate and provision of brokerage, securities margin financing and related services. The activities of its principal subsidiaries are set out in note 41 to the consolidated financial statements.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company and all values are rounded to the nearest thousand (HK$'000) except otherwise indicated.

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

Application of new and amendments to HKFRSs

In the current year, the Group has applied the following amendments issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Amendments to HKAS 19	Defined benefit plans: Employee contributions
Amendments to HKFRSs	Annual improvements to HKFRSs 2010 – 2012 cycle
Amendments to HKFRSs	Annual improvements to HKFRSs 2011 – 2013 cycle

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

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

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial instruments[2]
HKFRS 15	Revenue from contracts with customers[2]
HKFRS 16	Leases[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception[1]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[4]
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations[1]
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from contract with customers[2]
Amendments to HKAS 1	Disclosure initiative[1]
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation[1]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants[1]
Amendments to HKFRSs	Annual improvements to HKFRSs 2010 – 2014 cycle[1]

1 Effective for annual periods beginning on or after 1 January 2016.
2 Effective for annual periods beginning on or after 1 January 2018.
3 Effective for annual periods beginning on or after 1 January 2019.
4 Effective for annual periods beginning on or after a date to be determined.

HKFRS 9 "Financial instruments"

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

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

New and amendments to HKFRSs in issue but not yet effective (continued)

HKFRS 9 "Financial instruments" (continued)

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

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

- 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.

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

New and amendments to HKFRSs in issue but not yet effective (continued)

HKFRS 9 "Financial instruments" (continued)

The directors of the Company anticipate that the adoption of HKFRS 9 in the future may have significant impact on amounts reported in respect of the Group's financial assets. The Group's unlisted shares that are currently classified as AFS investments will have to be measured at fair value at the end of subsequent reporting periods, with changes in the fair value being recognised in profit or loss or other comprehensive income, as appropriate. The expected credit loss model may result in early recognition of impairment on loans receivable and accounts receivables. However, it is not practicable to provide a reasonable estimate of the effects of adoption until a detailed review has been completed.

HKFRS 15 "Revenue from contracts with customers"

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.

In opinion of directors of the Company, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

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

New and amendments to HKFRSs in issue but not yet effective (continued)

HKFRS 16 "Leases"

HKFRS 16, which upon the effective date will supersede HKAS 17 "Leases", introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the consolidated statement of cash flow. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. The accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The directors of the Company anticipate that the application of HKFRS 16 in the future will have a impact on the Group's consolidated financial statements; however, it is not practicable to provide a reasonable estimate of the effect until the Group performs a detailed review.

The directors of the Company anticipate that the application of other new and revised HKFRSs will have no material impact on the consolidated financial statements of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

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

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

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

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations (continued)

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

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 made against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

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

3. 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 (see the accounting policy above) less accumulated impairment losses, if any.

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

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment at the end of that reporting period. If the recoverable amount of the cash-generating unit 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 cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and impairment losses, on the same basis as intangible assets that acquired separately. Alternatively, intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses on tangible and intangible assets below).

Impairment of tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill above)

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

Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill above) (continued)

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

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

Financial assets

The Group's financial assets include financial assets at fair value through profit or loss ("FVTPL"), AFS financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

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 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.

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

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is (i) contingent consideration that may be paid by an acquirer as part of a business combination to which HKFRS 3 applies, (ii) held for trading, or (iii) it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or

- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading or contingent consideration that may be paid by an acquirer as part of a business combination 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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Financial assets at FVTPL (continued)

- 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 includes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

AFS financial assets

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at FVTPL. The Group designated certain investments as AFS financial assets on initial recognition of those investments held for strategic purpose.

Dividends on AFS equity instruments are recognised in profit or loss when the Group's rights to receive the dividends is established.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured at cost less any identified impairment losses at the end of each reporting period (see the accounting policy in respect of impairment of financial assets below).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including accounts receivable, deposits and other receivables, loans receivable and cash and bank balances) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

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 financial assets have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

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.

For certain categories of financial asset, such as accounts 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 average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of accounts receivable, loans receivable and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

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.

In respect of AFS equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve.

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 Company are recognised at the proceeds received, net of direct issue costs.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Warrants

Warrants issued by the Company to acquire a fixed number of the Company's own equity instruments for a fixed amount are equity instruments. When the warrants are exercised, the portion of subscription money with the nominal value of the ordinary shares is recognised to the share capital account while any excess of the subscription money over the nominal value of ordinary shares is taken into the share premium account.

Other financial liabilities

Financial liabilities (including accounts payable, other payables, bank borrowings, bank overdrafts, notes payable and promissory notes) are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

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

Interest expense is recognised on an effective interest basis.

Derecognition

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from sale of goods is recognised when goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the cost incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue arising from financial services is recognised on the following basis:

- Commission income for brokerage business and futures and options contracts dealing services are recognised as income on a trade date basis.
- Underwriting, sub-underwriting, placing and sub-placing commissions are recognised as income in accordance with the terms of the underlying agreement or deal mandate when the relevant significant act has been completed.
- Interest income from clients is recognised on a time proportion basis, by reference to the principal amounts outstanding and the effective interest rates applicable.

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from (loss) profit before taxation as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income and 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 is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, 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 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 the 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.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

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

Current and deferred tax are recognised in profit or loss. Where current tax or deferred tax arises from initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. 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.

Leasing

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

The Group as lessee

Operating lease payment 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 assets are consumed.

Retirement benefit costs

Payment to Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

Share-term and other long-term employee benefits

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-term and other long-term employee benefits (continued)

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

Share-based payment arrangements

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 35 to the Group's consolidation financial statements.

The fair value determined at the grant date of the equity-settled share-based payments is expensed immediately to profit or loss, with corresponding increase in equity (share option reverse) where the share options vest immediately at the of grant.

Share options granted to agents and consultants/vendors

Share options issued in exchange for goods or services are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the goods or services received are measured by reference to the fair value of the share options granted. The fair values of the goods or services received are recognised as expenses, with a corresponding increase in equity (share option reserve), when the Group obtains the goods or when the counterparties render services, unless the goods or services qualify for recognition as assets.

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

Borrowings costs

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

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating units to which goodwill has been allocated which is the higher of its fair value less cost of disposal and its value in use. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected or where there are changes in facts and circumstances which results in downward revision of the estimated futures cashflows, a material impairment loss may arise. As at 31 March 2016, the carrying amount of goodwill is HK$551,445,000. Details of the recoverable amount calculation are disclosed in note 17.

Impairment of accounts receivable and loan receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition).

Where the actual future cash flows are less than expected, which resulted in downward revision of estimated futures cashflows, a material impairment loss may arise.

As at 31 March 2016, the carrying amounts of accounts receivable and loan receivables are HK$425,684,000 (2015: HK$11,974,000) and HK$7,000,000 (2015: HK$120,000,000), respectively.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Impairment of AFS equity investments

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the suitable discount rate.

Where the actual future cash flows are less than expected, which resulted in downward revision of estimate futures cashflows, a further impairment loss may arise.

As at 31 March 2016, the carrying amount of AFS investments is HK$358,218,000 (2015: HK$349,400,000). During the year, an impairment loss of HK$327,782,000 (2015: nil) has been recognised.

Fair value of contingent consideration

Fair value of contingent consideration is measured by independent qualified professional valuers. The valuation involves, inter-alia, certain estimates, including financial assumptions, probabilities assigned to different scenarios and discount rate. In relying on the valuation, management has exercised judgement and is satisfied that the method of valuation. As at 31 March 2016, the carrying amount of contingent consideration is HK$67,934,000 (2015: nil).

5. REVENUE

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts, interest income from provision of finance and securities margin financing, dividend and interest income from securities investments, commission income from brokerage and related services, commission income from underwriting, sub-underwriting, placing and sub-placing and rental income during the year. An analysis of revenue is as follows:

	2016 HK$'000	2015 HK$'000
Commission income from brokerage and related services	**5,821**	–
Commission income from underwriting, sub-underwriting, placing and sub-placing	**4,255**	–
Sale of goods	**–**	269,013
Rental income	**300**	–
Interest income from provision of finance and securities margin financing	**43,456**	2,904
Dividend income on investment in listed equity securities	**2,604**	28,070
Interest income on investment in convertible bonds	**616**	713
	57,052	300,700

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For the year ended 31 March 2016

6. SEGMENT INFORMATION

The financial information reported to executive directors of the Company, being the chief operating decision makers, for the purpose of resources allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

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

- the supply and procurement segment represents supply and procurement activities in metal minerals, recyclable metal materials and timber logs, of which the management is proactively looking for the potential transactions during the year;

- the securities investment segment represents investment and trading activities in listed equity securities, warrants, convertible bonds and interest bearing notes;

- the provision of finance segment represents provision of short-term loan financing activities;

- the real estate segment represents trading of properties, property investment and letting of properties; and

- the provision of brokerage and related services segment represents new business line of provision of brokerage services, proprietary trading, securities margin financing services and futures and options contracts dealing services to clients commencing in November 2015, since acquisitions of certain subsidiaries as set out in note 32.

6. SEGMENT INFORMATION (continued)

Segment revenue and results

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

For the year ended 31 March 2016

	Supply and procurement HK$'000	Securities investment HK$'000	Provision of finance HK$'000	Real estate HK$'000	Provision of brokerage and related services HK$'000	Total HK$'000
Segment revenue	–	3,220	17,492	300	36,040	57,052
Segment results	(2,243)	(1,499,931)	17,607	5,300	(22,793)	(1,502,060)
Unallocated other income						50,140
Unallocated other gains and losses						(355,816)
Unallocated expenses						(99,679)
Finance costs						(23,422)
Loss before taxation						(1,930,837)

For the year ended 31 March 2015

	Supply and procurement HK$'000	Securities investment HK$'000	Provision of finance HK$'000	Real estate HK$'000	Provision of brokerage and related services HK$'000	Total HK$'000
Segment revenue	269,013	28,783	2,904	–	–	300,700
Segment results	(2,225)	625,223	2,693	(26)	–	625,665
Unallocated other income						1,221
Unallocated expenses						(65,060)
Finance costs						(10,424)
Profit before taxation						551,402

6. SEGMENT INFORMATION (continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segment:

As at 31 March 2016

	Supply and procurement HK$'000	Securities investment HK$'000	Provision of finance HK$'000	Real estate HK$'000	Provision of brokerage and related services HK$'000	Total HK$'000
Assets						
Segment assets	2,057	406,356	6,706	7,000	1,285,750	1,707,869
Unallocated assets:						
– Property, plant and equipment						32
– AFS investment						358,218
– Contingent consideration						67,934
– Prepayments, deposits and other receivables						2,665
– Cash and bank balances						75,139
						503,988
Total						2,211,857
Liabilities						
Segment liabilities	907	70	195	-	337,900	339,072
Unallocated liabilities:						
– Other payables and accruals						15,990
– Notes payable						147,073
– Promissory notes						260,010
– Deferred tax liabilities						30,026
– Tax payable						2,500
						455,599
Total						794,671

6. SEGMENT INFORMATION (continued)

Segment assets and liabilities (continued)

As at 31 March 2015

	Supply and procurement HK$'000	Securities investment HK$'000	Provision of finance HK$'000	Real estate HK$'000	Provision of brokerage and related services HK$'000	Total HK$'000
Assets						
Segment assets	20,538	2,203,143	120,685	10,100	–	2,354,466
Unallocated assets:						
– Property, plant and equipment						96
– AFS investment						349,400
– Prepayments, deposits and other receivables						5,692
– Cash and bank balances						10,091
						365,279
Total						2,719,745
Liabilities						
Segment liabilities	17,188	160,766	368	898	–	179,220
Unallocated liabilities:						
– Other payables and accruals						415
– Notes payable						146,375
– Deferred tax liabilities						65,000
						211,790
Total						391,010

6. SEGMENT INFORMATION (continued)

Segment assets and liabilities (continued)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment results represent the profit earned by (loss from) each segment without allocation of central administrative costs, share based payment (other expenses), directors' emoluments, certain other income, certain other gains and losses and finance costs. This is the measure reported to the chief operating decision makers for the purpose of resources allocation and performance assessment.

Assets and liabilities, excluding intragroup receivables and payables, are allocated to reportable and operating segments other than the unallocated items listed above.

Other segment information

For the year ended 31 March 2016

	Supply and procurement HK$'000	Securities investment HK$'000	Provision of finance HK$'000	Real estate HK$'000	Provision of brokerage and related services HK$'000	Unallocated HK$'000	Total HK$'000
Depreciation of property, plant and equipment	-	-	-	-	174	14	188
Addition of property, plant and equipment	-	-	-	-	735	3	738
Amortisation of intangible asset	-	-	-	-	9,786	-	9,786
Impairment loss recognised in respect of accounts receivable	-	-	-	-	22,642	-	22,642
Impairment loss recognised in respect of other receivable	142	-	-	-	-	233	375
Gain on disposal of property, plant and equipment	-	-	-	-	-	366	366

6. SEGMENT INFORMATION (continued)

Other segment information (continued)

For the year ended 31 March 2015

	Supply and procurement HK$'000	Securities investment HK$'000	Provision of finance HK$'000	Real estate HK$'000	Provision of brokerage and related services HK$'000	Unallocated HK$'000	Total HK$'000
Depreciation of property, plant and equipment	–	–	–	–	–	567	567
Addition of property, plant and equipment	–	–	–	–	–	229	229
Impairment loss recognised in respect of accounts receivable	390	–	–	–	–	–	390
Impairment loss (reversal of impairment loss) recognised in respect of other receivable	1,776	–	(150)	–	–	–	1,626

Geographical information

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

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

	Revenue from external customers		Non-current assets	
	2016 HK$'000	2015 HK$'000	**2016 HK$'000**	2015 HK$'000
Hong Kong	**57,052**	31,687	**696,968**	96
PRC	**–**	269,013	**–**	–
	57,052	300,700	**696,968**	96

6. SEGMENT INFORMATION (continued)

Information about major customers

During the year ended 31 March 2016, there was no customer that contributed over 10% of the total sales of the Group. For the year ended 31 March 2015, there were three major customers from the supply and procurement segment contributing over 10% of the total sales amounting to HK$149,253,000, HK$48,345,000 and HK$38,557,000 respectively.

7. OTHER INCOME

Other income mainly comprise a trading gain of HK$5,000,000 from sale of property held for sale and other income from nomination of an independent third party to substitute the Group to complete the subscription of the shares of Mason Financial Holdings Limited (formerly known as Willie International Holdings Limited) ("Mason") of HK$50,000,000, details are set out in the Company's consolidation financial statements for the year ended 31 March 2015 published on 26 June 2015.

8. OTHER GAINS AND LOSSES

	2016 HK$'000	2015 HK$'000
Impairment loss recognised in respect of other receivables, net	(375)	(1,626)
Impairment loss recognised in respect of accounts receivable	(22,642)	(390)
Impairment loss recognised in respect of AFS investments	(327,782)	–
Gain on disposal of property, plant and equipment	366	–
Loss on disposal of AFS investment	(28,400)	–
Net exchange loss	(18)	(940)
	(378,851)	(2,956)

9. FINANCE COSTS

	2016 HK$'000	2015 HK$'000
Interests on:		
Notes payable (note 28)	**8,219**	8,158
Promissory notes (note 29)	**7,185**	–
Borrowings and bank overdrafts	**8,018**	2,266
Total borrowing costs on financial liabilities that are not at fair value through profit or loss	**23,422**	10,424

10. (LOSS) PROFIT BEFORE TAXATION

	2016 HK$'000	2015 HK$'000
(Loss) profit before taxation is arrived at after charging:		
Staff costs (including directors' remuneration):		
Wages and salaries	**13,067**	11,570
Retirement benefits contributions	**528**	549
Equity-settled share option expense	**1,988**	–
Total staff costs	**15,583**	12,119
Auditor's remuneration	**2,835**	1,200
Cost of inventories sold	**–**	257,036
Depreciation of property, plant and equipment	**188**	567
Amortisation of intangible assets	**9,786**	–
Minimum lease payments in respect of land and buildings	**3,957**	4,372
Equity-settled share option expense for consultants (included in other expenses)	**80,234**	38,975

11. DIRECTORS' REMUNERATION

The remuneration paid or payable to the executive directors, chief executive officer and independent non-executive directors disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, is as follows:

For the year ended 31 March 2016

	Executive directors						Independent non-executive directors								
	Ms. Lin Yuehe	Mr. Ng Kwok Leung	Mr. Tam Tak Wah	Mr. Suen Yick Lun Philip	Mr. Lau King Hang	Mr. Kitchell Osman Bin	Mr. Siu Siu Ling Robert	Mr. Chan Kwan Pak	Mr. Siu Gee Tai	Dr. Leung Shiu Ki Albert	Ms. Chen Wei	Mr. Wong Yat Fai	Mr. Man Wai Chuen	Mr. Wong Kwok Tai	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
	Note (i)	Note (ii)	Note (iii)	Note (iv)	Note (v)	Note (vi)	Note (vii)	Note (viii)	Note (viii)	Note (ix)	Note (ix)	Note (ix)	Note (ix)	Note (x)	
Fees	-	-	-	-	-	-	165	161	161	160	80	80	160	80	1,047
Other emoluments:															
Salaries	30	663	1,061	1,100	200	600	-	-	-	-	-	-	-	-	3,654
Discretionary bonuses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retirement benefits contribution	-	33	53	55	10	30	-	-	-	-	-	-	-	-	181
Equity-settled share option expense	-	568	1,420	-	-	-	-	-	-	-	-	-	-	-	1,988
	30	1,264	2,534	1,155	210	630	165	161	161	160	80	80	160	80	6,870

For the year ended 31 March 2015

	Executive directors						Independent non-executive directors							
	Mr. Suen Cho Hung, Paul	Mr. Sue Ka Lok	Ms. Lee Chun Yeung, Catherine	Mr. Suen Yick Lun Philip	Mr. Lau King Hang	Mr. Kitchell Osman Bin	Mr. Wong Kwok Tai	Mr. Weng Yixiang	Mr. Huang Zhencheng	Dr. Leung Shiu Ki Albert	Ms. Chen Wei	Mr. Wong Yat Fai	Mr. Man Wai Chuen	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
	Note (xi)	Note (xii)	Note (xiii)	Note (iv)	Note (v)	Note (vi)	Note (x)	Note (xiv)	Note (xv)	Note (ix)	Note (ix)	Note (ix)	Note (ix)	
Fees	-	-	-	-	-	-	120	116	120	91	91	91	91	720
Other emoluments:														
Salaries and other allowances	1,948	723	414	897	360	450	-	-	-	-	-	-	-	4,792
Discretionary bonuses	-	248	-	-	-	-	-	-	-	-	-	-	-	248
Retirement benefits contribution	97	49	21	45	18	23	-	-	-	-	-	-	-	253
	2,045	1,020	435	942	378	473	120	116	120	91	91	91	91	6,013

11. DIRECTORS' REMUNERATION (continued)

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group.

The non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

Notes:

(i) Ms. Lin Yuehe was appointed as director and chairlady on 1 March 2016.

(ii) Mr. Ng Kwok Leung is the director and chief executive officer of the Company. Mr. Ng was appointed as director and chief executive officer on 20 July 2015 and 29 February 2016, respectively.

(iii) Mr. Tam Tak Wah was appointed as director on 20 July 2015.

(iv) Mr. Suen Yick Lun Philip was appointed as director on 2 July 2014. He was appointed and resigned as managing director and acting chairman of the Company on 3 March 2015 and 29 February 2016, respectively.

(v) Mr. Lau King Hang was appointed and resigned as director on 26 August 2014 and on 21 July 2015, respectively.

(vi) Mr. Kitchell Osman Bin was appointed and resigned as directors on 1 January 2015 and 30 July 2015, respectively.

(vii) Mr. Siu Siu Ling Robert was appointed as director on 24 July 2015.

(viii) Mr. Chan Kwan Pak and Mr. Siu Gee Tai were appointed as directors on 30 July 2015.

(ix) Dr. Leung Shiu Ki Albert, Ms. Chen Wei, Mr. Wong Yat Fai and Mr. Man Wai Chuen were all appointed as directors on 14 November 2014 and resigned on 30 November 2015, 30 July 2015, 30 July 2015 and 27 November 2015, respectively.

(x) Mr. Wong Kwok Tai resigned as director on 30 July 2015.

(xi) Mr. Suen Cho Hung, Paul resigned as director on 3 March 2015.

(xii) Mr. Sue Ka Lok resigned as director on 31 October 2014.

(xiii) Ms. Lee Chun Yeung, Catherine resigned as director on 20 August 2014.

(xiv) Mr. Weng Yixiang resigned as director on 19 March 2015.

(xv) Mr. Huang Zhencheng resigned as director on 31 March 2015.

The discretionary bonus is determined by reference to the individual performance of the director. Neither the chief executive officer nor any of the directors waived any emoluments in both years.

For directors appointed and resigned during the year, their remuneration is calculated on pro-rata basis.

12. FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS

Of the five individuals with highest emoluments in the Group, four (2015: three) were directors of the Company whose remuneration are set out in note 11 above. Details of the remuneration of the remaining one (2015: two) non-director, highest paid employees for the year is as follows:

	2016 HK$'000	2015 HK$'000
Salaries, other allowances and benefits in kind	486	813
Discretionary bonuses	–	415
Retirement benefits contributions	8	61
	494	1,289

The remuneration of the five highest paid employees, including directors of the Company, for the year fell within the following bands:

	Number of individuals	
	2016	2015
Nil to HK$1,000,000	2	3
HK$1,000,001 to HK$1,500,000	2	1
HK$2,000,001 to HK$2,500,000	–	1
HK$2,500,001 to HK$3,000,000	1	–
	5	5

No emoluments were paid by the Group to any of the five highest paid employees as an inducement to join, or upon joining the Group, or as compensation for loss of office in both years.

13. TAXATION

	2016 HK$'000	2015 HK$'000
Current tax:		
Hong Kong Profits Tax	**(3,053)**	(88)
Over provision in prior years	**–**	36
	(3,053)	(52)
Deferred tax (note 30):		
Current year	**58,866**	(64,293)
	55,813	(64,345)

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

The taxation for the year can be reconciled to the (loss) profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2016 HK$'000	2015 HK$'000
(Loss) profit before taxation	**(1,930,837)**	551,402
Tax at the profit tax rate of Hong Kong of 16.5% (2015: 16.5%)	**318,588**	(90,981)
Tax effect of income not taxable for tax purpose	**430**	4,698
Tax effect of expenses not deductible for tax purpose	**(73,115)**	(1,149)
Tax effect of tax losses not recognised	**(189,883)**	(11,475)
Over provision in prior years	**–**	36
Tax effect of utilisation of tax losses previously not recognised	**–**	8,276
Tax effect of recognition of tax losses previously not recognised	**–**	26,233
Others	**(207)**	17
Taxation for the year	**55,813**	(64,345)

14. DIVIDEND

The Board does not recommend the payment of a dividend for the year ended 31 March 2016.

For the year ended 31 March 2015, the Board had distributed interim dividend by way of bonus issue of warrants to shareholders of the Company on the basis of one warrant for every five shares held with details set out in Note 31. Each warrant entitles the holder to subscribe in cash for one new share at an initial subscription price of HK$0.1. A total of 855,670,100 warrants were issued during the year ended 31 March 2015.

15. (LOSS) EARNINGS PER SHARE

The calculation of basic and diluted (loss) earnings per share attributable to owners of the Company is based on the following data:

	2016 **HK$'000**	2015 HK$'000
(Loss) earnings for the purpose of basic and diluted (loss) earnings per share ((loss) profit for the year attributable to owner of the Company)	**(1,874,835)**	487,057

	2016 **'000**	2015 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**10,115,275**	4,681,843
Effect of dilutive potential ordinary shares:		
Warrants	**N/A**	22,236
Share options	**N/A**	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**10,115,275**	4,704,079

The computation of diluted loss per share for the year ended 31 March 2016 does not assume the exercise of the Company's outstanding share options and warrants since their exercise would result in a decrease in loss per share.

The computation of diluted earnings per share for the year ended 31 March 2015 did not assume the exercise of the Company's outstanding share options as the exercise price of the share options was higher than the average market price for the year ended 31 March 2015.

16. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
COST				
At 1 April 2014	1,112	354	4,976	6,442
Additions	–	229	–	229
Disposal	–	(175)	(3,880)	(4,055)
At 31 March 2015 and 1 April 2015	1,112	408	1,096	2,616
Acquired on acquisitions of subsidiaries (note 32)	–	701	–	701
Additions	–	37	–	37
Disposal	–	(193)	(1,096)	(1,289)
At 31 March 2016	1,112	953	–	2,065
ACCUMULATED DEPRECIATION AND IMPAIRMENT				
At 1 April 2014	1,112	270	2,891	4,273
Provided for the year	–	53	514	567
Eliminated on disposal	–	(11)	(2,309)	(2,320)
At 31 March 2015 and 1 April 2015	1,112	312	1,096	2,520
Provided for the year	–	188	–	188
Eliminated on disposal	–	(141)	(1,096)	(1,237)
At 31 March 2016	**1,112**	**359**	**–**	**1,471**
CARRYING VALUES				
At 31 March 2016	**–**	**594**	**–**	**594**
At 31 March 2015	–	96	–	96

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum.

Leasehold improvements	20% or over the lease terms, whichever is shorter
Furniture, fixtures and equipment	8% – 20%
Motor vehicles	20%

17. GOODWILL

	HK$'000
Cost and carrying amount	
At 1 April 2015	–
Arising on acquisitions of subsidiaries (note 32)	551,445
At 31 March 2016	551,445

For the purposes of impairment testing, goodwill has been allocated to a group of cash generating units (CGU), comprising Skyway Securities Investment Limited ("Skyway Securities") and its subsidiaries, Skyway Credit Service Limited ("Skyway Credit Service") and Skyway Asset Management Limited and Skyway Futures Limited ("Skyway Futures"), representing "the provision of brokerage and related services segment", which is the lowest level within the Group at which the goodwill is monitored for internal management purposes.

During the year ended 31 March 2016, management of the Group determined that there is no impairment of the CGU. The basis of the recoverable amount of the CGU and its major underlying assumptions are summarised below:

The recoverable amount of the CGU has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period, and discount rate of 13.5%. The cash flows beyond the 5-year period are extrapolated using a steady 3.5% growth rate. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted revenue, such estimation is based on the past performance and management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of Skyway Securities and Skyway Futures to exceed its recoverable amount.

18. CONTINGENT CONSIDERATION

	2016 HK$'000	2015 HK$'000
Profit guarantee	**67,934**	–

Profit guarantee represents the guarantee jointly and severally from Mr. Lam Hoi Sze, Mr. Ng Siu Fan, Ms. Lee Chau Man Ada, Mr. Lin Haimiao and Ms. Yiu Ka Fung Susan (collectively "Vendors") to the Group that the average of two years' aggregate audited net profits before tax of Skyway Securities and Skyway Futures for the two financial years ended 31 December 2015 and 31 December 2016 respectively shall not be less than HK$120,000,000 per financial year (the "Profit Guarantee"). In the event of breach of non-fulfulment of the Profit Guarantee, the Vendors shall pay the Group 10 times of on the shortfall between HK$120,000,000 and the average of the two years' aggregate audited net profit before tax of Skyway Securities and Skyway Futures for the two financial years ended 31 December 2015 and 31 December 2016. The fair value of Profit Guarantee is estimated based on the valuation carried out by an independent professional valuer, Roma Appraisals Limited.

19. INTANGIBLE ASSETS

	Trading rights HK$'000	**Customers relationship** HK$'000	**Total** HK$'000
COST			
At 1 April 2015	–	–	–
Acquired on acquisitions of subsidiaries (note 32)	960	144,799	145,759
At 31 March 2016	960	144,799	145,759
AMORTISATION			
At 1 April 2015	–	–	–
Charge for the year	–	9,786	9,786
At 31 March 2016	–	9,786	9,786
CARRYING VALUE			
At 31 March 2016	960	135,013	135,973

19. INTANGIBLE ASSETS (continued)

Trading rights represents rights that confer eligibility of the Group to trade on the Stock Exchange and The Hong Kong Futures Exchange Limited ("HKFE"). The trading rights have no foreseeable limit to period that the Group can use to generate net cash flows, accordingly, the trading rights are considered as having an indefinite useful lives.

Customers relationship represents the customers networks of brokerage and related business. Amortisation for customers relationship with finite useful lives is recognised on a straight-line basis over its estimated useful lives of 6 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

20. AVAILABLE-FOR-SALE INVESTMENTS

AFS investments comprise:

	2016 **HK$'000**	2015 HK$'000
Unlisted investments:		
Equity securities in overseas, at cost	**358,218**	349,400

The investments in unlisted securities relate to shares issued by two private entities (2015: two private entities). These investments are held for an identified long term strategic purpose. Both entities are principally engaged in investment holding and provision of financial services in Hong Kong.

The AFS investments are measured at cost less impairment at the end of the reporting period because the ranges of reasonable fair value estimates are so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably.

In current year, the Group disposed of the entire unlisted equity securities of one private entity with carrying amount of HK$103,400,000, which had been carried at cost less impairment before disposal. A loss on disposal of HK$28,400,000 had been recognised in profit or loss for the current year.

During the year ended 31 March 2016, the investees have incurred significant losses due to the diminution of the value of their investment portfolio with reference to the latest financial information of the investee available to the Group at 31 March 2016. Accordingly, impairment of HK$327,782,000 is recognised to profit or loss for the year ended 31 March 2016 in respect of these AFS investments.

21. ACCOUNTS RECEIVABLE

	2016 HK$'000	2015 HK$'000
Trade receivables arising from supply and procurement business	–	11,974
Accounts receivable arising from the ordinary course of business of securities brokerage services dealing in securities transactions:		
– Clearing house	**10,037**	–
– Cash clients	**31,383**	–
– Margin clients	**373,098**	–
	414,518	–
Accounts receivable arising from the ordinary course of business of dealing in futures and options contracts:		
– HKFE Clearing Corporation Limited ("HKCC")	**678**	–
– A broker	**10,488**	–
	11,166	–
	425,684	11,974

Trade receivables arising from supply and procurement business

The Group's trading terms with its customers were mainly on credit, except for new customers, where payment in advance is normally required. The credit period was generally for a period of one month, extending up to three to six months for major customers. Each customer had a maximum credit limit. Overdue balances were reviewed regularly by senior management. Trade receivables were non-interest bearing.

21. ACCOUNTS RECEIVABLE (continued)

Trade receivables arising from supply and procurement business (continued)

An aged analysis of the trade receivables at the end of the reporting periods, based on invoice date, and net of impairment, is as follows:

	2016 HK$'000	2015 HK$'000
31 to 60 days	–	1,555
Over 180 days	–	10,419
Total	–	11,974

Movement of impairment loss recognised:

	2016 HK$'000	2015 HK$'000
Balance at the beginning of the year	390	–
Impairment loss recognised during the year	–	390
Amount written off during the year as uncollectible	(390)	–
Balance at the end of the year	–	390

During the year ended 31 March 2015, the Group recognised an impairment loss for trade receivables of HK$390,000 which was individually determined to be impaired. The individually impaired receivable was outstanding for more than one year at the end of the reporting period and was considered as uncollectible.

The aged analysis of the trade receivables that were past due at the end of the reporting period but not impaired was as follows:

	2016 HK$'000	2015 HK$'000
Overdue by:		
1 – 30 days	–	1,555
Over 90 days	–	10,419
Total	–	11,974

Trade receivables that were neither past due nor impaired related to customers for whom there were no recent history of default. Based on past experience, the directors of the Company were of the opinion that no impairment allowance was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were still considered fully recoverable. The Group did not hold any collateral or other credit enhancements over these balances.

21. ACCOUNTS RECEIVABLE (continued)

Accounts receivable arising from the business of dealing in securities

The Group seeks to maintain tight control over its outstanding accounts receivable and has procedures and policies to assess its clients' credit quality and defines credit limits for each client. All client acceptances and credit limit are approved by designated approvers according to the clients' credit worthiness.

The normal settlement terms of accounts receivable from clients and clearing house, except for accounts receivable due from margin clients, arising from the ordinary course of business of securities brokerage services are two trading days after the trade date.

Accounts receivable due from cash clients are secured by clients' securities, which are publicly traded equity securities listed in Hong Kong. The fair values of the securities as at 31 March 2016 approximate HK$277,436,000. As at 31 March 2016, 86% of the balance were secured by sufficient collateral on an individual basis. Included in the accounts receivable from cash clients are debtors with a carrying amount of approximately HK$23,133,000 as at 31 March 2016, which are past due at the end of reporting period but which the directors of the Company consider not to be impaired as there has not been a significant change in credit quality and a substantial portion of the carrying amount is subsequently settled. The accounts receivable from cash clients with a carrying amount of approximately HK$8,250,000 are neither past due nor impaired and the directors of the Company are of the opinion that the amount are recoverable. Cash client receivables which were past due but not impaired bear interest at interest rates by reference to Hong Kong prime rate plus certain basis points based on management's discretion.

Accounts receivable due from margin clients are repayable on demand and carry interest at Hong Kong Prime Rate plus 4% to 8% per annum during the year ended 31 March 2016. They are generally included in "Neither past due nor impaired" category. The fair values of the pledged securities as at 31 March 2016 approximate HK$2,000,772,000. Securities are assigned with specific margin ratios for calculating their margin values. Additional funds or collateral are required if the amount of accounts receivable outstanding exceeds the eligible margin value of securities deposited. As at 31 March 2016, 85% of the balance were secured by sufficient collateral on an individual basis. Management has assessed the market value of the pledged securities of each individual customer that has margin shortfall as at the year end, and considered that an impairment allowance of HK$22,523,000 is necessary. Further details are disclosed in note 39. The collateral held can be repledged by the Group up to 140% of the margin receivable amounts in the search of short-term financing, if necessary. The amount of collateral being repledged by the Group as at 31 March 2016 could be referred to note 27. The corresponding collateral held can be sold at the Group's discretion to settle any outstanding amounts owed by the margin clients.

21. ACCOUNTS RECEIVABLE (continued)

Accounts receivable arising from the business of dealing in securities (continued)

In addition, the Group has a policy for determining the allowance for impairment of accounts receivable without sufficient collateral based on the evaluation of collectability and aging analysis of accounts and on management's judgement including the creditworthiness, collateral and the past collection history of each client.

In determining the recoverability of the accounts receivable, the Group considers any change in the credit quality of the accounts receivable from the date the credit was initially granted up to the reporting date and the fair values of the collateral held.

Movement in the allowances for impairment loss on accounts receivables are as follows:

	Cash clients HK$'000	Margin clients HK$'000	Total HK$'000
Balance at the beginning of the year	–	–	–
Impairment loss recognised during the year	119	22,523	22,642
Balance at the end of the year	119	22,523	22,642

In respect of accounts receivable from cash clients which are past due but not impaired at the end of reporting period, the ageing analysis is summarised as follows:

	2016 HK$'000	2015 HK$'000
Less than one month	**2,376**	–
More than one month and within three months	**7,031**	–
More than three months	**13,726**	–
Total	**23,133**	–

The Group offset certain accounts receivable and accounts payable when the Group currently has a legally enforceable right to set off the balances; and intends to settles on a net basis, or to realise the balances simultaneously. Details are set out in note 39.

21. ACCOUNTS RECEIVABLE (continued)

Accounts receivable arising from the business of dealing in futures and options contracts

Under the settlement arrangement with HKCC, all open positions held at HKCC are treated as if they were closed out and re-opened at the relevant closing quotation as determined by HKCC. Profits or losses arising from this "mark-to-market" settlement arrangement are included in accounts receivables with HKCC.

In accordance with the agreement with the broker, mark-to-market profits or losses are treated as if they were settled and are included in accounts receivables with a broker.

The accounts receivable are neither past due nor impaired.

Accounts receivable from HKCC and brokers represent transactions arising from the business of dealing.

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2016 HK$'000	2015 HK$'000
Prepayments and deposits	**3,641**	12,600
Other receivables	**3,380**	7,122
	7,021	19,722
Less: Impairment loss recognised	**(2,367)**	(2,225)
	4,654	17,497

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

Movement of impairment loss recognised:

	2016 HK$'000	2015 HK$'000
Balance at the beginning of the year	**2,225**	2,524
Impairment loss recognised during the year	**375**	1,776
Amount written off as uncollectible	**(233)**	(2,075)
Balance at the end of the year	**2,367**	2,225

During the year ended 31 March 2016, the Group recognised an impairment loss for other receivable of HK$375,000 (2015: HK$1,776,000) which was individually determined to be impaired. The individually impaired receivable was outstanding for more than 180 days at the end of the reporting period and was due from a customer with financial difficulties.

23. LOANS RECEIVABLE

	2016 HK$'000	2015 HK$'000
Loans receivable	**7,000**	130,000
Less: Impairment loss recognised (Note)	**–**	(10,000)
	7,000	120,000

Note: The amount has been written off as uncollectible during the year ended 31 March 2016.

The effective interest rates (which are equal to contractual interest rates) on the Group's loans receivable is 5.25% (2015: 8%) per annum.

All loans receivable are recoverable within one year.

At the end of the reporting period, there is no loans receivable which are past due for which the Group has not provided for impairment loss.

24. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2016 HK$'000 note(a)	2015 HK$'000
Held for trading:		
Equity securities listed in Hong Kong	406,355	2,115,018
Designated as at FVTPL:		
Convertible bonds	–	88,125
	406,355	2,203,143

Notes:

(a) The fair values of the listed equity securities investments were determined based on the quoted market closing prices available on the Stock Exchange.

Details of the Group's investments at FVTPL are as follows:

Stock code	Company name	% of shareholding as at 31 March 2016	Net (loss) gains on investments at FVTPL HK$'000	As at 31 March 2016 HK$'000	As at 31 March 2015 HK$'000
139	China Soft Power Technology Holdings Limited	15.5%	(567,657)	369,056	30,087
572	Central Wealth Financial Group Limited	2.1%	9,737	36,173	–
1282	China Goldjoy Group Limited	0.005%	21	1,126	–
75	Y. T. Realty Group Limited	–	(9,750)	–	97,500
136	HengTen Networks Group Limited	–	(690,452)	–	158,758
273	Mason Financial Holdings Limited	–	129,319	–	190,575
279	Freeman Financial Corporation Limited	–	21,507	–	54,336
329	Dragonite International Limited	–	(35,093)	–	60,897
330	Esprit Holdings Limited	–	(17,671)	–	74,824
412	China Innovative Finance Group Limited	–	(220,444)	–	448,489
622	Enerchina Holdings Limited	–	(12,540)	–	84,200
720	Auto Italia Holdings Limited	–	(12,106)	–	67,979
928	Tack Fiori International Group Limited	–	41,250	–	51,302
985	NetMind Financial Holdings Limited	–	17,977	–	26,965
996	Carnival Group International Holdings Limited	–	(15,994)	–	67,089
1004	China Smarter Energy Group Holdings Limited	–	(136,238)	–	300,993
1051	G-Resources Group Limited	–	(15,540)	–	95,340
1332	China Opto Holdings Limited	–	21,517	–	59,006
1513	Livzon Pharmaceutical Group Inc.	–	930	–	154,070
	Convertible bonds (note b)	–	(38,125)	–	88,125
	Others	–	38,016	–	92,608
	Transaction cost and related expenses	–	(17,875)	–	–
			(1,509,211)	406,355	2,203,143

(b) At 31 March 2015, amount represented fair value of an investment in convertible notes issued by Up Energy Development Group Limited ("Up Energy"), a company listed on the Stock Exchange. The principal amount of the convertible notes is HK$100,000,000, which can be converted to 133,333,333 ordinary shares of Up Energy at conversion price of HK$0.75 per share from the inception date till the date which is five business days preceding the maturity date on 31 December 2018. The convertible notes carried interest at 5% per annum, payable semi-annually on 30 June and 31 December each calendar year. The convertible notes would be redeemed by Up Energy on maturity date at principal amount. During the year ended 31 March 2016, the Group disposed the convertible notes.

25. CASH AND BANK BALANCES

Segregated accounts

From the Group's ordinary business in provision of brokerage and related services, the Group receives and holds money deposited by clients in the course of the conduct of the regulated activities. These clients' monies are maintained in segregated bank accounts at market interest rates. The Group has recognised the corresponding accounts payable to respective clients. As at 31 March 2016, the segregated accounts with authorised institutions in relation to its brokerage business totalled HK$158,729,000 (2015: nil).

House accounts

Cash and bank balances comprise cash held by the Group and bank deposits at variable interest rate with original maturity of three months or less.

26. ACCOUNTS PAYABLE

	2016 HK$'000	2015 HK$'000
Trade payables arising from supply and procurement business	**857**	2,590
Accounts payable arising from the ordinary course of business of securities brokerage services and dealing in futures and options contracts:		
– Cash clients	**74,508**	–
– Margin clients	**113,614**	–
– Clearing house	**3,323**	–
	191,445	–
	192,302	2,590

26. ACCOUNTS PAYABLE (continued)

Trade payables arising from supply and procurement business

Trade payables are non-interest bearing and are normally settled on 60 days term.

An aged analysis of trade payables presented based on invoice date, is as follows:

	2016 HK$'000	2015 HK$'000
Over 180 days	857	2,590

Accounts payable arising from the business of dealing in securities

The accounts payable balances arising from the ordinary course of business of securities brokerage services are normally settled in two trading days after the trade date except for the money held on behalf of clients at the segregated bank accounts which are repayable on demand. No aging analysis is disclosed as, in the opinion of directors of the Company, an aging analysis does not give additional value in view of the nature of this business.

Accounts payable arising from the business of dealing in futures and options contracts

Settlement arrangements with clients follow the same settlement mechanism with HKCC or a broker as disclosed in note 21 and profits or losses arising from mark-to-market settlement arrangement are included in accounts payables with clients.

Accounts payable to clients are non-interest bearing. The settlement terms of accounts payable are one day after trade day. No aging analysis is disclosed as, in the opinion of directors of the Company, an aging analysis does not give addition value in view of the nature of this business.

27. BANK BORROWINGS AND BANK OVERDRAFTS

At 31 March 2016, the bank loans and bank overdrafts carry interest at Hong Kong Interbank Offered Rate ("HIBOR") plus a spread or Hong Kong Prime Rate minus certain basis points and are repayable on demand. Marketable securities provided by margin clients amounting to HK$225,191,000 are pledged to secure the general banking facilities granted by the banks at 31 March 2016. In addition, two of the former shareholders of Skyway Securities also provided joint and several personal guarantees in respect of the aforesaid banking facilities.

At 31 March 2015, borrowings were secured by marketable securities of approximately HK$717,446,000 and borne floating interest rate ranging from 2.3% to 4% per annum. The amounts were repayable within one year.

28. NOTES PAYABLE

On 8 November 2012, the Company entered into a placing agreement with a placing agent (the "Placing Agent"), pursuant to which the Company agreed to place, through the Placing Agent, on a best effort basis, the notes up to an aggregate principal amount of HK$100,000,000 to be issued by the Company in the denomination of HK$10,000,000 each to independent third parties (the "Placing"). Details of the Placing were set out in the Company's announcement dated 8 November 2012. The Placing was completed and the Company had issued placing notes in the aggregate principal amount of HK$100,000,000. The placing notes carry interest at 5% per annum and are to be redeemed on the seventh anniversary from the respective issue dates of the placing notes.

During the year ended 31 March 2014, the Company further issued notes in the aggregate principal amount of HK$50,000,000 to independent third parties. The notes carry interest at 5% per annum and are to be redeemed on the seventh anniversary from the respective issue dates of the notes.

As at 31 March 2016, the aggregate principal amount of the notes payable was HK$150,000,000 (2015: HK$150,000,000).

The movement of the notes payable for the years ended 31 March 2016 and 2015 are set out below:

	2016 HK$'000	2015 HK$'000
At the beginning of the year	**146,375**	145,717
Interest charged at effective interest rate from 5% to 5.91% (2015: 5% to 5.91%) per annum (note 9)	**8,219**	8,158
Interest payable	**(7,521)**	(7,500)
At the end of the year	**147,073**	146,375

29. PROMISSORY NOTES

On 7 May 2015 and 11 May 2015, the Company entered the sale and purchase agreement with Vendors in relation to acquisitions of Skyway Securities and Skyway Futures, pursuant to which the Company agreed to issue an unsecured 3 years promissory note with total face value of HK$550,000,000 on the completion date as part of the consideration for the acquisitions. The promissory notes bear interest rate of 2.5% per annum and will be redeemed on the third anniversary from the issue date. The Company may repay all or part of the principal amount of the promissory notes at any time without penalty provided that the Company shall have given not less than one business day notice to the promissory note holder. The early repayment option is not closely related to the host contract and the fair value determined as negligible at 4 November 2015 and 31 March 2016 by an independent professional valuer. The fair values of promissory notes are in aggregation of HK$520,204,000 at 4 November 2015 based on the valuation carried out by an independent professional valuer.

As at 31 March 2016, the aggregate principal amount of promissory notes was HK$285,000,000 (2015: HK$ Nil).

The movement of the promissory notes are set out below:

	HK$'000
On 4 November 2015	520,204
Early settlement of promissory notes	(265,000)
Interest charged at effective interest rate at 6.3%	7,185
Interest paid	(2,379)
At 31 March 2016	260,010

30. DEFERRED TAX LIABILITIES

The followings are the major deferred tax (asset) liabilities recognised and movements thereon during the current and prior years:

	Deferred tax asset	Deferred tax liabilities			
	Tax loss HK$'000	Unrealised gain on investment at FVTPL HK$'000	Notes payable HK$'000	Customers relationship HK$'000	Total HK$'000
At 1 April 2014	(64,838)	64,838	707	–	707
Debited (credited) to profit or loss	(26,233)	90,635	(109)	–	64,293
At 31 March 2015 and 1 April 2015	**(91,071)**	**155,473**	**598**	**–**	**65,000**
Acquired on acquisitions of subsidiaries (note 32)	**–**	**–**	**–**	**23,892**	**23,892**
Debited (credited) to profit or loss	**90,681**	**(147,817)**	**(115)**	**(1,615)**	**(58,866)**
At 31 March 2016	**(390)**	**7,656**	**483**	**22,277**	**30,026**

At the end of the reporting period, the Group has unused tax losses of HK$1,290 million (2015: HK$688 million) available for offset against future profits. A deferred tax asset has been recognised in respect of HK$2 million (2015: HK$551 million) of such losses. No deferred tax asset has been recognised in respect of the remaining HK$1,288 million (2015: HK$137 million) due to the unpredictability of future profit streams. Tax losses may be carried forward indefinitely.

31. SHARE CAPITAL

	Notes	Number of shares 2016 '000	Number of shares 2015 '000	Amount 2016 HK$'000	Amount 2015 HK$'000
Authorised:					
At the beginning of the year		**100,000,000**	10,000,000	**1,000,000**	1,000,000
Capital reorganisation	(ii)	**–**	90,000,000	**–**	–
At the end of the year, ordinary share at HK$0.01 each (2015: HK$0.01 each)		**100,000,000**	100,000,000	**1,000,000**	1,000,000
Issued and fully paid:					
At the beginning of the year		**6,417,865**	3,422,680	**64,178**	342,268
Bonus issue	(i)	**–**	855,670	**–**	85,567
Capital reduction	(ii)	**–**	–	**–**	(385,052)
Exercise of warrants	(iii)	**868,497**	340	**8,685**	3
Open offer	(iv)	**–**	2,139,175	**–**	21,392
Issue of shares	(v)	**3,450,000**	–	**34,500**	–
Placing of shares	(vi)	**1,500,000**	–	**15,000**	–
Exercise of share options	(vii)	**427,835**	–	**4,278**	–
At the end of the year		**12,664,197**	6,417,865	**126,641**	64,178

Notes:

(i) On 8 September 2014, 855,670,100 bonus shares were issued to the qualifying shareholders of the Company on the basis of one bonus share for every four existing shares held.

(ii) As disclosed in the announcement of the Company dated 4 August 2014, the Company proposed a capital reorganisation which comprised (i) a capital reduction of the Company's issued share capital by way of cancelling its paid up capital to the extent of HK$0.09 on each of the then issued shares of the Company; and (ii) a share subdivision by, forthwith upon the capital reduction taking effect, subdivided every authorised but unissued share of the Company into 10 new shares of the Company of HK$0.01 par value each. The capital reorganisation was approved by the shareholders of the Company on 30 September 2014 and became effective on 3 October 2014.

31. SHARE CAPITAL (continued)

Notes: (contiuned)

(iii) As disclosed in the announcements of the Company dated 28 November 2014 and 1 December 2014, the Company proposed to distribute interim dividend by a way of the bonus warrants on the basis of one warrant for every five shares held on 12 January 2015, a total of 855,670,100 warrants were issued accordingly ("2016 Warrants"). Each warrant will entitle the holder thereof to subscribe in cash for one new share to be issued by the Company at an initial subscription price of HK$0.1, subject to adjustment, at any time during the period on or after 27 January 2015 but no later than 26 January 2016. During the year ended 31 March 2016, 822,500,234 (2015: 340,215) new shares were issued as a result of exercise of warrants. As at 31 March 2016, the Company had no 2016 Warrants outstanding as the remaining warrants were lapsed on 26 January 2016 (2015: 855,329,885 warrants outstanding). The net proceeds from the exercise of warrants was approximately HK$82,250,000 (2015: HK$34,000).

Further disclosed in the announcement of the Company dated 7 December 2015, 22 January 2016, 12 February 2016 and 17 February 2016 and the circular of the Company dated on 23 December 2015, the Company proposed the bonus warrant issue on the basis of one bonus warrant for every five existing shares held on 12 February 2016, a total of 2,523,640,250 warrants were issued accordingly ("2017 Warrants"). Each bonus warrant will entitle the holder thereof to subscribe in cash for one new share to be issued by the Company at an initial subscription price of HK$0.1 per new share, subject to adjustments, at any time during the period on or after 12 February 2016 but no later than 13 February 2017. During the year ended 31 March 2016, 45,997,196 new shares were issued as a result of exercise of warrants. As at 31 March 2016, the Company had 2,477,643,054 2017 Warrants outstanding. The net proceeds from the exercise of warrants was approximately HK$4,600,000 (2015: nil).

(iv) As disclosed in the announcements of the Company dated 18 December 2014,15 January 2015 and 13 February 2015 and the prospectus of the Company dated 26 January 2015, the Company issued 2,139,175,251 new shares by way of open offer on the basis of one offer share for every two shares held on 22 January 2015 at a subscription price of HK$0.10 per offer share.

(v) As disclosed in the announcement of the Company dated 16 February 2015, Million Brilliance Limited ("Million Brilliance"), an indirect wholly-owned subsidiary of the Company entered into a conditional agreement with Qualipak Development Limited ("Qualipak Development") pursuant to which Million Brilliance agreed to purchase the entire issued shares in Empire New Assets Limited ("Empire New Assets"), which is principally engaged in holding of property, and assignment of the loan between Empire New Assets and Qualipak Development of HK$32,216,000 at a consideration of HK$90,000,000 as determined by the fair value of the relevant property. The consideration was satisfied by (i) HK$10,100,000 payable in cash and (ii) HK$79,900,000 payable by issue of 850,000,000 consideration shares of the Company. The acquisition of trading assets was completed on 20 May 2015.

On 7 May 2015 and 11 May 2015, the Company entered the sale and purchase agreement with Vendors in relation to acquisitions of the subsidiaries, Skyway Securities and Skyway Futures, as set out in note 32, pursuant to which the Company agreed to allot and issue a total of 2,600,000,000 consideration shares at the issue price on the completion date as the part of consideration of the acquisition. Details of the consideration shares are set out in the Company's announcement dated on 11 May 2015 and the circular of the Company dated 26 August 2015. The acquisitions was completed on 4 November 2015 and the Company had issued 2,600,000,000 consideration share at the market price of HK$0.196 at the completion date of acquisition, totally amounting to HK$509,600,000.

(vi) On 17 March 2015, the Company and Mason entered into a subscription agreement that the Company agreed to issue 1,500,000,000 shares of the Company, subject to the fulfillment of the agreed conditions, including but not limited to obtaining approval from the Stock Exchange and shareholders of the Company at the special general meeting. The Company completed the issue of 1,500,000,000 ordinary shares to Mason on 17 June 2015. Details are set out in the Company's announcements dated 17 March 2015, 5 May 2015, 11 May 2015 and 17 June 2015 and the circular of the Company dated 1 June 2015.

(vii) As disclosed in the announcement of the Company dated 2 March 2015, the Company granted an aggregate of 427,835,050 share options to subscribe for ordinary shares of HK$0.01 each in the share capital of the Company under the share option scheme adopted by the shareholders of the Company on 24 September 2012 (the "Share Option Scheme") to eligible participants. The exercise price of share option granted was HK$0.123. The share options can be exercised at any time during the period on or after 2 March 2015 but not later than 1 March 2025. During the year end 31 March 2016, 427,835,050 new shares were issued as a result of exercise of share options. Details are disclosed in note 35.

32. ACQUISITIONS OF SUBSIDIARIES

On 7 May 2015 and 11 May 2015, the Company entered the sale and purchase agreements with the Vendors for acquisitions of 100% of the issued share capital of Skyway Securities and Skyway Futures. The total consideration of the acquisition was settled by issuance of an aggregate of 2,600,000,000 new ordinary shares of the Company, issuance of promissory notes with total face value of HK$550,000,000 and contingent consideration arrangement. The acquisitions was completed on 4 November 2015.

Consideration transferred

	HK$'000
Issue of new ordinary shares of the Company (note a)	509,600
Issue of promissory notes (note b)	520,204
Contingent consideration arrangement (note c)	(67,934)
	961,870

Notes:

(a) The fair value of the ordinary shares of the Company issued as consideration is determined by reference to the quoted market price of HK$0.196 per each of the ordinary shares of the Company at the date of completion of acquisitions.

(b) The fair values of the promissory notes in aggregate of HK$520,204,000 at the date of completion of acquisitions are based on the valuation carried out by Roma Appraisals Limited, an independent professional valuer not connected with the Group. The fair values of the liability component of the promissory notes is determined by discounting the estimated contractual cash flows over the remaining contractual terms of the promissory notes at the discount rates that appropriately reflect the riskiness of the promissory notes. The fair value of early repayment option of the Company is determined with reference to similar derivative. The fair value of the early repayment option is negligible at 4 November 2015 and 31 March 2016.

(c) The contingent consideration arrangement represents the Profit Guarantee and net asset values guarantee jointly and severally made by the Vendors pursuant to the sales and purchase agreements. The fair value of the contingent consideration of HK$67,934,000 at the date of completion of acquisition is estimated based on the valuation carried out by Roma Appraisals Limited, an independent professional valuer not connected with the Group. The fair value of the net asset value guarantee is negligible at date of completion of acquisition and at 31 March 2016. The fair value of the Profit Guarantee is determined by using the probabilistic method with reference to the projected net profits before tax of the Skyway Securities and Skyway Futures for the two financial years ended 31 December 2015 and ending 31 December 2016 and probability of different scenario estimated by the management after taking into account the discount rates that appropriately reflect the riskiness of the Profit Guarantee.

32. ACQUISITIONS OF SUBSIDIARIES (continued)

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

	HK$'000
Property, plant and equipment	701
Intangible assets	145,759
Deposit	1,950
Accounts receivable	390,332
Deposits, prepayments and other receivables	14,578
Investments at fair value through profit or loss	43,653
Bank balances and cash	
– segregated accounts	105,423
– house accounts	4,419
Accounts payable	(120,529)
Accrual and other payables	(6,466)
Borrowings	(145,503)
Deferred tax liabilities	(23,892)
	410,425

Goodwill arising:

	HK$'000
Consideration transferred	961,870
Less: Identifiable net assets acquired	(410,425)
	551,445

The fair values as well as the gross contractual amounts of the accounts receivable and other receivables acquired amounted to HK$390,332,000 and HK$12,708,000 respectively at the date of completion of acquisitions. The best estimate at acquisitions date of the contractual cash flows not expected to be collected is nil at the date of completion of acquisitions.

32. ACQUISITIONS OF SUBSIDIARIES (continued)

Goodwill arose in the acquisitions of Skyway Securities and Skyway Futures because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the revenue growth, future market development and the assembled workforce of Skyway Securities and Skyway Futures. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

Net cash inflow arising on acquisitions during the year ended 31 March 2016:

	HK$'000
Bank balances and cash acquired	4,419

Included in the profit for the year ended 31 March 2016 is a loss of HK$14,751,000 attributable to Skyway Securities and Skyway Futures. Revenue for the year ended 31 March 2016 includes HK$28,797,000 generated from Skyway Securities and Skyway Futures.

Had the acquisition been completed on 1 April 2015, total group revenue for the year would have been HK$116,170,000 and loss for the year would have been HK$1,838,575,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2015, nor is it intended to be a projection of future results.

33. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the returns to shareholders through the optimisation of debt and equity balance.

The capital structure of the Group consists of debts, which include notes payable, promissory notes, bank overdrafts, borrowings and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on an annual basis. As part of this review, the directors of the Company consider the cost of capital and other sources of funds other than issuance of shares, including bank borrowings, bank overdrafts and issue of notes. Based on the recommendation of the directors of the Company, the Group will balance its overall capital structure through raising or repayment of borrowings.

33. CAPITAL RISK MANAGEMENT (continued)

Certain subsidiaries, Skyway Securities and Skyway Futures are registered by the Hong Kong Securities and Futures Commission (the "SFC") and are subject to the liquid capital requirements under the Hong Kong Securities and Futures (Financial Resources) Rules (the "SF(FR)R") adopted by the SFC. Under the SF(FR)R, a regulated entity must maintain liquid capital (assets and liabilities adjusted as determined by the SF(FR)R) in excess of HK$3 million or 5% of the total adjusted liabilities, whichever is higher. Skyway Securities and Skyway Futures have complied with the liquid capital requirements imposed by the SF(FR)R during the year. The Group monitors capital on the basis of the gearing ratio. The gearing ratio is calculated as total debt divided by capital and total debt. During the years ended 31 March 2016 and 2015, the Group's strategy was to maintain a reasonable gearing ratio. The gearing ratio at 31 March 2016 and 2015 were as follows:

	2016 **HK$'000**	2015 HK$'000
Notes payable	**147,073**	146,375
Promissory notes	**260,010**	–
Bank overdrafts	**66,286**	–
Borrowing	**80,000**	158,128
Total debt	**553,369**	304,503
Equity attributable to owners of the Company	**1,414,925**	2,328,735
Capital and total debt	**1,968,294**	2,633,238
Gearing ratio	**0.28**	0.12

The increase in gearing ratio was due to the increase in debt during the year.

The Group overall strategy remains unchanged during the year.

34. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2016 HK$'000	2015 HK$'000
Financial assets		
At FVTPL	**474,289**	2,203,143
Loans and receivables	**675,652**	154,455
AFS investments	**358,218**	349,400
Financial liabilities		
At amortised cost	**762,043**	325,130

Financial risk management objectives and policies

The Group's major financial instruments include AFS investment, accounts receivable, deposits and other receivables, loans receivable, financial assets at FVTPL, bank balances, accounts payables, other payables, bank borrowings, bank overdrafts, promissory notes and notes payable. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Foreign currency risk

Certain assets and liabilities of the Group are denominated in foreign currencies, which expose the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, management considers that the foreign exchange exposure is currently relatively insignificant and will consider hedging significant foreign currency exposure should the need arises.

34. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Market risk (continued)

Foreign currency risk (continued)

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

	2016 HK$'000	2015 HK$'000
Asset		
US dollars ("USD")	**1,005**	20,205
Liabilities		
USD	**857**	17,084

Sensitivity analysis

As HK$ is pegged to USD, the Group does not expect any significant movements in the USD/HK$ exchange rates. Therefore, no sensitivity analysis is prepared accordingly.

Price risk

The Group is exposed to equity price risk through its investment in equity securities listed in Hong Kong, convertible bonds designated as at FVTPL and unlisted equity investments. The management manages its exposure by maintaining a portfolio of investments with different risk profiles.

Sensitivity analysis

No sensitivity analysis has been presented on equity price risk arising from unlisted equity investments because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that fair value cannot be measured reliably.

The sensitivity analysis below has been determined based on the exposure to equity price risk arising from equity securities listed in Hong Kong and convertible bonds designated as at FVTPL at the end of the reporting period.

34. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Market risk (continued)

Price risk (continued)

Sensitivity analysis (continued)

If equity prices of equity securities listed in Hong Kong had been 5% higher/lower (2015: 5% higher/lower), post-tax loss (2015: profit) for the year would decrease/increase (2015: increase/decrease) by approximately HK$16,965,000 (2015: HK$88,302,000). If the equity prices of Up Energy had been 5% higher/lower, and assuming other inputs to the valuation model of convertible bonds held constant, post-tax profit for the year ended 31 March 2015 would increase by HK$1,624,000/decrease by HK$2,708,000.

In the opinion of directors of the Company, the sensitivity analysis is unrepresentative of the price risk as the exposure at the end of the reporting period does not reflect the exposure during the year.

Cash flow interest rate risk

The Group's exposure to changes in interest rates primarily relates to its certain variable rate accounts receivable arising from the business dealing in securities, bank balances and borrowings. The management monitors the interest rate exposure on a continuous basis and adjusts the portfolio of bank saving balances and bank deposits where necessary.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for certain variable rate accounts receivable arising from the business dealing in securities, bank balances and borrowings at the end of the reporting period. The analysis is prepared assuming these balances outstanding at the end of the reporting period were held/outstanding for the whole year. A 50 basis points (2015: 50 basis points) 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 points (2015: 50 basis points) higher/lower and all other variables were held constant, the Group's loss (2015: profit) for the year would increase/decrease by HK$1,181,000 (2015: decrease/increase by HK$609,000).

34. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Credit risk

The Group's credit risk is primarily attributable to accounts receivable, other receivables, loans receivable, investments at FVTPL and bank balances as at 31 March 2016 and 2015.

The Group's maximum exposure to credit risk in the event of counterparties' failure to perform their obligations as at 31 March 2016 and 2015 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.

In order to minimise the credit risk, the directors of the Company have put in place policies to ensure that sales of products are made to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers. In addition, the directors of the Company reviews the recoverable amount of each individual receivable at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

In order to manage the credit risk in the accounts receivable due from clients arising from businesses of dealing in securities, individual credit evaluation are performed on all clients including cash and margin clients. Accounts receivable from cash clients generally settled in two days after trade date, credit risk arising from the accounts receivable due from cash clients is considered minimal. For margin clients, the Group normally obtains liquid securities as collateral based on the margin requirements. The margin requirement is closely monitored on a daily basis by the designated team. In addition, the Group reviews the recoverable amount of each individual receivable at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the credit risk is significantly reduced. Market conditions and adequacy of securities collateral and margin deposits of each margin account are monitored by management on a daily basis. Margin calls and forced liquidation are made where necessary.

The credit risk on bank balances is limited because the counterparties are banks with high credit ratings. The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties.

34. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Credit risk (continued)

In respect of accounts receivable from clearing houses arising from businesses of dealing in securities and futures and options contracts, credit risks are considered low as the Group normally enters into transactions with clearing houses or agents which are registered with regulatory bodies. The Group's concentration of credit risk by geographical locations is mainly in Hong Kong. As at 31 March 2016, the Group has concentration risk on its accounts receivable as the balance with the largest client represent 8% of the total accounts receivable from cash and margin clients and the three largest clients represent 8%, 6% and 5% respectively, of the accounts receivable from cash and margin clients. The Group has no other significant concentration risk.

For the other financial assets, the management has closely monitored their status and it believes that the Group's credit risk exposure on them is minimal.

Liquidity risk

The Group manages liquidity risk by maintaining sufficient bank balances and cash and the availability of funding through an adequate amount of committed credit facilities. The Group also aims at maintaining flexibility in funding by arranging and keeping committed banking facilities and other external financing available.

The Group's primary cash requirements have been for operations, investments and repayment of related debts. The Group finances its working capital requirements through a combination of funds generated from operations and cash reserve.

The following tables detail the Group's liquidity analysis for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted contractual cash outflows on the financial liabilities. To the extent that interest flows are floating rate, the undiscounted amount is derived from the prevailing market rate at the end of the reporting period.

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For the year ended 31 March 2016

34. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Liquidity risk (continued)

	Weighted average effective interest rate %	On demand or less than 1 month HK$'000	1 – 3 months HK$'000	3 months to 1 year HK$'000	Over 1 year HK$'000	Total undiscounted cash flows HK$'000	Total carrying amount HK$'000
2016							
Accounts payables	–	192,302	–	–	–	192,302	192,302
Other payables	–	16,372	–	–	–	16,372	16,372
Bank borrowings and overdrafts	2.38% – 4.99%	146,286	–	–	–	146,286	146,286
Notes payable	5% – 5.9%	–	–	7,500	175,000	182,500	147,073
Promissory notes	6.3%	–	3,438	10,313	297,469	311,220	260,010
		354,960	3,438	17,813	472,469	848,680	762,043

	Weighted average effective interest rate %	On demand or less than 1 month HK$'000	1 – 3 months HK$'000	4 months to 1 year HK$'000	Over 1 year HK$'000	Total undiscounted cash flows HK$'000	Total carrying amount HK$'000
2015							
Accounts payables	–	2,590	–	–	–	2,590	2,590
Other payables	–	18,037	–	–	–	18,037	18,037
Bank borrowings	2.30% – 4.34%	–	–	160,564	–	160,564	158,128
Notes payable	5% – 5.91%	–	–	7,500	175,000	182,500	146,375
		20,627	–	168,064	175,000	363,691	325,130

34. FINANCIAL INSTRUMENTS (continued)

Fair value measurement

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined.

Financial assets	Fair value		Fair value hierarchy	Valuation techniques	Significant unobservable input
	2016 HK$'000	2015 HK$'000			
Held for trading investments – listed equity securities	**406,355**	2,115,018	Level 1	Quoted market closing prices in an active market	N/A
Investment in convertible bonds	**–**	88,125	Level 3	Trinomial model and Crank-Nicolson finite-difference	2015: Volatility of 50.78% Discount rate: 18.62% to 19.47% (Note 2)
Profit Guarantee	**67,934**	–	Level 3	Probabilistic method	Estimated profits generated by relevant acquirees for year ending 31 December 2016 Discount rate: 13.5% (Note 1)

Note:

(1) If the estimated profits for the year ending 31 December 2016 to the valuation model increased/decreased by 5% while all the other variables were held constant, the profit for the year ended 31 March 2016 would decrease by HK$33,968,000/increase by HK$33,968,000. If the discount rate to the valuation model increased/decreased by 5% while all other variables were held constant, the profit for the year ended 31 March 2016 would decrease by HK$3,994,000/increase by HK$4,441,000.

(2) If the volatility to the valuation model increased/decreased by 5% while all the other variables were held constant, the profit for the year ended 31 March 2015 would increase by HK$329,000/decrease by HK$1,612,000. If the discount rate to the valuation model increased/decreased by 5% while all other variables were held constant, the profit for the year ended 31 March 2015 would decrease by HK$1,456,000/increase by HK$1,511,000.

During the years ended 31 March 2016 and 2015, there were no transfers between Level 1 and Level 2. During the year ended 31 March 2015, transfers between Level 1 and Level 3 are addressed in the Level 3 reconciliation below. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of event or change in circumstances that caused the transfer.

34. FINANCIAL INSTRUMENTS (continued)

Fair value measurement (continued)

Reconciliation of Level 3 fair value measurement

Investments at fair value through profit or loss

	2016 HK$'000	2015 HK$'000
At the beginning of the year	**88,125**	23,370
Arising from acquisitions of subsidiaries	**67,934**	–
Purchases	**–**	97,500
Disposal	**(50,000)**	–
Transfers from Level 3 to Level 1 (note)	**–**	(23,370)
Loss recognised in profit or loss during the year	**(38,125)**	(9,375)
At the end of the year	**67,934**	88,125
Net (loss) gain for the year included in profit or loss for investments designated as at fair value through profit or loss	**(38,125)**	8,505
Unrealised loss for the year included in profit or loss for assets held at the end of the reporting period	**–**	(9,375)

Contingent consideration

	2016 HK$'000	2015 HK$'000
Arising from acquisitions of subsidiaries and at the end of the year	**67,934**	–

Note: During the year ended 31 March 2016, the Group disposed of all investments in convertible bonds resulted in a realised loss of HK$38,125,000 recognised in profit or loss.

During the year ended 31 March 2015, the Group transferred investments designated as FVTPL from Level 3 into Level 1 due to the exercise of the conversion right embedded in the convertible bonds and resulted in an unrealised gain on conversion of HK$17,880,000 recognised in profit or loss.

34. FINANCIAL INSTRUMENTS (continued)

Fair value measurement (continued)

Reconciliation of Level 3 fair value measurement (continued)

The Group has engaged an independent qualified professional valuer to perform valuations for the investment designated as FVTPL and contingent consideration. The valuer reports directly to the chief operating decision maker. A valuation report with analysis of changes in fair value measurement is prepared at each interim and annual reporting date, and is reviewed and approved by the chief operating decision maker. Discussion of the valuation process and results with the chief operating decision maker is held twice a year, to coincide with the reporting dates. The fair values of the financial assets included in level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflected the credit risk of counterparties.

The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market closing prices.

Fair value of financial assets and liabilities that are not measured at fair value

The directors of the Company consider that the carrying amounts of other financial assets and financial liabilities recognised at amortised cost approximate their fair values, which determined in accordance with generally accepted pricing models based on undiscounted cash flow analysis, as at 31 March 2016 and 2015.

35. SHARE OPTION SCHEME

The share option scheme of the Company (the "Share Option Scheme") was adopted by the Company at the annual general meeting of the Company held on 24 September 2012. Unless otherwise cancelled or amended, the Share Option Scheme will be valid and effective for a period of ten years commencing on the date of adoption. The purpose of the Share Option Scheme is to enable the Group to attract, retain and motivate talented participants to strive for future development and expansion of the Group. The Share Option Scheme shall provide incentive to encourage participants to perform their best in achieving the goals of the Group and allow the participants to enjoy the results of the Company attained through their efforts and contributions. Eligible participants of the Share Option Scheme include any individual being an employee, officer, agent, consultant or representatives of any member of the Group (including any executive or non-executive director of any member of the Group) who, as the Board of Directors may determine in its absolute discretion, has made valuable contribution to the business of the Group based on his/her performance and/or years of service, or is regarded to be a valuable human resource of the Group based on his/her working experience, knowledge in the industry and other relevant factors. The offer of a grant of share options may be accepted within thirty days from the date of grant. The amount payable by each grantee of options to the Company on acceptance of the offer for the grant of options is HK$1.00.

The subscription price for the shares on the exercise of options under the Share Option Scheme shall be a price determined by the Board of Directors and notified to the relevant participant at the time of grant of the options (subject to any adjustments made pursuant to the Share Option Scheme and the relevant provisions of the Rules Governing the Listing of securities on the Stock Exchange) is made to (subject to acceptance by) the participant and shall be at least the highest of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date on which the option is granted, which date must be a business day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date on which the option is granted; and (iii) the nominal value of the share. The exercise period of the share options granted is determinable by the directors of the Company but in any event, not longer than ten years from the date of grant.

The total number of shares issued and to be issued upon exercise of the options granted to each participant, together with all options granted and to be granted to him/her under any other share option scheme(s) of the Company within the 12-month period immediately preceding the proposed date of grant (including exercised, cancelled and outstanding options) shall not exceed 1% of the total number of the shares in issue as at the proposed date of grant. Any further grant of options to a participant in excess of the 1% limit shall be subject to the shareholders' approval of the Company with such participant and his/her associates abstaining from voting.

35. SHARE OPTION SCHEME (continued)

The limit on the total number of the shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company (excluding lapsed and cancelled options) must not exceed 30% of the total number of the shares in issue from time to time. In addition, the total number of the shares which may be issued upon exercise of all options to be granted under the Share Option Scheme, together with all options to be granted under any other share option scheme(s) of the Company (excluding lapsed options), must not represent more than 10% of the total number of the shares in issue as at the date of approval of the Share Option Scheme (the "Scheme Mandate Limit") or as at the date of approval of the refreshed Scheme Mandate Limit as the case maybe.

The following table discloses movements of the Company's share options:

				Number of share options					
Category of grantee	Date of grant	Exercisable period	Exercise price per share HK$	Outstanding as at 1 April 2014	Granted during the year	Outstanding as at 1 April 2015	Granted during the year	Exercised during the year	Outstanding as at 31 March 2016
Directors									
Mr. Tam Tak Wah	18 September 2015	18 September 2015 to 17 September 2018	0.234	–	–	–	15,945,000	–	15,945,000
Mr. Ng Kwok Leung	18 September 2015	18 September 2015 to 17 September 2018	0.234	–	–	–	6,378,000	–	6,378,000
				–	–	–	22,323,000	–	22,323,000
Agents/consultants	2 March 2015	2 March 2015 to 1 March 2025	0.123	–	427,835,050	427,835,050	–	(427,835,050)	–
	18 September 2015	18 September 2015 to 17 September 2018	0.234	–	–	–	491,637,500	–	491,637,500
	12 October 2015	12 October 2015 to 11 October 2018	0.231	–	–	–	491,637,500	–	491,637,500
				–	427,835,050	427,835,050	983,275,000	(427,835,050)	983,275,000
				–	427,835,050	427,835,050	1,005,598,000	(427,835,050)	1,005,598,000

35. SHARE OPTION SCHEME (continued)

Notes:

(a) The share options were vested upon granted.

(b) The exercise price of the share options was subject to adjustments in the case of capitalisation of profits or reserve, rights or bonus issues, consolidation, subdivision or reduction of the share capital or other changes in the capital structure of the Company.

(c) In respect of the share options exercised during the year, the weighted average share price at the date of exercise is HK$0.166 (2015: nil).

(d) As disclosed in the announcement dated 28 January 2016, in respect of the share options granted on 18 September 2015, the numbers of outstanding share options and exercise price per share have been adjusted from 483,500,000 to 513,960,500 and from HK$0.249 to HK$0.234 respectively. In respect of the share options granted on 12 October 2015, the number of outstanding share options and exercise price per share have been adjusted from 462,500,000 to 491,637,500 and HK$0.246 to HK$0.231 respectively.

During the year ended 31 March 2016, the Company granted 1,005,598,000 (2015: 427,835,050) share options under the Share Option Scheme on 18 September 2015 and 12 October 2015. The fair value of the options determined at the date of grant using the Binomial Lattice model (2015: Trinomial option pricing model) was HK$82,222,000 (2015: HK$38,975,000).

The fair values for the share options granted during the years ended 31 March 2015 and 2016 were calculated by Peak Vision Appraisal Limited and Cushman & Wakefield Valuation Advisory Services (HK) Limited respectively, independent qualified professional valuers using the Trinomial Model and Binomial Lattice Model. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions. The inputs into the model were as follows:

	18 September 2015	**12 October 2015**	**2 March 2015**
Grant date share price	HK$0.249	HK$0.246	HK$0.123
Exercise price (Note)	HK$0.249	HK$0.246	HK$0.123
Option life	3 years	3 years	10 years
Expected volatility	57.79%	51.97%	68.56%
Expected dividend yield	Nil	Nil	Nil
Risk-free interest rate	0.63%	0.625%	1.55%

Note:

Please refer to Note (d) above regarding the adjustment in exercise price.

The Group recognised the total expense of approximately HK$82,222,000 for the year ended 31 March 2016 (2015: HK$38,975,000) in relation to share options granted by the Company.

35. SHARE OPTION SCHEME (continued)

During the year ended 31 March 2016 and 2015, share options were granted to individuals on a discretionary basis for their services render to the Group, including management service for the Group and consultancy services in respect of securities trading, financing and potential corporate exercises for the Group.

36. RETIREMENT BENEFITS SCHEMES

The Group participates in a Mandatory Provident Fund Scheme (the "MPF Scheme") established under the Mandatory Provident Fund Ordinance in December 2000. The assets of the schemes are held separately from those of the Group, in funds under the control of the trustees. The Group contributes 5% of relevant payroll costs to the MPF Scheme, which contribution is matched by the employee. The Group follows the minimum contribution requirement of 5% of eligible employees' relevant aggregated income with a cap of HK$1,500 per employee per month since 1 June 2014 (previously HK$1,250 per employee per month before 1 June 2014).

The contributions made by the Group to the MPF Scheme are charged to the consolidated statement of profit or loss and other comprehensive income when employees have rendered service to the Group.

37. PLEDGE OF ASSETS

At the end of the reporting period, marketable securities portfolio of approximately HK$225,191,000 (2015: HK$717,446,000) were pledged to banks to secure borrowings.

38. OPERATING LEASE ARRANGEMENTS

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

	2016 HK$'000	2015 HK$'000
Within one year	**2,681**	6,924
In the second to fifth years, inclusive	**–**	1,995
	2,681	8,919

Leases are negotiated for terms of one to two years. Rentals are fixed for one to two years.

39. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments that are either:

- offset in the consolidated statement of financial position; or
- not offset in the consolidated statement of financial position as the offsetting criteria are not met.

Under the agreement of continuous net settlement made between the Group and Hong Kong Securities Clearing Company Limited ("HKSCC"), the Group has a legally enforceable right to set off the money obligations receivable and payable with HKSCC on the same settlement date and are settled simultaneously. In addition, the Group has a legally enforceable right to set off all clients accounts receivable and payable at any time without prior notice to clients and the Group intends to settle these balances on a net basis.

Except for above, amounts due from/to HKSCC that are not to be settled on the same date, accounts receivable and payable from clients not intends to settle on a net basis, financial collateral including cash and securities received by the Group, deposit placed with HKSCC do not meet the criteria for offsetting in the consolidated statement of financial position since the right of set-off of the recognised amounts is only enforceable following an event of default.

(a) Financial assets subject to offsetting, enforceable master netting arrangements or similar agreements

	At 31 March 2016					
Type of financial assets	Gross amounts of recognised financial assets HK$'000	Gross amounts of recognised financial liabilities offset in the consolidated statement of financial position HK$'000	Net amounts of financial assets presented in the consolidated statement of financial position HK$'000	Related amounts not set off in the consolidated statement of financial positions: Financial instrument HK$'000	Related amounts not set off in the consolidated statement of financial positions: Collateral received HK$'000	Net amount HK$'000
Accounts receivable arising from the business of dealing in securities	443,196	(28,678)	414,518	(14,787)	(380,377)	19,354

* The item "collateral received" represents the securities pledged in the clients' account which are not recognised in the consolidated statement of financial position. The amounts are capped at the lower of the market value of securities and the net receivable amounts on a client by client basis.

39. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

(b) Financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements

	At 31 March 2016					
				Related amounts not set off in the consolidated statement of financial position		
Type of financial liabilities	Gross amounts of recognised financial liabilities HK$'000	Gross amounts of recognised financial assets offset in the consolidated statement of financial positions HK$'000	Net amounts of financial liabilities presented in the consolidated statement of financial position HK$'000	Financial instrument HK$'000	Collateral received HK$'000	Net amount HK$'000
Accounts payable arising from the business dealing in securities	220,123	(28,678)	191,445	(14,787)	–	176,558

40. RELATED PARTY TRANSACTIONS

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

During the year, the Group entered into the following transactions with related parties:

	2016 HK$'000	2015 HK$'000
Rental expenses paid to a related company (Note 1)	**–**	112

Notes:

(1) In 2015, Mr. Sue Ka Lok, director of the Company, has significant influence in the related company.

(2) Compensation to key management personnel of the Group which represents directors of the Company is set out in note 11.

41. DETAILS OF SUBSIDIARIES

Details of the Group's material subsidiaries at the end of the reporting period are set out below.

Name	Place of incorporation and operations	Paid up registered capital	Proportion of ownership interest held by the Company				Principal activities
			Direct		Indirect		
			2016	2015	2016	2015	
Magnum Pacific Limited	The British Virgin Islands	Ordinary US$1	–	–	100%	–	Investment in securities
Magnum Pacific Limited	Hong Kong	Ordinary HK$1	–	–	100%	–	Investment in securities
Skyway Credit Service	Hong Kong	Ordinary HK$1,000,000	–	–	100%	–	Provision of finance
Skyway Securities	Hong Kong	Ordinary HK$300,000,000	100%	–	–	–	Provision of brokerage services and securities margin financing services
Skyway Futures	Hong Kong	Ordinary HK$10,000,000	100%	–	–	–	Provision of futures and options dealing services
Xin Corporation (HK) Limited	Hong Kong	Ordinary HK$2	–	–	100%	100%	Provision of management service and securities investment
Xin Credit Services Limited	Hong Kong	Ordinary HK$1	–	–	100%	100%	Provision of finance

The above table lists the subsidiaries of the Group which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

42. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2016 HK$'000	2015 HK$'000
Non-current assets		
Investment in subsidiaries	**1,001,870**	–
Contingent consideration	**67,934**	–
Amounts due from subsidiaries	**358,488**	118,489
Deposit	**7,000**	–
	1,435,292	118,489
Current assets		
Prepayments, deposits and other receivables	**2,090**	583
Amounts due from subsidiaries	**377,773**	1,811,796
Cash and bank balances	**70,587**	4,954
	450,450	1,817,333
Current liabilities		
Amount due to subsidiaries	**432,019**	25,537
Other payables and accruals	**2,040**	3,579
Tax payable	**2,500**	–
	436,559	29,116
Net current assets	**13,891**	1,788,217
Total assets less current liabilities	**1,449,183**	1,906,706
Non-current liabilities		
Notes payable	**147,073**	146,375
Promissory notes	**260,010**	–
Deferred tax liabilities	**483**	598
	407,566	146,973
Net assets	**1,041,617**	1,759,733
Capital and reserves		
Share capital	**126,641**	64,178
Reserves (note)	**914,976**	1,695,555
Total equity	**1,041,617**	1,759,733

Notes to the Consolidated Financial Statements

For the year ended 31 March 2016

42. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

Note:

	Share premium HK$'000	Contributed surplus HK$'000	Share option reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2014	1,522,928	3,085	–	(286,511)	1,239,502
Loss for the year and total comprehensive expense for the year	–	–	–	(70,290)	(70,290)
Capital reduction	–	385,052	–	–	385,052
Bonus issue	(85,567)	–	–	–	(85,567)
Open offer	192,526	–	–	–	192,526
Transaction cost directly attributable to issue of shares	(4,674)	–	–	–	(4,674)
Exercise of warrants	31	–	–	–	31
Recognition of share based payment	–	–	38,975	–	38,975
At 31 March 2015 and 1 April 2015	**1,625,244**	**388,137**	**38,975**	**(356,801)**	**1,695,555**
Loss for the year and total comprehensive expense for the year	**–**	**–**	**–**	**(1,679,141)**	**(1,679,141)**
Placing of shares	**135,000**	**–**	**–**	**–**	**135,000**
Issue of shares	**555,000**	**–**	**–**	**–**	**555,000**
Exercise of share options	**87,320**	**–**	**(38,975)**	**–**	**48,345**
Exercise of warrants	**78,165**	**–**	**–**	**–**	**78,165**
Recognition of share based payment	**–**	**–**	**82,222**	**–**	**82,222**
Transaction cost directly attributable to issue of shares	**(170)**	**–**	**–**	**–**	**(170)**
At 31 March 2016	**2,480,559**	**388,137**	**82,222**	**(2,035,942)**	**914,976**

43. EVENTS AFTER THE REPORTING PERIOD

On 4 March 2016, Gold Mission Limited ("Gold Mission") an indirect wholly owned subsidiary of the Company, entered into the sale and purchase agreement with the Central Wealth Financial Group Limited ("Central Wealth") pursuant to which Gold Mission agreed to acquire and Central Wealth agreed to sell the sale share comprising one share in the share capital of the Sky Eagle Global Limited ("Sky Eagle"), representing 100% of the entire issued share capital of Sky Eagle and a loan amounting to approximately HK$214,000,000 at a consideration of HK$218,000,000 of which HK$7,000,000 will be satisfied in cash as deposit and as to the remaining balance of HK$211,000,000 shall be satisfied by the allotment and issue of the 1,300,000,000 consideration shares by the Company at the issue price of HK$0.14 per consideration share to the Central Wealth and by issue of the promissory notes in the principal amount of HK$29,000,000. Sky Eagle is principally engaged in investment holding and owns 100% of a Hong Kong subsidiary, Metro Victor Limited which in turn holds a property. The only significant asset of this group is the property. The acquisition of investment property has not yet been completed up to the date of approving the issuance of these consolidated financial statements.

On 3 May 2016, Skyway Securities, an indirect wholly owned subsidiary of the Company and a placing agent, entered into the placing agreement with the Company pursuant to which the Company has conditionally agreed to place through the placing agent up to 2,550,000,000 placing shares at the placing price of HK$0.18 per placing share to not less than six placees who and whose beneficial owners shall be independent third parties. The placing of shares has not yet been completed up to the date of issuance of these consolidated financial statements.

Subsequent to the end of the reporting period, Capital Union Inc., an existing holder of promissory notes initiated to early settle the relevant promissory notes through the proceed of share subscription. On 3 May 2016, the Company entered into the subscription agreement with Capital Union Inc., pursuant to which Capital Union Inc. has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 1,450,000,000 new shares at the subscription price of HK$0.18 per subscription share. There will be no net proceeds from the subscription as the subscription will be settled by way of set off against the outstanding promissory notes. The transaction was completed on 13 May 2016. The early settlement of the promissory notes has resulted in a loss of HK$41,428,000, being the difference between the carrying amount of the promissory notes and the fair value of the shares, recognised in the profit or loss for the year ending 31 March 2017.

Financial Summary

	For the year ended 31 March				
	2016	2015	2014	2013	2012
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
				(restated)	(restated)
RESULT					
Continuing operations					
Revenue	**57,052**	300,700	1,369,188	757,600	1,080,073
(Loss) profit before taxation	**(1,930,837)**	551,402	417,153	(68,099)	(445,042)
Taxation	**55,813**	(64,345)	(70)	(1,025)	4,418
(Loss) profit for the year from continuing operations	**(1,875,024)**	487,057	417,083	(69,124)	(440,624)
Discontinued operation					
Profit (loss) for the year from discontinued operation	**–**	–	–	7,930	(28,246)
Profit (loss) for the year	**(1,875,024)**	487,057	417,083	(61,194)	(468,870)
Attributable to:					
Owners of the Company	**(1,874,835)**	487,057	417,083	(60,928)	(467,851)
Non-controlling interests	**(189)**	–	–	(266)	(1,019)
	(1,875,024)	487,057	417,083	(61,194)	(468,870)

	As at 31 March				
	2016	2015	2014	2013	2012
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
ASSETS AND LIABILITIES					
Total assets	**2,211,857**	2,719,745	1,885,139	1,307,541	1,450,517
Total liabilities	**(794,671)**	(391,010)	(291,714)	(176,904)	(252,568)
	1,417,186	2,328,735	1,593,425	1,130,637	1,197,949
Equity attributable to					
Owners of the Company	**1,414,925**	2,328,735	1,593,425	1,130,637	1,196,156
Non-controlling interest	**2,261**	–	–	–	1,793
	1,417,186	2,328,735	1,593,425	1,130,637	1,197,949