萬隆控股集團有限公司
Ban Loong Holdings Limited

(Incorporated in Bermuda with limited liability)
(Stock Code: 30)

2015/2016
Annual Report

Contents

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors:

Mr. Chow Wang *(Chairman)*
Mr. Cheung Wai Shing
Mr. Zhao Baolong (resigned on 23 April 2015)
Mr. Xu Jian Zhong (resigned on 31 October 2015)

Non-Executive Director:

Mr. Fong For

Independent Non-Executive Directors:

Mr. Jiang Zhi
Mr. Leung Kai Kui, Johnny
Ms. Wong Chui San, Susan

Chief Operating Officer:

Mr. Wang Zhao Qing, Tiger

COMMITTEES

Audit Committee

Ms. Wong Chui San, Susan *(Chairman)*
Mr. Jiang Zhi
Mr. Leung Kai Kui, Johnny

Remuneration Committee

Mr. Leung Kai Kui, Johnny *(Chairman)*
Mr. Jiang Zhi
Ms. Wong Chui San, Susan
Mr. Chow Wang
Mr. Cheung Wai Shing

Nomination Committee

Mr. Chow Wang *(Chairman)*
Mr. Jiang Zhi
Mr. Leung Kai Kui, Johnny
Ms. Wong Chui San, Susan
Mr. Cheung Wai Shing

COMPANY SECRETARY

Mr. Cheung Wai Shing

AUTHORIZED REPRESENTATIVES

Mr. Chow Wang
Mr. Cheung Wai Shing

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS

Room 2709-10, 27/F.
China Resources Building
No. 26 Harbour Road
Wanchai
Hong Kong

AUDITORS

SHINEWING (HK) CPA Limited

REGISTRARS

Computershare Hong Kong Investor Services Limited
18th Floor, Hopewell Centre
183 Queen's Road East
Hong Kong

SOLICITORS

Cheung & Choy Solicitors & Notaries

HOMEPAGE

www.0030hk.com

MANAGEMENT DISCUSSION AND ANALYSIS

CHANGE OF COMPANY NAME

With effective from 27 October 2015, the Company's name has been changed from "ABC Communications (Holdings) Limited" to "Ban Loong Holdings Limited" and has adopted a new Chinese secondary name as "萬隆控股集團有限公司". The change of the company name helped to refresh the Company's corporate image and identity, and can more accurately reflect the new business diversification strategy of the Company.

OPERATING RESULTS

The financial results of the Group for the year ended 31 March 2016 were highlighted as follows:

- Revenue was HK$146.5 million, representing an increase of approximately 160% from HK$56.4 million in the preceding year. The increase was mainly due to the introduction of the money lending segment and trading segment during the year, which has collectively contributed HK$109.6 million in revenue.

- Gross profit amounted to HK$26.2 million in 2015/16, representing an increase of 94% from HK$13.5 million in 2014/15. Gross profit margin was 17.9% in the current year, while the gross profit margin was 23.9% in the previous year. In 2014/15, the financial quotation services segment was the only revenue and gross profit contributor of the Group. Gross profit margin for the current year was a weighted average figure of all active operating segments, and thus the overall margin was diluted, especially by the trading segment where the gross profit margin was relatively thin.

- Loss for the year of the Group decreased to HK$42.4 million in the current year, as compared to HK$118.0 million in the previous year. The decrease in loss was due to the fact that significant impairment loss on and amortisation of intangible asset amounted to HK$80.1 million had been incurred in previous year.

For the detailed financial results of each operating segment, please refer to the note 7 of the notes to the consolidated financial statements.

FINAL DIVIDEND

The Board did not propose a final dividend.

BUSINESS REVIEW

During the year, the Group's continued operations involve in four identifiable business segments namely the financial quotation segment, the mining operations segment, the money lending segment and the trading segment. The financial quotation segment includes (i) financial quotation services provided by QuotePower International Limited ("QuotePower"); and (ii) wireless applications development provided by ABC QuickSilver Limited ("ABC QuickSilver"). The mining operations segment refers to the exploration and exploitation of mineral resources in China conducted by Jun Qiao Limited and its subsidiaries (the "Jun Qiao Group"). The money lending segment refers to the money lending business engaged in Hong Kong by Ban Loong Finance Company Limited ("Ban Loong Finance"), a wholly-owned subsidiary of the Company which obtained the money lender license during the year. The trading segment refers to the trading of goods and commodities in China by Wan Long Xing Ye Commercial Trading (Shenzhen) Limited (萬隆興業商貿(深圳)有限公司) ("Wan Long Xing Ye"), a wholly-owned subsidiary of the Company.

During the year, the Group had discontinued and ceased the business operation of the encryption technology and product segment conducted by POMP international Limited ("POMP") and its subsidiaries (collectively referred to as the "POMP Group“).

BUSINESS REVIEW (CONTINUED)

The Mining Operations Segment

The Jun Qiao Group holds 1 mining license in Henan and 1 exploration license in Xinjiang. Mining properties of the Group includes the following:

Yin Di Mining Area (銀地礦區) in Henan

The Yin Di Mining Area is the only operating mine of the Group. It is located at Tongbai County in Henan Province and covers a mining area of approximately 1.81 km^2. The mining area is 15 km away from Xining railways and connected to China National Highway 312, the traffic is considerably convenient. The mining license will be expired in January 2017.

Hu Lei Si De Mining Area (呼勒斯德地區) in Xinjiang

The mine is located at Jai Tai County (奇台縣) of Xinjiang Uygur Autonomous Region with a total exploration mining area of 29.12 km^2. The mining area is connected to gravel and asphalt roads, traffic is considered convenient. Detailed geological survey and mineral resources exploration were undertaking. At the moment, several gold mineralization zones and substantial coal reserves have been identified.

The Group used to hold another exploration license in Henan, namely Li Zi Yuan Mining Area. During the year, the Group had written-off this exploration license as the renewal of it was not granted by the local authority, despite the management's efforts and endeavors to renew the exploration license. The management believed that the loss of Li Zi Yuan Mining Area exploration license would not cause any material impact to the Group's mining operation segment and to the Group's financial performance and financial position as a whole. The carrying value of the exploration right amounted to HK$1.3 million, and the relevant prepayments for exploration and evaluation activities of HK$4.6 million had been fully written-off in the current year.

As stated in the Company's announcement dated 30 March 2015, the Group has entered into a operating lease contract with Henan Heng Yi Mining Company Limited (the "Lessee"), being an independent third party, pursuant to which assets of the mining operations segment, including mining structures and plant and machinery included in property, plant and equipment; prepaid lease payments; mining right and reserves and exploration rights included in intangible assets; and prepayments for exploration and evaluation activities (the "Mining Assets"), was leased to the Lessee. Under the terms of the lease contract, the Lessee shall be responsible for all operating expenses in relation to the Mining Assets, any costs of exploration, survey and preparation of technical reports of the Group's mining properties during the tenure of the lease. In addition, the Lessee shall refrain from over-exploitation and ensure that there are adequate residual resources in the mining properties.

The management considered that the operating lease arrangement provides an opportunity for the Group to generate a stable operating lease income from the Mining Assets and minimize the Group's exposure to extra capital expenditure and operating costs associated with the mining operations.

During the year ended 31 March 2016, the revenue generated from the operating lease arrangement amounted to approximately HK$6.4 million, which representing the segment revenue of the mining operation segment.

On 30 March 2016, the Group has extended the operating lease contract with the Lessee for one year.

BUSINESS REVIEW (CONTINUED)

The Financial Quotation Segment

The business segment includes (i) financial quotation services provided by QuotePower; and (ii) wireless applications development provided by ABC QuickSilver.

During the year ended 31 March 2016, the revenue of QuotePower amounted to approximately HK$30.1 million, which represented a declined by 46%, as compared with the year 2014/2015. The sharp decline in the segment's revenue was mainly due to the loss of a major customer – Bank of China (Hong Kong) Limited which had generated revenue of HK$26.7 million for our financial quotation services in previous year. The loss from the segment amounted to HK$5.4 million, representing an increase of 103.8% as comparing to the loss from the segment amounted to HK$2.7 million in the year 2014/2015. Even though the management of QuotePower was endeavor to improve efficiency and control costs, but the management was caught flat-footed by the rapid decline in customers and subscription.

Money Lending Segment

Ban Loong Finance has obtained the money lender license in June 2015 to carry out money lending business in Hong Kong. Its business primarily focuses in the area of short-term personal loans.

As restricting by the available financial resources of the Group, Ban Loong Finance does not conduct business in retail level. Potential borrowers were sought from the social and business networks of the management. To safeguard assets of the Group, the management will review and assess the credit risk of each loan application carefully to ensure recoverability of each lending. The management would conduct full-scale background check on borrowers, including reviewing the credit reports issued by independent credit rating agent and examining borrowers' assets backing. Ban Loong Finance would request loan applicants to provide adequate security and/or guarantee before approving a loan application. Generally speaking, borrowers would be requested to pay interest monthly, in order to let the management monitors continuously the financial stability of borrowers.

During the current year, the business performance of the money lending segment was summarised below:

– Aggregate amount of lending	HK$127.4 million
– Total number of lending	12
– Range of effective annual percentage rate ("APR")	10.03%-42.58%
– Weighted average APR	22.36%

During the year ended 31 March 2016, revenue generated from the segment, that is interest received and accrued, amounted to approximately HK$9.1 million.

BUSINESS REVIEW (CONTINUED)

Trading Segment

Wan Long Xing Ye carried out trading of goods and commodities business in China. During the year ended 31 March 2016, Wan Long Xing Ye mainly engaged in the trading of stainless steel coil and refined edible oil. During the year ended 31 March 2016, trading revenue amounted to approximately HK$100.5 million, whereas trading of 1,088.69 tonnages of stainless steel coil and 15,301.61 tonnages of refined edible oil were completed.

Discontinued Operation – The Encryption Technology and Products Segment

During the year, the Group had discontinued the encryption technology and products segment conducted by POMP. The segment used to develop portable devices with built-in proprietary quantum direct key ("QDK") encryption technology. The QDK belongs to a hardware level encryption technique, which request a unique chipset to be installed on portable devices for encrypting and decoding digital data. The development of the technology got stuck in cross-platform and devices application. The management was uncertain to its market prospect, and thus considered that the operation of the segment be discontinued.

On 24 March 2016, the Company and Ms. Chen Chang Ying (the "Purchaser") entered into a sale and purchase agreement (the "Sale and Purchase Agreement") pursuant to which the Company conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, 60% of the issued share capital of POMP and together with its subsidiaries, for the consideration of HK$4 million. The disposal was completed on 24 March 2016 while the consideration of HK$4 million has been received by the Company as of the date of the Sale and Purchase Agreement.

The loss for the year amounted to approximately HK$12.7 million which mainly refer to the amortisation of intangible assets, impairment loss on intangible assets and finance costs of approximately HK$8.9 million, HK$2.5 million and HK$1.2 million respectively.

SELLING AND DISTRIBUTION EXPENSES

During the financial year, the Group's selling and distribution expenses amounted to approximately HK$1.8 million, which were almost the same as that of the previous year. Selling and distribution expenses were incurred mostly in our financial quotation segment.

GENERAL AND ADMINISTRATIVE EXPENSES

During the financial year, the Group's general and administrative expenses amounted to approximately HK$44.2 million, which were almost the same as that of the previous year. The amount mainly refer to legal and professional fees, salary, directors' fees and office rental.

FINANCE COSTS

Finance costs increased by 8.3% from HK$4.4 million to HK$4.8 million. The Group had no bank borrowing at 31 March 2016 (2015: HK$7.1 million). The finance costs were mainly due to interest incurred on bonds issued in previous years and convertible bonds issued during the year.

INCOME TAX EXPENSES

During the financial year, income tax expenses amounted to HK$939,944 were incurred (2014/2015: Nil).

LOSS PER SHARE

During the financial year, the basic and diluted loss per share from continuing operations amounted to 1.24 HK cents, which shown an improvement of 0.65 HK cents when compared to basic and diluted loss per share from continuing operations of 1.89 HK cents in last financial year.

DEFERRED TAX LIABILITIES

As at 31 March 2016, deferred tax liabilities attributable to Jun Qiao amounted to HK$73.4 million (2015: HK$77.2 million), which was calculated at the tax rate of the PRC Enterprise Income Tax of 25% mainly on the increase in fair value of intangible assets in accordance with the relevant accounting principle. The movement during the current financial year mainly represented exchange realignment.

FINANCIAL POSITION

The Group's consolidated statement of financial position remained solid. Shareholders' equity increased from HK$297 million to HK$326 million. Total assets decreased by 0.2% to HK$603.9 million which is similar to last year. Net assets increased by 2.5% to HK$433.9 million was primarily due to the successful placement and issue of new shares in the year.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2016, the Group's cash and cash equivalents amounted to HK$62.7 million (2015: HK$97.9 million). Except for the long-term bonds and convertible bonds with outstanding principal amounts of HK$70 million and HK$6 million respectively, the group had no banks loans or borrowings with fixed term of repayment at the end of the year (2015: HK$7.1 million).

	As at 31 March 2016	As at 31 March 2015
Current ratio (current assets/current liabilities)	**9.2 times**	2.8 times
Gearing ratio (total liabilities/total assets)	**28%**	30%

The Group's liquidity remains healthy. Nevertheless, as the Company is still keen on looking for strategic investment to diversify its business operation, additional financing might be requested when suitable investment opportunity was identified. The management will assess and consider various possible fund raising alternatives to strengthen the capital base and financial position of the Company and to make sure that the Company will have sufficient working capital to support its future operational and investment needs.

TRADE RECEIVABLES

The breakdown of trade receivables of the Group by operating segment were as follows:

	31 March 2016 HK$	31 March 2015 HK$
Financial Quotation Services	**1,931,763**	3,572,971

Trade receivables in the Group's financial quotation segment has been decreased by approximately 45.9%. The management did not foresee any recoverability problem as the amount has been settled as at the announcement date. The management will constantly review the aging and credit standing of customers to ensure trade receivables can be fully recovered.

OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

The breakdown of other receivables, deposits and prepayments were as follows:

	31 March 2016 HK$	31 March 2015 HK$
Other receivables	**21,103,996**	1,840,760
Deposits	**2,777,515**	2,754,216
Prepayment	**10,674,801**	3,589,429
	34,556,312	8,184,405

The increase in the overall balance was due to some short-term interest-free advances to certain independent third parties and staff amounted to HK$20,838,119 (2015: HK$356,549). Included in advances to independent third parties is HK$20,369,722 which was fully recovered subsequent to the end of the reporting period. The remaining balances were not material to the Group.

INTANGIBLE ASSETS

The Group's intangible assets comprised of (i) mining right and reserves; and (ii) exploration right as at 31 March 2016. The carrying values of the intangible assets were analysed as follows:

	Mining right and reserves HK$	Exploration rights HK$	Technical knowhow HK$	Total HK$
COST				
At 1 April 2014	317,116,790	3,521,002	–	320,637,792
Acquisition of subsidiaries	–	–	107,444,950	107,444,950
Exchange realignment	1,534,540	17,067	1,499,112	3,050,719
At 31 March 2015 and 1 April 2015	318,651,330	3,538,069	108,944,062	431,133,461
Disposal of subsidiaries	–	–	(102,473,758)	(102,473,758)
Write-off	–	(1,272,489)	–	(1,272,489)
Exchange realignment	(15,722,036)	(114,089)	(6,470,304)	(22,306,429)
At 31 March 2016	302,929,294	2,151,491	–	305,080,785
ACCUMULATED AMORTISATION AND IMPAIRMENT				
At 1 April 2014	–	–	–	–
Provided for the year	–	–	25,067,042	25,067,042
Impairment loss	–	–	54,977,909	54,977,909
Exchange realignment	–	–	(100,889)	(100,889)
At 31 March 2015 and 1 April 2015	–	–	79,944,062	79,944,062
Provided for the year	–	–	8,939,466	8,939,466
Impairment loss	–	–	2,487,054	2,487,054
Disposal of subsidiaries	–	–	(86,360,885)	(86,360,885)
Exchange realignment	–	–	(5,009,697)	(5,009,697)
At 31 March 2016	–	–	–	–
CARRYING VALUES				
At 31 March 2016	302,929,294	2,151,491	–	305,080,785
At 31 March 2015	318,651,330	3,538,069	29,000,000	351,189,399

EQUITY FUND RAISING ACTIVITY DURING THE FINANCIAL YEAR

The Company has conducted the following equity fund raising exercises during the year ended 31 March 2016.

Date of announcement	Equity fund raising exercise	Net proceeds raised	Intended use of proceeds	Actual use of proceeds
19 February 2016	Placing of convertible bonds, on best effort basis, with a principal amount of up to HK$52,800,000 under the general mandate granted to the Directors at the annual general meeting held on 30 September 2015. The placing was completed on 4 March 2016 whereby convertible bonds with an aggregate principal amount of HK$30,000,000 have been successfully placed.	Approximately HK$29.35 million	For financing the Group's money lending business	HK$26 million used for financing the Group's money lending business and HK$3.35 million used for working capital.
29 September 2015	Subscription of 30,000,000 shares at a price of HK$0.197 per share under the refreshed general mandate granted to the Directors at the special general meeting held on 12 August 2015. The subscription was completed on 12 October 2015.	Approximately HK$5.91 million	For financing the Group's money lending business	HK$5.91 million used for financing the Group's money lending business.
9 September 2015	Placing of shares, on best effort basis, for a maximum of 397,280,000 shares at a price of HK$0.189 per Share under the refreshed general mandate granted to the Directors at the special general meeting held on 12 August 2015. The placing was completed on 23 September 2015 whereby a total of 214,138,000 placing shares have been successfully placed.	Approximately HK$40.06 million	For financing the Group's money lending business	HK$40.06 million used for financing the Group's money lending business.

Save as the above, the Company has not conducted any other equity fund raising activities during the financial year.

EVENTS AFTER THE REPORTING PERIOD

Memorandum of Understanding

On 21 April 2016, Wan Long Xing Ye, a wholly foreign owned enterprise established under the laws of the PRC and a direct wholly-owned subsidiary of the Company entered into a non-legally binding Memorandum of Understanding with Shenzhen Leading Electronic Technology Company Limited (深圳市利天宏業電子科技有限公司) (the "Vendor") pursuant to which the Vendor proposed to sell the target interest (namely 10% equity interest in the Target Company) to Wan Long Xing Ye at a total consideration of not exceeding RMB66.8 million (HK$80 million), which is currently expected to be satisfied by cash. The Target Company is a joint stock limited liability company established under the laws of the PRC on 31 December 2013. According to the information provided by the Vendor, the Target Company is a commercial bank headquartered in Du Shan County, Guizhou Province, the PRC with a registered and paid-up capital of RMB210 million (HK$251.5 million). If the Memorandum of Understanding proceeds to signing of a formal sale and purchase agreement, it is currently expected that the Proposed Acquisition may constitute either a discloseable or major transaction for the Company under Chapter 14 of the Listing Rules. Further announcement(s) relating to the Proposed Acquisition may be made by the Company as and when necessary. As at the date of this Annual Report, a formal sale and purchase agreement has not yet signed. Details are set out in the Company's announcement dated 21 April 2016.

Placing of New Shares under General Mandate

On 6 June 2016, the Company entered into a placing agreement with Supreme China Securities Limited as placing agent (the "Placing Agent") to place, on a best efforts basis, a maximum of 190,110,640 shares at a price of HK$0.09 per share under the General Mandate to the Directors at the annual general meeting held on 30 September 2015 (the "Placing"). Completion of the Placing took place on 15 June 2016 whereby a total of 190,110,000 shares were placed by the Placing Agent. The gross proceeds from the Placing are approximately HK$17.11 million and the net proceeds from the Placing, after deducting the placing commission and other professional fees incurred by the Company in the Placing, are approximately HK$16.60 million. The net proceeds of the Placing has been utilized by the Company for financing the Group's money lending business as intended. For further details, please refer to the Company's announcements dated 6 June 2016 and 15 June 2016.

PLEDGE OF ASSETS

As at 31 March 2016, no assets of the Group were pledged to secure general banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 31 March 2016, the Group had no material contingent liabilities.

FOREIGN EXCHANGE EXPOSURE

Most of the operations and trading transaction, assets and liabilities of the Group were denominated in Hong Kong dollar and Renminbi. During the year ended 31 March 2016, the Group had an insignificance amount of exchange difference.

The Group adopted a conservative treasury policy, with most of the bank deposits being kept in Hong Kong dollars and Renminbi, to minimize exposure to foreign exchange risks. As at the year end and during the year, the Group had no foreign exchange contracts, interest or currency swaps, or other financial derivatives for hedging purposes.

COMMODITY PRICE RISK

The price of the Group's products of the mining operations are influenced by international and domestic market prices and changes in global supply and demand for such products. Price volatility of metals is also affected by the global and PRC economic cycles as well as the fluctuations of the global currency market. Both the international and domestic market price of metals as well as the volatility of their supply and demand are beyond the control of the Company. Therefore, the volatility of commodity price may affect the turnover from the Group's mining operation and thus the comprehensive income of the Group. The Group did not engage in nor enter into any trading contracts ad price arrangements to hedge the risk of volatility of metals prices.

EMPLOYEE REMUNERATION POLICY

As at 31 March 2016, the Group had 61 employees (31 March 2015: 61 employees). Total salaries, commissions, incentives and all other staff related costs incurred for the year ended 31 March 2016 amounted to approximately to HK$21.4 million (31 March 2015: HK$21.4 million). Our remuneration policies are in line with prevailing market practices and formulated on the basis of the performance and experience of individual employees. Apart from basic salaries, other staff benefits included provident funds, life insurance and medical assistances benefit. The Company may also grant share options to eligible employees to motivate their performance and contribution to the Group.

PROSPECT

The Financial Quotation Segment

The business of the financial quotation segment is closely associated with the growth and prosperity of the stock market in Hong Kong. QuotePower is one of the leading financial quotation service providers in Hong Kong. It has long history in the market and has wide client base. However, it is believed that the market for paid financial quotation services has been fully developed and saturated. The potential for further development is very limited and raise of subscription price would only result in loss of subscribers. The Directors expect that the business environment of the segment remains challenging due to the keen competition, especially from those free-stock-quote services providers. The prospect of the segment depends on the management's ability to retain customers by providing quality services and to control costs.

The management expected that customers drain is an inevitable trend in the financial segment, since everyone gets accustomed to free information in the era of internet. The financial performance of the financial quotation segment may keep declining in the coming years.

The Company is in the process of formulating the business strategy for the financial quotation services segment which might involve a possible scaling-down and/or sell-down and/or the introduction of new investors and/or new project partners in light of its difficult business environment.

PROSPECT (CONTINUED)

The Mining Operations Segment

The scale of the Group's mining operations is considered small and limited. The Group can only be a market follower, and has no influence on the market price and sales of ores and ores concentrates in the local market. Despite of the Group's solid reserve of mineable resources, the segmental results of the mining operations segment of the Group had not been performing well in the past few years. Upon review on the development of the mining operations segment, the management concluded that the stagnant in the segment was mainly caused by the lack of management expertise, techniques and local workforce in exploiting valuable resources. Moreover, government policies were significant tilted in favor of those local large and stated-owned mining companies. This has further restricted the development of the Group's mining operations segment.

In light of the above obstacles, the management was still endeavors in adjusting the development strategy in the mining operations segment. As stated in the Company's announcement dated 30 March 2015, the Group has entered into a operating lease contract with Henan Heng Yi Mining Company Limited (the "Lessee"), being an independent third party, pursuant to which the Mining Assets was leased to the Lessee. Under the terms of the lease contract, the Lessee shall be responsible for all operating expenses in relation to the Mining Assets, any costs of exploration, survey and preparation of technical reports of the Group's mining properties during the tenure of the lease. In addition, the Lessee shall refrain from overexploitation and ensure that there are abundant residual resources in the mining properties.

The Group has extended the operating lease arrangement for one year which will keep providing stable cash flow to the Group in the future.

Money Lending Segment

Money lending business was a new business segment to the Group. During and subsequent to the current interim period, the Group has made several short-terms loans to customers. These customers are usually renowned businessmen and professionals with sufficient assets backing. The Group would also request customers to provide adequate guarantees before releasing loan money. In average, loans advanced to customers yield an annual percentage rate of approximately 24.3%. The management considered the potential of the segment was high and the segment could help to provide a constant cash inflow to the Group. The Group will continue to devote a high proportion of its financial resources to the segment with a view to capture the profit potential of the money lending industry.

The Group is also considering to expand its money lending business into the China market, where opportunities arise from the deleveraging process in the banking system and the commercial and private sector find difficulty in obtaining short-term financing. Thus the Company entered into a memorandum of understanding to acquire a minority interest in a commercial bank in China. The Company expected that, if the memorandum of understanding could be further proceeded, the Company would be able to build a workable cooperation relationship with a China commercial bank.

The management expected the money lending segment will become one of the major revenue contributors of the Group in the coming years.

PROSPECT (CONTINUED)

Trading Segment

To capture opportunities in the rapid growing China market and to help diversifying the revenue base of the Group, the Company has set up a new wholly-owned subsidiary, Wan Loong Xing Ye, in China. Wan Loong Xing Ye is the new flagship company of the Group in China. It engages in the domestic trading of goods and commodities in China. At present, it traded mainly stainless steel coils and refined edible oil. The Group will further broaden the categories of goods involved in the trading business so as to minimise the concentration risk in trading a particular type of goods.

The management is actively forming the development strategy of the segment and expected that it will become the main revenue contributor of the Group in the coming years.

Other

The management always believes that it is in the best interest of the Company and the shareholders to diversify the Group's business portfolio. The Company will continue to identify appropriate potential investment opportunities.

DIRECTORS' REPORT

The directors are pleased to present their report together with the audited consolidated financial statements for the year ended 31 March 2016.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The activities of the principal subsidiaries are shown in note 1 to the consolidated financial statements.

An analysis of the Group's performance for the year by reportable and geographical segments is set out in note 7 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated statement of profit or loss and other comprehensive income on pages 38 and 39.

RESERVES

Movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 42.

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 33 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

There is no distributable reserve as at 31 March 2016 (2015: nil).

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 122.

DIRECTORS

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

Executive Directors:

Mr. Chow Wang *(Chairman)*
Mr. Cheung Wai Shing
Mr. Zhao Baolong (resigned on 23 April 2015)
Mr. Xu Jian Zhong (resigned on 31 October 2015)

Non-Executive Director:

Mr. Fong For

Independent Non-Executive Directors:

Mr. Jiang Zhi
Mr. Leung Ka Kui, Johnny
Ms. Wong Chui San, Susan

In accordance with the Company's Bye-laws, Messrs. Chow Wang and Cheung Wai Shing should retire at the forthcoming annual general meeting (Notice of which will be dispatched in due course) and, being eligible, offer themselves for re-election. None of the directors proposed for re-election has a service contract with the Company or its subsidiaries which is not determinable by the Company or its subsidiaries within a year without payment of compensation other than statutory compensation.

DIRECTORS' AND CHIEF EXECUTIVE OFFICERS' BIOGRAPHICAL DETAILS

Biographical details of the directors and senior management of the Company are set out on pages 21 to 23 of this Annual Report.

NEW SHARE OPTION SCHEME

The old share option scheme was adopted by the Company on 27 March 2002 for a period of ten years and expired on 26 March 2012. In order to continue to provide the Company with a flexible means of giving incentive to Eligible Participants to recognize and acknowledge the contributions that Eligible Participants made or may make to the Group, a new share option scheme (the "New Share Option Scheme") has been approved by the shareholders at the annual general meeting of the Company held on 30 September 2013 (the "Adoption Date"), the Directors may, at their discretion, invite any participants to take up options to subscribe for fully paid ordinary shares in the Company subject to the terms and conditions stipulated therein.

The New Share Option Scheme is valid and effective for ten years and will expire on 29 September 2023. From the Adoption Date up to 31 March 2016, no option has been granted. Save for the New Share Option Scheme, the Company do not have any other share option scheme as at 31 March 2016.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 31 March 2016, according to the register of interest kept by the Company under Section 336 of the Securities and Futures Ordinance (the "SFO") and so far as was known to the directors, none of the directors and chief executives of the Company held any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) where required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for the Securities Transactions by Directors of Listed Companies (the "Model") of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), to be notified to the Company and the Stock Exchange were as follows:

Names of Directors	Capacity	Number of Shares held (long position)	Percentage of the issued share capital of the Company
Fong For	Beneficial owner	331,068,000	12.40%
Chow Wang	Beneficial owner	64,964,000	2.43%

Save as disclosed above, as at 31 March 2016, none of the directors or chief executives of the Company had any interest or short position in any shares, underlying shares or debenture of the Company or any of its associated corporations (within meaning of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which directors have taken or deemed to have under such provisions of SFO) or (b) were required pursuant to section 352 of the SFO, to be entered in the register referred to therein; or which (c) were required, pursuant to the Model Code to be notified to Company and the Stock Exchange.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from the New Share Option Scheme disclosed in the section "NEW SHARE OPTION SCHEME", at no time during the period was the Company, or any of its subsidiaries, a party to any arrangements to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate and neither the directors nor any of their spouses or children under 18 years of age, had any right to subscribe for shares or debt securities of the Company, or had exercised any such rights during the period under review.

DIRECTORS' INTEREST IN CONTRACTS

No contracts of significance in relation to the Group's business to which the Company, its subsidiaries or fellow 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.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2016, so far as is known to the directors or chief executives of the Company, the Company had not been notified of any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would fall to be disclosed under provisions of Division 2 and 3 of Part XV of the SFO, or any persons (other than the directors and chief executives of the Company) who was directly and indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote at general meetings of any other member the Group.

Save as disclosed above, as at 31 March 2016, the Company had not been notified of any other interests or short positions in the shares or underlying shares of the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's securities during the year and the Company has not redeemed any of its securities during the year.

PRE-EMPTIVE RIGHTS

No pre-emptive rights exist under the laws of Bermuda in relation to issues of new shares by the Company.

MANAGEMENT CONTRACTS

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

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of the Group's purchases and sales for the year attributable to major suppliers and customers are as follows:

Purchases	
– the largest supplier	22%
– five largest suppliers combined	73%
Sales	
– the largest customer	14%
– five largest customers combined	40%

No directors, their associates or any shareholder (which to the knowledge of the directors owns more than 5% of the Company's issued share capital) had an interest in the major suppliers or customers noted above.

SUFFICIENCY OF PUBLIC FLOAT

As far as the information publicly available to the Company is concerned and to the best knowledge of the directors of the Company, the public float of shares of the Company has remained above the minimum percentage required by the Stock Exchange throughout the year.

COMPETING BUSINESS

As at 31 March 2016, none of the executive directors or their respective associates had engaged in or had any interest in any business which, directly or indirectly, competes or may compete with the business of the Group.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the directors of the Company is currently in force and was in force throughout the year ended 31 March 2016.

EVENTS AFTER THE REPORTING PERIOD

Memorandum of Understanding

On 21 April 2016, Wan Long Xing Ye, a wholly foreign owned enterprise established under the laws of the PRC and a direct wholly-owned subsidiary of the Company entered into a non-legally binding Memorandum of Understanding with Shenzhen Leading Electronic Technology Company Limited (深圳市利天宏業電子科技有限公司) (the "Vendor") pursuant to which the Vendor proposed to sell the target interest (namely 10% equity interest in the Target Company) to the Purchaser at a total consideration of not exceeding RMB66.8 million (HK$80 million), which is currently expected to be satisfied by cash. The Target Company is a joint stock limited liability company established under the laws of the PRC on 31 December 2013. According to the information provided by the Vendor, the Target Company is a commercial bank headquartered in Du Shan County, Guizhou Province, the PRC with a registered and paid up capital of RMB210 million (HK$251.5 million). If the Memorandum of Understanding proceeds to signing of a formal sale and purchase agreement, it is currently expected that the Proposed Acquisition may constitute either a discloseable or major transaction for the Company under Chapter 14 of the Listing Rules. Further announcement(s) relating to the Proposed Acquisition may be made by the Company as and when necessary. As at the date of this Annual Report, a formal sale and purchase agreement has not yet signed. Details are set out in the Company's announcement dated 21 April 2016.

Placing of New Shares under General Mandate

On 6 June 2016, the Company entered into a placing agreement with Supreme China Securities Limited as placing agent (the "Placing Agent") to place, on a best efforts basis, a maximum of 190,110,640 shares at a price of HK$0.09 per share under the General Mandate to the Directors at the annual general meeting held on 30 September 2015 (the "Placing"). Completion of the Placing took place on 15 June 2016 whereby a total of 190,110,000 shares were placed by the Placing Agent. The gross proceeds from the Placing are approximately HK$17.11 million and the net proceeds from the Placing, after deducting the placing commission and other professional fees incurred by the Company in the Placing, are approximately HK$16.60 million. The net proceeds of the Placing has been utilized by the Company for financing the Group's money lending business as intended. For further details, please refer to the Company's announcements dated 6 June 2016 and 15 June 2016.

DIRECTORS' REPORT

CORPORATE GOVERNANCE

The Company's corporate governance practices, including Audit Committee, Nomination Committee and Remuneration Committee, are set out in the Corporate Governance Report on pages 24 to 33 of this Annual Report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE

The Group is committed to contributing to the sustainability of the environment and maintaining a high standard of corporate social governance essential for creating a framework staff, and contributes to the community in which we conduct our businesses and creating a sustainable return to the Group. The details of such are set out in the Environmental, Social and Governance Performance on pages 34 to 35 of this Annual Report.

AUDITORS

The financial statements for the year ended 31 March 2016 have been audited by SHINEWING (HK) CPA Limited who retires and, being eligible, offer itself for reappointment. A resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Chow Wang
Chairman and Executive Director

Hong Kong, 30 June 2016

EXECUTIVE DIRECTORS

Mr. Chow Wang ("Mr. Chow"), aged 52, has over more than 20 years of experience in the field of business development, trading and investment. After Mr. Chow finished his secondary education in China in early 80's, he was engaged in trading business in Shenzhen, China. After relocating to Hong Kong in late 80's, Mr. Chow established Ban Loong Shareholding Limited ("Ban Loong") and acquired Union Shine Technology Limited ("Union Shine"). Ban Loong is engaged in the investment in private equity projects in Hong Kong and China, while Union Shine is engaged in the production of consumer electronic products, accessories and parts. Mr. Chow has extensive experience in corporate development and management, and has a well-established social network in financial and business sectors in Hong Kong and China. Mr. Chow was appointed as an Executive Director, the Chairman of the Board, the Chairman of the Nomination Committee and a member of the Remuneration Committee of the Company with effect from 9 October 2014.

Mr. Cheung Wai Shing ("Mr. Cheung"), aged 46, holds a Bachelor Degree in Accountancy from City University of Hong Kong, and a Master's of Science Degree in Finance from University of Michigan-Dearborn. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants, and an associated member of The Institute of Chartered Accountants in England and Wales. Mr. Cheung has extensive experience in accounting, financial management and corporate governance and has worked in "big four" accounting firms and various private and public companies. Mr. Cheung was appointed as the company secretary and authorized representative of the Company with effect from 21 August 2008 and an Executive Director of the Company effective 28 August 2008. Mr. Cheung resigned as authorized representative of the Company on 21 May 2011 and was re-appointed on 28 September 2011. Mr. Cheung was appointed as a member of the Remuneration Committee and the Nomination Committee with effect from 29 March 2012.

Mr. Xu Jian Zhong ("Mr. Xu"), aged 59, was allocated by the State Ministry of Foreign Trade China to Beijing Chemicals Import and Export Corporation engaged in international trade work in early 1976 to 1986. During the period from Beijing to Italy Mr. Xu began his personal venture abroad, mainly engaged in garment, textile manufacturing equipment import and export business. Mr. Xu has been engaged in such business since he returned to Hong Kong in 2004. Mr. Xu has a long experience in international trade and good connections abroad parties and years of successful experience in business and the company's management and multi-lingual. Mr. Xu graduated from the Guangzhou Institute of Foreign Languages. Mr. Xu was appointed as an Executive Director on 25 August 2014. Mr. Xu resigned as an Executive Director of the Company on 31 October 2015.

NON-EXECUTIVE DIRECTOR

Mr. Fong For ("Mr. Fong"), aged 57, completed his high school education in Lufeng, Guangdong, China. He is currently an Honorary President of the Confederacy of Hong Kong Shanwei Clansmen Limited, and a Vice President of the Standing Committee of the Overseas Friendship Association of Shanwei. Mr. Fong was also previously a member of the Shanwei Committee of the Chinese People's Political Consultative Conference. Mr. Fong has many years of business and management experience in textile, trading, investments, property development and logistics. Mr. Fong was appointed as a Non-executive Director on 12 December 2014.

On 11 May 2006, Mr. Fong (a) pleaded guilty to one summons relating to his failure to notify the listed issuer of his interests in shares of Zheda Lande Scitech Limited, whose H shares are listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with stock code: 8106, amounting to over 10% of the H shares of that listed company which should be disclosed under Part XV of the SFO; (b) was convicted for contravening Part XV of the SFO; and (c) was fined by The Eastern Magistrates' Courts of Hong Kong for HK$6,000 (and investigation costs of the Securities and Futures Commission). Save as disclosed above, Mr. Fong has not been convicted of any other offences.

Despite the conviction disclosed above, both Mr. Fong and the Company consider that it is appropriate for Mr. Fong to act as a director of the Company because the relevant offence has no relevance to his character and integrity and was, according to Mr. Fong, an act of oversight. In particular, although Mr. Fong failed to file the disclosure form to the listed issuer, he did file the disclosure form to the Stock Exchange. The Company has enquired with Mr. Fong about the offence and conviction before his appointment, who confirmed to the Company that he had now gained the relevant knowledge and experience and would be able to comply with the statutory and regulatory requirements imposed on directors of listed companies.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Jiang Zhi ("Mr. Jiang"), aged 47, obtained a master degree (major in civil and commercial law) from Southwest University of Political Science & Law in Shenzhen, PRC in 2001. Mr. Jiang has been practising in various reputable law firms in Shenzhen since 1989. Mr. Jiang obtained PRC solicitors practising certificate and became a qualified lawyer in China in 1993. Mr. Jiang was previously a founder and currently a partner of Guangdong Jun Yan Law Firm from 2003 to August 2015. Mr. Jiang now is the partner of 廣東深信律師事務所. Mr. Jiang provides legal advice to many clients in different industries in the PRC. His practice area includes mainly contract law, real estate law, corporate law and medical law. Mr. Jiang has solid academic foundation and rich practical experience in those areas. Mr. Jiang was appointed as an Independent Non-executive Director, a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company on 19 January 2015.

Mr. Leung Ka Kui, Johnny ("Mr. Leung"), aged 59, holds a Bachelor of Laws of the University of London. Mr. Leung is a qualified solicitor in Hong Kong, England & Wales and Singapore, and is a Notary Public and China Appointed Attesting Officer. He has over 31 years of experience in legal field and is the senior partner of Messrs. Johnny K.K. Leung & Co., Solicitors & Notaries.

Mr. Leung is currently an independent non-executive director of Celestial Asia Securities Holdings Limited (Stock Code: 1049) which is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and Phoenitron Holdings Limited (Stock Code: 8066) which is listed on the Growth Enterprise Market of the Stock Exchange. Mr. Leung retired as an independent non-executive director of AMCO United Holdings Limited (Stock Code: 630) on 30 June 2015, which is listed on the Main Board of the Stock Exchange. Mr. Leung was appointed as an Independent Non-executive Director, the Chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee of the Company on 9 October 2014.

Ms. Wong Chui San, Susan ("Ms. Wong"), aged 42, has been a certified practising accountant of the Australian Society of Certified Practising Accountants and a certified public accountant of the Hong Kong Institute of Certified Public Accountants since May 1999 and May 2000, respectively. She is also a member of The Society of Chinese Accountants and Auditors, a fellow and a certified tax adviser of the Taxation Institute of Hong Kong. Ms. Wong has more than 19-year experience in auditing, accounting and taxation. She is also the Director of W. Wong CPA Limited and the founder of Messrs. C.S. Wong & Co. and the Director of Pan-China (H.K.) CPA Limited. Ms. Wong is currently the company secretary of Grand Investment International Limited (Stock Code: 1160) which is listed on the Main Board of the Stock Exchange. Ms. Wong is currently the chief financial officer and company secretary of Astrum Financial Holdings Limited (Stock Code: 8333) which is listed on the Growth Enterprise Market of the Stock Exchange. Ms. Wong resigned as the company secretary of Yin He Holdings Limited (formerly known as Zebra Strategic Holdings Limited) (Stock Code: 8260) on 31 August 2015 which is listed on the Growth Enterprise Market of the Stock Exchange. Ms. Wong was appointed as an Independent Non-executive Director, the Chairman of the Audit Committee and a member of the Nomination Committee and the Remuneration Committee of the Company on 9 October 2014.

CHIEF OPERATING OFFICER

Mr. Wang Zhao Qing, Tiger, aged 53, has over 25 years of working experience in the business operating sector in China. Mr. Wang studied in Guangzhou Customs District People's Republic of China and Jinan University Economics College from 1985 to 1989. Mr. Wang obtained his master degree of Business Administration Hong Kong Baptist University (MBA). Mr. Wang has been admitted to the degree of Doctor of Business Administration Victoria University Switzerland. From 2007 to 2008, he was a Senior Visiting Scholar in Asia School of Business Singapore completed research on <The Impacts & Implication of Entrepreneurship in China>. Mr. Wang has over 25 years' experience in the business operating sector and is familiar with financial and economic analysis, import and export management, sales etc. Mr. Wang was appointed as a Chief Operating Officer of the Company on 1 December 2013.

CORPORATE GOVERNANCE REPORT

The board of directors (the "Directors") of the Company (the "Board") is committed to achieving and maintaining high standards of corporate governance to ensure that all decisions are made in good faith, in the best interest of shareholders and in long-term shareholders value.

CORPORATE GOVERNANCE PRACTICES

The corporate governance standards of the Company are built on the principles of independence, accountability, transparency and fairness. The Company has complied with the Code Provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited ("the Stock Exchange") throughout the year ended 31 March 2016.

In the opinion of the Board, the Company has complied with the Code Provisions save for deviations as set out below:

CODE PROVISION A.4.1

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term and subject to re-election.

All non-executive directors of the Company were not appointed for a specific term, but every director of the Company will be subject to retirement no later than the third annual general meeting after his election, under the Company's Bye-Laws. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are not less exacting than those in the CG Code; and

CODE PROVISION A.6.7

Code Provision A.6.7 stipulates that independent non-executive directors ("INEDs") and other non-executive directors ("NEDs") should attend general meeting. There were one NED and two INEDs attended the annual general meeting of the Company held on 30 September 2015 (the "2015 AGM") and only one INED was unable to attend the 2015 AGM due to other business engagement. There were two INEDs attended the special general meeting of the Company held on 12 August 2015 (the "2015 SGM"). Only one NED and one INED were unable to attend the 2015 SGM due to other business engagement.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of the Model code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. The prohibitions on securities dealing and disclosure requirements in the Model Code apply to specified individuals including the Group's senior management and also persons who are privy to relevant negotiations or agreements or any inside information of the Group.

Having made specific enquiry of all directors, the Board confirms that the Directors of the Company have complied with the Model Code regarding directors' securities transactions during the year and up to the date of publication of this Annual Report.

THE BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Company, oversee the Group's businesses and evaluate the performance of the Group. The Board also focuses on overall strategies and policies with particular attention paid to the growth and financial performance of the Group.

The Board delegates day-to-day operations of the Group to Executive Directors and senior management, while reserving certain key matters for its approval. When the Board delegates aspects of its management and administration functions to Management, it has given clear directions as to the powers of the Management, in particular, with respect to the circumstances where Management shall report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company.

The Directors of the Company were supplied with adequate and relevant information in a timely manner to enable them forming decision in the relevant meetings. Every Director is aware that he/she should give sufficient time and attention to the affairs of the Company. Agreed procedures are in place providing to the member of the Board and/or committee to seek independent professional advice at the Company's expenses to assist them to discharge their duties.

The Company's senior management regularly supplies the Board and its Committees with adequate information in a timely manner to enable them to make informed decisions. For Board meetings and the Board Committee meetings, the agenda accompanying with Board papers were sent to all directors at least 2 days before the intended date of the Board meetings or Board Committee meetings.

Board Composition

The Board currently consists of six directors as follows:

Executive Directors
Mr. Chow Wang *(Chairman)*
Mr. Cheung Wai Shing

Non-executive Director
Mr. Fong For

Independent Non-executive Directors
Mr. Jiang Zhi
Mr. Leung Ka Kui, Johnny
Ms. Wong Chui San, Susan

There is no financial, business, family or other material/relevant relationship among members of the Board and between the Chairman and the chief executive officer.

All Directors have different professional and relevant industry experiences and background so as to bring in valuable contributions and advices for the development of the Group's business. Currently, there are 3 out of 6 Directors are INEDs and one of them is qualified accountant. Biographical details of the Directors are set out in the section of "Biographical Information of Directors and Senior Management" in this Annual Report.

At every annual general meeting, one-third of the Directors for the time being or, if their number is not three and a multiple of three, then the number nearest to but not exceeding one-third shall retire from office by rotation provided that every directors, including those appointed for a specific terms shall be subject to retirement by rotation at least once every three years. A retiring director shall be eligible for re-election. According to the Company's Bye-Law, all newly appointed directors will hold office until the next annual general meeting and shall be eligible for re-election.

THE BOARD OF DIRECTORS (CONTINUED)

Chairman and Chief Executive Officer

Up to the date of this Annual Report, the Chairman of the Board is currently held by Mr. Chow Wang ("Mr. Chow") and the position of the chief executive officer chairman is still vacated. With the support from the Executive Directors and the Company Secretary, Mr. Chow is responsible for ensuring that the Directors perform their duties properly and ensuring discussions on material matters take place on a timely basis. The power and authority to carry out day-to-day operations and implementation of the strategies and directions set by the Board are delegated to the management team of the Company (the "Management") which is led by Mr. Chow. The Management assumes full accountability to the Board for the operation of the Group.

The Company is still in process of identifying a suitable candidate with appropriate experience as the Company's Chief Executive Officer.

Non-Executive Directors

All non-executive directors of the Company were not appointed for a specific term, but every director of the Company will be subject to retirement no later than the third annual general meeting after his election, under the Company's Bye-Laws. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are not less exacting than those in the CG Code.

The Company has received written confirmation from each independent non-executive director of their independence to the Group. The Group considered all of independent non-executive directors meet the independence guidelines set out in Rules 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines.

Board Meetings

The Board held 4 meetings in the fiscal year. Directors have been consulted to advice the agenda of the Board meeting. Sufficient notice of the Board meeting has been given to the directors.

Directors may attend meetings in person or via telephone, electronic or other communication facilities. Minutes of the Board and the Board Committees are recorded in sufficient details and kept by the company secretary for inspection at any reasonable time on reasonable notice by any directors.

The Board holds meetings on a regular basis and will meet on other occasions when a board-level decision on a particular matter is required. The Board also monitors and controls financial performance in pursuit of the Group's strategic objectives. The attendance of individual director at Board meetings held during the accounting period is set out below.

THE BOARD OF DIRECTORS (CONTINUED)

Board Meetings (Continued)

Name	Board	Audit Committee	Nomination Committee	Remuneration Committee
Total numbers of meetings held during the year ended 31 March 2016	4	2	1	1
Executives:				
Mr. Chow Wang	4/4	N/A	1/1	1/1
Mr. Cheung Wai Shing	4/4	N/A	1/1	1/1
Mr. Xu Jian Zhong (resigned on 31 October 2015)	1/2	N/A	N/A	N/A
Mr. Zhao Baolong (resigned on 23 April 2015)	0	N/A	N/A	N/A
Non-Executive:				
Mr. Fong For	0/4	N/A	N/A	N/A
Independent Non-executives:				
Mr. Jiang Zhi	4/4	2/2	1/1	1/1
Mr. Leung Ka Kui, Johnny	2/4	1/2	1/1	0/1
Ms. Wong Chui San, Susan	4/4	2/2	1/1	1/1

Directors' training and professional development

Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. The Company had arranged an in-house training for Directors organized by our in-house lawyer covering the topics on the inside information disclosure requirements under the Securities and Futures Ordinance and continuing and connected transactions under Chapter 14A of the Listing Rules. Reference materials were from time to time provided to Directors to update them with the relevant laws and Listing Rules.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the following corporate governance functions:–

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

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

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

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

(e) to review the Company's compliance with the code and disclosure in the Corporate Governance Report;

(f) to evaluate and determine the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives; and

(g) to ensure that the Group establishes and maintains appropriate and effective risk management and internal control systems and review their effectiveness.

BOARD DIVERSITY POLICY

With an aim to achieve diversity on the Board of the Company, the Board has approved and adopted a Board Diversity Policy (the "Policy") and revised to the terms of reference of the Nomination Committee of the Board to ensure the appropriate implementation of the Policy on 29 November 2013. The Policy was made with a view to achieving a sustainable and balanced development of the Company, of which, among others, all Board appointments will be based on meritocracy, and candidates will be considered against appropriate criteria, having due regard for the benefits of diversity on the Board.

The Company commits to selecting the best person for the role. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural background and ethnicity, in addition to educational background, 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 Board's composition (including gender, age, length of service) will be disclosed in the Corporate Governance Report annually.

The Nomination Committee will report annually, in the Corporate Governance Report, on the Board's composition under diversified perspectives, and monitor the implementation of this Policy.

The Nomination Committee will review this Policy, as appropriate, to ensure the effectiveness of this Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

BOARD COMMITTEES

When the Board delegates aspects of its management and administration functions to management, it has given clear directions as to the powers of management, in particular, with respect to the circumstances where management shall report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company.

The Company has set up three committees including Audit Committee, Nomination Committee and Remuneration Committee, each Committee with its specific terms of reference as set out in the CG Code.

Remuneration Committee

The Company has established a remuneration committee (the "RC") with written terms of reference in consistence with the CG Code for the purpose of making recommendations to the Board on the Company's remuneration policy and structure for directors and senior management. The written terms of reference are posted on the websites of the Company and the Stock Exchange.

The work of the RC during the year ended 31 March 2016 included the following matters:

i. reviewed and made recommendations to the Board the increment in remuneration packages for the year 2015 for all the Directors and senior management staff of the Company. The RC has considered factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration. Further details on the remuneration policy and the basis of determining the remuneration payable to the Directors and senior management are set out in the page 12 of this Annual Report;

ii. determined, with delegated responsibility, the remuneration packages of individual executive directors and senior management. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

iii. ensured no director or any of his associated is involved in deciding his own remuneration; and

iv. reviewed and made recommendations to the Board the emolument policy of the employees of the Group on the basis of their merit, qualification and competence.

Further details on the remuneration policy and the basis of determining the remuneration payable to the Directors and senior management are set out in pages 85 to 88 of this Annual Report.

The number of RC meeting held during the year and record of individual attendance of members, on a named basis, at meetings held during was set out in section headed "Board Meetings" above.

BOARD COMMITTEES (CONTINUED)

Remuneration Committee (Continued)

The RC currently consists of the following members:

Independent Non-executive Directors
Mr. Leung Ka Kui, Johnny *(Chairman)*
Mr. Jiang Zhi
Ms. Wong Chui San, Susan

Executive Directors
Mr. Chow Wang
Mr. Cheung Wai Shing

Nomination Committee

The Company has established a nomination committee (the "NC") with written terms of reference in consistence with the CG Code for the purpose of reviewing the structure, size and composition of the Board on a regular basis and identifying individuals suitably qualified to become board members. It is also responsible for accessing the independence of independent non-executive directors and making recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors. The written terms of reference are posted on the websites of the Company and the Stock Exchange.

In addition, the shareholders have the power to nominate any person to become a director of the Company in accordance with the Company's Bye-Laws, the procedure for election of directors was published on the Company's website.

The work of the NC during the year ended 31 March 2016 included the following matters:–

i. evaluated the above named directors' skills, qualifications, knowledge and experiences; and

ii. reviewed the composition of the Board in accordance with the measurable objective of the Board Diversity Policy.

The biographies of the above named directors are set out in the section of "Biographical Information of Directors and Senior Management" in this Annual Report. The above named directors have held the office until the 2016 AGM and had been re-elected at the 2016 AGM.

The number of NC meeting held during the year and record of individual attendance of members, on a named basis, at meetings held during was set out in section headed "Board Meetings" above.

BOARD COMMITTEES (CONTINUED)

Nomination Committee (Continued)

The NC currently consists of the following members:

Independent Non-executive Directors
Mr. Jiang Zhi
Mr. Leung Ka Kui, Johnny
Ms. Wong Chui San, Susan

Executive Directors
Mr. Chow Wang *(Chairman)*
Mr. Cheung Wai Shing

Audit Committee

The Company has established an audit committee (the "AC") with written terms of reference in consistence with the CG Code. The revised terms of reference are posted on the websites of the Company and the Stock Exchange.

The AC is responsible for review of the Group's financial information and oversight of the Group's financial reporting system, risk management and internal control procedure. The AC is also responsible for reviewing the interim and final results of the Group prior to recommending them to the Board for approval. In performing its duties, it has unrestricted access to personnel, records, external auditors and senior management.

During the year ended 31 March 2016, the AC held 2 meetings and the work of AC included the following matters:–

i. discussed with management the risk management framework, policies and procedures are in place to identify, assess, manage, control and report risks and draft a written risk management policy to monitor the Group's business objectives;

ii. discussed with management the status of annual results for the year ended 31 March 2016, interim results for the year ended 30 September 2015;

iii. reviewed and discussed with management and the external auditors regarding the financial statements for the year ended 30 September 2015 and management letter;

iv. reviewed and discussed with management and the external auditors regarding the unaudited interim financial statements for the six months ended 30 September 2015 and management letter;

v. reviewed the effectiveness of internal control system;

vi. reviewed the external auditors' statutory audit plan and engagement letter;

vii. discussed with the management and ensured that the Board has conducted an annual review such that there is adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function; and

viii. recommended to the Board, for the approval by shareholders, of the re-appointment of the auditors.

The number of AC meetings held during the year and record of individual attendance of members, on a named basis, at meetings held during was set out in section headed "Board Meetings" above. The Group's Annual Report for the year ended 31 March 2016 has been reviewed by the AC.

BOARD COMMITTEES (CONTINUED)

Audit Committee (Continued)

The AC currently consists of the following members. Ms. Wong Chui San, Susan is the certified public accountant for many years.

Independent Non-executive Directors
Ms. Wong Chui San, Susan *(Chairman)*
Mr. Jiang Zhi
Mr. Leung Ka Kui, Johnny

Accountability and Audit

Financial Reporting

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other regulatory requirement. The directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 March 2016.

A statement by the independent auditors of the Company about their reporting responsibilities is included in the Independent Auditors' Report on page 36 of this Annual Report. The details of the internal controls of the Company and the audit committee are set out under the section "Internal Control" and "Audit Committee".

Risk Management

The Board, through the Audit Committee, is responsible for overseeing the design, implementation and monitoring of the risk management. The risk management is designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks of failure in operating systems or in achievement of the Group's business objectives.

Under the risk management framework, policies and procedures are in place to identify, assess, manage, control and report risks. Such risks include strategic, credit, operational (administrative system, human resources, tangible and reputation), market, liquidity, legal and regulatory risks.

Internal Control

The Board acknowledges its responsibility in maintaining sound and effective internal control system for the Group to safeguard investments of the shareholders and assets of the Company at all times. The system of internal control aims to help achieving the Group's business objectives, safeguarding assets and maintaining proper accounting records for provision of reliable financial information. However, the design of the system is to provide reasonable, but not absolute, assurance against material misstatement in the financial statements or loss of assets and to manage rather than eliminate risks of failure when business objectives are being sought.

In addition, a policy and procedure regarding the publication price sensitive information is established, setting out the guiding principles, procedures and internal controls for the handling and dissemination of price-sensitive information in a timely manner.

During the year under review, the Board has reviewed the internal control policy and concluded that in general, the Group's internal control system is effective and adequate; no material deficiencies have been identified.

AUDITOR'S REMUNERATION

For the financial year, SHINEWING (HK) CPA Limited is the auditor of the Company. Fee paid or payable to the auditor for audit service provided to the Group is approximately HK$1,121,000. The auditor's remuneration has been duly approved by the Audit Committee and there was no disagreement between the Board and the Audit Committee on the selection and appointment of the auditor. During the financial year, fee paid or payable to the auditor for non-audit services provided to the Group was approximately HK$675,000, most of which was related to the professional accountancy works for the Group's proposed acquisition.

COMPANY SECRETARY

Mr. Cheung Wai Shing ("Mr. Cheung"), the Company Secretary of the Company, has confirmed that for the year ended 31 March 2016, he has complied with Rule 3.29 of the Listing Rules. Mr. Cheung has taken no less than 15 hours of relevant professional training. Mr. Cheung is also the Executive Director of the Company his biography is set out in the section of "Biographical Information of Directors and Chief Executive Officer" in this Annual Report.

COMMUNICATION WITH SHAREHOLDERS

Effective communication

The general meetings of the Company provide a forum for communication between the shareholders and the Board. The Chairman of the Board as well as chairman of the Audit Committee and Remuneration Committee, or in their absence, other members of the respective committees, are available to answer questions at the shareholders' meetings.

Separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors.

The Company continues to enhance communications and relationships with its investors. Designated senior management maintains regular dialogue with investors and analysis to keep them abreast of the Company's developments. Enquiries from investors are dealt with in an informative and timely manner.

Voting by poll

The rights of shareholders and the procedures for demanding a poll on resolutions at shareholders' meetings are contained in the Company's articles of association. Details of such rights to demand a poll and the poll procedures are included in all circulars to shareholders and will be explained during the proceedings of meetings.

Poll results were published on the website of the Stock Exchange as well as the Company's website.

SHAREHOLDERS' RIGHTS

Convening extraordinary general meeting and putting forward proposals at Shareholder's meetings

Pursuant to section 74(1) of the Bermuda Companies Act, the Directors of the Company, on the requisition of shareholders of the Company holding not less than one-tenth of the paid-up capital of the Company, can convene a special general meeting to address specific issues of the Company within 21 days from the date of deposit of written notice to the principal place of business of the Company in Hong Kong. The same requirement and procedure also applies to any proposal to be tabled at shareholders' meetings for adoption.

Shareholders' Enquiries to the Board

Shareholders of the Company may at any time send their enquiries and concerns to the Board in writing through the Company Secretary whose contact details are set out in the "Contact Us" section of the Company's website at http://www.0030hk.com/news.php.

CONSTITUTIONAL DOCUMENTS

For the year ended 31 March 2016, there has been no significant change in the constitutional documents of the Company.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE

The Group has from time to time endeavoured to comply with laws and regulations regarding environmental protection and adopted effective environmental policies to ensure its projects meet the required standards and ethics in respect of environmental protection and to lead its reduction in greenhouse gas emissions that contribute to climate change.

1. Working Conditions

The Company adopted the Board diversity policy in accordance with the requirement set out in the CG Code. The Company recognizes that the Board diversity is an essential element contributing to the sustainable development of the Company. In designing the Board's composition, the Board diversity has been considered from a number of aspects, including but not limited to the skills, knowledge, gender, age, cultural and educational background or professional experience. A Board Diversity Policy, with the aim of enhancing the quality of the Board's performance by diversity, was adopted in November 2013.

The Group encourages its staff to participate in external seminars and lectures to keep abreast of changes and updates on areas of legal, compliance, financial accounting and reporting, and market industry practices. Through these types of training, we believe that the Group can increase its efficiency and productivity while overall risk and uncertainties of the Group can be reduced.

The Company encourages continuous professional development training for the Directors and senior management to develop and refresh their knowledge and skills which includes seminars and workshops, updates on regulatory requirements and development and corporate governance practices.

2. Health and Safety

The Group strives to provide a healthy and safe working environment to the employees. In order to maintain a healthy and safe working environment, the Group has upgraded and maintained tools, office and IT equipment.

3. Key Relationships with Employees, Customers and Suppliers

The Group recognizes that employees are one of the significant assets of the Group. The Group aims to continue establishing a caring environment to employees and emphasis the personal development of its employees. The Group maintains a good relationship with our customers and suppliers.

The Group aims to continually providing quality services and consumption experiences to our customers and establishing cooperation strategy with our suppliers.

4. Environmental Policies

– **Reduce the use of papers**

The Group encourages its staffs to reduce energy consumption by utilizing emails for internal and external communication, adopting e-filing in server, double-sided printing and copying, promoting using recycled paper, reduce unnecessary printing and photocopying and recycle all office supplies whenever possible.

– **Turn off all lights in the office at the end of the night**

The Group encourages and educates staff to reduce energy consumption by switching off lightings and electrical appliances when not in use and suggest that light bulbs be switched to energy saving bulbs, such as LED bulbs, if possible.

– **Support community service activities**

The Group encourages from time to time its staffs to support community service activities in order to contribute towards the society.

5. Compliance with Laws and Regulations

To the best of the knowledge of the Board and the senior management, the Group complied with the relevant laws and regulations which constitutes material impact on the business and operation of the Company and its subsidiaries in all material respects.

INDEPENDENT AUDITOR'S REPORT

SHINEWING (HK) CPA Limited
43/F., Lee Garden One
33 Hysan Avenue
Causeway Bay, Hong Kong

TO THE MEMBERS OF BAN LOONG HOLDINGS LIMITED
(FORMERLY KNOWN AS ABC COMMUNICATIONS (HOLDINGS) LIMITED)
萬隆控股集團有限公司
（前稱佳訊（控股）有限公司）
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Ban Loong Holdings Limited (formerly known as ABC Communications (Holdings) Limited) (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 38 to 121, 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.

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 qualified audit opinion.

BASIS FOR QUALIFIED OPINION

Limitation of audit scope in relation to impairment assessment of technical knowhow

As at 31 March 2015, the Group had a technical knowhow with a carrying amount of HK$29,000,000. As set out in our report dated 30 June 2015 on the Group's consolidated financial statements for the year ended 31 March 2015, we were not provided with sufficient appropriate audit evidence to enable us to assess the recoverable amount of the technical knowhow as at 31 March 2015 and our opinion on the Group's consolidated financial statements for the year ended 31 March 2015 was qualified in such respect.

As further detailed in notes 18 and 36(i), the technical knowhow was derecognised during the year upon the disposal of the subsidiary holding the technical knowhow.

Any adjustment found to be necessary to the carrying amount of the technical knowhow as at 31 March 2015 will have a consequential impact on the loss from discontinued operation of HK$12,384,759 for the year ended 31 March 2016 and the related note disclosures to the consolidated financial statements.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph above, the consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at 31 March 2016, and of their 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.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Wong Hon Kei, Anthony
Practising Certificate Number: P05591

Hong Kong
30 June 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2016

	Notes	2016 HK$	2015 HK$ (Restated)
Continuing operations			
Revenue	7	**146,491,215**	56,403,923
Cost of sales		**(120,241,995)**	(42,921,342)
Gross profit		**26,249,220**	13,482,581
Other income and gain	8	**443,704**	420,802
Decrease in fair value of held for trading investment	24	**–**	(5,512)
Realised gain on held for trading investment	24	**12,992**	–
Gain on disposal of a subsidiary	36(ii)	**215,058**	–
Fair value gain on derivative component of convertible bonds	31	**558,546**	–
Loss on write-off of intangible asset		**(1,272,489)**	–
Loss on write-off of prepayments on exploration and evaluation activities	19	**(4,553,640)**	–
Selling and distribution expenses		**(1,758,722)**	(1,626,174)
General and administrative expenses		**(44,140,179)**	(44,637,468)
Finance costs	9	**(4,796,721)**	(4,428,472)
Loss before tax	10	**(29,042,231)**	(36,794,243)
Income tax expenses	13	**(939,944)**	–
Loss for the year from continuing operations		**(29,982,175)**	(36,794,243)
Discontinued operation			
Loss for the year from discontinued operation	14	**(12,384,759)**	(81,186,373)
Loss for the year		**(42,366,934)**	(117,980,616)
Other comprehensive (expense) income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translating foreign operations		**(17,510,743)**	3,143,593
Exchange reserve released on disposal of subsidiaries		**(382,548)**	–
Other comprehensive (expense) income for the year		**(17,893,291)**	3,143,593
Total comprehensive expense for the year		**(60,260,225)**	(114,837,023)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2016

	Notes	2016 HK$	2015 HK$ (Restated)
Loss for the year attributable to owners of the Company			
– from continuing operations		**(26,249,430)**	(33,579,904)
– from discontinued operation		**(7,288,177)**	(48,711,824)
Loss for the year attributable to owners of the Company		**(33,537,607)**	(82,291,728)
Loss for the year attributable to non-controlling interests			
– from continuing operations		**(3,732,745)**	(3,214,339)
– from discontinued operation		**(5,096,582)**	(32,474,549)
Loss for the year attributable to non-controlling interests		**(8,829,327)**	(35,688,888)
		(42,366,934)	(117,980,616)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(44,282,874)**	(80,284,940)
Non-controlling interests		**(15,977,351)**	(34,552,083)
		(60,260,225)	(114,837,023)
Loss per share	15		
From continuing and discontinued operations			
– Basic and diluted (HK cents)		**(1.58)**	(4.63)
From continuing operations			
– Basic and diluted (HK cents)		**(1.24)**	(1.89)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

	Notes	2016 HK$	2015 HK$
Non-current assets			
Property, plant and equipment	16	**63,531,515**	68,278,836
Prepaid lease payments	17	**1,251,386**	1,426,040
Intangible assets	18	**305,080,785**	351,189,399
Prepayments for exploration and evaluation activities	19	**8,526,297**	13,521,090
Prepayment for purchase of property, plant and equipment		**–**	1,274,000
Available-for-sale investment	20	**–**	60,000,000
Deferred tax asset	32	**64,157**	–
		378,454,140	495,689,365
Current assets			
Trade receivables	21	**1,931,763**	3,572,971
Loan and interest receivables	22	**122,469,877**	–
Other receivables, deposits and prepayments	23	**34,556,312**	8,184,405
Held for trading investment	24	**–**	12,948
Derivative component of convertible bonds	31	**3,779,263**	–
Bank balances and cash	25	**62,712,761**	97,858,042
		225,449,976	109,628,366
Current liabilities			
Trade and other payables	26	**15,027,578**	22,402,614
Bank borrowing	27	**–**	7,078,213
Advance subscriptions and licence fees received		**1,952,611**	2,162,767
Amounts due to non-controlling shareholders of subsidiaries	28	**4,375,651**	5,045,836
Tax payable		**3,069,584**	2,220,401
		24,425,424	38,909,831
Net current assets		**201,024,552**	70,718,535
Total assets less current liabilities		**579,478,692**	566,407,900
Non-current liabilities			
Provision for reinstatement costs	29	**757,323**	796,635
Bonds	30	**66,029,000**	65,229,000
Convertible bonds	31	**5,306,546**	–
Deferred tax liabilities	32	**73,438,582**	77,169,039
		145,531,451	143,194,674
		433,947,241	423,213,226

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

	Note	**2016 HK$**	2015 HK$
Capital and reserves			
Share capital	33	**24,305,532**	19,864,152
Reserves		**301,860,581**	276,923,929
Equity attributable to owners of the Company		**326,166,113**	296,788,081
Non-controlling interests		**107,781,128**	126,425,145
		433,947,241	423,213,226

The consolidated financial statements on pages 38 to 121 were approved and authorised for issue by the board of directors on 30 June 2016 and are signed on its behalf by:

Chow Wang
Director

Cheung Wai Shing
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2016

	Attributable to owners of the Company								
	Share capital HK$	Share premium HK$	Capital redemption reserve HK$	Convertible bonds equity reserve HK$	Exchange reserve HK$	Accumulated losses HK$	Sub-total HK$	Non-controlling interests HK$	Total HK$
At 1 April 2014	16,553,472	347,826,449	176,000	–	9,757,369	(34,315,895)	339,997,395	120,977,228	460,974,623
Loss for the year	–	–	–	–	–	(82,291,728)	(82,291,728)	(35,688,888)	(117,980,616)
Other comprehensive income for the year:									
Exchange differences arising on translating foreign operations	–	–	–	–	2,006,788	–	2,006,788	1,136,805	3,143,593
Total comprehensive income (expense) for the year	–	–	–	–	2,006,788	(82,291,728)	(80,284,940)	(34,552,083)	(114,837,023)
Acquisition of subsidiaries accounted for as assets acquisition (note 35)	–	–	–	–	–	–	–	40,000,000	40,000,000
Issue of shares on placing (note 33)	3,310,680	34,431,072	–	–	–	–	37,741,752	–	37,741,752
Transaction costs attributable to placing of shares	–	(666,126)	–	–	–	–	(666,126)	–	(666,126)
At 31 March 2015	19,864,152	381,591,395	176,000	–	11,764,157	(116,607,623)	296,788,081	126,425,145	423,213,226

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2016

	Attributable to owners of the Company								
	Share capital HK$	Share premium HK$	Capital redemption reserve HK$	Convertible bonds equity reserve HK$	Exchange reserve HK$	Accumulated losses HK$	Sub-total HK$	Non-controlling interests HK$	Total HK$
At 1 April 2015	19,864,152	381,591,395	176,000	–	11,764,157	(116,607,623)	296,788,081	126,425,145	423,213,226
Loss for the year	–	–	–	–	–	(33,537,607)	(33,537,607)	(8,829,327)	(42,366,934)
Other comprehensive expense for the year:									
Exchange differences arising on translating foreign operations	–	–	–	–	(10,362,719)	–	(10,362,719)	(7,148,024)	(17,510,743)
Exchange reserve released on disposal of subsidiaries (note 36)	–	–	–	–	(382,548)	–	(382,548)	–	(382,548)
Total comprehensive expense for the year	–	–	–	–	(10,745,267)	(33,537,607)	(44,282,874)	(15,977,351)	(60,260,225)
Issue of shares upon placing (note 33)	2,141,380	38,330,702	–	–	–	–	40,472,082	–	40,472,082
Transaction costs attributable to placing of shares	–	(407,852)	–	–	–	–	(407,852)	–	(407,852)
Issue of shares upon shares subscription (note 33)	300,000	5,610,000	–	–	–	–	5,910,000	–	5,910,000
Disposal of a subsidiary (note 36(i))	–	–	–	–	–	–	–	(2,666,666)	(2,666,666)
Recognition of equity component of convertible bonds, net of transaction costs (note 31)	–	–	–	19,633,331	–	–	19,633,331	–	19,633,331
Issue of shares upon conversion of convertible bonds (note 33)	2,000,000	6,053,345	–	(15,706,665)	–	15,706,665	8,053,345	–	8,053,345
At 31 March 2016	24,305,532	431,177,590	176,000	3,926,666	1,018,890	(134,438,565)	326,166,113	107,781,128	433,947,241

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2016

	2016 HK$	2015 HK$ (Restated)
OPERATING ACTIVITIES		
Loss before tax from		
– continuing operations	**(29,042,231)**	(36,794,243)
– discontinued operation	**(12,384,759)**	(81,186,373)
	(41,426,990)	(117,980,616)
Adjustments for:		
Depreciation of property, plant and equipment	**4,131,267**	4,187,145
Amortisation of prepaid lease payments	**106,243**	110,139
Amortisation of intangible assets	**8,939,466**	25,067,042
Loss on write-off of interest receivable	**–**	1,603,333
Impairment loss on intangible assets	**2,487,054**	54,977,909
Loss on disposal of intangible asset	**1,272,489**	–
Loss on write-off of prepayment for exploration and evaluation activities	**4,553,640**	–
Loss on write-off of property, plant and equipment	**2,183,462**	1,417
Gain on disposal of a subsidiaries	**(571,755)**	–
Decrease in fair value of held for trading investment	**–**	5,512
Fair value gain on derivative component of convertible bonds	**(558,546)**	–
Expense on issuance of convertible bonds	**117,078**	–
Realised gain on held for trading investment	**(12,992)**	–
Finance costs	**6,027,873**	4,965,781
Bank interest income	**(243,704)**	(318,198)
Forfeiture of deposits received	**(200,000)**	(81,200)
Operating cash flows before movements in working capital	**(13,195,415)**	(27,461,736)
Decrease in trade receivables	**1,641,208**	1,225,908
Increase in loan and interest receivables	**(122,469,877)**	–
Increase in other receivables, deposits and prepayments	**(7,524,512)**	(3,446,545)
Decrease in trade and other payables	**(3,036,313)**	(1,553,619)
Decrease in advance subscriptions and licence fees received	**(210,156)**	(254,346)
NET CASH USED IN OPERATING ACTIVITIES	**(144,795,065)**	(31,490,338)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2016

	Notes	2016 HK$	2015 HK$
INVESTING ACTIVITIES			
Repayment of loans to independent third parties		**–**	17,178,451
Bank interest received		**243,704**	318,198
Repayment of advances to staff		**181,975**	–
Loans advanced to independent third parties		**(21,229,663)**	–
Purchases of property, plant and equipment		**(3,681,334)**	(216,877)
Prepayment for purchase of property, plant and equipment		**–**	(1,274,000)
Prepayments for exploration and evaluation activities		**–**	(267,865)
Proceed from disposal of available-for-sale investment	20	**60,000,000**	–
Net cash inflow from disposal of subsidiaries	36	**3,092,675**	–
Net cash inflow from acquisition of a subsidiary	35	**–**	3,024,144
NET CASH FROM INVESTING ACTIVITIES		**38,607,357**	18,762,051
FINANCING ACTIVITIES			
Proceeds from placing of shares	33	**40,472,082**	37,741,752
Expenses paid for placing of shares		**(407,852)**	(666,126)
Proceeds from shares subscription	33	**5,910,000**	–
Proceeds from issue of convertible bonds	31	**30,000,000**	–
Expenses paid for issue of convertible bonds		**(450,000)**	–
Proceeds from issue of bonds	30	**–**	40,000,000
Expenses paid for issue of bonds		**–**	(3,200,000)
Repayment of bank loan		**–**	(3,037,787)
Loans advanced from independent third parties		**49,339**	2,187,585
Repayment of loan from independent third parties		**–**	(379,450)
Advances from non-controlling shareholder of a subsidiary		**–**	670,185
Interest paid		**(3,891,294)**	(3,666,472)
NET CASH FROM FINANCING ACTIVITIES		**71,682,275**	69,649,687
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(34,505,433)**	56,921,400
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**97,858,042**	40,855,102
Effect of foreign exchange rate changes		**(639,848)**	81,540
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash		**62,712,761**	97,858,042

1. GENERAL INFORMATION

Ban Loong Holdings Limited (formerly known as ABC Communications (Holdings) Limited) (the "Company") is incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The address of its principal place of business is Room 2709-10, 27/F., China Resources Building, No. 26 Harbour Road, Wanchai, Hong Kong.

The principal activity of the Company is an investment holding company. The Company's subsidiaries (together with the Company collectively referred to as the "Group") are principally engaged in providing financial quotation services, wireless applications development, mining operations, money lending business and trading of goods and commodities. The Group was also engaged in the development of encryption technology and products which were discontinued in current year (see note 14).

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

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

In the current year, the Group has applied the following new and revised HKFRSs, which include HKFRSs, Hong Kong Accounting Standards ("HKAS(s)"), amendments and interpretations, issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

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

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

Annual Improvements to HKFRSs 2010 – 2012 Cycle

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

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

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)") (CONTINUED)

Annual Improvements to HKFRSs 2010 – 2012 Cycle (Continued)

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

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

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

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

The directors of the Company consider that the application of the amendments to *HKFRSs 2010 – 2012 Cycle* has had no material impact in the Group's consolidated financial statements.

Annual Improvements to HKFRSs 2011 – 2013 Cycle

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

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

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

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

(a) the property meets the definition of investment property in terms of HKAS 40; and

(b) the transaction meets the definition of a business combination under HKFRS 3.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)") (CONTINUED)

***Annual Improvements to HKFRSs 2011 – 2013 Cycle* (Continued)**

The directors of the Company consider that the application of the amendments to *HKFRSs 2011 – 2013 Cycle* has had no material impact in the Group's consolidated financial statements.

New and revised HKFRSs issued but not yet effective

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

HKFRS 9 (2014)	Financial Instruments[3]
HKFRS 15	Revenue from Contracts with Customers[3]
HKFRS 16	Leases[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 – 2014 Cycle[1]
Amendments to HKAS 1	Disclosure Initiative[1]
Amendments to HKAS 7	Disclosure Initiative[2]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[2]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to HKFRS 10 and HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[1]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[1]
Amendments to HKFRS 15	Clarification to HKFRS 15[3]

1 Effective for annual periods beginning on or after 1 January 2016.
2 Effective for annual periods beginning on or after 1 January 2017.
3 Effective for annual periods beginning on or after 1 January 2018.
4 Effective for annual periods beginning on or after 1 January 2019.
5 Effective date not yet been determined.

The directors of the Company anticipate that, except as described below, the application of other new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)") (CONTINUED)

New and revised HKFRSs issued but not yet effective (Continued)

HKFRS 9 (2014) ***Financial Instruments***

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, HKFRS 9 was further amended to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. A finalised version of HKFRS 9 was issued in 2014 to incorporate all the requirements of HKFRS 9 that were issued in previous years with limited amendments to the classification and measurement by introducing a "fair value through other comprehensive income" ("FVTOCI") measurement category for certain financial assets. The finalised version of HKFRS 9 also introduces an "expected credit loss" model for impairment assessments.

Key requirements of HKFRS 9 (2014) are described below:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9 (2014), 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 (2014) 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 a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)") (CONTINUED)

New and revised HKFRSs issued but not yet effective (Continued)

HKFRS 9 (2014) *Financial Instruments* (Continued)

Key requirements of HKFRS 9 (2014) are described below: (Continued)

- In the aspect of impairment assessments, the impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit were added. Those requirements eliminate the threshold that was in HKAS 39 for the recognition of credit losses. Under the impairment approach in HKFRS 9 (2014) it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, expected credit losses and changes in those expected credit losses should always be accounted for. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

- HKFRS 9 (2014) introduces a new model which is more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. As a principle-based approach, HKFRS 9 (2014) looks at whether a risk component can be identified and measured and does not distinguish between financial items and non-financial items. The new model also enables an entity to use information produced internally for risk management purposes as a basis for hedge accounting. Under HKAS 39, it is necessary to exhibit eligibility and compliance with the requirements in HKAS 39 using metrics that are designed solely for accounting purposes. The new model also includes eligibility criteria but these are based on an economic assessment of the strength of the hedging relationship. This can be determined using risk management data. This should reduce the costs of implementation compared with those for HKAS 39 hedge accounting because it reduces the amount of analysis that is required to be undertaken only for accounting purposes.

HKFRS 9 (2014) will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

The directors of the Company anticipate that the application of HKFRS 9 (2014) in the future may have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities. Regarding the Group's financial assets and financial liabilities, it is not practicable to provide a reasonable estimate of the effect of HKFRS 9 (2014) until a detailed review has been completed.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)") (CONTINUED)

New and revised HKFRSs issued but not yet effective (Continued)

HKFRS 15 *Revenue from Contracts with Customers*

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. Thus, HKFRS 15 introduces a model that applies to contracts with customers, featuring a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. The five steps are as follows:

(i) Identify the contract with a customer;

(ii) Identify the performance obligations in the contract;

(iii) Determine the transaction price;

(iv) Allocate the transaction price to the performance obligations; and

(v) Recognise revenue when (or as) the entity satisfies a performance obligation.

HKFRS 15 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows 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.

HKFRS 15 will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

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

HKFRS 16 *Leases*

HKFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessors and lessees.

In respect of the lessee accounting, the standard introduces a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases with the lease term of more than 12 months, unless the underlying asset has a low value.

At the commencement date of the lease, the lessee is required to recognise a right-of-use asset at cost, which consists of the amount of the initial measurement of the lease liability, plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. A lease liability is initially recognised at the present value of the lease payments that are not paid at that date.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)") (CONTINUED)

New and revised HKFRSs issued but not yet effective (Continued)

HKFRS 16 *Leases* (Continued)

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payment made, and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. Depreciation and impairment expenses, if any, on the right-of-use asset will be charged to profit or loss following the requirements of HKAS 16 *Property, Plant and Equipment*, while interest accrual on lease liability will be charged to profit or loss.

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.

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

HKFRS 16 will be effective for annual periods beginning on or after 1 January 2019 with early application permitted provided that the entity has applied HKFRS 15 *Revenue from Contracts with Customers* at or before the date of initial application of HKFRS 16.

The directors of the Company are in the process of assessing their impact on the consolidated financial statements of these requirements. However, it is not practicable to provide a reasonable estimate of the effect until the Group performs a detailed review.

Amendments to HKAS 1 *Disclosure Initiative*

The amendments clarify that companies should use professional judgement in determining what information as well as where and in what order information is presented in the financial statements. Specifically, an entity should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the financial statements, which include the notes. An entity does not require to provide a specific disclosure required by a HKFRS if the information resulting from that disclosure is not material. This is the case even if the HKFRS contain a list of specific requirements or describe them as minimum requirements.

Besides, the amendments provide some additional requirements for presenting additional line items, headings and subtotals when their presentation is relevant to an understanding of the entity's financial position and financial performance respectively. Entities, in which they have investments in associates or joint ventures, are required to present the share of other comprehensive income of associates and joint ventures accounted for using the equity method, separated into the share of items that (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)") (CONTINUED)

New and revised HKFRSs issued but not yet effective (Continued)

Amendments to HKAS 1 *Disclosure Initiative* (Continued)

Furthermore, the amendments clarify that:

(i) an entity should consider the effect on the understandability and comparability of its financial statements when determining the order of the notes; and

(ii) significant accounting policies are not required to be disclosed in one note, but instead can be included with related information in other notes.

The amendments will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted.

The directors of the Company anticipate that the application of Amendments to HKAS 1 in the future may have a material impact on the disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKAS 1 until the Group performs a detailed review.

Amendments to HKAS 7 *Disclosure Initiative*

The amendments to HKAS 7 require entities to provide disclosure that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

To satisfy such requirements, an entity shall disclose (to the extent necessary) the changes in liabilities arising from financing activities including changes from financing cash flows, changes arising from obtaining or losing control of subsidiaries or other businesses, the effect of changes in foreign exchange rates, changes in fair values and other changes.

Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the consolidated statement of cash flows as cash flows from financing activities. In addition, the disclosure requirement also applies to changes in financial assets (for example, assets that hedge liabilities arising from financing activities) if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

The amendments state that one way to fulfil the new disclosure requirement is to provide reconciliation between the opening and closing balances in the consolidated statement of financial position for liabilities arising from financing activities.

Finally, the amendments also state that changes in liabilities arising from financing activities must be disclosed separately from changes in other assets and liabilities.

The amendments will become effective for consolidated financial statements with annual periods beginning on or after 1 January 2017. Early application is permitted.

The directors of the Company anticipate that the application of Amendments to HKAS 7 in the future may have a material impact on the consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of Amendments to HKAS 7 until the Group performs a detailed review.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)") (CONTINUED)

New and revised HKFRSs issued but not yet effective (Continued)

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

The amendments to HKAS 16 prohibit the use of revenue-based depreciation methods for property, plant and equipment under HKAS 16. The amendments to HKAS 38 introduce a rebuttable presumption that use of revenue-based amortisation methods for intangible assets is inappropriate. This presumption can be rebutted only in the following limited circumstances:

(i) when the intangible asset is expressed as a measure of revenue; and

(ii) when a high correlation between revenue and the consumption of the economic benefits of the intangible assets could be demonstrated.

The amendments to HKAS 16 and HKAS 38 will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments should be applied prospectively.

As the Group uses either the straight-line method or Units of Production ("UOP") method for depreciation of property, plant and equipment or amortisation of intangible assets, the directors of the Company anticipate that the application of Amendments to HKAS 16 and HKAS 38 in the future will not have a material impact on the Group's consolidated financial statements.

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

The amendments to HKAS 27 allow an entity to apply the equity method to account for its investments in subsidiaries, joint ventures and associates in its separate financial statements. As a result of the amendments, the entity can choose to account for these investments either:

(i) at cost;
(ii) in accordance with HKFRS 9 (or HKAS 39); or
(iii) using the equity method as described in HKAS 28.

The amendments to HKAS 27 will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments should be applied retrospectively.

As the Company does not have any investment in associates or joint ventures, the directors of the Company do not anticipate that the application of the amendments to HKAS 27 will have a material impact on the Company's financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)") (CONTINUED)

New and revised HKFRSs issued but not yet effective (Continued)

Amendments to HKFRS 15 *Clarification to HKFRS 15*

The amendments to HKFRS 15 provide certain clarification and outline as follows:

- clarify when a promised good or service is separately identifiable from other promises in a contract (i.e. distinct within the context of the contract), which is part of an entity's assessment of whether a promised good or service is a performance obligation;

- clarify how to apply the principal versus agent application guidance to determine whether the nature of an entity's promise is to provide a promised good or service itself (i.e. the entity is a principal) or to arrange for goods or services to be provided by another party (i.e. the entity is an agent);

- clarify for a licence of intellectual property when an entity's activities significantly affect the intellectual property to which the customer has rights, which is a factor in determining whether the entity recognises revenue over time or at a point in time;

- clarify the scope of the exception for sales-based and usage-based royalties related to licences of intellectual property (the royalty constraint) when there are other promised goods or services in the contract; and

- add two practical expedients to the transition requirements of HKFRS 15 for:

  (a) completed contracts under the full retrospective transition approach; and
  (b) contract modifications at transition.

The amendments to HKFRS 15 do not change the effective date of HKFRS 15 and therefore are effective for annual reporting periods beginning or after 1 January 2018. Early application the amendments to HKFRS 15 together with HKFRS 15 continue to be permitted.

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

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 and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value. 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 in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

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 (i.e. its subsidiaries). If a subsidiary prepares its financial statements using accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that subsidiary's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Control is achieved where the Group has (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns. When the Group has less than a majority of the voting rights of an investee, power over the investee may be obtained through (i) a contractual arrangement with other vote holders; (ii) rights arising from other contractual arrangements; (iii) the Group's voting rights and potential voting rights; or (iv) a combination of the above, based on all relevant facts and circumstances.

The Company reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control stated above.

Consolidation of a subsidiary begins when the Group obtains control of the subsidiary and cease when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income of subsidiaries 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (Continued)

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein. Non-controlling interests in the result of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the owners of the Company.

Changes in the Group's ownership interests in existing subsidiaries

When the Group loses control of a subsidiary, it (i) derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost, (ii) derecognises the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them), and (iii) recognises the aggregate of the fair value of the consideration received and the fair value of any retained interest, with any resulting difference being recognised as a gain or loss in profit or loss attributable to the Group.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for goods sold and services rendered in the normal course of business, net of discounts and sales related taxes.

Revenue from the sale of goods is recognised when the 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 costs incurred or to be incurred in respect of the transaction can be measured reliably.

Financial quotation subscription fee income is recognised on a straight-line basis over the subscription period.

Revenue from wireless applications development is recognised when services are rendered.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Deposits and instalments received from customers prior to meeting the above criteria for revenue recognition are included in the consolidated statement of financial position under current liabilities.

Leasing

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

The Group as lessor

Rental income from lease is recognised in profit or loss on straight line basis over the term of the relevant lease.

The Group as lessee

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

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as prepaid lease payments in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on 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 arising on the settlement of monetary items, and on retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

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

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

Fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and retranslated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in equity under the heading of exchange reserve.

Borrowing costs

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

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

Retirement benefits costs

Payments to the state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme (the "MPF Scheme") are recognised as an expense when employees have rendered service entitling them to the contributions.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Short-term employee benefits

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

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

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

Deferred tax is recognised on temporary differences between the carrying values of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary difference. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary difference 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 other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

Current and deferred tax are recognised in profit or loss.

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 of these assets, other than certain mining structures depreciated using the UOP method, is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their estimated 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.

Certain mining structures are stated at cost less subsequent accumulated depreciation and accumulated impairment losses. Depreciation is provided to write off the cost of certain mining structures using the UOP method over the total proven mineral reserves of the mines.

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 the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value of the asset and is recognised in profit or loss in the period in which the item is derecognised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets

Mining right and reserves

Mining right and reserves are stated at cost less accumulated amortisation and any impairment losses. Mining right and reserves include the cost of acquiring mining licences and exploration and evaluation costs transferred from exploration rights upon determination that an exploration property is capable of commercial production, and the cost of acquiring interests in the mining reserves of existing mining properties. The mining right and reserves are amortised over the estimated useful lives, in accordance with the production plans of the entities concerned and the proven and probable mineral reserves of the mines using the UOP method. Mining right and reserves are written off to the consolidated statement of profit or loss and other comprehensive income if the mining property is abandoned.

Exploration rights

Exploration rights are stated at cost less impairment losses. Exploration rights include the cost of acquiring exploration rights, topographical and geological surveys, exploratory drilling, sampling and trenching and activities in relation to commercial and technical feasibility studies.

Exploration and evaluation costs include expenditure incurred to secure further mineralisation in existing ore bodies as well as in new areas of interest. Expenditure incurred prior to accruing legal rights to explore an area is written off as incurred.

When it can be reasonably ascertained that an exploration property is capable of commercial production, exploration and evaluation costs capitalised are transferred to either mining infrastructure or mining right and reserves and depreciated/amortised by the UOP method based on the proven and probable mineral reserves. Costs incurred for exploration which can be directly attributable to the development of mining infrastructure are transferred to mining infrastructure when the exploration reaches the stage of commercial production. All other costs will be transferred to mining right and reserves. Exploration rights are written off to the consolidated statement of profit or loss and other comprehensive income if the exploration property is abandoned.

Technical knowhow

Technical knowhow is stated at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for technical knowhow with finite useful life is recognised on a straight-line basis over the estimated useful life. 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

Cash and short-term deposit in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

Investments in subsidiaries

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

Financial instruments

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

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

Financial assets

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

Effective interest method

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Effective interest method (Continued)

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

Financial assets at FVTPL

Financial assets at FVTPL are financial assets held for trading.

A financial asset is classified as held for trading if:

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

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets and is included in other income in the consolidated statement of profit or loss and other comprehensive income. Fair value is determined in the manner described in note 6.

Loans and receivables

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

Available-for-sale financial assets

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

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

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 where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of financial asset, the estimated future cash flows of the financial assets have been affected.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

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

For certain categories of financial asset, such as trade receivables, loan and interest receivables, other receivables and 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 due and 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 the estimated future cash flows discounted at the financial asset's original effective interest rate.

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

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, loan and interest receivables 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 trade receivable, loan and interest receivable or other 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.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment losses 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 asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments

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

Equity instruments

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

Financial liabilities

Financial liabilities including trade and other payables, bank borrowing, amounts due to non-controlling shareholders of subsidiaries and bonds, are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

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

Interest expense is recognised on an effective interest basis.

Convertible bonds

Convertible bonds issued by the Company that contain the liability, conversion option and early redemption option components are classified separately into respective items on initial recognition in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible bonds. At the date of issue, both the liability and early redemption option components are measured at fair value. The difference between the gross proceeds of the issue of the convertible bonds and the aggregate of the fair values assigned to the liability component and the early redemption option component respectively, representing the conversion option for the holder to convert the convertible bonds into equity, is included in equity (convertible bonds equity reserve).

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The early redemption option component of the convertible bonds is measured at fair value with changes in fair value recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Convertible bonds (Continued)

The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in convertible bonds equity reserve until the conversion option are exercised (in which case the balance stated in convertible bonds equity reserve will be transferred to accumulated losses). When the conversion option remains unexercised at the expiry date, the balance stated in convertible bonds equity reserve will be released to the accumulated losses. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of convertible bonds are allocated to the liability, equity components and early redemption option components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity components are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bonds using the effective interest method. Transaction costs related to the early redemption option component are recognised immediately in profit or loss.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when a derivative contract is entered into and are subsequently measured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss.

Derecognition

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provision for reinstatement costs

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

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Impairment losses on tangible and intangible assets

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a 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.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a 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 the cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurement

When measuring fair value, except for the Group's leasing transactions, value in use of certain property, plant and equipment and intangible assets for the purpose of impairment assessment, 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Specifically, the Group categorised the fair value measurements into three levels, based on the characteristics of inputs, as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At the end of the reporting period, the Group determines whether transfer occur between levels of the fair value hierarchy for assets and liabilities which are measured at fair value on recurring basis by reviewing their respective fair value measurement.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets, liabilities, revenue and expenses reported and disclosures made in the consolidated financial statements that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

Depreciation and estimated useful life of property, plant and equipment

Property, plant and equipment are depreciated on a systematic basis over their estimated useful lives, after taking into account their estimated residual value. The Group assesses annually the residual value and the estimated useful life of the property, plant and equipment. If the expectation differs from the original estimates, such differences from the original estimates will affect the depreciation charges in the year in which the estimates change. The carrying amount of the Group's property, plant and equipment as at 31 March 2016 was HK$63,531,515 (2015: HK$68,278,836).

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Impairment of mining right and reserves and property, plant and equipment

The carrying amounts of mining right and reserves and property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount of these assets, or, where appropriate, the cash-generating unit to which they belong, is the higher of their fair value less costs of disposal and value in use. Estimating the value in use requires the Group to estimate the expected future cash flows from the cash-generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of mining right and reserves and property, plant and equipment as at 31 March 2016 were HK$302,929,294 (2015: HK$318,651,330) and HK$63,531,515 (2015: HK$68,278,836) respectively. No impairment loss has been recognised as at 31 March 2016 (2015: nil).

Mining reserves

Engineering estimates of the Group's mining reserves are inherently imprecise and represent only approximate amounts because of the subjective judgements involved in developing such information. There are authoritative guidelines regarding the engineering criteria that have to be met before estimated mining reserves can be designated as "proven" and "probable". Proven and probable mining reserves estimates are updated on regular intervals taking into account recent production and technical information about each mine. In order to calculate reserves, estimates and assumptions are required about a range of geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand and commodity prices. In addition, as prices and cost levels change from year to year, the estimate of proven and probable mining reserves also changes. This change is considered a change in estimate for accounting purposes and is reflected on a prospective basis in related amortisation rates and impairment of mining right.

Despite the inherent imprecision in these engineering estimates, these estimates are used in determining amortisation expenses and impairment losses. The capitalised cost of mining right is amortised over the estimated useful lives. The useful lives are reviewed annually in accordance with the production plans of the Group and the proven and probable reserves of the mines. The carrying amount of the mining reserves as at 31 March 2016 was HK$302,929,294 (2015: HK$318,651,330).

Impairment of exploration rights

The carrying amounts of exploration rights are assessed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable. Such assessment is made with reference to the likelihood of such rights not being renewed on expiry, the likelihood that commercially viable quantities of mineral resources are not discovered and the likelihood that the carrying amounts cannot be recovered through further development or sales. The carrying amount of the Group's exploration rights as at 31 March 2016 was HK$2,151,491 (2015: HK$3,538,069). No impairment loss has been recognised as at 31 March 2016 (2015: nil).

Estimated useful life of technical knowhow

The Group determines the estimated useful life and related amortisation charge for the technical knowhow classified as intangible assets with reference to the estimated period that the Group intends to derive future economic benefits from the use of technical knowhow. The Group will assess and revise the useful life of technical knowhow to reflect the actual economic benefits derived from the technical knowhow. At 31 March 2015, the carrying amount of technical knowhow is HK$29,000,000 (2016: nil), net of accumulated amortisation and impairment in aggregate of HK$79,944,062 (2016: nil). There is no financial effect to the Group's assets and liabilities at 31 March 2016 since the technical knowhow was derecognised with the disposal of the POMP International Limited ("POMP") as disclosed in note 14.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Impairment of technical knowhow

The carrying amount of technical knowhow is assessed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable. Such assessment is made with reference to the likelihood of economic benefits and technical feasibility of such technical knowhow and the likelihood that the carrying amount cannot be recovered through further development or sales. At 31 March 2015, the carrying amount of technical knowhow is HK$29,000,000, net of accumulated impairment loss of HK$54,977,909. No impairment has been recognised for the year ended 31 March 2016 since the technical knowhow was derecognised with the disposal of POMP as disclosed in note 14.

Provision for reinstatement costs

Provision for reinstatement costs is estimated and reassessed at the end of each reporting period with reference to the latest available quotation from independent contractors. Estimation based on current market information may vary over time and could differ from the actual reinstatement cost upon full extraction of the mining reserves by the Group. The carrying amount of the Group's provision for reinstatement costs as at 31 March 2016 was HK$757,323 (2015: HK$796,635).

Estimated impairment loss on trade receivables, loan and interest receivables and other receivables

The Group makes impairment loss based on an assessment of the recoverability of trade receivables, loan and interest receivables and other receivables. Allowances are applied to trade receivables, loan and interest receivables and other receivables where events or change in circumstances indicate that the balances may not be collectible. The identification of doubtful debts requires the use of judgement and estimates. In determining whether impairment loss on receivables is required, the Group takes into consideration the current creditworthiness, the past collection history, age status and likelihood of collection. Specific allowance is only made for receivables that are unlikely to be collected and is recognised on the difference between the estimated future cash flow expected to receive discounted using the original effective interest rate and its carrying amount. If the financial conditions of customers or debtors of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required. The carrying amounts of the Group's trade receivables, loan and interest receivables and other receivables were HK$1,931,763 (2015: HK$3,572,971), HK$122,469,877 (2015: nil), HK$21,103,996 (2015: HK$1,840,760) respectively. No allowance for impairment loss has been recognised for the year ended 31 March 2016 (2015: nil).

Estimated impairment loss on available-for-sale investment

In determining whether the Group's investment in available-for-sale investment is impaired requires an estimation of the recoverable amount. Impairment assessment had been carried out at the end of the reporting period on the investments in their entirety with reference to the investee companies' financial performance, financial position and/or market transaction price. At 31 March 2015, the carrying amount of the Group's available-for-sale investment is HK$60,000,000. The available-for-sale investment was disposed for the year ended 31 March 2016 as disclosed in note 20. No impairment loss was recognised as at 31 March 2016 and 2015.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Fair value of derivative financial instruments

At described in note 6(c), the directors of the Company use their judgements in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instrument. If the inputs and estimates applied in the model are different, the carrying amount of these derivatives may change. The carrying amount of the derivative financial assets as at 31 March 2016 is HK$3,779,263 (2015: nil). Details of the assumptions used are disclosed in note 6(c). The directors of the Company believe that the chosen valuation techniques and assumptions are appropriate in determining the fair value of derivative financial instruments.

Income taxes

As at 31 March 2016, no deferred tax asset has been recognised in respect of tax losses amounting to HK$176,868,911 (2015: HK$171,287,515) due to the unpredictability of future profits streams. The realisability of deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where it is expected to have sufficient taxable profits against which to utilise the benefits of the temporary differences in the foreseeable future, certain amount of deferred tax asset may arise, which would be recognised in profit or loss for the period.

5. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern while maximising the return to shareholders and benefit to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes bank borrowing, amounts due to non-controlling shareholders of subsidiaries, bonds and convertible bonds, net of bank balances and cash and equity attributable to owners of the Company, comprising issued share capital and reserves.

The Group structures its capital with due consideration to risk. The Group manages and adjusts its capital structure in the light of the changes in economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may repurchase shares of the Company, issue new shares, or increase or reduce borrowings.

The Group is not subject to externally imposed capital requirements.

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2016 HK$	2015 HK$
Financial assets		
Financial asset at FVTPL:		
Held for trading investment	–	12,948
Derivative component of convertible bonds	3,779,263	–
Available-for-sale investment	–	60,000,000
Loans and receivables (including bank balances and cash)	210,995,912	106,025,989
	214,775,175	166,038,937
Financial liabilities		
Financial liabilities at amortised cost	84,163,399	92,772,493

(b) Financial risk management objectives and policies

The Group's major financial instruments include held for trading investment, derivative component of convertible bonds, available-for-sale investment, trade receivables, loan receivables, other receivables and deposits, bank balances and cash, trade and other payables, bank borrowing, amounts due to non-controlling shareholders of subsidiaries, bonds and convertible bonds. Details of the financial instruments are disclosed in respective notes.

The Group's investment policy is to prudently invest all funds of the Group in a manner which will satisfy liquidity requirements, safeguard financial assets, and manage risks while optimising return on investments.

The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these risks to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Currency risk

All sales and purchases of the Group are denominated in the functional currency of the respective entities making the sales and purchases. Accordingly, the directors of the Company considered that the Group is not exposed to material transactional foreign currency risk. The Group currently does not have a foreign currency hedging policy. The Group will monitor foreign exchange exposure and consider hedging significant foreign currency exposure should the need arise.

6. FINANCIAL INSTRUMENTS (CONTINUED)

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

Market risk (Continued)

(i) Currency risk (Continued)

The carrying amount of the Group's significant monetary asset (bank balances and cash) that is denominated in currency other than the functional currency of the respective entities holding the asset at the end of the reporting period is as follows:

	Asset	
	2016	2015
	HK$	HK$
HK$	**5,053,607**	224,102
Renminbi ("RMB")	**1,281,846**	10,092,045

Sensitivity analysis

The Group is mainly exposed to the currency of HK$ and RMB.

The following table details the Group's sensitivity of 5% (2015: 5%) increase and decrease in functional currencies of the respective entities against the relevant foreign currencies. 5% (2015: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated in monetary items, and adjusts their translation at the end of the reporting period for a 5% (2015: 5%) change in foreign currency rates. A positive/negative number below indicates an increase/decrease in post-tax loss and other equity where functional currencies of the respective entities strengthen/weakening 5% (2015: 5%) against the relevant currency.

	HK$ impact		RMB impact	
	2016	2015	**2016**	2015
	HK$	HK$	**HK$**	HK$
Post-tax loss and other equity	**192,173**	11,205	**64,091**	504,602

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to the loan and interest receivables (see note 22), fixed-rate bank borrowing (see note 27), bonds (see note 30) and convertible bonds (see note 31). The Group currently does not have any interest rate hedging policy. However, the management monitors interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated.

The Group is also exposed to the cash flow interest rate risk in relation to variable-rate bank balances (see note 25 for details). The Group's exposure to interest rate risk is minimal as the bank balances have a short maturity period.

Sensitivity analysis

Management of the Group considers the interest rate risk for variable-rate bank balances are insignificant for the years ended 31 March 2016 and 2015. Hence, no sensitivity analysis is presented.

6. FINANCIAL INSTRUMENTS (CONTINUED)

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

Credit risk

As at 31 March 2016, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk arising from money lending business, the management of the Group has delegated a team responsible for the determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The team monitors customers' repayment ability, requests the customers to provide collaterals and reviews the fair value of the collaterals. In addition, the Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Therefore, significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. 20% (2015: nil) of the total loan and interest receivables as at 31 March 2016 was due from the largest borrower from the money lending segment and 84% (2015: nil) of the total loan and interest receivables as at 31 March 2016 was due from the five largest borrowers from the money lending segment.

With respect of credit risk arising from trade and other receivables, the Group's exposure to credit risk arising from default of the counterparties is limited as the counterparties have good history of repayment. In addition, the Group reviews the recoverable amount of each individual receivable balance 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.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group has concentration of credit risk as 36% (2015: 41%) and 68% (2015: 66%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively at 31 March 2016.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of bank balances and cash deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows.

6. FINANCIAL INSTRUMENTS (CONTINUED)

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

Liquidity risk (Continued)

	On demand or less than one year HK$	One to five years HK$	Total undiscounted cash flows HK$	Carrying amount HK$
As at 31 March 2016				
Non-derivative financial liabilities:				
Trade and other payables	**8,452,202**	**–**	**8,452,202**	**8,452,202**
Amount due to non-controlling shareholder of a subsidiary	**4,375,651**	**–**	**4,375,651**	**4,375,651**
Bonds (note)	**3,850,000**	**59,715,750**	**63,565,750**	**66,029,000**
Convertible bonds	**240,000**	**6,240,000**	**6,480,000**	**5,306,546**
	16,917,853	**65,955,750**	**82,873,603**	**84,163,399**
As at 31 March 2015				
Non-derivative financial liabilities:				
Trade and other payables	15,419,444	–	15,419,444	15,419,444
Bank borrowing	7,078,213	–	7,078,213	7,078,213
Amounts due to non-controlling shareholders of subsidiaries	5,045,836	–	5,045,836	5,045,836
Bonds (note)	3,850,000	63,565,750	67,415,750	65,229,000
	31,393,493	63,565,750	94,959,243	92,772,493

Note: The undiscounted cash flows of the Group's bonds are drawn on the assumption that early redemption option, which is available to the bondholders after the fourth anniversary of the bonds, are exercised by the bondholders and is included in the "one to five years" time band in the above maturity analysis. Should the early redemption option being exercised, the bonds will only be redeemed at 80% of the principal at the discretion of the bondholders.

At 31 March 2016, the aggregate undiscounted principal amount of the bonds amounted to HK$70,000,000 (2015: HK$70,000,000). The directors of the Company do not believe that it is probable that the bondholders will exercise their early redemption options. In addition, taking into account the expected increase in interest rate in the future, the directors of the Company do not consider it is probable for the Company to exercise its early redemption option after the fifth anniversary of the bonds (see note 30). Thus, the directors of the Company believe that the bonds will be repaid on the maturity of the bonds (seventh anniversary). At that time, the aggregate principal and interest cash outflows will amount to HK$89,115,750 (2015: HK$92,965,750).

6. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value

The following table provides an analysis of financial instruments that are measured at fair value at the end of each reporting period for recurring and non-recurring measurement, grouped into Levels 1 to 3 based on the degree to which the fair value is observable in accordance to the Group's accounting policy.

	31 March 2016			
	Level 1	**Level 2**	**Level 3**	**Total**
	HK$	**HK$**	**HK$**	**HK$**
Financial assets at FVTPL				
Derivative component of convertible bonds	**–**	**–**	**3,779,263**	**3,779,263**

	31 March 2015			
	Level 1	Level 2	Level 3	Total
	HK$	HK$	HK$	HK$
Financial assets at FVTPL				
Held for trading investment	12,948	–	–	12,948

The fair values of financial assets and financial liabilities carried at amortised costs have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis.

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

There were no transfers between levels of fair value hierarchy in the current and prior years.

6. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value (Continued)

Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis

The valuation techniques and inputs used in the fair value measurements of each financial instrument on a recurring basis are set out below:

Financial instruments	Fair value hierarchy	Fair value as at 31 March 2016	2015	Valuation technique and key observable inputs	Significant unobservable inputs	Range	Relationship of key inputs and significant unobservable inputs to fair value
Held for trading investment	Level 1	**nil**	HK$12,948	Quoted bid prices in an active market	N/A	N/A	N/A
Derivative component of convertible bonds	Level 3	**HK$3,779,263**	nil	Binomial option pricing model: by reference to the risk-free rate of 0.64% and effective interest rate of 9.50%	Volatility	106% – 108%	The higher the volatility, the lower of the fair value of derivative component of convertible bonds

Reconciliation of Level 3 fair value measurements of derivative components of convertible bonds is set out in note 31.

For recurring fair value measurements categorised as Level 3 of the fair value hierarchy, if the volatility used in the Binomial option pricing model were 10% higher or lower while all the other variables were held constant, the carrying amount of the derivative component of convertible bonds would increase by HK$213,262 or decrease by HK$260,129, respectively.

Valuation process

The held for trading investment and derivative component of convertible bonds are measured at fair value for financial reporting purpose. The appropriate valuation techniques and inputs for fair value measurements are determined by the directors of the Company and the independent qualified professional valuer.

In estimating the fair value of the held for trading investment and derivative component of convertible bonds, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages independent qualified professional valuer to perform the valuation. The directors of the Company work closely with the independent qualified professional valuer to establish the appropriate valuation techniques and inputs to the model. The directors of the Company will review the cause of fluctuations in fair value of the derivative component of the convertible bonds in semi-annual basis.

7. REVENUE AND SEGMENT INFORMATION

Information reported to the directors of the Company, being the chief operating decision maker ("CODM"), for the purpose of resources allocation and assessment of segment performance focus on types of goods or services delivered or provided. The directors of the Company have chosen to organise the Group around differences in products and services. No operating segments identified by the CODM have been aggregated in arriving at the reporting segments of the Group.

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

(i) Financial quotation services segment engages in the provision of financial quotation services and wireless applications development;

(ii) Mining operations segment engages in sale of mineral products and leasing of mining right, exploration rights and related assets;

(iii) Money lending segment engages in the provision of financing services; and

(iv) Trading segment engages in the trading of goods and commodities.

During the year ended 31 March 2016, the Group commenced two new reporting and operating segments, namely, money lending segment and trading segment and the operation under the mining operations segment changed to leasing of mining right, exploration right and related assets instead of extraction, exploration of mineral products.

The Group's encryption technology and products segment was introduced during the year ended 31 March 2015 as a result of the acquisition of POMP as set out in note 35 and it was discontinued during the year ended 31 March 2016. The segment information reported on the next pages does not include any amounts for this discontinued operation, which are described in more details in note 14.

7. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment revenues and results

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

For the year ended 31 March 2016

Continuing operations

	Financial quotation services HK$	Mining operations HK$	Money lending HK$	Trading HK$	Total HK$
Revenue	**30,117,589**	**6,775,040**	**9,059,877**	**100,538,709**	**146,491,215**
Segment (loss) profit	**(5,449,082)**	**(2,305,536)**	**8,098,597**	**(215,979)**	**128,000**
Unallocated corporate income and gain					**34,966**
Fair value gain on derivative component of convertible bonds					**558,546**
Realised gain on held for trading investment					**12,992**
Gain on disposal of a subsidiary					**215,058**
Unallocated corporate expenses					**(25,195,072)**
Finance costs					**(4,796,721)**
Loss before tax					**(29,042,231)**

For the year ended 31 March 2015

Continuing operations

	Financial quotation services HK$	Mining operations HK$	Money lending HK$	Trading HK$	Total HK$ (Restated)
Revenue	55,808,473	595,450	–	–	56,403,923
Segment loss	(2,673,707)	(4,141,476)	–	–	(6,815,183)
Unallocated corporate income and gain					3,847
Decrease in fair value of held for trading investment					(5,512)
Unallocated corporate expenses					(25,548,923)
Finance costs					(4,428,472)
Loss before tax					(36,794,243)

7. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment revenues and results (Continued)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment loss represents the loss from each segment without allocation of directors' salaries, certain bank interest income included in other income and gain, fair value gain on derivative component of convertible bonds, decrease in fair value of held for trading investment, realised gain on held for trading investment, gain on disposal of a subsidiary, certain general and administrative expenses, and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

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

	2016 HK$	2015 HK$
Segment assets		
Continuing operations		
Financial quotation services	21,328,685	30,759,170
Mining operations	376,017,582	403,419,711
Money lending	132,066,130	–
Trading	66,135,677	–
Unallocated corporate assets	8,356,042	141,618,898
Total segment assets	603,904,116	575,797,779
Assets relating to discontinued operation – encryption technology and products	–	29,519,952
Consolidated assets	603,904,116	605,317,731

	2016 HK$	2015 HK$
Segment liabilities		
Continuing operations		
Financial quotation services	4,774,874	8,735,938
Mining operations	90,902,830	95,224,225
Money lending	930,104	–
Trading	209,218	–
Unallocated corporate liabilities	73,139,849	68,938,743
Total segment liabilities	169,956,875	172,898,906
Liabilities relating to discontinued operation – encryption technology and products	–	9,205,599
Consolidated total liabilities	169,956,875	182,104,505

7. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities (Continued)

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

– all assets are allocated to reportable and operating segments other than certain property, plant and equipment, available-for-sale investment, certain other receivables, deposits and prepayments, held for trading investment, derivative component of convertible bonds and certain bank balances and cash which are managed on a group basis.

– all liabilities are allocated to reportable and operating segments other than certain other payables, bonds and convertible bonds which are managed on a group basis.

In measuring the Group's segment assets and liabilities, tax payable of HK$2,139,480 (2015: HK$2,220,401) and deferred tax liabilities of HK$73,438,582 (2015: HK$77,169,039) were allocated to the mining operations segment while tax payable of HK$930,104 (2015: nil) and deferred tax asset of HK$64,157 (2015: nil) were allocated to money lending segment. However, the relevant income tax expense of HK$939,944 (2015: nil) was not included in the measurement of segment results.

Other segment information

For the year ended 31 March 2016

Continuing operations

	Financial quotation services HK$	Mining operations HK$	Money lending HK$	Trading HK$	Unallocated HK$	Total HK$
Amounts included in the measure of segment results or segment assets:						
Depreciation of property, plant and equipment	225,997	2,114,323	503,643	138,168	1,065,352	4,047,483
Amortisation of prepaid lease payment	–	106,243	–	–	–	106,243
Additions to non-current assets (note)	546,323	18,371	835,912	1,529,914	2,024,814	4,955,334
Loss on write-offs of property, plant and equipment	–	–	–	–	2,183,462	2,183,462
Loss on write-off of intangible asset	–	1,272,489	–	–	–	1,272,489
Loss on write-off of prepayment for exploration and evaluation activities	–	4,553,640	–	–	–	4,553,640
Bank interest income	(208,738)	–	–	–	(34,966)	(243,704)
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment results or segment assets:						
Realised gain on held for trading investment	–	–	–	–	(12,992)	(12,992)
Finance costs	–	–	–	–	4,796,721	4,796,721
Income tax expenses	–	73,997	865,947	–	–	939,944

7. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Other segment information (Continued)

For the year ended 31 March 2015

Continuing operations

	Financial quotation services HK$	Mining operations HK$	Money lending HK$	Trading HK$	Unallocated HK$	Total HK$ (Restated)
Amounts included in the measure of segment results or segment assets:						
Depreciation of property, plant and equipment	184,193	2,189,725	–	–	1,725,554	4,099,472
Amortisation of prepaid lease payment	–	110,139	–	–	–	110,139
Additions to non-current assets (note)	75,128	331,800	–	–	141,749	548,677
Bank interest income	(314,351)	–	–	–	(3,847)	(318,198)
Loss on write-offs of property, plant and equipment	–	–	–	–	1,477	1,477
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment results or segment assets:						
Loss on write-off of interest receivable	–	–	–	–	1,603,333	1,603,333
Decrease in fair value of held for trading investment	–	–	–	–	5,512	5,512
Finance costs	–	–	–	–	4,428,472	4,428,472

Note: Non-current assets excluded available-for-sale investment and deferred tax asset.

Revenue from major product and services

The following is an analysis of the Group's revenue from continuing operations from sales of its major products and provision of services to external customers:

	2016 HK$	2015 HK$
Revenue from financial quotation	**28,561,345**	55,148,880
Revenue from wireless applications	**1,556,244**	659,593
Revenue from mining operations	**6,775,040**	595,450
Revenue from money lending	**9,059,877**	–
Revenue from trading of goods	**100,538,709**	–
	146,491,215	56,403,923

7. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Geographical information

The Group's operations are located in Hong Kong and the People's Republic of China (the "PRC").

Information about the Group's revenue from continuing operations from external customers is presented based on the location of operations. Information about the Group's non-current assets, excluding those related to discontinued operation, financial instruments and deferred tax asset, is presented based on the geographical location of the assets.

	Hong Kong		PRC (excluding Hong Kong)		Total	
	2016	2015	**2016**	2015	**2016**	2015
	HK$	HK$	**HK$**	HK$	**HK$**	HK$
				(Restated)		(Restated)
For the year ended 31 March						
Segment revenue	**39,177,466**	55,808,473	**107,313,749**	595,450	**146,491,215**	56,403,923
As at 31 March						
Non-current assets	**3,493,069**	4,648,638	**374,896,914**	401,841,282	**378,389,983**	406,489,920

Information about major customers

Revenue from customers of the corresponding year contributing over 10% of the total revenue of the Group are as follows:

	2016	2015
	HK$	HK$
Customer A[1]	**N/A[3]**	26,721,411
Customer B[2]	**20,734,532**	N/A[3]

1 Revenue from financial quotation services
2 Revenue from trading
3 The corresponding revenue did not contribute over 10% of the total revenue of the Group

8. OTHER INCOME AND GAIN

	2016	2015
	HK$	HK$
Continuing operations		
Bank interest income	**243,704**	318,198
Forfeiture on deposit received	**200,000**	81,200
Exchange gain, net	**–**	21,404
	443,704	420,802

9. FINANCE COSTS

	2016 HK$	2015 HK$ (Restated)
Continuing operations		
Effective interest expense on bonds (note 30)	**4,650,000**	4,428,472
Effective interest expense on convertible bonds (note 31)	**146,721**	–
	4,796,721	4,428,472

10. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	2016 HK$	2015 HK$ (Restated)
Continuing operations		
Amortisation of prepaid lease payments	**106,243**	110,139
Auditor's remuneration	**1,121,000**	1,036,000
Cost of inventories recognised as expense	**99,566,131**	–
Depreciation of property, plant and equipment	**4,047,483**	4,099,472
Exchange loss, net	**224,994**	–
Employee benefit expenses (note 11)	**21,363,222**	21,390,386
Loss on write-off of interest receivable	**–**	1,603,333
Loss on write-offs of property, plant and equipment	**2,183,462**	1,417
Minimum lease payments under operating leases in respect of land and buildings	**4,399,977**	4,729,103

11. EMPLOYEE BENEFIT EXPENSES

	2016 HK$	2015 HK$ (Restated)
Continuing operations		
Wages, salaries and other benefits (including directors' remunerations (note (b))	**20,638,933**	20,826,972
Retirement benefit costs (including directors' remunerations (note (b))		
– defined contribution schemes (note (a))	**724,289**	563,414
	21,363,222	21,390,386

Notes:

(a) No forfeited contribution was available at the end of the reporting period to reduce future contributions (2015: nil).

11. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(b) Directors' and chief executive's emoluments

The remunerations paid or payable of each to the 8 (2015: 13) directors, including the chief executive, were as follows:

For the year ended 31 March 2016	Executive directors				Non-executive director	Independent non-executive directors			
	Chow Wang[1*] HK$	Cheung Wai Shing HK$	Zhao Baolong[3*] HK$	Xu Jian Zhong[4] HK$	Fong For[5] HK$	Leung Ka Kui[8] HK$	Wong Chui San, Susan[8] HK$	Jiang Zhi[9] HK$	Total HK$
Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking:									
Fees	–	–	119,726	–	240,000	240,000	240,000	240,000	1,079,726
Salaries	1,200,000	1,200,000	–	210,000	–	–	–	–	2,610,000
Termination benefits	–	–	600,000	–	–	–	–	–	600,000
Contributions to retirement benefits schemes	18,000	18,000	–	10,500	–	–	–	–	46,500
Discretionary bonus (note)	100,000	100,000	–	–	–	–	–	–	200,000
Total emoluments	1,318,000	1,318,000	719,726	220,500	240,000	240,000	240,000	240,000	4,536,226

11. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(b) Directors' and chief executive's emoluments (Continued)

For the year ended 31 March 2015	Executive directors					Non-executive director	Independent Non-executive director							
	Chow Wang[1]	Cheung Wai Shing	Chen Jiasong[2]	Zhao Baolong[3]	Xu Jian Zhong[4]	Fong For[5]	Zhang Guang Hui[6]	Lee Kwong Yiu[7]	Leung Ka Kui[8]	Wong Chui San, Susan[9]	Chen Haoyun, Jordy[7]	Yau Chung Hang[7]	Jiang Zhi[9]	Total
	HK$	HK$	HK$	HK$	HK$	HK$	HK$	HK$	HK$	HK$	HK$	HK$	HK$	HK$
Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking:														
Fees	–	–	1,200,000	–	–	72,903	191,613	123,226	114,839	114,839	61,613	61,613	48,387	1,989,033
Salaries	287,097	1,200,000	–	–	216,774	–	–	–	–	–	–	–	–	1,703,871
Contributions to retirement benefits schemes	9,000	17,500	–	–	10,839	–	–	–	–	–	–	–	–	37,339
Discretionary bonus (note)	11,507	2,200,000	100,000	100,000	12,677	–	–	–	–	–	–	–	–	2,424,184
Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Salaries	–	–	71,098	1,200,000	–	–	–	–	–	–	–	–	–	1,271,098
Contributions to retirement benefits schemes	–	–	59,181	17,500	–	–	–	–	–	–	–	–	–	76,681
Total emoluments	307,604	3,417,500	1,430,279	1,317,500	240,290	72,903	191,613	123,226	114,839	114,839	61,613	61,613	48,387	7,502,206

* Mr. Zhao Baolong was the chief executive of the Company up to 23 April 2015 and Mr. Chow Wang became the chief executive of the Company thereafter and their emoluments disclosed above include those services rendered by them as the chief executive.

1 Appointed as the chairman and an executive director of the Company on 9 October 2014
2 Stood down from chairman on 6 October 2014 and resigned as an executive director on 31 March 2015
3 Appointed on 25 August 2014 and resigned on 23 April 2015
4 Appointed on 25 August 2014 and resigned on 31 October 2015
5 Appointed on 12 December 2014
6 Resigned on 19 January 2015
7 Resigned on 6 October 2014
8 Appointed on 9 October 2014
9 Appointed on 19 January 2015

11. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(b) Directors' and chief executive's emoluments (Continued)

During the year ended 31 March 2016, the Company paid HK$600,000 (2015: nil) to Mr. Zhao Baolong as termination benefits for his loss of office. Except for such, there were no emoluments paid by the Group to any directors or the chief executive of the Group as compensation for loss of office for the years ended 31 March 2016 and 2015.

No emoluments were paid by the Group to any directors or the chief executive of the Group as an inducement to join or upon joining the Group for the years ended 31 March 2016 and 2015.

No director or the chief executive waived or agreed to waive his emoluments during the two years ended 31 March 2016 and 2015.

Note: Discretionary bonus was determined with reference to the Group's operating results, individual performance and comparable market statistics.

(c) Five highest paid individuals

Of the five individuals with the highest emoluments in the Group, three (2015: three) were directors and the chief executive of the Company whose emoluments are disclosed in (b) above. The emoluments of the remaining two (2015: two) individuals were as follows:

	2016 **HK$**	2015 HK$
Wages, salaries and other benefits	**1,612,237**	1,605,983
Employers' contribution to retirement schemes	**36,000**	35,000
	1,648,237	1,640,983

The emoluments were within the following band:

	Number of individuals	
	2016	2015
Nil – HK$1,000,000	**2**	2

12. DIVIDEND

No dividend was paid or proposed during the year ended 31 March 2016, nor has any dividend been proposed since the end of the reporting period (2015: nil).

13. INCOME TAX EXPENSES

	2016 HK$	2015 HK$
Continuing operations		
Current tax:		
– Hong Kong Profits Tax	**930,104**	–
Deferred tax (note 32)	**9,840**	–
	939,944	–

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the year ended 31 March 2016. No provision for Hong Kong Profits Tax has been made for the year ended 31 March 2015 as there are no assessable profits generated during that year.

Under the law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the subsidiaries registered in the PRC is 25% from 1 January 2008 onwards.

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

	2016 HK$	2015 HK$ (Restated)
Continuing operations		
Loss before tax	**(29,042,231)**	(36,794,243)
Calculated at the rates applicable to loss in the tax jurisdictions concerned	**(4,958,340)**	(6,559,310)
Tax effect of income not taxable for tax purpose	**(195,139)**	(62,853)
Tax effect of expenses not deductible for tax purpose	**4,944,833**	5,868,132
Utilisation of tax losses previously not recognised	**(549,471)**	(25,282)
Tax effect of tax losses not recognised	**1,698,061**	779,313
Income tax expense	**939,944**	–

Details of deferred tax are set out in note 32.

14. DISCONTINUED OPERATION

On 24 March 2016, the Company entered into a sale and purchase agreement with an independent third party to dispose of its 60% equity interest in POMP for a cash consideration of HK$4,000,000. POMP and its subsidiaries (collectively referred ed to as the "POMP Group") were engaged in the operation of encryption technology products development. The disposal was effected in order to reduce the operating loss derived from this segment and generate cash flows for the expansion of the Group's other business. The disposal was completed on 24 March 2016, the date control of POMP was passed to the acquirer. Following the disposal of POMP, the Group discontinued its operation in encryption technology and products development business.

	2016 HK$	2015 HK$
Loss for the period	**(12,741,456)**	(81,186,373)
Gain on disposal of subsidiaries (note 36(i))	**356,697**	–
Loss for the period from discontinued operation	**(12,384,759)**	(81,186,373)

The results of the encryption technology and products development segment for the period from 1 April 2015 to 24 March 2016, which have been included in the consolidated statement of profit or loss and other comprehensive income, were as follows:

	Period from 1 April 2015 to 24 March 2016 HK$	Period from 30 April 2014 to 31 March 2015 HK$
Revenue	**–**	–
Amortisation of intangible asset	**(8,939,466)**	(25,067,042)
Impairment loss on intangible asset	**(2,487,054)**	(54,977,909)
Administrative expenses	**(83,784)**	(604,113)
Finance costs	**(1,231,152)**	(537,309)
Loss before tax	**(12,741,456)**	(81,186,373)
Income tax	**–**	–
Loss for the period	**(12,741,456)**	(81,186,373)

14. DISCONTINUED OPERATION (CONTINUED)

	Period from 1 April 2015 to 24 March 2016 HK$	Period from 30 April 2014 to 31 March 2015 HK$
Loss for the period from discontinued operation attributable to:		
– Owners of the Company	**(7,644,874)**	(48,711,824)
– Non-controlling interests	**(5,096,582)**	(32,474,549)
	(12,741,456)	(81,186,373)

Loss for the period from discontinued operation included the following:

	Period from 1 April 2015 to 24 March 2016 HK$	Period from 30 April 2014 to 31 March 2015 HK$
Depreciation of property, plant and equipment	**83,784**	87,673
Wages and salaries	**–**	301,941
Defined contribution scheme	**–**	191,657

During the period from 1 April 2015 to 24 March 2016, the POMP Group recorded net cash out flows from operating activities and financing activities of HK$36,073 (2015: HK$407,026) and nil (2015: HK$2,228,402) respectively. The carrying amounts of the assets and liabilities of POMP and its subsidiaries at the date of disposal are disclosed in note 36(i).

15. LOSS PER SHARE

For continuing and discontinued operations

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

	2016 HK$	2015 HK$
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	**(33,537,607)**	(82,291,728)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**2,119,895,632**	1,776,889,973

The computation of diluted loss per share does not assume the conversion of the Company's outstanding convertible bonds since their exercise would result in a decrease in loss per share from continuing operations.

For continuing operations

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

	2016 HK$	2015 HK$
Loss for the year attributable to owners of the Company	**(33,537,607)**	(82,291,728)
Less: Loss for the year from discontinued operation	**7,288,177**	48,711,824
Loss for the purpose of basic and diluted loss per share from continuing operations	**(26,249,430)**	(33,579,904)

The denominators used are the same as those detailed above for both basic and diluted loss per share.

For discontinued operations

Basic and diluted loss per share for the discontinued operation is 0.34 HK cents (2015: 2.74 HK cents), based on the loss for the year from the discontinued operation of HK$7,288,177 (2015: HK$48,711,824) and the denominators detailed above for both basic and diluted loss per share.

16. PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles HK$	Mining structures HK$	Plant and machinery HK$	Leasehold improvements HK$	Computer equipment HK$	Furniture and fixtures HK$	Total HK$
COST							
At 1 April 2014	4,800,000	57,088,202	14,941,901	2,068,020	11,642,323	869,689	91,410,135
Additions	–	–	–	–	103,729	113,148	216,877
Acquisition of subsidiaries (note 35)	258,323	–	–	–	24,496	–	282,819
Write-offs	–	–	–	–	–	(3,188)	(3,188)
Exchange realignment	2,169	276,503	72,256	1,755	3,713	134	356,530
At 31 March 2015 and 1 April 2015	5,060,492	57,364,705	15,014,157	2,069,775	11,774,261	979,783	92,263,173
Additions	2,797,175	–	–	1,455,990	569,819	132,350	4,955,334
Disposal of subsidiaries (note 36)	(244,159)	–	–	(345,844)	(94,462)	(208,370)	(892,835)
Write-offs	(4,248,900)	–	–	–	(311,303)	–	(4,560,203)
Exchange realignment	(31,481)	(2,828,491)	(739,142)	(17,954)	(11,399)	(12,926)	(3,641,393)
At 31 March 2016	**3,333,127**	**54,536,214**	**14,275,015**	**3,161,967**	**11,926,916**	**890,837**	**88,124,076**
ACCUMULATED DEPRECIATION							
At 1 April 2014	800,000	1,391,050	4,233,568	1,188,068	11,360,942	803,866	19,777,494
Provided for the year	880,410	549,466	1,629,410	879,952	212,258	35,649	4,187,145
Eliminated on write-offs	–	–	–	–	–	(1,771)	(1,771)
Exchange realignment	592	4,301	13,781	1,755	720	320	21,469
At 31 March 2015 and 1 April 2015	1,681,002	1,944,817	5,876,759	2,069,775	11,573,920	838,064	23,984,337
Provided for the year	1,222,353	530,027	1,571,764	485,282	247,372	74,469	4,131,267
Disposal of subsidiaries (note 36)	(149,983)	–	–	(345,844)	(82,367)	(103,401)	(681,595)
Eliminated on write-offs	(2,065,438)	–	–	–	(311,303)	–	(2,376,741)
Exchange realignment	(10,324)	(103,435)	(317,238)	(17,954)	(10,011)	(5,745)	(464,707)
At 31 March 2016	**677,610**	**2,371,409**	**7,131,285**	**2,191,259**	**11,417,611**	**803,387**	**24,592,561**
CARRYING VALUES							
At 31 March 2016	**2,655,517**	**52,164,805**	**7,143,730**	**970,708**	**509,305**	**87,450**	**63,531,515**
At 31 March 2015	3,379,490	55,419,888	9,137,398	–	200,341	141,719	68,278,836

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives or under the UOP method as follows:

Motor vehicles	6 years
Mining structures	UOP method or $6^2/_3$ years, whichever is appropriate
Plant and machinery	$6^2/_3$ years
Leasehold improvements	3 years or over the lease term, whichever is shorter
Computer equipment	3 years
Furniture and fixtures	3-5 years

17. PREPAID LEASE PAYMENTS

The amount represented prepayments for operating leases in respect of certain of the Group's premises related to mining operations located in the PRC.

The current portion of the prepaid lease payments of HK$104,282 (2015: HK$110,139) was included in other receivables, deposits and prepayments in the consolidated statement of financial position.

18. INTANGIBLE ASSETS

	Mining right and reserves HK$	Exploration rights HK$	Technical knowhow HK$	Total HK$
COST				
At 1 April 2014	317,116,790	3,521,002	–	320,637,792
Acquisition of subsidiaries (note 35)	–	–	107,444,950	107,444,950
Exchange realignment	1,534,540	17,067	1,499,112	3,050,719
At 31 March 2015 and 1 April 2015	318,651,330	3,538,069	108,944,062	431,133,461
Disposal of subsidiaries (note 36(i))	–	–	(102,473,758)	(102,473,758)
Write-off	–	(1,272,489)	–	(1,272,489)
Exchange realignment	(15,722,036)	(114,089)	(6,470,304)	(22,306,429)
At 31 March 2016	**302,929,294**	**2,151,491**	**–**	**305,080,785**
ACCUMULATED AMORTISATION AND IMPAIRMENT				
At 1 April 2014	–	–	–	–
Provided for the year	–	–	25,067,042	25,067,042
Impairment loss	–	–	54,977,909	54,977,909
Exchange realignment	–	–	(100,889)	(100,889)
At 31 March 2015 and 1 April 2015	–	–	79,944,062	79,944,062
Provided for the year	–	–	8,939,466	8,939,466
Impairment loss	–	–	2,487,054	2,487,054
Disposal of subsidiaries (note 36(i))	–	–	(86,360,885)	(86,360,885)
Exchange realignment	–	–	(5,009,697)	(5,009,697)
At 31 March 2016	**–**	**–**	**–**	**–**
CARRYING VALUES				
At 31 March 2016	**302,929,294**	**2,151,491**	**–**	**305,080,785**
At 31 March 2015	318,651,330	3,538,069	29,000,000	351,189,399

The mining right and reserves has finite useful life and is amortised using the UOP method based on the proven and probable mineral reserves.

Exploration rights are recognised at cost less impairment. Such expenditures will be capitalised when the minerals are reasonably proved to be commercially available and recognised as intangible assets and subsequently amortised under the UOP method. If any construction was abandoned in the development phase or belongs to the productive exploration, all costs shall be written-off and recognised in profit or loss.

18. INTANGIBLE ASSETS (CONTINUED)

Technical knowhow has finite useful life and are amortised on a straight-line basis over 4 years.

As there is no extraction of mineral ores, no amortisation on mining right and reserves has been recognised for the year ended 31 March 2016 (2015: nil).

At the date of disposal of POMP, the directors of the Company conducted a review of the Group's technical knowhow and determined that the technical knowhow was subject to impairment due to technical obsolescence. Accordingly, impairment loss of HK$2,487,054 (2015: HK$54,977,909) has been recognised during the year ended 31 March 2016. The recoverable amount of HK$16,112,873 (2015: HK$29,000,000) has been determined on the basis of fair value less cost of disposal (2015: value in use).

During the year ended 31 March 2016, one of the exploration rights of HK$1,272,489 (2015: nil) was written-off due to its expiration.

19. PREPAYMENTS FOR EXPLORATION AND EVALUATION ACTIVITIES

The amount represented prepayments made for exploration drilling activities in relation to the Group's exploration rights held.

As at 31 March 2015, the Group had two exploration rights. During the year ended 31 March 2016, prepayments for exploration and evaluation activities of HK$4,553,640 (2015: nil) are written-off as a result of expiration of one of the exploration rights.

20. AVAILABLE-FOR-SALE INVESTMENT

	2016 **HK$**	2015 HK$
Unlisted equity investment in the PRC, at cost	–	60,000,000

The Group's available-for-sale investment as at 31 March 2015 amounted to HK$60,000,000 was measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates was so significant that the directors of the Company were of the opinion that the fair value cannot be measured reliably.

On 4 June 2015, the Company entered into a sale and purchase agreement with an independent third party for the disposal of entire available-for-sale investment for cash consideration of HK$60,000,000. The disposal was completed on 31 December 2015. No gain or loss was recognised from the disposal of available-for-sale investment for the year ended 31 March 2016.

As at 31 March 2015, the directors of the Company performed a review of the recoverable amount of the Group's available-for-sale investment based on the fair value less cost of disposal, determined based on the cash consideration of HK$60,000,000 upon disposal of available-for-sale investment as mentioned above. In the opinion of the directors of the Company, no impairment loss was considered necessary at 31 March 2015.

21. TRADE RECEIVABLES

	2016 HK$	2015 HK$
Trade receivables	**1,931,763**	3,572,971

Trade receivables in relation to trading are having an average credit period of 90 days while trade receivables from financial quotation services are due upon the presentation of invoices.

The following is an ageing analysis of the Group's receivables presented based on the invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period:

	2016 HK$	2015 HK$
0 – 3 months	**1,763,649**	3,442,234
4 – 6 months	**155,370**	130,737
6 – 12 months	**12,744**	–
	1,931,763	3,572,971

At the end of reporting period, included in the Group's trade receivables were debtors with aggregate balances of approximately HK$1,931,763 (2015: HK$3,572,971) which were past due but not impaired at the end of the reporting period for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collaterals for receivables above.

The ageing analysis of trade receivables that were past due but not impaired is as follows:

	2016 HK$	2015 HK$
0 – 3 months	**1,763,649**	3,442,234
4 – 6 months	**155,370**	130,737
6 – 12 months	**12,744**	–
	1,931,763	3,572,971

22. LOAN AND INTEREST RECEIVABLES

	2016 HK$	2015 HK$
Loan receivables, repayable within one year and classified as current asset:		
Secured (note)	16,000,000	–
Unsecured	105,600,000	–
	121,600,000	–
Interest receivables	869,877	–
	122,469,877	–

Note: The amount was secured by the leasehold land and buildings with fair value of approximately HK$18,512,000 (2015: nil).

The secured and unsecured loans advanced to the customers arising under the Group's money lending business had an average loan period of 90 days to 1 year (2015: nil). The loans provided to customers bore fixed interest rate ranging from 0.8% – 3% per month (2015: nil), depending on the individual credit evaluations of the borrowers. These evaluations focus on the borrowers' financial background, individual credit rating, current ability to pay, and take into account information specific to the borrowers as well as the guarantees and/or security from the borrowers. The loans provided to borrowers are repayable in accordance with the loan agreement, in which interest portion will be repaid in monthly basis while the principal amounts are repayable on maturity.

The following is an aged analysis of loan and interest receivables, presented based on the dates which loans are granted to borrowers and interests are accrued.

	2016 HK$	2015 HK$
Within 90 days	26,869,877	–
91 – 180 days	600,000	–
181 – 365 days	95,000,000	–
	122,469,877	–

The Group's financing advances to customers included in the loan receivables are due as of the due date specified in respective loan agreements. At 31 March 2016, all the loan and interest receivables are neither past due nor impaired (2015: nil) and represented loans granted to creditworthy borrowers for whom there were no recent history of default, good individual credit rating with reference to the TransUnion Credit Report, individual assets proof, and/or secured/guaranteed by the collaterals/guarantor which value was higher than the carrying value of the loan receivables.

23. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2016 **HK$**	2015 HK$
Other receivables (note)	**21,103,996**	1,840,760
Deposits	**2,777,515**	2,754,216
Prepayments	**10,674,801**	3,589,429
	34,556,312	8,184,405

Note: Included in the balance was advances to certain independent third parties and staff of HK$20,838,119 (2015: HK$356,549) and HK$72,126 (2015: HK$1,466,564) and that are interest-free, unsecured and repayable on demand.

24. HELD FOR TRADING INVESTMENT

	2016 **HK$**	2015 HK$
Equity securities listed in Hong Kong, at fair value	**–**	12,948

The fair value of the equity securities listed in Hong Kong at 31 March 2015 was determined based on the quoted price as disclosed in note 6(c). Fair value loss of HK$5,512 has been recognised in consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2015. There was no fair value loss recognised for the year ended 31 March 2016.

During the year ended 31 March 2016, listed equity securities were disposed of and a realised gain of HK$12,992 (2015: nil) has been recognised in consolidated statement of profit or loss and other comprehensive income for the year.

25. BANK BALANCES AND CASH

	2016 **HK$**	2015 HK$
Cash at banks and in hand	**51,497,728**	79,832,763
Short-term time deposits	**11,215,033**	18,025,279
	62,712,761	97,858,042

Cash at banks carries interest at prevailing market rate at 0.001% to 0.35% (2015: 0.001% to 0.50%) for both years.

As at 31 March 2016, the effective interest rate on short-term time deposits was 3.80% (2015: 1.91%). These deposits had an average original maturity of 60 days.

26. TRADE AND OTHER PAYABLES

	2016 HK$	2015 HK$
Trade payables (notes (a) and (b))	**2,122,384**	5,220,636
Receipt in advance	**6,575,376**	6,983,170
Other payables and accrued charges (note (c))	**6,329,818**	10,198,808
	15,027,578	22,402,614

Notes:

(a) The ageing of trade payables were within 3 months based on the invoice date at the end of the reporting period.

(b) An average credit period of 45 to 180 days is granted by the service providers. The average credit period on purchases of goods in trading segment is 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

(c) Balance included advances from certain independent third parties of HK$2,746,299 (2015: HK$5,333,178) that are interest-free, unsecured and repayable on demand.

27. BANK BORROWING

	2016 HK$	2015 HK$
Bank borrowing, unsecured	**–**	7,078,213

The unsecured bank borrowing with maturity date on 31 October 2014 was non-interest bearing. As at 31 March 2015, such bank borrowing was in default on repayment. Interest rate of 0.05% per day has been charged starting from the date of the default on repayment. Demand letter has been issued and court action has been filed by the bank on 4 June 2015. The court case has been finalised on 5 December 2015. Late charges of HK$1,231,152 (2015: HK$537,309) have been charged to the Group for the year ended 31 March 2016 and included in loss for the year from discontinued operation.

The unsecured bank borrowing was derecognised upon the disposal of POMP (note 36(i)) during the year ended 31 March 2016.

28. AMOUNTS DUE TO NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARIES

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

29. PROVISION FOR REINSTATEMENT COSTS

	2016 HK$	2015 HK$
At 1 April	**796,635**	792,792
Exchange realignment	**(39,312)**	3,843
At 31 March	**757,323**	796,635

Mining activities may result in land subsidence and damage to the environment of the mining areas. Pursuant to the relevant PRC regulations, the Group is required to restore the mining areas back to certain acceptable conditions.

Provision is recognised for estimated reinstatement costs to be incurred upon the full extraction of mining reserves by the Group.

30. BONDS

As at 31 March 2016, the Group has unsecured bonds with aggregate principal of HK$70,000,000 (2015: HK$70,000,000) with the following major terms:

Issue price:	100% of the principal amount
Interest:	5.5% per annum payable semi-annually in arrear
Maturity:	7 years from date of issuance unless early redeemed
Early redemption options:	– The holder can request for early redemption after the fourth anniversary from the issue date up to the maturity date at a redemption amount of 80% of the outstanding principal; and – The Group can early redeem the bonds after the fifth anniversary from the issue date up to the maturity date at a redemption amount of 100% of the outstanding principal.

The movements of the bonds are set out below:

	2016 HK$	2015 HK$
Carrying amount at the beginning of the year	**65,229,000**	27,667,000
Issued during the year	**–**	40,000,000
Transaction costs	**–**	(3,200,000)
Effective interest charge for the year (note 9)	**4,650,000**	4,428,472
Interest paid	**(3,850,000)**	(3,666,472)
Carrying amount at the end of the year	**66,029,000**	65,229,000
Less: Bonds repayable after one year shown under non-current liabilities	**(66,029,000)**	(65,229,000)
Current portion	**–**	–

The Company's bonds carry interest at effective interest rate of 7.22% (2015: 7.22%) per annum. The Company issued new bonds with principal amount of HK$40,000,000 (2016: nil) during the year ended 31 March 2015.

31. CONVERTIBLE BONDS

On 4 March 2016, the Company issued convertible bonds (the "CBs") with aggregate principal amount of HK$30,000,000 to several independent third parties with maturity date on 3 March 2018 (the "Maturity Date"). The CBs bear interest of 4% per annum payable annually, are unsecured and denominated in HK$.

The principal terms of the CBs are as follows:

Conversion:	The holders of the CBs are entitled to convert the CBs into ordinary shares of the Company at a conversion price of HK$0.12 per ordinary share.
	The conversion rights are exercisable at any time during the period commencing from the date of issue of the CBs up to the Maturity Date.
Redemption:	The Company may, by notice, redeem whole or part of the outstanding CBs at the rate of 105% of the principal amount of such CBs with interest accrued before the Maturity Date.
	The holders of the CBs are not entitled to request for early redemption except for event of default occurred.

Unless previously converted or redeemed, the outstanding CBs will be redeemed by the Company at the Maturity Date.

At the date of the issue, the CBs were bifurcated into liability, equity and derivative components.

The conversion feature of the CBs as equity components of the Company is presented in equity under "convertible bonds equity reserve" at initial recognition.

The Company's early redemption option was separately presented in the consolidated statement of financial position as "derivative component of convertible bonds" at 31 March 2016 and was measured at fair value with changes in fair value recognised in profit or loss.

The effective interest rate of the liability component is 11.21%.

During the year ended 31 March 2016, CBs with principal amount of HK$24,000,000 were converted into 200,000,000 ordinary shares of the Company. No redemption of the CBs has been made during the year ended 31 March 2016. At 31 March 2016, the principal amount of the CBs that remained outstanding amounted to HK$6,000,000 of which a maximum of 50,000,000 ordinary shares of the Company may fall to be issued upon their conversion, subject to adjustments provided in the terms of the CBs.

31. CONVERTIBLE BONDS (CONTINUED)

The movement of the liability, equity and derivative components of the CBs and the reconciliation of Level 3 fair value measurement during the reporting period are set out below:

	Liability component of the CBs HK$	Derivative financial asset of the CBs HK$	Equity component of the CBs HK$	Total HK$
At 1 April 2015, 31 March 2015 and 1 April 2015	–	–	–	–
Issued during the year	26,497,152	(16,272,764)	19,775,612	30,000,000
Transaction cost	(190,641)	–	(142,281)	(332,922)
Conversion to shares during the year	(21,105,392)	13,052,047	(15,706,665)	(23,760,010)
Changes in fair value	–	(558,546)	–	(558,546)
Effective interest charge for the year (note 9)	146,721	–	–	146,721
Interest paid	(41,294)	–	–	(41,294)
At 31 March 2016	**5,306,546**	**(3,779,263)**	**3,926,666**	**5,453,949**

At the date of issuance of the CBs, date of conversions and 31 March 2016, the fair values of the derivative component of the CBs were valued by APAC Asset Valuation and Consulting Limited, an independent qualified professional valuer not connected to the Group, using the Binomial option pricing model. The total transaction cost attributable to the derivative component of the CBs of HK$117,078 and the changes in fair value of the derivative components of the CBs of HK$558,546 were recognised in the consolidated statement of profit or loss and other comprehensive income. The inputs into the model were as follows:

	At 31 March 2016	At the date of conversions	At 4 March 2016 (date of issue)
Share price	HK$0.153	HK$0.14 – HK$0.162	HK$0.144
Conversion price	HK$0.12	HK$0.12	HK$0.12
Expected volatility	108%	106%	106%
Expected life	1.93 years	1.95 years – 1.97 years	2 years
Risk-free rate	0.64%	0.52%-0.68%	0.53%
Expected dividend yield	Nil	Nil	Nil

32. DEFERRED TAX

The following is the analysis of the deferred tax asset (liabilities) for financial reporting purpose:

	2016 HK$	2015 HK$
Deferred tax asset	**64,157**	–
Deferred tax liabilities	**(73,438,582)**	(77,169,039)
	(73,374,425)	(77,169,039)

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

	Depreciation in excess of the related depreciation allowances HK$	**Fair value adjustments** HK$	**Total** HK$
At 1 April 2014	–	(76,796,772)	(76,796,772)
Exchange realignment	–	(372,267)	(372,267)
At 31 March 2015 and 1 April 2015	–	(77,169,039)	(77,169,039)
Credited (charged) to profit or loss (note 9)	64,157	(73,997)	(9,840)
Exchange realignment	–	3,868,611	3,868,611
At 31 March 2016	**64,157**	**(73,374,425)**	**(73,310,268)**

At the end of the reporting period, the Group has unused tax losses of HK$176,868,911 (2015: HK$171,287,515) available for offset against future profits. No deferred tax asset (2015: nil) has been recognised due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of HK$2,678,352 (2015: nil) that will expire in 2020. Other losses may be carried forward indefinitely.

33. SHARE CAPITAL

	2016		2015	
	No. of shares	**Amount HK$**	No. of shares	Amount HK$
Authorised:				
Ordinary shares of HK$0.01 each	**6,000,000,000**	**60,000,000**	6,000,000,000	60,000,000
Issued and fully paid:				
Ordinary shares of HK$0.01 each				
At beginning of year	**1,986,415,200**	**19,864,152**	1,655,347,200	16,553,472
Issue of shares on placing (note (i))	**214,138,000**	**2,141,380**	331,068,000	3,310,680
Issue of shares upon shares subscription (note (ii))	**30,000,000**	**300,000**	–	–
Issue of shares upon conversion of convertible bonds (note (iii))	**200,000,000**	**2,000,000**	–	–
At 31 March	**2,430,553,200**	**24,305,532**	1,986,415,200	19,864,152

Notes:

(i) On 18 November 2014, 331,068,000 ordinary shares of HK$0.01 each were placed at a price of HK$0.114 per share, raising a total proceeds of HK$37,075,626, net of direct expenses.

On 23 September 2015, 214,138,000 ordinary shares of HK$0.01 each were placed at a price of HK$0.189 per share, raising a total proceeds of HK$40,064,230, net of direct expenses.

(ii) On 12 October 2015, 30,000,000 ordinary shares of HK$0.01 each were subscribed at a price of HK$0.197 per share, raising a total proceeds of HK$5,910,000, with no direct expense incurred.

(iii) On 16, 18 and 24 March 2016, conversion options of convertible bonds were exercised to subscribe 200,000,000 ordinary shares of the Company, in aggregate, with exercise price of HK$0.12 per each share, of which HK$2,000,000 was credited to share capital and HK$6,053,345 was transferred from carrying amount of the CBs to the share premium in accordance with accounting policy set out in note 3.

The above shares rank pari passu in all aspects with other shares in issue.

34. SHARE OPTION SCHEME

The Company has adopted a share option scheme (the "Share Option Scheme") approved by the shareholders at an annual general meeting of the Company held on 30 September 2013 (the "Adoption Date"). Under the Share Option Scheme, the directors of the Company may, at their discretion, invite any participants to take up options to subscribe for fully paid ordinary shares ("Shares") in the Company subject to the terms and conditions stipulated therein.

Details of the Share Option Scheme are as follows:

(i) Purpose

The purpose of the Share Option Scheme is to recognise and acknowledge the contributions and potential contributions which the participants have made or may make to the Group and to motivating the participants to utilise their performance and efficiency for the benefit of the Group and attracting and retaining or otherwise maintaining an on-going relationship with the participants whose contributions are or will be beneficial to the long term growth of the Group.

(ii) Participants

The directors of the Company may, at their discretion, invite any participant ("Participant") including any executive director, non-executive director or employee (whether full time or part time), consultant, contractor to the Group or any entity in which any member of the Group holds any interest ("Invested Entity").

(iii) Maximum number of shares

(1) 30% Limit

The limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme of the Company must not exceed 30% of the Shares in issue from time to time (the "Scheme Limit").

(2) 10% Limit

In addition to the Scheme Limit, and subject to the following, the total number of shares which may be issued upon exercise of all options granted under the Share Option Scheme of the Company must not in aggregate exceed 10% of the Shares in issue as at the date of approval of the Scheme (excluding any options which have lapsed) (the "Scheme Mandate Limit").

The Company may, from time to time, refresh the Scheme Mandate Limit by obtaining the approval of its shareholders in general meeting. The Company may also seek separate approval by its shareholders in general meeting for granting options beyond the renewed Scheme Mandate Limit provided the options in excess of such limit are granted only to Participants specifically identified.

34. SHARE OPTION SCHEME (CONTINUED)

(iv) Maximum Entitlement of Each Participant

Unless approved by shareholders of the Company, the total number of securities issued and to be issued upon exercise of the options granted to each Participant (including both exercised and outstanding options) in any 12 month period must not exceed 1% (0.1% for any director, chief executive or substantial shareholder) of the Shares in issue. Where any further grant of options to a Participant would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12 month period up to and including the date of such further grant representing in aggregate over 1% (0.1% for any director, chief executive or substantial shareholder) of the relevant class of securities in issue, such further grant must be separately approved by shareholders of the Company in general meeting with such Participant and his associates abstaining from voting.

(v) Price of Shares

The exercise price must be at least the higher of: (a) the closing price of a Share as stated in the daily quotations sheet of the Stock Exchange on the date of grant, which must be a business day; (b) the average closing price of a Share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and (c) the nominal value of a Share.

(vi) Amount payable upon acceptance of the option

HK$1.00 is payable by each participant to the Company on acceptance of an offer of an option, which shall be paid within 21 days from the date of offer.

(vii) Time of Exercise of Option

An option shall be exercisable at any time during a period to be notified by the directors of the Company to each grantee, provided that no option shall be exercisable later than ten years after its date of grant. Unless otherwise determined by the directors of the Company at their sole discretion, there is no performance target which must be achieved before an option can be exercised.

(viii) The remaining life of the Share Option Scheme

The life of the Share Option Scheme is 10 years commencing on the Adoption Date.

No share option has been granted, exercised or lapsed under the Share Option Scheme during year ended 31 March 2016 (2015: nil).

There is no outstanding option as at 31 March 2016 (2015: nil).

35. ACQUISITION OF SUBSIDIARIES ACCOUNTED FOR AS ASSETS ACQUISITION

On 30 April 2014, the Group completed the acquisition of the 60% equity interests of POMP from an independent third party for a cash consideration of HK$60,000,000. The directors of the Company are of the opinion that the acquisition of POMP is in substance an asset acquisition instead of a business combination, as the net assets of the POMP Group were mainly intangible assets and the POMP Group were inactive prior to the acquisition by the Group.

Net assets of the POMP Group acquired:

	30 April 2014 HK$
Property, plant and equipment	282,819
Intangible asset	107,444,950
Other receivables	29,054
Bank balances and cash	3,024,144
Other payables	(804,167)
Bank borrowing	(9,976,800)
	100,000,000
Non-controlling interests	(40,000,000)
	60,000,000
Satisfied by:	
Prepayment for acquisition of a subsidiary	60,000,000
Net cash inflow arising from acquisition representing bank balances and cash acquired	3,024,144

36. DISPOSAL OF SUBSIDIARIES

(i) Disposal of POMP

As detailed in note 14, the Group discontinued its operation of encryption technology and products development upon the disposal of its 60% equity interests in POMP.

	2016 HK$
Cash consideration	4,000,000

The net assets of the POMP Group at the date of disposal were as follows:

	24 March 2016 HK$
Property, plant and equipment	106,271
Intangible asset	16,112,873
Other receivables	29,220
Bank balances and cash	272,252
Other payables	(2,565,737)
Amount due to a non-controlling shareholder of a subsidiary	(630,382)
Bank borrowing	(6,657,831)
Net assets disposed of	6,666,666
Gain on disposal of a subsidiary:	
Cash consideration received	4,000,000
Net assets disposed of	(6,666,666)
Cumulative exchange differences in respect of the net assets of the subsidiaries reclassified from equity to profit or loss on loss of control of the subsidiaries	356,697
Non-controlling interests	2,666,666
Gain on disposal (note 14)	356,697

	2016 HK$
Net cash inflow arising on disposal:	
Cash consideration	4,000,000
Less: bank balances and cash disposed of	(272,252)
	3,727,748

The impact of POMP Group on the Group's results and cash flows in the current period and prior year is disclosed in note 14.

36. DISPOSAL OF SUBSIDIARIES (CONTINUED)

(ii) Disposal of Zhong Jin Jia Xun Trading (Shenzhen) Limited* ("Zhong Jin") (中金佳訊商貿(深圳)有限公司)

On 30 March 2016, the Group entered into a sale and purchase agreement to dispose of its entire equity interests in Zhong Jin to an independent third party for a cash consideration of HK$1,200,000. The completion of the disposal of Zhong Jin took place on 30 March 2016.

	2016 HK$
Cash consideration	1,200,000

* *English name is for identification purpose only*

The net assets of Zhong Jin at the date of disposal were as follows:

	30 March 2016 HK$
Property, plant and equipment	104,969
Other receivables	1,171,715
Bank balances and cash	1,835,073
Other payables	(2,100,964)
Net assets disposed of	1,010,793
Gain on disposal of a subsidiary:	
Consideration received	1,200,000
Net assets disposed of	(1,010,793)
Cumulative exchange differences in respect of the net assets of the subsidiary reclassified from equity to profit or loss on loss of control of the subsidiary	25,851
Gain on disposal	215,058

	2016 HK$
Net cash outflow arising on disposal:	
Cash consideration	1,200,000
Less: bank balances and cash disposed of	(1,835,073)
	(635,073)

36. DISPOSAL OF SUBSIDIARIES (CONTINUED)

(ii) Disposal of Zhong Jin Jia Xun Trading (Shenzhen) Limited* ("Zhong Jin") (中金佳訊商貿(深圳)有限公司) (Continued)

The results of Zhong Jin for the period from 1 April 2015 to 30 March 2016, which have been included in the consolidated statement of profit or loss and other comprehensive income, are as follows:

	Period from 1 April 2015 to 30 March 2016 HK$	Year ended 31 March 2015 HK$
Revenue	**–**	–
Other income and gain	**3,272**	3,176
Administrative expenses	**(2,135,554)**	(1,581,313)
Loss before tax	**(2,132,282)**	(1,578,137)
Income tax expense	**–**	–
Loss for the period/year	**(2,132,282)**	(1,578,137)

Loss for the period/year from Zhong Jin includes the following:

	2016 HK$	2015 HK$
Depreciation	**39,713**	19,551
Employee benefit expenses	**362,324**	268,551
Minimum lease payments under operating leases in respect of land and buildings	**119,734**	466,179

During the period from 1 April 2015 to 30 March 2016, Zhong Jin recorded a loss for the year of HK$2,132,282, net cash inflows from operating activities of HK$596,863, cash inflows from investing activities of HK$84,731 and cash outflows from financing activities of HK$1,838,092.

37. OPERATING LEASE COMMITMENTS

(a) The Group as lessor

During the year ended 31 March 2016, mining structures and plant and machinery with an aggregate carrying amount of HK$59,308,535 (2015: HK$64,557,286) included in property, plant and equipment and mining right and reserves and exploration rights in aggregate of HK$305,080,785 (2015: HK$322,189,399) included in intangible assets have been leased out with rental period of 1 year.

At the end of the reporting period, the Group had contracted with the tenant for the following future minimum lease payment:

	2016 **HK$**	2015 HK$
Within one year	**6,250,920**	6,575,400

(b) The Group as lessee

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

	2016 **HK$**	2015 HK$
Within one year	**4,464,815**	3,812,377
In the second to fifth years inclusive	**5,230,120**	2,491,860
	9,694,935	6,304,237

Operating lease payments represent rentals payable by the Group for certain of its office properties. Leases are negotiated for terms ranging from 1 to 3 years. Rentals were fixed at the inception of the leases.

38. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group has the following material transactions with related parties:

Compensation of directors and key management personnel:

	2016 **HK$**	2015 HK$
Short-term employee benefits	**3,889,726**	7,388,186
Post-employment benefits	**46,500**	114,020
Termination benefits	**600,000**	–
	4,536,226	7,502,206

The remunerations of directors and key executives are determined by the remuneration committee of the Company having regards to the performance of individuals and market trends.

39. RETIREMENT BENEFITS PLANS

Hong Kong

The Group participates in the MPF Scheme. Where staff are eligible to the MPF Scheme, both the Group and staff are required to contribute 5% of the employees' relevant income, capped at HK$1,500 (HK$1,250 prior to June 2014) per month from each party. Contributions from the employer are 100% vested in the employees as soon as they are paid to the relevant MPF Scheme but all benefits derived from the mandatory contributions must be preserved until the employee reaches the retirement age of 65 subject to certain exceptions. Staff may elect to contribute more than the minimum as a voluntary contribution.

The total contribution to the MPF scheme charged to profit or loss was HK$591,568 (2015: HK$563,414).

PRC

The Group also participates in a defined contribution retirement scheme organised by the government in the PRC. All employees of the Group in the PRC are entitled to an annual pension equal to a fixed portion of their individual final basic salaries at their retirement date. The Group is required to contribute a specified percentage of the payroll of its employees to the retirement scheme. No forfeited contributions may be used by the employers to reduce the existing level of contributions.

The total contribution to defined contribution retirement scheme organised by the government in the PRC charged to profit or loss was HK$132,721 (2015: HK$191,657).

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2016 HK$	2015 HK$
Non-current assets		
Property, plant and equipment	1,716,188	20,722
Available-for-sale investment	–	60,000,000
Interests in subsidiaries	153,121,835	192,553,189
	154,838,023	252,573,911
Current assets		
Other receivables, deposits and prepayments	988,266	939,455
Amount due from a subsidiary (note (i))	127,018,131	–
Derivative component of convertible bonds	3,779,263	–
Bank balances and cash	1,423,425	67,820,934
	133,209,085	68,760,389
Current liability		
Other payables	1,804,303	1,735,908
Net current assets	131,404,782	67,024,481
Total assets less current liability	286,242,805	319,598,392
Non-current liabilities		
Bonds	66,029,000	65,229,000
Convertible bonds	5,306,546	–
	71,335,546	65,229,000
	214,907,259	254,369,392
Capital and reserves		
Share capital (note 33)	24,305,532	19,864,152
Reserves (note (ii))	190,601,727	234,505,240
	214,907,259	254,369,392

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Notes:

(i) The amounts are unsecured and repayable on demand. Other than an amount of HK$124,167,696 (2015: nil) as at 31 March 2016 which carries interest at Hong Kong prime rate per annum, the remaining balances are interest-free.

(ii) Movements in reserves:

	Share premium HK$	Capital redemption reserve HK$	Convertible bonds equity reserve HK$	Accumulated losses HK$	Total reserves HK$
At 1 April 2014	347,826,449	176,000	–	(71,532,070)	276,470,379
Loss and total comprehensive expense for the year	–	–	–	(75,730,085)	(75,730,085)
Issue of shares on placing (note 33)	34,431,072	–	–	–	34,431,072
Transaction costs attributable to placing of shares	(666,126)	–	–	–	(666,126)
At 31 March 2015 and 1 April 2015	381,591,395	176,000	–	(147,262,155)	234,505,240
Loss and total comprehensive expense for the year	–	–	–	(113,123,039)	(113,123,039)
Issue of shares on placing (note 33)	38,330,702	–	–	–	38,330,702
Transaction costs attributable to placing of shares	(407,852)	–	–	–	(407,852)
Issue of shares upon shares subscriptions	5,610,000	–	–	–	5,610,000
Recognition of equity component of convertible bonds (note 31)	–	–	19,633,331	–	19,633,331
Issue of shares upon conversion of convertible bonds (note 33)	6,053,345	–	(15,706,665)	15,706,665	6,053,345
At 31 March 2016	431,177,590	176,000	3,926,666	(244,678,529)	190,601,727

41. PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the principal subsidiaries of the Company as at 31 March 2016 and 2015 are as follows:

Name of subsidiary	Place of incorporation/ establishment/ operation	Issued and fully paid share capital/ registered capital	Proportion ownership interest held by the Company		Principal activities
			Directly	Indirectly	
Ban Loong Finance Company Limited	Hong Kong	HK$100	100% (2015: 100%)	–	Money lending
Wan Long Xing Ye Commercial Trading (Shenzhen) Limited***# (萬隆興業商貿(深圳)有限公司)	PRC	HK$60,000,000	100% (2015: N/A)	–	Trading of goods and commodities
Choudary Limited ("Choudary")	British Virgin Islands ("BVI")	US$48,465	51.00% (2015: 51.00%)	–	Investment holding
QuotePower International Limited (note (i))	Hong Kong	HK$67,264,000	–	50.97% (2015: 50.97%)	Provision of financial quotation services
ABC QuickSilver Limited (note (i))	BVI/Hong Kong	US$25	–	50.97% (2015: 50.97%)	Provision of wireless application development services
Jun Qiao Limited ("Jun Qiao")	BVI	US$50,000	60.00% (2015: 60.00%)	–	Investment holding
Tong Bai County Yin Di Mining Company Limited**# (桐柏縣銀地礦業有限責任公司) (note (ii))	PRC	RMB500,000	–	54.00% (2015: 54.00%)	Extraction and lease of mining related assets
Xin Jiang Xin Jiang Yuan Mining Company Limited***# (新疆鑫江源礦業有限公司) (note (ii))	PRC	RMB3,000,000	–	51.30% (2015: 51.30%)	Mine exploration
POMP	BVI	HK$780	Nil (2015: 60.00%)	–	Investment holding
DeTron Tech. Ltd** (note (iii))	PRC	RMB20,000,000	–	Nil (2015: 60.00%)	Encryption technology development and products

Notes:

(i) Subsidiaries of Choudary

(ii) Subsidiaries of Jun Qiao

(iii) Subsidiary of POMP

* This entity is domestic enterprise.
** These entities are foreign-investment enterprises.
\# The English name is for identification purpose only.

41. PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

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.

None of the subsidiaries has issued any debt securities at the end of or at any time during both reporting periods.

At the end of the reporting period, the Group has other subsidiaries that are not material to the Group. The principal activities and place of business of these subsidiaries are summarised as follows:

Principal activities	Principal place of business	Number of subsidiaries 2016	2015
Inactive	Hong Kong	5	6
	PRC	–	4
Provision of administrative support to group entities	PRC	1	1
Investment holding	Hong Kong	1	2
	PRC	1	1
		8	14

The table below shows details of non-wholly owned subsidiaries of the Group that have non-controlling interests that are material to the Group:

Name of subsidiaries	Place of incorporation and principal place of business	Proportion of ownership interest held by non-controlling interests	Proportion of voting rights held by non-controlling interests	Loss attributable to non-controlling interests HK$	Accumulated non-controlling interests HK$
2016					
Choudary and its subsidiaries	BVI/ Hong Kong	49%	49%	(2,670,050)	8,102,194
Jun Qiao and its subsidiaries	BVI/ PRC	40%	40%	(1,062,695)	99,678,934
The POMP Group	BVI/ PRC	Nil	Nil	(5,096,582)	–
				(8,829,327)	107,781,128
2015					
Choudary and its subsidiaries	BVI/ Hong Kong	49%	49%	(1,310,116)	10,782,211
Jun Qiao and its subsidiaries	BVI/ PRC	40%	40%	(1,904,223)	107,517,192
The POMP Group	BVI/ PRC	40%	40%	(32,474,549)	8,125,742
				(35,688,888)	126,425,145

41. PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

Summarised financial information in respect of each of the Group's subsidiaries that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Choudary and its subsidiaries

	2016 HK$	2015 HK$
Current assets	**20,853,624**	30,604,407
Non-current assets	**475,061**	154,763
Current liabilities	**(4,774,874)**	(8,735,938)
Equity attributable to owners of the Company	**8,451,617**	11,241,021
Non-controlling interest	**8,102,194**	10,782,211
Revenue	**30,526,327**	56,225,429
Expenses	**(35,975,409)**	(58,899,136)
Loss for the year	**(5,449,082)**	(2,673,707)
Loss attributable to owners of the Company	**(2,779,032)**	(1,363,591)
Loss attributable to the non-controlling interest	**(2,670,050)**	(1,310,116)
Loss for the year	**(5,449,082)**	(2,673,707)
Other comprehensive (expense) income attributable to owners of the Company	**(10,372)**	1,063
Other comprehensive (expense) income attributable to the non-controlling interest	**(9,967)**	1,024
Other comprehensive (expense) income for the year	**(20,339)**	2,087
Total comprehensive expense attributable to owners of the Company	**(2,789,404)**	(1,362,528)
Total comprehensive expense attributable to the non-controlling interests	**(2,680,017)**	(1,309,092)
Total comprehensive expense for the year	**(5,469,421)**	(2,671,620)
Net cash outflows from operating activities	**(3,150,155)**	(3,097,754)
Net cash inflows from investing activities	**239,223**	186,725
Net cash outflows	**(2,910,932)**	(2,911,029)

41. PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

Jun Qiao and its subsidiaries

	2016 HK$	2015 HK$
Current assets	**1,805,536**	1,684,543
Non-current assets	**374,212,046**	401,735,168
Current liabilities	**(86,748,920)**	(92,369,923)
Non-current liabilities	**(74,195,905)**	(77,965,674)
Equity attributable to owners of the Company	**115,393,823**	125,566,922
Non-controlling interest	**99,678,934**	107,517,192
Revenue	**6,800,269**	595,450
Expenses	**(9,154,573)**	(4,736,926)
Loss for the year	**(2,354,304)**	(4,141,476)
Loss attributable to owners of the Company	**(1,291,609)**	(2,237,253)
Loss attributable to the non-controlling interest	**(1,062,695)**	(1,904,223)
Loss for the year	**(2,354,304)**	(4,141,476)
Other comprehensive (expense) income attributable to owners of the Company	**(8,881,490)**	622,796
Other comprehensive (expense) income attributable to the non-controlling interest	**(6,775,563)**	535,490
Other comprehensive income for the year	**(15,657,053)**	1,158,286
Total comprehensive expense attributable to owners of the Company	**(10,173,099)**	(1,614,457)
Total comprehensive expense attributable to the non-controlling interest	**(7,838,258)**	(1,368,733)
Total comprehensive expense for the year	**(18,011,357)**	(2,983,190)
Net cash inflows (outflows) from operating activities	**5,242,763**	(455,020)
Net cash (outflows) inflows from investing activities	**(18,371)**	1,080,092
Net cash outflows from financing activities	**(5,619,722)**	–
Net cash (outflows) inflows	**(395,330)**	625,072

41. PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

POMP and its subsidiaries

	2016 HK$	2015 HK$
Current assets	N/A	320,507
Non-current assets	N/A	29,199,445
Current liabilities	N/A	(9,205,599)
Non-current liabilities	N/A	–
Equity attributable to owners of the Company	N/A	12,188,611
Non-controlling interest	N/A	8,125,742

	From 1 April 2015 to 24 March 2016 HK$	From 30 April 2014 to 31 March 2015 HK$
Revenue	–	–
Expenses	(12,741,456)	(81,186,373)
Loss for the period	(12,741,456)	(81,186,373)
Loss attributable to owners of the Company	(7,644,874)	(48,711,824)
Loss attributable to the non-controlling interest	(5,096,582)	(32,474,549)
Loss for the period	(12,741,456)	(81,186,373)
Other comprehensive (expense) income attributable to owners of the Company	(543,737)	900,435
Other comprehensive (expense) income attributable to the non-controlling interest	(362,494)	600,291
Other comprehensive (expense) income for the period	(906,231)	1,500,726
Total comprehensive expense attributable to owners of the Company	(8,188,611)	(47,811,389)
Total comprehensive expense attributable to the non-controlling interest	(5,459,076)	(31,874,258)
Total comprehensive expense for the period	(13,647,687)	(79,685,647)
Net cash outflows from operating activities	(36,073)	(407,026)
Net cash outflows from financing activities	–	(2,228,402)
Net cash outflows	(36,073)	(2,635,428)

42. EVENTS AFTER THE REPORTING PERIOD

(a) Conversion of the CBs

On 5 April 2016, the CBs with principal amount of HK$6,000,000 were converted into 50,000,000 ordinary shares of the Company. After the conversion of the CBs on 5 April 2016, there are no CBs remained outstanding.

(b) Memorandum of understanding of the acquisition of the equity interest in a PRC company

On 21 April 2016, a subsidiary of the Company entered into a memorandum of understanding with an independent third party for the acquisition of 10% equity interest in Guizhou Dushan Rural Commercial Bank Joint Stock Corporation* ("Guizhou Commercial Bank") (貴州獨山農村商業銀行股份有限公司), a company established in the PRC with limited liability, at a cash consideration of not exceeding RMB66,800,000, equivalent to approximately HK$80,000,000. The principal activity of Guizhou Commercial Bank is provision of banking services in Du Shan County, Guizhou Province, the PRC. Up to the date of approval of these financial statements, there is no formal agreement signed and the transaction is not yet completed.

Further details are set out in the Company's announcement dated 21 April 2016.

(c) Placing of new shares under general mandate

On 6 June 2016, the Company entered into a placing agreement with a placing agent, pursuant to which the placing agent conditionally agreed to act as the placing agent, on a best effort basis, to place a maximum of 190,110,460 ordinary shares at HK$0.09 per share. The placing of shares has been completed on 15 June 2016.

Further details are set out in the Company's announcements dated 6 June 2016 and 15 June 2016.

43. COMPARATIVE FIGURES

As a result of the retrospective adjustment of the discontinued operation, certain comparative figures have been restated to conform to current year's presentation and to provide comparative amounts in respect of items disclosed in 2015.

FIVE-YEAR FINANCIAL SUMMARY

	2012 HK$'000	2013 HK$'000	2014 HK$'000	2015 HK$'000	**2016 HK$'000**
Revenue	115,025	68,747	59,965	56,404	**146,491**
Profit (loss) before tax	19,161	(23,566)	(26,201)	(117,981)	**(41,427)**
Taxation charge	(2,139)	(7)	(54)	–	**(940)**
Profit (loss) after tax	17,022	(23,573)	(26,255)	(117,981)	**(42,367)**
Profit (loss) attributable to shareholders	12,554	(22,258)	(23,454)	(82,292)	**(33,538)**
Profit (loss) attributable to shareholders per share	1.98 HK cents	(2.12) HK cents	(1.62) HK cents	(4.63) HK cents	**(1.58) HK cents**
ASSETS AND LIABILITIES					
Total assets	477,947	521,187	596,049	605,318	**603,904**
Current liabilities	(96,230)	(28,328)	(29,818)	(38,910)	**(24,425)**
Total assets less current liabilities	381,717	492,859	566,231	566,408	**579,479**
Shareholders' fund	182,484	292,843	339,997	296,788	**326,166**
Provision for reinstatement costs, deferred tax liabilities, bonds and convertible bonds	76,166	77,090	105,257	143,195	**145,531**
Funds employed	258,650	369,933	445,254	439,983	**471,697**
Return on average shareholders' fund (%)	8.0	(9.4)	(7.4)	(25.8)	**(10.8)**
Dividends per share	–	–	–	–	**–**