友川集團控股有限公司

NEWTREE GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1323)

2016/2017

ANNUAL REPORT

Contents

2 Corporate Information

3 Chairman's Statement

4 Management Discussion and Analysis

16 Directors and Senior Management

20 Corporate Governance Report

33 Environmental, Social and Governance Report

38 Report of the Directors

52 Independent Auditor's Report

58 Consolidated Statement of Comprehensive Income

60 Consolidated Statement of Financial Position

62 Consolidated Statement of Changes in Equity

64 Consolidated Statement of Cash Flows

66 Notes to the Consolidated Financial Statements

154 Financial Summary

Corporate Information

Executive Directors
Mr. Wong Wai Sing *(Chairman and Chief Executive Officer)*
Mr. Chan Kin Lung
Mr. Lee Chi Shing, Caesar
Ms. Yick Mi Ching, Dawnibilly
Mr. Wong Jeffrey

Non-executive Director
Ms. Lin Fang

Independent Non-executive Directors
Mr. Kwok Kam Tim
Dr. Hui Chik Kwan
Mr. Tso Ping Cheong, Brian

Audit Committee Members
Mr. Kwok Kam Tim *(Chairman)*
Dr. Hui Chik Kwan
Mr. Tso Ping Cheong, Brian

Remuneration Committee Members
Mr. Kwok Kam Tim *(Chairman)*
Dr. Hui Chik Kwan
Mr. Tso Ping Cheong, Brian

Nomination Committee Members
Mr. Tso Ping Cheong, Brian *(Chairman)*
Mr. Kwok Kam Tim
Dr. Hui Chik Kwan

Authorised Representatives
Mr. Wong Jeffrey
Ms. Kwok Ka Huen

Company Secretary
Ms. Kwok Ka Huen

Listing Information
Main Board of
The Stock Exchange of Hong Kong Limited
Stock Code: 1323

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Chairman's Statement

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Director(s)") of Newtree Group Holdings Limited (the "Company"), I am pleased to present to you the audited annual results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2017.

Result of the Group

During the year under review, the Group recorded a revenue from continuing operations of approximately HK$122.1 million (2016: approximately HK$229.8 million), representing a decrease of 46.9% as compared to the same period of last year, the decrease was mainly due to suspension in trading in Coal Business. The loss attributable to owners of the Company for the current year amounted to approximately HK$190.4 million as compared to a loss of approximately HK$284.4 million last year. The decrease in loss in 2017 was mainly due to the substantial decrease in impairment loss on trade and other receivables and other intangible assets amounting to approximately HK$111.0 million; decrease in fair value loss on contingent consideration receivables/earn-out consideration payable amounting to approximately HK$37.4 million; and decrease in finance costs of approximately HK$15.0 million, due to the redemption of convertible bonds in August 2016. These positive drivers were partially offset by the increase in impairment losses on goodwill and available-for-sale financial assets totally amounting to approximately HK$13.6 million and decrease in gross profit of approximately HK$16.6 million primarily raised from no profit contribution from the Coal Business and segmental loss resulted from Digital Technology Business.

Dividend

The Directors do not recommend for payment of a final dividend for the year ended 31 March 2017.

Prospect

In future, barring the challenges of the global economic environment, we remain confident in our products, services, and people and will continue to apply proactive and innovative strategies to promote a more stable and healthy business growth. Furthermore, the Group will also sharpen our focus on utilizing the Group's resources in our existing business as well as continue to actively explore high quality investment opportunities in new business development to strengthen the Group's existing business, diversify risks, and broaden the sources of income.

Gratitude

I wish to take this opportunity to thank my fellow Directors, the management and all our staffs for their continuous dedication, commitment and hard work throughout the past year. Thank you also to our business associates, suppliers, customers and most importantly our shareholders and investors for keeping faith in us. Together, we shall take the Company towards success.

Wong Wai Sing
Chairman

23 June 2017

Management Discussion and Analysis

Business and Financial Review

During the year, the Group has been engaged in (i) manufacture and trading of clinical and household hygienic disposables and trading of related raw materials ("Hygienic Disposables Business"); (ii) trading of coal products ("Coal Business"); (iii) wholesale and retail of household consumables ("Household Consumables Business"); (iv) design and development of three-dimensional animations, augmented reality technology application and e-learning web application ("Digital Technology Business"); (v) provision of educational technology solutions through online education programs and provision of English language proficiency tests ("Education Business"); and (vi) provision of money lending services ("Money Lending Business"). The Group was also engaged in (i) sales and distribution of jewelries and watches ("Jewelries and Watches Business") which was discontinued during the year; and (ii) business of trading of Methyl Tertiary Butyl Ether products ("MTBE Business") which was discontinued during the year ended 31 March 2016. Details are disclosed in Note 12 to this annual report.

For the year under review, the Group recorded a net loss attributable to owners of the Company of approximately HK$190.4 million (2016: approximately HK$284.4 million).

Revenue

The Group's revenue from continuing operations decreased by approximately HK$107.7 million or 46.9% from approximately HK$229.8 million for the year ended 31 March 2016 to approximately HK$122.1 million for the corresponding period in 2017.

The following table sets forth a breakdown of the Group's revenue from continuing operations by segments and geographical locations and as a percentage of the Group's total revenue from continuing operations for the year ended 31 March 2017, with comparative figures for the corresponding period in 2016.

	Year ended 31 March			
	2017	**2017**	2016	2016
	HK$'000	**%**	HK$'000 (restated)	%
By segment:				
Hygienic Disposables Business	**47,027**	**38.5**	53,414	23.3
Coal Business	**—**	**—**	79,058	34.4
Household Consumables Business	**55,141**	**45.2**	63,908	27.8
Digital Technology Business	**521**	**0.4**	11,105	4.8
Education Business	**17,905**	**14.7**	22,333	9.7
Money Lending Business	**1,506**	**1.2**	—	—
Total	**122,100**	**100.0**	229,818	100.0

Business and Financial Review *(Continued)*

Revenue *(Continued)*

	Year ended 31 March			
	2017 HK$'000	**2017 %**	2016 HK$'000 (restated)	2016 %
By geographical locations:				
The People's Republic of China (the "PRC")	**9,683**	**7.9**	91,276	39.7
United Kingdom	**92,165**	**75.4**	106,337	46.3
Norway	**8,868**	**7.3**	10,571	4.6
Macau	**282**	**0.2**	2,763	1.2
Hong Kong	**9,967**	**8.2**	18,458	8.0
United States of America	**462**	**0.4**	—	—
Singapore	**—**	**—**	413	0.2
Estonia	**673**	**0.6**	—	—
Total	**122,100**	**100.0**	229,818	100.0

The Group's revenue from continuing operations on the Hygienic Disposables Business decreased by approximately HK$6.4 million or 12.0% from approximately HK$53.4 million for the year ended 31 March 2016 to approximately HK$47.0 million for the corresponding period in 2017 mainly due to the substantial decrease in demand for the hygienic disposables products in Europe and the loss of major customers in financial year 2015/16, which lead to a significant decrease in sales. Due to the uncertainty in the recovery of the trade receivable from the sole customer and therefore the Company decided to suspend the trading transactions temporarily for the Coal Business as a result no revenue was recorded. The revenue from the Household Consumables Business decreased by approximately HK$8.8 million or 13.7% from approximately HK$63.9 million for the year ended 31 March 2016 to approximately HK$55.1 million for the corresponding period in 2017 was mainly due to the continuous depreciation of Great British Pound ("GBP") after United Kingdom voted to leave the European Union in June 2016. The GBP currency rate during the year has been dropped sharply by approximately 13.3% compared with the corresponding period in 2016. By excluding the effect of the depreciation of GBP, the revenue for both years remains similar. The revenue from the Digital Technology Business decreased by approximately HK$10.6 million or 95.3% from approximately HK$11.1 million for the year ended 31 March 2016 to approximately HK$0.5 million for the year ended 31 March 2017, was mainly due to the intense competition among the industry, changing needs of customers and rapid development in information technology which resulted in decrease in sales volume. The Group had changed its sales mix and increased cost in developing new products with a view of regaining the competitiveness, the initiative has yet to deliver significant positive results, and therefore the segment resulted in an operating loss during the year. The revenue from Education Business decreased by approximately HK$4.4 million or 19.8% from approximately HK$22.3 million for the year ended 31 March 2016 to approximately HK$17.9 million for the year ended 31 March 2017, was mainly due to the revenue from provision educational technology solutions through online education programs shrank for the current year. The revenue from the provision of English language proficiency tests in both Hong Kong and PRC remains stable for both years.

Since Money Lending Business was acquired during the year, no comparative information for this business is shown.

Management Discussion and Analysis

Business and Financial Review *(Continued)*

Gross profit and gross profit margin

The following table sets forth the Group's gross profit and the gross profit margin from continuing operations by business segment for the year ended 31 March 2017, with comparative figures for the corresponding period in 2016.

	Year ended 31 March			
	2017 HK$'000	**2017 %**	2016 HK$'000 (restated)	2016 %
By segment:				
Hygienic Disposables Business	**4,979**	**10.6**	4,363	8.2
Coal Business	**—**	**—**	3,483	4.4
Household Consumables Business	**10,399**	**18.9**	11,527	18.0
Digital Technology Business	**(2,727)**	**—**	8,417	75.8
Education Business	**13,029**	**72.8**	16,007	71.7
Money Lending Business	**1,506**	**100.0**	—	—
Overall	**27,186**	**22.3**	43,797	19.1

The Group's gross profit from continuing operations decreased by approximately HK$16.6 million or 37.9% from approximately HK$43.8 million for the year ended 31 March 2016 to approximately HK$27.2 million for the corresponding period in 2017. The Group's gross profit margin on the Hygienic Disposables Business increased from approximately 8.2% for the year ended 31 March 2016 to approximately 10.6% for the corresponding period in 2017 primarily due to the fall of global oil prices, resulting in the lowered cost of raw materials. Gross profit margin for Coal Business decreased by 100% as resulted from the temporary suspension of trading transactions in this segment. The gross profit margin for the Household Consumables Business slightly increased from 18.0% for the year ended 31 March 2016 to 18.9% for the corresponding period in 2017 mainly due to the positive results from the change in product mix for higher profit margin contribution products. The gross profit margin for the Digital Technology Business decreased from approximately 75.8% for the year ended 31 March 2016 to a gross loss for the year ended 31 March 2017 primarily due to the significant fall in sales volume while majority of the cost of sales comprised of labour cost which remain constant over the sales volume. The gross profit margin for the Education Business slightly increased from approximately 71.7% for the year ended 31 March 2016 to approximately 72.8% for year ended 31 March 2017 due to the increase of the enrollment of English language proficiency tests in the PRC. Since Money Lending Business was acquired during the year, no comparative information for the business is shown. The gross profit margin for Money Lending Business is 100% for the year ended 31 March 2017. In view of the prospect and future profitability of Money Lending Business, the Group is confident that the overall gross profit margin would be improved in the coming year by the positive gross profit margin contribution from the Money Lending Business.

Management Discussion and Analysis

Business and Financial Review *(Continued)*

Other income

Other income from continuing operations mainly consists of bank interest income, interest income from bond receivable and other receivables and sundry income. Other income decreased by approximately HK$3.7 million or 66.5% from approximately HK$5.5 million for the year ended 31 March 2016 to approximately HK$1.8 million for the corresponding period in 2017 as no dividend income from the Group's unlisted equity investment in Goldbell Holdings Limited ("Goldbell") was received/receivable during the year of which approximately HK$4.9 million was recorded during the previous year.

Other gains and losses

For the year ended 31 March 2017, the other gains and losses from continuing operations mainly comprises of impairment loss on trade and other receivables of approximately HK$30.6 million due to certain debtors with prolonged delay in repayment which casts doubts on their recoverability, impairment loss on goodwill of approximately HK$53.2 million arising from Digital Technology Business and impairment loss on available-for-sale financial assets of approximately HK$2.8 million partially offset by written back of impairment loss on trade receivables of approximately HK$2.3 million and gain on disposal of available-for-sale financial asset of approximately HK$0.5 million, while for the corresponding year in 2016, the other gains and losses mainly comprises of impairment loss on trade and other receivables of approximately HK$91.5 million, impairment loss on goodwill of approximately HK$40.1 million, impairment loss on other intangible assets of approximately HK$50.1 million, fair value loss on contingent consideration receivables/earn-out consideration payable of approximately HK$37.4 million, impairment loss on property, plant and equipment of approximately HK$2.9 million for the Hygienic Disposables Business partially offset by gain on disposal of a subsidiary of approximately HK$4.8 million.

Further details in relation to the above impairment losses are discussed under heading "Impairments".

Selling and distribution expenses

Selling and distribution expenses from continuing operations mainly consist of transportation expenses, custom and inspection fees and commissions paid to sales agents. The selling and distribution expenses decreased by approximately HK$0.8 million or 19.7% from approximately HK$3.9 million for the year ended 31 March 2016 to approximately HK$3.1 million for the corresponding period in 2017 mainly due to the decrease in sales volume for the Hygienic Disposables Business.

Administrative expenses

Administrative expenses from continuing operations mainly consist of staff costs (including directors' remuneration), legal and professional fees, consultancy fees and rental expenses. The administrative expenses decreased by approximately HK$8.9 million or 10.2% from approximately HK$87.3 million for the year ended 31 March 2016 to approximately HK$78.4 million for the corresponding period in 2017 mainly due to decrease in staff costs and directors' remuneration of approximately HK$14.8 million and partially offset by the increase in advertising and promotion fee of approximately HK$3.0 million.

Finance costs

Finance costs from continuing operations consist of interest expenses on convertible bonds and interest expenses on trust receipt loans. The finance costs decreased by approximately HK$15.0 million or 62.6% from approximately HK$23.9 million for the year ended 31 March 2016 to approximately HK$8.9 million for corresponding period in 2017 as the convertible bonds were fully redeemed in August 2016.

Business and Financial Review *(Continued)*

Loss before income tax

The Group recorded a loss before income tax from continuing operations of approximately HK$145.4 million for the year ended 31 March 2017 as compared to approximately HK$286.1 million for the year ended 31 March 2016. The decrease in loss in 2017 was mainly due to the substantial decrease in impairment loss on trade and other receivables and other intangible assets amounting to approximately HK$111.0 million; decrease in fair value loss on contingent consideration receivables/earn-out consideration payable amounting to approximately HK$37.4 million; and decrease in finance costs of approximately HK$15.0 million, due to the redemption of convertible bonds in August 2016. These positive drivers were partially offset by the increase in impairment losses on goodwill and available-for-sale financial assets totally amounting to approximately HK$13.6 million and decrease in gross profit of approximately HK$16.6 million primarily arised from no profit contribution from the Coal Business and segmental loss resulted from Digital Technology Business.

Income tax expense (credit)

The Group recorded an income tax expense from continuing operations of approximately HK$1.6 million during the year ended 31 March 2017 (as compare to the income tax credit of approximately HK$5.0 million during the year ended 31 March 2016). There was no change in applicable tax rates for the Company's subsidiaries for both years. The subsidiaries operating in Hong Kong were subject to Hong Kong Profits Tax at a rate of 16.5% (2016: 16.5%) for the year. For the subsidiaries operating in the PRC, pursuant to the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and the Regulation on the implementation of the EIT Law, the general enterprise income tax rate of the PRC entities was 25% from 1 January 2008 onwards, the majority subsidiaries operating in the PRC was subject to a tax rate of 25% (2016: 25%) except for a subsidiary which was recognised as a high and new technology enterprise is subject to a preferential tax rate of 15% (2016: 15%). For the subsidiary operating in Macau, profit was exempted from Macao Complementary Tax for both years.

The major reason for the significant change in income tax charge for the year was mainly due to the deferred tax credit related to the amortisation and impairment loss on other intangible assets which decreased from approximately HK$8.4 million for the year ended 31 March 2016 to approximately HK$0.1 million in the corresponding period in 2017.

Total comprehensive income for the year attributable to owners of the Company

The loss on total comprehensive income for the year attributable to owners of the Company improved by approximately HK$112.2 million from a loss of approximately HK$301.4 million for the year ended 31 March 2016 to a loss of approximately HK$189.2 million for the corresponding period in 2017.

Business and Financial Review *(Continued)*

Trade receivables

The amount of trade receivables before allowance for bad and doubtful debts amounting to approximately HK$264.2 million as at 31 March 2017, which slightly decreased by 2.1% as compared to approximately HK$269.9 million as at 31 March 2016. As at 31 March 2017, allowance for bad and doubtful debts of trade receivables amounted to approximately HK$159.3 million was made as compared to an allowance of approximately HK$131.1 million as at 31 March 2016. For long outstanding receivables, follow up actions have been taken by the Group to recover these receivables, including the negotiation of repayments by way of assets other than cash and/or instituting legal actions against these customers.

Trade payables

Trade payables decreased by approximately 8.0% from approximately HK$154.0 million as at 31 March 2016 to approximately HK$141.7 million as at 31 March 2017. The decrease was mainly come from the decrease in sales volume for Hygienic Disposables Business in the current year.

Liquidity and financial resources and capital structure

The Group's principal source of working capital was cash generated from the sales of its products, provision of services and fund raising by issue of the Company's new shares. The Group's current ratio as at 31 March 2017 was approximately 1.4 (as at 31 March 2016: 0.7). The gearing ratio as at 31 March 2017 was nil (as at 31 March 2016: approximately 39.0%), calculated as total borrowings (including convertible bonds and trust receipt loan) over equity attributable to owners of the Company.

Currency and interest rate exposure

Certain sales transactions of the Group are denominated in foreign currencies, which expose the Group to foreign currency risks. Currently, the Group does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises. Certain monetary financial assets are denominated in foreign currencies as at 31 March 2017. The exposure in exchange rate risks mainly arose from fluctuations of United States Dollar ("USD"), British Pound ("GBP"), Renminbi ("RMB") and Macau Pataca ("MOP") to Hong Kong Dollar ("HKD"). The Group's currency risk exposure in relation to the monetary financial assets is expected to be minimal as USD is pegged with HKD. Also, the Group does not have significant monetary financial assets denominated in MOP and RMB.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation on interest rates arising from the Group's bank balances and the interest expenses from its trust receipt loan with floating interest rate. The Group's exposure to interest rate risks on bank balances and trust receipt loan, is expected to be minimal.

Business and Financial Review *(Continued)*

Trust Receipt Loan

As at 31 March 2017, there were no outstanding trust receipt loan as all the trust receipt loan has been settled during the year (as at 31 March 2016: approximately HK$0.8 million was outstanding and it was denominated in USD, and secured by a pledged bank deposit, corporate guarantee in the amount of USD3.5 million executed by the Company, and legally notarised livranca (i.e. promissory note) in the amount of USD3.5 million executed by a subsidiary of the Company. It was repayable within 3 months and interest-bearing at London Interbank Money Market Offered Rate plus 1.9% per annum).

Charge on Assets

Certain buildings and leasehold land with carrying value of approximately HK$10.2 million (as at 31 March 2016: a bank deposit of approximately HK$7.8 million and certain buildings and leasehold land with carrying value of approximately HK$10.9 million) have been pledged as securities for certain banking facilities granted to the Group.

Contingent Liabilities

As at 31 March 2017, a wholly-owned subsidiary of the Company provided corporate guarantee to a bank for securing a borrowing of an associate of the Company amounting to approximately HK$9.1 million (as at 31 March 2016: approximately HK$9.1 million). Save as aforesaid or otherwise mentioned herein, the Group did not have any material contingent liabilities.

Operating Lease Commitments

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which was disclosed in Note 38 to the consolidated financial statements.

Management Discussion and Analysis

Significant Events and Material Acquisition and Disposal

(i) Placing of 1,405,519,920 new ordinary shares by way of open offer and fully redemption of convertible bonds

On 17 May 2016, the Company proposed to issue a total of 1,405,519,920 new ordinary shares of the Company at a subscription price of HK$0.164 per offer share to the shareholders of the Company (the "Shareholders") on the basis of three offer shares for every two existing shares held on the record date, 22 July 2016 (the "Open Offer"). On 16 August 2016, the Open Offer was completed and subsequently, the convertible bonds were fully redeemed.

The gross proceeds from the Open Offer were approximately HK$230.5 million and estimated net proceeds were approximately HK$219.7 million. The actual net proceeds from the Open Offer were approximately HK$219.4 million which were used by the Company as to: (i) approximately HK$131.3 million for the redemption of convertible bonds due 2016 and payment of accrued interests thereon; (ii) HK$35 million for acquisition of Chengxin Finance Limited as disclosed in subsection "Acquisition of Chengxin Finance Limited"; (iii) HK$10 million for the subscription of the bond as disclosed in subsection "Subscription of HK$10 million unlisted straight bonds"; and (iv) approximately HK$43.1 million for general working capital the Group for which payment of suppliers of approximately HK$9.2 million, staff costs and directors' remuneration of approximately HK$16.3 million, payment of rental expenses, management fees and rates of approximately HK$6.7 million, legal and professional fees and corporate expenses of approximately HK$8.4 million and other office expenses of approximately HK$2.5 million.

Further details are set out in the announcements of the Company dated 17 May 2016, 15 July 2016, 15 August 2016 and the circular and prospectus of the Company dated 24 June 2016 and 25 July 2016 respectively.

(ii) Subscription of HK$10 million unlisted straight bonds

On 24 November 2016, the Company announced to apply HK$10 million of the unutilised proceeds from the Open Offer to subscribe straight bonds which were issued by a Hong Kong listed company with a term of one year (the "Bonds"). The Bonds bear interest at the rate of 2% per month, payable monthly in arrears. Further details are set out in the announcement of the Company dated 24 November 2016.

(iii) Acquisition of Chengxin Finance Limited

On 15 December 2016, the Group entered into a sale and purchase agreement (the "Sale and Purchase Agreement") with an independent vendor to acquire the entire equity interest in Chengxin Finance Limited ("Chengxin Finance") at a total consideration of HK$50 million. The consideration was satisfied by a cash consideration of HK$35 million and HK$15 million by the allotment and issuance of an aggregate of 31,250,000 fully paid ordinary shares (the "Consideration Shares"). The Board resolved to apply HK$35 million of the unutilised proceeds from the Open Offer to payment of the cash consideration.

Conditions precedent to the completion of the acquisition of Chengxin Finance and issuance of the Consideration Shares were set out in the announcement of the Company dated 15 December 2016.

Significant Events and Material Acquisition and Disposal *(Continued)*

(iii) Acquisition of Chengxin Finance Limited *(Continued)*

Acquisition of Chengxin Finance was completed on 29 December 2016 and the Consideration Shares were issued on the same date.

Pursuant to the Sale and Purchase Agreement, the vendor guaranteed that the net profit before taxation of Chengxin Finance for the years ending 31 December 2017 and 31 December 2018 will not be less than HK$5 million and HK$5 million respectively (the "Profit Guarantee"). In case the Profit Guarantee is not fulfilled, the vendor shall compensate the Group in the amount pursuant to the terms and conditions in the Sale and Purchase Agreement.

Chengxin Finance was principally engaged in provision of money lending services and a licensed money lender. The acquisition was completed on 29 December 2016 and Chengxin Finance became a wholly-owned subsidiary of the Company since then. Further details are set out in the announcements of the Company dated 15 December 2016 and 29 December 2016.

(iv) Disposal of Tiger Global Group Limited

On 28 March 2017, Star Guardian Holdings Limited, a wholly-owned subsidiary of the Company, entered into a disposal agreement with an independent third party to dispose the entire equity interest in Tiger Global Group Limited, at a cash consideration of HK$30 million. Tiger Global together with its subsidiary and associated company carried out all of the Group's Jewelries and Watches Business operation. Accordingly, the Group's Jewelries and Watches Business was classified as a discontinued operation in the consolidated statement of comprehensive income for the year ended 31 March 2017. The assets and liabilities of Tiger Global Group as at 31 March 2017 are classified as "Assets held for sale" and "Liabilities directly associated with assets held for sale" respectively.

The disposal of Jewelries and Watches Business could enable the Group to free up its resources and redirect them to other existing businesses which may have higher growth potential to maximise the benefit of the Shareholders. The actual gain or loss as a result of the disposal is subject to final audit to be performed by the auditors.

As at the date of this annual report, the disposal is not yet completed. Further details are set out in the announcements of the Company dated 28 March 2017 and 29 March 2017.

Management Discussion and Analysis

Impairments

During the year under review, the Group had the following impairments:

(a) Impairment losses were recognised on goodwill of approximately HK$53.2 million in relation to the Digital Technology Business. An independent professional valuer was engaged to perform impairment assessment and found that the recoverable amount of the respective cash generating unit was less than the carrying amount of the segment. Thus impairment on the goodwill is considered necessary. The impairment loss was mainly attributable to the increase in competition among other market participants, loss of digital competitiveness and the change in customers' needs which all led to slowdown in our development growth rate in our cash flow projection.

(b) Impairment losses were recognised on available-for-sale financial assets of approximately HK$2.8 million. An independent professional valuer was engaged to assess the fair value of the available-for-sale financial assets. The decline in fair value was mainly due to the continuous declining in gold prices for the past two years.

(c) Impairment losses were recognised on trade and other receivables of approximately HK$30.6 million for several customers who were in financial difficulties or have a prolonged delay in repayment and the Group considers that the recoverability of amounts due from these customers is remote.

(d) Impairment losses were recognised on goodwill and interest in an associate of approximately HK$43.1 million and HK$1.9 million respectively in relation to the Jewelries and Watches Business. The recoverable amount of this unit of business has been determined based on its fair value less cost of disposal of approximately HK$30.0 million based on the consideration for the Disposal.

Significant Event after the Reporting Period

On 5 May 2017, Tary Limited and Ramber Industrial Limited, both are wholly-owned subsidiaries of the Company, as vendors, the Company, as vendors' guarantor, and the independent third parties, as purchasers, entered into a disposal agreement in relation to the disposal of the entire equity interest in Brighten Tree Limited and the sale loans, at a cash consideration of HK$85 million. Brighten Tree Limited together with its subsidiary carried out part of the Group's Hygienic Disposables Business operation.

The Hygienic Disposables Business has been making losses for the past three years and the Board considered that it is appropriate and in the interests of the Group and the Shareholders to terminate this loss-making business and to reallocate more resources on other business segments of the Group.

Disposal of Brighten Tree Limited was completed on 25 May 2017.

Further details are set out in the announcements of the Company dated 5 May 2017 and 25 May 2017.

Management Discussion and Analysis

Employee Information and Remuneration Policy

As at 31 March 2017, the Group employed a total of 144 (31 March 2016: 143) employees. The salaries and benefits of the Group's employees are maintained at a competitive level and employees are rewarded on a discretionary performance-related basis within the general framework of the Group's salary and bonus system, which is reviewed annually. Discretionary year-ended bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include contributions to statutory mandatory provident fund scheme, medical scheme and share option scheme to its employees. Staff costs, including directors' emoluments under the continuing operations, for the year ended 31 March 2017 amounted to approximately HK$46.9 million (31 March 2016: approximately HK$61.6 million).

The Company adopted the share option scheme adopted on 26 February 2015, where share options to subscribe for shares of the Company may be granted to the eligible participants of the Group.

Prospect

The Group has been actively seeking opportunities to diversify its business portfolio by exploring various investments in different sectors, with a target to find new growth drivers to support the long term development of the Group.

Household Consumables Business

The Group's Household Consumables Business primarily targets the wholesale and retail customers in the Europe region. Despite the ever-changing macroeconomic dynamics in the Europe region which may hinder our Household Consumables Business, the Directors are still optimistic in its potential growth. Through product mix optimisation and strategic marketing orientation, the profitability in this segment has been improving in recent years. Striving to increase our Shareholders' value, additional resources may be devoted in this segment aiming to increase its market shares, trading volume, distribution channel and overall profitability.

Coal Business

In consideration of the long term overdue of the account receivable by our customer, the Group has continued to suspend the trading with our customer till respective account receivable being lessen to an acceptable level. As substantial financial resources have been deployed in this segment, the Group will continue to monitor the market development and interact closely with both supplier and customer in reviewing our operating position with an aim to have a sustainable development in this business segment.

Prospect *(Continued)*

Digital Technology Business

Persistent demands by enterprise in exploring new technologies has driven the growth in digital technology sector for years. However, the rapid changing in demand of users, emerging of disruptive and sophisticated ideas and advancement of innovation information technology like big data, cloud computing, etc. put very high pressure on the digital technology market players. Going forward, the Group will continue to strive for innovative ideas and technologies to improve the efficiency and maintain the Group's competitive edge in this dynamic industry.

Education Business

The never ending demand for education-related products and services in Hong Kong and the PRC drives the continuous growth in this industry as a whole. The Company believes that the positive industry outlook will attract more entrants, which could induce more intense competition. Although the segment recorded a loss during the current year, the Group is optimistic that the overall market size will continue to grow and that our Education Business segment could ride on such industry expansion.

Money Lending Business

The Group has acquired Money Lending Business in December 2016. Based on its current financial performance, the Board is confident that Money Lending Business will continue to contribute a stable and favorable income stream to the Group in future years. With the continual growth in the money lending business market in Hong Kong, the Board believes that Money Lending Business will provide an excellent platform for the Group to expand, explore and capitalise this business market. Nevertheless, with the current volatile stock market, fluctuations of the property market in Hong Kong as well as other uncertainties in macro-economy, the Group will continue to develop this business under prudent credit management and balanced approach.

Directors and Senior Management

Executive Directors

Mr. Wong Wai Sing ("Mr. Wong"), aged 31, joined the Company in October 2011 and is currently the Chairman of the Board, Chief Executive Officer and an executive Director. Mr. Wong was also the Vice Chairman of the Company from October 2011 to June 2013, and the Chief Executive Officer of the Company from May 2012 to July 2014. Mr. Wong has taken up the management role as a director of a number of subsidiaries of the Company. Mr. Wong is a member of the Hong Kong Institute of Directors. Mr. Wong holds a Bachelor of Science degree in international business from the Canterbury University, London, an international master degree of business administration from the Stratford University, Falls Church, Virginia, the United States of America and a master of arts from the Universidad Empresarial De Costa Rica. He also obtained a certificate of three-tiers' integrate coal mine's safety (三級煤礦安全技術綜合考試) from the Bureau of Xinjiang Coal Mine Safety Supervision, the PRC (中國新疆煤礦安全監察局).

Mr. Wong has experience in a wide range of businesses, including coal mining and trading in natural resources, provision of internet e-gaming, travel agent services, entertainment programme production, and provision of motor vehicles beauty services. He also invested in companies with principal activities regulated under the Securities and Futures Ordinance (Chapter 571 of The Laws of Hong Kong (the "SFO")).

He was initially appointed as a non-executive director of Capital Finance Holdings Limited, a company whose shares are listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (stock code: 8239) in November 2008, and subsequently resigned from his final positions of Vice Chairman and executive director in April 2016.

Mr. Chan Kin Lung ("Mr. Chan"), aged 48, joined the Company in October 2013 as an executive Director and is the Chief Investment Officer of the Company. Mr. Chan holds a bachelor's degree of Management of the Economy# (經濟管理) from the Air Force Engineering University of People's Liberation Army, the PRC# (中國人民解放軍空軍工程大學) and holds a diploma of Senior Energy Valuer# (能源審計評估師(高級)) from the Ministry of Human Resources and Social Security of the PRC# (中華人民共和國人力資源和社會保障部). Mr. Chan has extensive experience in the coal mining industry (being both open-pits and undergrounds respectively), exploration, exploitation, production in the Xinjiang Uyghur Autonomous Region, the PRC and the Guizhou Province, the PRC. Mr. Chan also has over 12 years of experience in corporate management. Mr. Chan adopted a proactive management approach and delivered outstanding performances in various areas, specifically in the areas of corporate managements and providing mining's technical supports and solutions to the senior managements.

Directors and Senior Management

Executive Directors *(Continued)*

Mr. Lee Chi Shing, Caesar ("Mr. Lee"), aged 53, joined the Company in October 2011 as an executive Director. He graduated from the Department of Accountancy and obtained a Master degree in International Accountancy, both from the Hong Kong Polytechnic University. He is a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants and also a member of the Society of Registered Financial Planners. He is experienced in corporate management and internal control. He was the senior manager of Ernst and Young and has worked in the Inland Revenue Department for over 15 years.

Mr. Lee was an executive director of Sun International Resources Limited (stock code: 8029), a company listed on the Growth Enterprise Market of the Stock Exchange, from August 2006 to November 2015.

Ms. Yick Mi Ching, Dawnibilly ("Ms. Yick"), aged 57, joined the Company in June 2012 as an executive Director. Ms. Yick holds a Master of Business Administration and a Master of Management from Macquarie Graduate School of Management, Australia and Honours Degree of Bachelor of Arts in Business Administration from the University of Portsmouth, the United Kingdom. Ms. Yick has also completed a diploma in secretarial and administration from the City and Guilds of London Institute and an advanced diploma in secretarial and administrative studies from the Hong Kong Management Association. Ms. Yick has over 22 years of experience in the field of administration. Ms. Yick has adopted a proactive management approach and delivered outstanding performances in various areas, specifically in the areas of corporate management and providing secretarial support to the senior executives.

Mr. Wong Jeffrey, aged 30, joined the Company in September 2015 as an executive Director. Mr. Wong Jeffrey has been appointed as the Chief Operating Officer of the Company in September 2016 and has taken up the management role as a director of a number of subsidiaries of the Company. Mr. Wong Jeffrey obtained a Bachelor degree of Applied Science (Laboratory Medicine) from the Royal Melbourne Institute of Technology University in Australia in 2008 and a Master degree of Business Administration (International) from the Deakin University in Australia in 2013. Mr. Wong Jeffrey is also an associate member of the Hong Kong Institute of Directors. Prior to joining the Group, Mr. Wong Jeffrey worked as medical scientist in various hospitals in Australia from February 2007 to June 2013.

Mr. Wong Jeffrey joined the Group in July 2013 as the chairman assistant and was subsequently promoted to the project coordinator and the senior project officer of Bright Rising Holdings Limited, a wholly-owned subsidiary of the Company, in July 2014 and January 2015 respectively.

Non-Executive Director

Ms. Lin Fang ("Ms. Lin"), aged 45, joined the Company in April 2017 as a non-executive Director. Ms. Lin was graduated from Xiamen University in 1996 majoring in finance. After graduation, Ms. Lin began to work as the agent of branded products and had solid experience in factory operation. She is the founder of Fuzhou Tongzhou Industry Company Limited# (福州通洲實業有限公司) and has extensive working experience in procurement, factory production and sales management.

Directors and Senior Management

Independent Non-Executive Directors

Mr. Kwok Kam Tim ("Mr. Kwok"), aged 40, joined the Company in April 2012 as an independent non-executive Director. Mr. Kwok is currently the Chairman of each of the Audit Committee and the Remuneration Committee of the Company, and a member of the Nomination Committee of the Company. Mr. Kwok is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants, the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators. Mr. Kwok holds a Bachelor of Engineering degree from the Hong Kong University of Science and Technology, a Bachelor of Arts degree in Accountancy and a Master degree in Corporate Governance from the Hong Kong Polytechnic University. He had worked in an international accounting firm and has over 15 years of experience in accounting, auditing and financial management.

Mr. Kwok is currently a financial controller of the Loudong General Nice Resources (China) Holdings Limited (stock code: 988), a company listed on the Main Board of the Stock Exchange. He was an independent non-executive director of both Capital Finance Holdings Limited (stock code: 8239) and China Ocean Fishing Holdings Limited (stock code: 8047), both companies listed on the Growth Enterprise Market of the Stock Exchange, from October 2009 to September 2015 and from June 2014 to July 2014 respectively.

Dr. Hui Chik Kwan ("Dr. Hui"), aged 43, joined the Company in April 2012 as an independent non-executive Director. Dr. Hui is currently a member of each of the Audit Committee, Nomination Committee and Remuneration Committee of the Company. Dr. Hui holds a bachelor degree of medicine and a bachelor degree of surgery from the University of Hong Kong, a postgraduate diploma in practical dermatology from the University of Wales, College of Medicine, the United Kingdom. Dr. Hui has completed a certificate of specialist registration under the specialty of family medicine of the Medical Council of Hong Kong. He is also a fellow of the Royal Australia College of General Practitioners, Australia and a fellow of the Hong Kong Academy of Medicine in the specialty of Family Medicine. Dr. Hui has over 17 years of experience in the field of family medicine and worked in the Queen Mary Hospital, Tuen Mun Hospital, United Christian Hospital, UMP Park Island Medical Center and Hong Kong Sanatorium & Hospital. Dr. Hui has received all round training in community based family medicine during his practicing in different public and private hospitals and private clinic respectively. During the Severe Acute Respiratory Syndrome attack in 2002, Dr. Hui volunteered to work in the accident and emergency department of Queen Mary Hospital. Dr. Hui is now running his own private family medical clinic, and is the family doctor of Mr. Wong.

Directors and Senior Management

Independent Non-Executive Directors *(Continued)*

Mr. Tso Ping Cheong, Brian ("Mr. Tso"), aged 37, joined the Company in February 2015 as an independent non-executive Director. Mr. Tso is currently the Chairman of the Nomination Committee of the Company, and a member of each of the Audit Committee and Remuneration Committee of the Company. He graduated from the Hong Kong Polytechnic University in Hong Kong, with a bachelor's degree of arts in accountancy in November 2003 and obtained a master degree of corporate governance from the Hong Kong Polytechnic University in October 2013. Mr. Tso has over 13 years of experience in accounting and financial management. From September 2003 to July 2007 and August 2007 to November 2008, Mr. Tso worked at Ernst & Young Hong Kong office and Ernst & Young Shenzhen office, a multinational accounting firm, respectively, with the last position as manager. Mr. Tso is currently a fellow member of each of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Chartered Secretaries.

Since January 2013, Mr. Tso has been the sole proprietor of Teton CPA Company, an accounting firm. Mr. Tso was a non-executive director of Kong Shum Union Property Management (Holding) Limited (stock code: 8181), a company listed on the Growth Enterprise Market of the Stock Exchange, from July 2014 to February 2015. Mr. Tso is currently an independent non-executive director of both Larry Jewelry International Company Limited (stock code: 8351) and Guru Online (Holdings) Limited (stock code: 8121), both companies listed on the Growth Enterprise Market of the Stock Exchange. Mr. Tso is also the company secretary of China Infrastructure Investment Limited (stock code: 600), a company listed on the Main Board of the Stock Exchange, and a joint company secretary of China Yu Tian Holdings Limited (stock code: 8230), a company listed on the Growth Enterprise Market of the Stock Exchange. He is also an independent non-executive director of GreaterChina Professional Services Limited (stock code: 8193), a company listed on the Growth Enterprise Market of the Stock Exchange, and was the chairman of GreaterChina Professional Services Limited from July 2014 to November 2016.

Senior Management

Mr. Chan Kin Yip ("Mr. Chan KY"), aged 44, has joined the Company as the Chief Financial Officer since September 2015. Mr. Chan KY has taken up the management role as a director of a number of subsidiaries of the Company. Mr. Chan KY has graduated from The Hong Kong Polytechnic University with a Bachelor of Arts Degree in Accountancy. He served as an internal control consultant of Evershine Group Holdings Limited ("Evershine") (stock code: 8022) from September 2007 to March 2009 and was appointed as an executive director of Evershine from March 2009 to March 2012. He has extensive experience in the fields of audit, internal control and treasury and is a member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.

Mr. Woo Man Wai, David ("Mr. Woo"), aged 49, has been a director of the coal trading subsidiary of the Group and became the Group's senior management when the Group first acquired the business in December 2011. Mr. Woo holds a bachelor's degree of arts (Honours) in the international business from the City University of Hong Kong. He has over 23 years of experience in several industries in the PRC, such as information technology, trading of industrial goods, natural resources and banking sectors. Mr. Woo has also taken up the management role for the group's coal trading segment and taken up the management role as a director of a number of subsidiaries of the Company. Prior to joining the Company, Mr. Woo was the senior manager in an international certified public accounting firm based in Beijing, the PRC.

The English translation of Chinese names or words above, where indicated, are indicated for information purpose only and should not be regarded as official English translation names of such Chinese names or words.

Corporate Governance Report

The Company and the Board are devoted to achieve and promote a high standard of corporate governance as the Board believes that effective corporate governance practices are fundamental to enhancing Shareholder's value and safeguarding interests of the Shareholders and other stakeholders. Accordingly, the Company has adopted sound corporate governance principles with emphasis on effective internal control, stringent disclosure practices, transparency and accountability to all stakeholders.

Compliance of the Code Provisions

Throughout the year, the Company has complied with all the code provisions contained in Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the rules governing the listing of securities on the Stock Exchange (the "Listing Rules"), with the exception of the following deviations:

Code provision A.2.1

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

Mr. Wong Wai Sing ("Mr. Wong") has been appointed as the chairman of the Board ("Chairman") and chief executive officer of the Company ("CEO") since March 2016.

The Board is of the view that it is appropriate and in the best interests of the Company for Mr. Wong to hold both positions as it helps to maintain the continuity of the policies and the stability of the operations of the Company. Notwithstanding the above, the Board will review the current structure from time to time. If any candidate with suitable leadership, knowledge, skills and experience can be identified within or outside the Group, the Company may consider to make necessary arrangements.

Code provision A.6.7

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

An independent non-executive Director was unable to attend the annual general meeting of the Company held on 26 September 2016 (the "2016 AGM") and extraordinary general meeting of the Company held on 14 July 2016 due to other business engagements.

The Company will request all the independent non-executive Directors and other non-executive Director(s) to attend all future general meetings in order to comply with the code provision A.6.7 of the CG Code.

Compliance of the Code Provisions *(Continued)*

Code provision E.1.2

The code provision E.1.2 of the CG Code stipulates, among other things, that the chairman of the board should attend the annual general meeting.

Mr. Wong, the Chairman, was unable to attend the 2016 AGM due to other commitment and Mr. Wong appointed Mr. Wong Jeffrey, an executive Director, to act as his representative at the 2016 AGM and to take the chair of the 2016 AGM and to ensure that proceedings of the meeting would be conducted in order. The Company considers that sufficient measures have been taken to ensure the Company's corporate governance practices are no less exacting than those in the CG Code.

Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code"). The Company had made specific enquiries with written guidelines in relation to the Model Code to all Directors and all Directors have confirmed that they complied with the required standards set out in the Model Code throughout the year ended 31 March 2017.

Board

Responsibilities

The overall management of the Company's business is vested in the Board, which assumes the responsibility for leadership and control of the Company and the Directors are collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs and overseeing the achievement of strategic plans to enhance Shareholders' value. The Directors are expected to make decisions objectively in the interests of the Company.

Generally, the Board is responsible for all major aspects of the affairs of the Company, including:

- formulation of overall strategies and review of its financial performance and results and the internal control and risk management systems;
- policies relating to key business and financial objectives of the Company;
- material transactions, including acquisition, investment, disposal of assets or capital expenditure;
- appointment, removal or re-appointment of Board members, auditor and company secretary;
- communication with key stakeholders, including Shareholders and regulatory bodies; and
- recommendation to Shareholders on final dividend and the declaration of any interim dividends.

Board *(Continued)*

Responsibilities *(Continued)*

The Board is responsible for maintaining proper accounting records so as to monitor and disclose with reasonable accuracy of the financial position of the Group. The Board updates Shareholders on the operations and financial position of the Group through interim and annual reports and results announcements as well as the publication of timely reports and announcements of inside information and other disclosure required as prescribed by the relevant laws, rules and regulations.

Directors are also provided with access to independent professional advice, where necessary, in carrying out their obligations as Directors, at the expense of the Company.

All Directors, including independent non-executive Directors assume the responsibilities to the Shareholders for the well-being and success of the Company. They are aware of their duties to act in good faith and in the best interests of the Company.

The executive Directors are delegated with the authority by the Board and be responsible for daily management and operations of the Group under the leadership of the Chairman. The day-to-day management, administration and operation of the Company are delegated to CEO and the senior management of the Company, with department heads responsible for different aspects of the business.

The Board empowers the executive Directors and senior management team to implement the decisions of the Board. CEO is responsible for operational management and reports to the Board. In entrusting management and administrative functions to the management team, the Board provides clear instructions regarding the powers delegated to management, and requires the prior approvals of the Board before or making important decisions and commitments on behalf of the Company.

The Board is of the view that there is adequate balance of power. Responsibilities for the Company's daily business management are shared amongst executive Directors. Besides, all major decisions are made in consultation with members of the Board and appropriate committees of the Board.

Composition

The composition of the Board reflects the necessary balance of skills and experience desirable for effective leadership of the Company.

The latest List of Directors and their Role and Function has been published on the websites of the Company and the Stock Exchange. As at the date of this annual report, the Board comprises five executive Directors namely Mr. Wong Wai Sing (Chairman and CEO), Mr. Chan Kin Lung, Mr. Lee Chi Shing, Caesar, Ms. Yick Mi Ching, Dawnibilly and Mr. Wong Jeffrey; one non-executive Director, Ms. Lin Fang; and three independent non-executive Directors, namely Mr. Kwok Kam Tim, Dr. Hui Chik Kwan and Mr. Tso Ping Cheong, Brian. Biographical details of the Directors are shown on pages 16 to 19 of this annual report and set out on the websites of the Company.

Board *(Continued)*

Composition *(Continued)*

The Board has at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors and with at least one independent non-executive Director possessing appropriate professional qualification, or accounting or related financial management expertise throughout the year ended 31 March 2017.

Insurance Cover

The Company has arranged appropriate insurance cover in respect of any legal action against its directors and officers. The extent of insurance cover is reviewed on an annual basis.

Non-Executive Directors

The Company has three independent non-executive Directors, namely Mr. Kwok Kam Tim, Dr. Hui Chik Kwan and Mr. Tso Ping Cheong, Brian. Ms. Lin Fang was appointed as a non-executive Director on 18 April 2017. The non-executive Directors advise the Company on strategic and critical matters. The Board considers that each non-executive Director brings his or her own senior level of experience and expertise to the constructive functioning of the Board.

All independent non-executive Directors were appointed for a specific term of one year. Non-executive Director has entered into the letter of appointment with effect from 18 April 2017 and to be continued thereafter until terminated by either party giving not less than one (1) month's written notice. All Directors are subject to the retirement by rotation and re-election in accordance with the articles of association of the Company (the "Articles"), which require one-third of the Directors in office to retire from office by rotation and re-election at each annual general meeting.

Each of the independent non-executive Director has made written annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Nomination Committee has assessed their independence and concluded that all the independent non-executive Directors are independent.

Appointment, Re-Election and Removal of Directors

The Articles set out a formal procedure for the appointment of new Directors to the Board. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the Company after his/her appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Directors' and Auditor's Responsibilities for the Financial Statements

The Directors acknowledge their responsibilities to prepare the Group's financial statements for each financial period to give a true and fair view of the state of affairs of the Group and of the results and cashflows for that period. The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. The Directors also warrant that the Group's financial statements will be published in a timely manner.

In preparing the financial statements for the year ended 31 March 2017, the Board has selected suitable accounting policies and applied them consistently, prepared the financial statements on a going concern, fair and reasonable basis. As at 31 March 2017, the Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

Induction and Continuous Professional Training

Each newly appointed Director receives comprehensive, formal and tailored induction on the first occasion of his/her appointment, so as to ensure that he/she has appropriate understanding of the business and operations of the Company and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

The Company provided continuous professional training and Directors received regular updates and presentations on changes and developments to the Group's business and to the legislative and regulatory environments in which the Group operates from time to time. In addition, all Directors were requested to provide the Company with the records of the other training they received. All Directors are also encouraged to attend relevant training courses at the Company's expense.

The Directors acknowledge the need for continuous professional development so that they can continue contributing to the Company, and the Company provides support whenever relevant and necessary.

Induction and Continuous Professional Training *(Continued)*

The Directors have confirmed that they have received trainings[Note 1] and update their skills by the following means during the year ended 31 March 2017:

Name of Directors	Reading journals, written training materials and/ or updates	Attending courses, seminars, conferences and/or forums	Receiving briefings from Chief Financial Officer, Company Secretary and/or other executives
Mr. Wong Wai Sing	✓	✓	✓
Mr. Chum Hon Sing [Note 2]	✓		✓
Mr. Chan Kin Lung	✓		✓
Mr. Lee Chi Shing, Caesar	✓		✓
Ms. Yick Mi Ching, Dawnibilly	✓	✓	✓
Mr. Wong Jeffrey	✓		✓
Ms. Lin Fang [Note 3]	—	—	—
Mr. Kwok Kam Tim		✓	
Dr. Hui Chik Kwan			✓
Mr. Tso Ping Cheong, Brian	✓	✓	✓

Notes:

1 Training referred above refers to training relevant to the Group's business, the economy, market trends, corporate governance, rules and regulations, accounting, financial or other professional skills or directors' duties and responsibilities.

2 Resigned on 18 April 2017.

3 Appointed on 18 April 2017.

Corporate Governance Report

Meetings

The Board meets at least four times each year and as business need arises. The Company's memorandum of association and the Articles provide for participation at meetings through telephone and other electronic means. The Directors have full access to information on the Group and independent professional advice at all times whenever deemed necessary by the Directors.

The Board held 15 meetings during the year ended 31 March 2017. The attendance of each Director at the Board, committees and general meetings are as follows:

	Number of meetings attended/Eligible to attend				
Directors	**Board Meetings**	**Audit Committee Meetings**	**Remuneration Committee Meetings**	**Nomination Committee Meetings**	**General Meetings**
Executive Directors:					
Mr. Wong Wai Sing *(Chairman and Chief Executive Officer)*	13/15	N/A	N/A	N/A	1/2
Mr. Chum Hon Sing *(Vice-Chairman)* Note 1	1/15	N/A	N/A	N/A	0/2
Mr. Chan Kin Lung	12/15	N/A	N/A	N/A	2/2
Mr. Lee Chi Shing, Caesar	9/15	N/A	N/A	N/A	2/2
Ms. Yick Mi Ching, Dawnibilly	13/15	N/A	N/A	N/A	2/2
Mr. Wong Jeffrey	15/15	N/A	N/A	N/A	2/2
Non-Executive Director:					
Ms. Lin Fang Note 2	N/A	N/A	N/A	N/A	N/A
Independent Non-Executive Directors:					
Mr. Kwok Kam Tim	15/15	2/2	5/5	3/3	2/2
Dr. Hui Chik Kwan	7/15	2/2	3/5	2/3	0/2
Mr. Tso Ping Cheong, Brian	13/15	2/2	5/5	3/3	2/2

Notes:

1 Resigned on 18 April 2017.
2 Appointed on 18 April 2017.

Reasonable notices have been given to all meetings of the Board. Directors are given all materials to enable the Board to make informed decision. Except for those circumstances permitted by the Articles, a Director who has a material interest in any contract, transaction, arrangement or any other kind of proposal put forward to the Board for consideration, will abstain from voting on the relevant resolution and such Director is not counted as quorum.

Board Committees

The Board established the audit committee, remuneration committee and nomination committee (the "Committees") on 17 December 2010 with clearly-defined written terms of reference. The main roles and responsibilities of the Committees, including all authorities delegated to them by the Board, are set out in the respective terms of reference. The independent views and recommendations of the Committees ensure proper control of the Group expected from a listed company. The chairman of each committee reports the outcome of the Committees' meetings to the Board for further discussions and approvals, and execute the powers delegated to the Committees.

Audit Committee

The Board has established the audit committee of the Company ("Audit Committee") with specific written terms of reference setting out the duties, responsibilities and authorities delegated by the Board. The major duties and responsibilities of the Audit Committee include (i) making recommendations to the Board on the appointment, re-appointment and removal of the external auditors, approving the remuneration and terms of engagement of the external auditors, and addressing any questions of resignation or dismissal of such auditors, reviewing and monitoring the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, and developing and implementing policies in the engagement of the external auditors to supply non-audit services; (ii) monitoring the integrity of financial statements and reports of the Group and reviewing significant financial reporting judgements contained therein; and (iii) reviewing the effectiveness of the financial reporting, risk management and internal control systems of the Group.

The Audit Committee comprises all independent non-executive Directors and is chaired by an independent non-executive Director who is an accountant with related financial management expertise. The company secretary of the Company (the "Company Secretary") acts as the secretary to the Audit Committee. As at 31 March 2017, the members of the Audit Committee were Mr. Kwok Kam Tim *(Chairman),* Dr. Hui Chik Kwan, and Mr. Tso Ping Cheong, Brian.

During the year ended 31 March 2017, the Audit Committee held 2 meetings to review the annual report for the year ended 31 March 2016 and the interim report for the six months ended 30 September 2016 and review the internal control and risk management matters of the Group.

Board Committees *(Continued)*

Auditor's Remuneration

During the year, the remuneration paid/payable to the external auditors of the Company, Moore Stephens CPA Limited, in respect of statutory audit was approximately HK$1,251,000 (for the year ended 31 March 2016: approximately HK$1,219,000) and non-audit services was approximately HK$413,000 (for the year ended 31 March 2016: approximately HK$492,000). Non-audit services related to tax compliance services of the Company and certain subsidiaries of the Company, agreed-upon procedures on interim financial statements review of the Company and on acting as a reporting accountant of the Open Offer.

Internal Control and Risk Management

The Board is responsible for internal control and risk management systems of the Group and for reviewing its effectiveness. Internal control and risk management systems will be reviewed by the Board annually.

The Board requires the senior management to establish and maintain sound and effective internal control. The management assessed the likelihood of risk occurrence, ranked these risks according to the likelihood and the severity of the impact on the Group, provided treatment plans, and monitored the risk management progress.

Control procedures have been designed to safeguard assets against unauthorised use and disposition; ensure compliance with relevant laws, rules and regulations; ensure proper maintenance of accounting records for provision of reliable financial information; and to provide reasonable assurance against material misstatement, loss or fraud.

The Group has policy in place for handling and dissemination of inside information, which stipulates the handling of inside information on a need-to-know basis and prohibit any dissemination of non-public information.

The internal control and risk management systems of the Group aim to manage, but not completely eliminate, the risks which hinder the achievement of business objectives, which only provides reasonable assurance, while cannot guarantee that material false statements and damages will be fully avoidable.

For the year ended 31 March 2017, the Group has engaged an external advisory firm to undertake the internal audit function to ensure the effectiveness and efficiency of the risk management and internal control systems of the wholesale and retail of household consumables business of the Group, and no significant deficiency and weakness on the internal control and risk management systems have been identified. Result of the review has been reported to the Audit Committee, which was recommended to the Board. The Board considered the internal control and risk management systems of the Group were effective and adequate and concluded that there were no significant areas of concern which might affect Shareholders' interests during the financial year.

Board Committees *(Continued)*

Remuneration Committee

The remuneration committee of the Company ("Remuneration Committee") is responsible for, among other functions, making recommendations to the Board on the policies and structure for the remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration, reviewing and approving the management's remuneration proposals with reference to corporate goals and objectives resolved by the Board from time to time, and determining the specific remuneration packages of the executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment. No individual Director is involved in deciding his/her own remuneration.

The Remuneration Committee comprises all independent non-executive Directors. The Company Secretary acts as the secretary to the Remuneration Committee. As at 31 March 2017, the members of the Remuneration Committee were Mr. Kwok Kam Tim *(Chairman),* Mr. Tso Ping Cheong, Brian, and Dr. Hui Chik Kwan.

The Remuneration Committee held 5 meetings during the year ended 31 March 2017, whereby the members of the Remuneration Committee reviewed and recommended to the Board on the remuneration packages and discretionary bonus of the Directors (other than members of the Remuneration Committee) and senior management, recommended remuneration proposals for newly appointed Directors and senior management with reference to the prevailing market conditions, the Company's performance and his or her time, effort and expertise to be exercised on the Group's affairs of the Company and recommended the grant of share options.

Nomination Committee

The nomination committee of the Company ("Nomination Committee") is responsible for reviewing the structure, size and composition (including but not limited to the skills, gender, knowledge and experience) of the Board on a regular basis and making recommendations to the Board regarding any proposed changes; identifying individuals qualified to become Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorships, (in particular candidates who can add value to the management through their contributions in strategic business areas and whose appointment will lead to a strong Board), assessing the independence of the independent non-executive Directors, and making recommendations to the Board on relevant matters relating to the appointment or re-appointment of the Directors and succession planning for the Directors in particular for the Chairman and CEO. In order to achieve a diversity of perspectives among members of the Board, the Company has adopted the board diversity policy (the "Board Diversity Policy").

Board Committees *(Continued)*

Summary of Board Diversity Policy

The Company recognises the benefits of having a diverse Board to enhance the quality of its performance. The Company sees increasing diversity at the Board as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, consideration has been made from a number of aspects, such as gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All appointments of Board members will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

The Nomination Committee will review the Board Diversity Policy periodically. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

The Nomination Committee comprises all independent non-executive Directors. The Company Secretary acts as the secretary to the Nomination Committee. As at 31 March 2017, the members of the Nomination Committee were Mr. Tso Ping Cheong, Brian *(Chairman)*, Mr. Kwok Kam Tim, and Dr. Hui Chik Kwan.

The Nomination Committee held 3 meetings during the year ended 31 March 2017, whereby the members of the Nomination Committee discussed and made recommendation of the Board on the re-election of retiring Directors and re-appointment of Directors, reviewed the size, structure, composition and diversity of the Board, assessed the independence of independent non-executive Directors and discussed the roles of the Chairman and the CEO.

Company Secretary

Ms. Kwok Ka Huen ("Ms. Kwok"), has been appointed as the Company Secretary since October 2015. Ms. Kwok confirmed that she has complied with all the qualifications, experience, and professional training requirements of the Listing Rules. During the year ended 31 March 2017, Ms. Kwok has taken no less than 15 hours of relevant professional training. Ms. Kwok is delegated by an external service provider and the primary corporate contact person in the Company is Mr. Wong Jeffrey, the executive Director.

The appointment and removal of the Company Secretary is subject to approval by the Board in physical meeting and accordance with the Articles.

Corporate Governance Function

The Board is also responsible for performing the corporate governance duties with its written terms of reference as set out below:

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

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

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

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

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

During the year ended 31 March 2017, the Board has reviewed the policy of the corporate governance and the corporate governance report of the Company.

Communications with Shareholders

The Group reports to its shareholders at least twice a year through interim and annual results, which are announced as early as possible to keep shareholders informed of the Group's performance. General meetings of the Company provide a forum for communication between the Shareholders and the Board. All Shareholders are encouraged to attend the annual general meetings to discuss the progress of the Group's business. The chairman of each of the general meetings are available to answer questions at the general meetings. Separate resolutions are proposed at the general meetings on each substantial issue, including re-election of Directors. The Company's website, which contains corporate information, interim and annual reports, announcements and circulars issued by the Company as well as the recent developments of the Group, enables the Shareholders to access information on the Group on a timely basis.

Communications with Shareholders *(Continued)*

Procedures for Shareholders to convene an Extraordinary General Meeting

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

Procedures for Shareholders to put forward proposals at Shareholders' meetings

Shareholders who wish to move a resolution may by means of requisition convene an extraordinary general meeting following the procedures set out above.

Investor Relations

The Company's website (www.newtreegroupholdings.com) offers communication channel between the Company and the Shareholders and potential investor. Apart from disclosure of all necessary information to the Shareholders in compliance with the Listing Rules, news update on the Company's business development and operation are available on the Company's website.

Shareholders are encouraged to attend all general meetings of the Company. Notices of general meetings are circulated to all Shareholders in accordance with the requirements of the Listing Rules and the Articles. The results of voting by poll are published on the websites of the Stock Exchange and the Company after the meetings.

Any comments and suggestions to the Board can be addressed by post to our principal place of business in Hong Kong or email at general@newtreegroupholdings.com.

Constitutional Documents

During the year ended 31 March 2017, there was no change in the Company's constitutional documents.

Environmental, Social and Governance Report

Introduction

This Environmental, Social and Governance Report (the "ESG report") for Newtree Group Holdings Limited (the "Company") and its subsidiaries (collectively the "Group" and "we") mainly covers the Group's trading business in the People's Republic of China (the "PRC") and the United Kingdom as well as the general office in Hong Kong. The ESG report presents the Group's sustainability approach and performance in the environmental and social aspects of its business in the reporting period from 1 April 2016 to 31 March 2017. For information on our corporate governance, please refer to the "Corporate Governance Report" on pages 20 to 32. The Group will continue to strengthen its efforts to collect information in order to enhance its performance in the environmental and social subject areas and to disclose related information in sustainable development.

The ESG report has been prepared in accordance with the "Environmental, Social and Governance Reporting Guide" issued by the Stock Exchange of Hong Kong Limited, as set out in Appendix 27 to "the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited".

Our staff from different divisions of the Group was involved in helping us recognize our sustainability performance. The data collected not only highlights the Group's sustainable initiatives during the year, but also sets the basis of the Group's sustainability strategies. The Group will increase the stakeholder engagement via constructive dialogue, with a view to driving long-term prosperity.

Protect Our Environment

Use of Resources

As an environmentally friendly corporate, we bear the responsibility to protect the nature. We encourage our employees to switch off unnecessary lights and electronic equipment while not in use, maximize the use of natural lighting, divide the office area into different light zones with independent lighting switches, adopt energy efficient lighting system, clean light fixtures regularly to maximize their energy efficiency, and apply anti-ultraviolet films on windows to reduce heat gain in order to reduce the use of air conditioning.

Emission

The Group strictly complies with national and local laws and regulations regarding emission, including but not limited to the Air Pollution Control Ordinance of Hong Kong, Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), Law of the PRC on Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》), Law of the PRC on Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》) and Environmental Act 1995 of the United Kingdom. Since the report scope only covers the trading segment and the general administration, our major wastewater is domestic sewage. The domestic sewage is mainly discharged to the municipal drainage system.

Protect Our Environment *(Continued)*

Emission *(Continued)*

In consideration of the potential threats of climate change to the communities, the Group has made steady progress in reducing its "carbon footprint" across our business. In term of transportation, our internal activities are held at locations easily accessible by public transportation to actively reduce carbon emissions caused indirectly by holding activities. We also grow green plants in office areas.

Waste Management

The solid waste is mainly generated in daily office operation. In order to reduce the consumption of paper, our staff are encouraged to use paper on both sides and disseminate information by electronic means whenever possible. Our staff are encouraged to reduce the use of one-off stationery and equipment and use more refillable stationery instead. The usage of material is constantly evaluated to avoid overstocking and squandering resources. The general office produces minimal hazardous wastes during the year.

Care Our Employee

Recruitment

The Group acts in strict compliance with the relevant labor laws and regulations promulgated by the national and local governments, such as the Employment Ordinance of Hong Kong, Labor Law of the PRC (《中華人民共和國勞動法》) and Employment Rights Act 1996 of the United Kingdom. The Group respects cultural and individual diversity. A non-discrimination approach is adopted throughout the whole recruitment process, from advertising to employment. All applicants receive equal opportunity and are considered solely based on their academic knowledge, morality, ability and relevant work experience.

As at 31 March 2017, the total number of full-time employees of the Group was 144.

Number of Employee of the Group as at 31 March 2017

	Number
By Geographic Region	
Hong Kong	53
PRC	76
Macau	6
United Kingdom	9
By Gender	
Male	89
Female	55
By Age	
<30	29
30-50	92
>50	23

Care Our Employee *(Continued)*

Child and Forced Labor

We strictly abide by the laws and regulations regarding child labor and forced labor, such as the Prohibition of Using Child Labor (《禁止使用童工規定》) and Labor Contract Law of the PRC (《中華人民共和國勞動合同法》). If work overtime is needed, employees must also do so voluntarily to prevent forced overtime, and overtime pay shall be made in accordance with the relevant laws and regulations. The job descriptions of the position, which clearly state the duties and responsibilities of the role, are provided to employees before officially coming on board to avoid forced labor. We engage employees in labor contracts to prevent forced labor.

Employee Benefits

Our employees are our most valuable asset and we value their rights and welfare. The salary structure is reviewed annually to ensure that the Group offers competitive remuneration package to our employees. Except basic salary, we also offer discretionary bonus based on the individual performance of the employees and our financial performance. While we encourage our employee's working hours should not exceed 8 hours per day or 40 hours per week, time off in lieu is provided to employees if they work overtime. Statutory holidays are provided in accordance with the relevant national and local regulations. Our employees are entitled to different types of leave, including annual leave, compensation leave, sick leave, bereavement leave, maternity leave, paternity leave, etc. We also strictly abide by the laws and regulations related to the employees' benefits, such as, the Employment Ordinance of Hong Kong, Labor Law of the PRC (《中華人民共和國勞動法》) and Employers' Liability (Compulsory Insurance) Regulations of the United Kingdom.

Development and Training

In order to establish an excellent team to cope with the rapid development and efficient operation of the Group, we monitor the employees' performance continuously. Our promotion is executed on a fair and open basis. We do not tolerate any form of discrimination on grounds of gender, race, age, religion and national origin. Promotion and dismissal decision of any employee within the Group are considered thoroughly the employee's attitude, ability and performance at work. The Group provides orientation and internal training to employees in targeted, systematic and forward-looking approach. The Company has been accredited as an authorized employer of Hong Kong Institute of Certified Public Accountants to train prospective members of the Institute. To encourage our employees to develop their potential through independent life-long learning, we subsidize staffs to participate in external job-related training.

Health and Safety

Work safety is the cornerstone of the sustainable development of the Group. We strictly abide by the laws and regulations regarding occupational health and safety, such as the Occupational Safety and Health Ordinance of Hong Kong, Law of the PRC on Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》) and Health and Safety at Work etc Act 1974 of the United Kingdom. A Health and Safety Policy has been adopted to provide reference and guideline on occupational health and safety. To protect our employees from injury or ill health, designated personnel is assigned to carry out workplace inspection and risk assessments annually to identify the tasks and equipments related to our business that are likely to present a significant risk of injury or ill health to our employees or others within our facilities. Employees must be consulted in good time on matters concerning their health and safety at work by meetings, toolbox talks, use of the notice board and an open door policy.

Respect Our Supplier and Client

Supply Chain Management

The development of the Group relies on many suppliers to provide the materials to support our business operations. Green procurement principle is taken into consideration during the procurement process. Suppliers are encouraged to use less packaging material to reduce the waste generated during the delivery process. When there are suppliers with similar qualification, we prioritize suppliers who are near to the locations of the Group to reduce the "carbon footprint" due to long-distance transportation. The Group establishes a long-term strategic cooperative relationship with suppliers of good performances in qualification, reputation, product quality, environmental protection and social responsibility, and the efficient and green supply chain together with the suppliers.

Protect Our Clients

The Group strictly abides by the national and local laws and regulations regarding intellectual property right, such as the Trade Marks Ordinance of Hong Kong, Patent Law of the PRC (《中華人民共和國專利法》) and Data Protection Act 1998 of the United Kingdom. The Group highly values the confidential data of our clients. Confidential and personal information are disclosed to officers on a need-to-know basis. We are committed to protecting the software system to prevent the introduction of virus contamination and the leakage of clients' information. We strictly abide by the national and local laws and regulations regarding the product safety, such as the European Agreement Concerning the International Carriage of Dangerous Goods by Road. The Group respects and protects intellectual rights. In addition to the trademark registration of the Group's corporate logo, the Group also conducts relevant manufacturing business under the "Mammoth" trademark. Our policy is to label our products properly in accordance with local requirements. For example, S&J Distribution Limited ("S&J"), a subsidiary of the Group, has been assessed as satisfying the requirements of the Cleaning & Hygiene Suppliers Association (CHSA) Manufacturing Standard. We work to ensure that the labels and trademarks used in our products properly reflect product specifications and the quality standards. All customers' complaints shall be handled in a timely and proactive manner.

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Respect Our Supplier and Client *(Continued)*

Anti-corruption

In order to maintain the Group's integrity and justice, we strictly abide by the laws and regulations regarding bribery, extortion, fraud and money laundering, such as the Prevention of Bribery Ordinance of Hong Kong, Criminal Law of the PRC (《中華人民共和國刑法》) and Bribery Act 2010 of the United Kingdom. We also established an anti-bribery policy to effectively prohibit commercial bribes, kickbacks or similar payoffs or benefits paid by any suppliers or clients. Employees can report any irregularities, such as dereliction of duty, abuse of power, receiving bribes and encroachment on corporate property, to the designated personnel. The Group will investigate the improper behaviors and take corresponding remedial measures against the irregularities.

Community Investment

Over the years, the Group has focused on community activities and strongly encouraged our employees to participate in various volunteer works.

Report of the Directors

The Directors are pleased to present the annual report and the audited consolidated financial statements of the Group for the year ended 31 March 2017.

Principal Activities

The principal activity of the Company is investment holding. The principal activities of the Group are (i) manufacture and trading of clinical and household hygienic disposables and trading of related raw materials; (ii) trading of coal products; (iii) wholesale and retail of household consumables; (iv) design and development of three-dimensional animations, augmented reality technology application and e-learning web application; (v) provision of educational technology solutions through online education programs and provision of English language proficiency tests; and (vi) provision of money lending services. The Group was also engaged in sales and distribution of jewelries and watches which was discontinued during the year. Details of the principal activities of the Company's principal subsidiaries are set out in Note 35 to the consolidated financial statements contained herein.

Results and Dividends

The Group's financial performances for the year ended 31 March 2017 are set out in the consolidated statement of comprehensive income on pages 58 to 59.

The Directors do not recommend for payment of a final dividend for the year ended 31 March 2017 (2016: Nil).

Financial Summary

A summary of the results and assets and liabilities of the Group for the last five financial years is set out on page 154 of this annual report. This summary does not form part of the audited consolidated financial statements.

Business Review and Performance

A review of the business of the Group and a discussion and analysis of the Group's performance during the year under review and a discussion on the Group's future business development and outlook of the Company's business are provided in the section headed "Management Discussion and Analysis" on pages 4 to 15 of this annual report.

Relationships With Employees, Suppliers and Customers

The Group dedicates to providing a healthy, safe and comfortable working environment for all employees. The Group has formulated comprehensive training program and various career development paths.

The Group also understands that it is important to maintain good relationship with its suppliers and customers to fulfil its immediate and long-term goals. To maintain its market competitiveness within the industry, the Group aims at delivering constantly high standards of quality in the service to its customers.

For further details, please refer to the Environmental, Social and Governance Report in pages 33 to 37 of this annual report.

Environmental, Social and Governance

Environmental conservation remains a key focus for the Group. The conscientious use of resources and adoption of best practices across the Group's businesses underlie its commitment to safeguarding the environment. The Group encourages environmental protection and complies with environmental legislation and promotes awareness towards environmental protection to the employees. The Group puts great emphasis in environmental protection and sustainable development. The Group has also encouraged staff to be environmental friendly at work by consuming the electricity and paper according to actual needs, so as to reduce energy consumption and minimise unnecessary waste.

For further details, please refer to the Environmental, Social and Governance Report in pages 33 to 37 of this annual report.

Compliance with Laws and Regulations

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations in particular, those have significant impact on the Group. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time.

As far as the Company is aware, it has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Company for the year ended 31 March 2017.

For further details, please refer to the Environmental, Social and Governance Report in pages 33 to 37 of this annual report.

Principal Risks and Uncertainties

The Group's financial condition, results of operations, businesses and prospects may be affected by a number of risks and uncertainties. Certain key risks and uncertainties are identified by the Group and listed as follows. There may be other risks and uncertainties in addition to those known to the Group or which may not be material now but could turn out to be material in the future.

(i) Business and Financial Risks

The profitability and financial position may be materially and adversely affected if any of our major customers ceases their business relationship with the Group. The business and financial position may be materially and adversely affected if there is a global economic downturn in the geographic locations in which the Group operates.

(ii) Operational Risks

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Responsibility for managing operational risks basically rests with every function at divisional and departmental levels. The Group recognises that operational risks cannot be eliminated completely and that it may not always be cost effective to do so.

Property, Plant and Equipment

Details of the movements in the property, plant and equipment of the Group during the year are set out in Note 15 to the consolidated financial statements contained herein.

Other Intangible Assets

Details of the movements in the other intangible assets of the Group during the year are set out in Note 17 to the consolidated financial statements contained herein.

Share Capital and Shares Issued

Details of the movements in the Company's share capital and shares issued during the year are set out in Note 33 to the consolidated financial statements.

Equity-linked Agreements

Details of the equity-linked agreements entered into during the year ended 31 March 2017 or subsisted at the end of the year are set out below:

(a) Share Option Scheme

The Company has adopted a share option scheme on 26 February 2015 (the "Share Option Scheme") for the purpose of providing incentives and rewards to those at the sole determination of the Board, have contributed or will contribute to the Company or its subsidiaries, such as (a) any full-time or part-time employee of the Company and/or any subsidiary of the Company; (b) any director (including executive, non-executive and independent non-executive director) of the Company and/or any subsidiary of the Company; and (c) any consultant or adviser, distributor, contractor, supplier, service provider, agent, customer and business partner of the Company and/or any subsidiary of the Company.

The Board may offer to grant any options subject to such terms and conditions in relation to the minimum period of the options to be held and/or the performance targets to be achieved before such option can be exercised and/or any other terms as the Board may determine in its absolute discretion. There is no general requirement on the minimum period for which an option must be held.

The life of the Share Option Scheme is 10 years from the date of adoption (26 February 2015), after which no further options will be granted but the provisions of the Share Option Scheme shall remain in force with respect to options granted.

The subscription price shall, subject to any adjustments made pursuant to the terms of the Share Option Scheme, be a price determined by the Board and notified to each grantee and shall be at least the highest of: (a) the closing price per share as stated in the Stock Exchange's daily quotations sheet on the offer date; (b) the average closing price per share as stated in the Stock Exchange's daily quotations sheets for the five (5) business days immediately preceding the offer date; and (c) the nominal value of a share.

The maximum aggregate number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes adopted by the Group which provide for the grant of options to acquire or subscribe for shares must not exceed such number of shares as shall represent 30% of the shares of the Company in issue from time to time. No option shall be granted under the Share Option Scheme if this will result in such limit being exceeded.

Equity-linked Agreements *(Continued)*

(a) **Share Option Scheme** *(Continued)*

Subject to the aforesaid limit, the total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and other share option schemes of the Group must not, in aggregate, exceed 10% of the shares of the Company in issue as at the adoption date of the Share Option Scheme unless shareholders' approval in general meeting is obtained to renew the scheme mandate limit, which shall not exceed 10% of the shares of the Company in issue at the date of such approval. Any further grant of options is subject to shareholders' advanced approval in a general meeting (the "Scheme Mandate Limit"). The existing Scheme Mandate Limit was approved by the Shareholder in the annual general meeting of the Company on 26 September 2016 and the outstanding number of options available for issue under the Share Option Scheme is 234,753,320, which represents 9.87% of the issued shares of the Company as at the date of this annual report.

The total number of shares issued and to be issued upon exercise of the options granted to each eligible participant (including both exercised and outstanding options under the Share Option Scheme) in any 12-month period must not exceed 1% of the shares of the Company in issue. Where any further grant of options to an eligible participant would result in excess of such limit, such further grant shall be subject to the approval of the shareholders at a general meeting with such eligible participant and his associates abstaining from voting.

Pursuant to the Share Option Scheme, HK$1.00 per offer of grant is payable by the grantee to the Company on acceptance of the option offer as consideration for the grant. The option must be accepted within 10 days from the date on which an offer of option is made to a grantee.

Any grant of options to a connected person or any of its associates must be approved by all of the independent non-executive Directors (excluding any independent non-executive Director who is the grantee). Where options are proposed to be granted to a substantial shareholder or an independent non-executive Director or any of their respective associates, and the proposed grant of options will result in the total number of shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the shares of the Company in issue and having an aggregate value, based on the closing price of the shares at the date of each grant, in excess of HK$5 million, such grant of options must be subject to the approval of the Shareholders taken on a poll at a general meeting.

Equity-linked Agreements *(Continued)*

(a) **Share Option Scheme** *(Continued)*

Details of the share options movements during the year ended 31 March 2017 under the Share Option Scheme are as follows:

				Number of share options					
Name or category of grantees	Date of grant of share options	Exercise price (HK$)	Exercise period (Note 2)	Balance as at 01.04.2016	Granted during the year	Exercised during the year	Lapsed during the year	Cancelled during the year	Balance as at 31.03 .2017
Directors									
Mr. Chan Kin Lung	29/08/2016 (Note 1)	HK$0.48	29/08/2016 – 28/08/2019	–	10,000,000	–	–	–	**10,000,000**
Mr. Lee Chi Shing, Caesar	29/08/2016 (Note 1)	HK$0.48	29/08/2016 – 28/08/2019	–	5,000,000	(5,000,000)	–	–	**–**
Ms. Yick Mi Ching, Dawnibilly	29/08/2016 (Note 1)	HK$0.48	29/08/2016 – 28/08/2019	–	10,000,000	–	–	–	**10,000,000**
Mr. Wong Jeffrey	29/08/2016 (Note 1)	HK$0.48	29/08/2016 – 28/08/2019	–	10,000,000	–	–	–	**10,000,000**
Mr. Kwok Kam Tim	29/08/2016 (Note 1)	HK$0.48	29/08/2016 – 28/08/2019	–	800,000	–	–	–	**800,000**
Dr. Hui Chik Kwan	29/08/2016 (Note 1)	HK$0.48	29/08/2016 – 28/08/2019	–	800,000	–	–	–	**800,000**
Mr. Tso Ping Cheong, Brian	29/08/2016 (Note 1)	HK$0.48	29/08/2016 – 28/08/2019	–	800,000	–	–	–	**800,000**
Sub-Total				–	37,400,000	(5,000,000)	–	–	**32,400,000**
Employees									
In aggregate	29/08/2016 (Note 1)	HK$0.48	29/08/2016 – 28/08/2019	–	20,500,000	–	(400,000)	–	**20,100,000**
Sub-Total				–	20,500,000	–	(400,000)	–	**20,100,000**
Total				–	57,900,000	(5,000,000)	(400,000)	–	**52,500,000**

Notes:

1. The closing price of the shares immediately before 29 August 2016, on which those options were granted, was HK$0.40.

2. The exercise period of the share options is 29 August 2016 to 28 August 2019 (both days inclusive).

Equity-linked Agreements *(Continued)*

(b) **Acquisition of Chengxin Finance Limited**

The Group has entered into a sale and purchase agreement in relation to the acquisition of the entire equity interest of Chengxin Finance, which involved the issue of the Consideration Shares.

For details, please refer to the subsection "Acquisition of Chengxin Finance Limited" under the section "Management Discussion and Analysis" of this annual report.

(c) **Convertible Bonds**

The Company issued 2-year 8% convertible bonds at a par value of HK$100 million on 19 June 2014 (the "Convertible Bonds"). The Convertible Bonds mature 2 years from the issue date at 124% of its principal amount; or can be early redeemed by the Company or the holder at amount equal to all outstanding Convertible Bonds at 100% of the principal amount plus a premium of 12% per annum after the first anniversary of the date of issue; or can be converted into shares at the holder's option on and after 19 June 2014 to 18 June 2016 at the conversion price of HK$3.20 per share.

On 17 May 2016, the Company and the bondholders entered into a deed of amendments which both parties agreed to amend certain terms and conditions of the Convertible Bonds, among others (i) to extend the maturity date of the Convertible Bonds to 31 August 2016; and (ii) unless previously redeemed, converted or purchased and cancelled under the terms of the Convertible Bonds, the Company will redeem all the outstanding Convertible Bonds at 100% of the outstanding principal amount of the Convertible Bonds plus a premium of 12% per annum on 31 August 2016. The amendments became effective on the same date.

On 15 August 2016, as a result of the Open Offer and pursuant to the terms of the Convertible Bonds, the conversion price of the Convertible Bonds was adjusted from HK$3.2 per share to HK$2.52 per share and accordingly, the number of conversion shares to be issued upon exercise of the conversion rights attached to the outstanding Convertible Bonds should be increased from 31,250,000 shares to 39,682,539 shares.

On 16 August 2016, approximately HK$131,262,000 was paid to bondholders for the redemption of the Convertible Bonds. Upon the settlement of all Convertible Bonds, the remaining value of the Convertible Bonds equity reserve of approximately HK$5,947,000 was released to accumulated losses.

Distributable Reserves

The Company had no distributable reserve as at 31 March 2017 (31 March 2016: Nil), calculated in accordance with the Companies Law of the Cayman Islands.

Report of the Directors

Donations

Charitable donations were made by the Group during the year ended 31 March 2017 amounted to approximately HK$1,310,000 (2016: HK$1,013,000).

Directors

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

Executive Directors
Mr. Wong Wai Sing
(Chairman and Chief Executive Officer)
Mr. Chum Hon Sing *(Vice Chairman)*
(resigned on 18 April 2017)
Mr. Chan Kin Lung
Mr. Lee Chi Shing, Caesar
Ms. Yick Mi Ching, Dawnibilly
Mr. Wong Jeffrey

Non-executive Director
Ms. Lin Fang
(appointed on 18 April 2017)

Independent Non-executive Directors
Mr. Kwok Kam Tim
Dr. Hui Chik Kwan
Mr. Tso Ping Cheong, Brian

Pursuant to Article 83(3) of the Articles, any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting after his or her appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

In accordance with Article 84 of the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation and being eligible, offer themselves for re-election at each annual general meeting, provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

The Directors' biographical details are set out on pages 16 to 19.

Each of the independent non-executive Director has made written annual confirmation in respect of his independence pursuant to Rule 3.13 of the Listing Rules. The Nomination Committee is of the view that all independent non-executive Directors are independent.

None of the Directors who are proposed for re-election at the forthcoming annual general meeting (the "AGM") has a service contract with the Company which is not terminable by the Company within one year without payment of compensation (other than statutory compensation).

Mr. Wong Wai Sing, Mr. Chan Kin Lung, Mr. Lee Chi Shing, Caesar and Ms. Yick Mi Ching, Dawnibilly have each entered into a letter of appointment as an executive Director with effect from 1 January 2016 and to be continued thereafter until terminated by either party giving not less than one (1) month's written notice.

Directors *(Continued)*

Mr. Wong Jeffrey has entered into a letter of appointment as an executive Director with effect from 1 September 2016 and to be continued thereafter until terminated by either party giving not less than one (1) month's written notice.

Ms. Lin Fang has entered into a letter of appointment as a non-executive Director with effect from 18 April 2017 and to be continued thereafter until terminated by either party giving not less than one (1) month's written notice.

Mr. Kwok Kam Tim, Dr. Hui Chik Kwan and Mr. Tso Ping Cheong, Brian have each entered into a letter of appointment with effect from 1 January 2017 for a term of one (1) year unless terminated by either party giving not less than one (1) month's written notice.

Mr. Chum Hon Sing resigned as a Director on 18 April 2017 as he required more time to pursue his other business engagements.

Mr. Chum Hon Sing has confirmed that he has no disagreement with the Board and there is no other matter relating to his resignation as a Director that needs to be brought to the attention of the Shareholders.

Permitted Indemnity Provision

Pursuant to Article 53.1 of the Articles, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he or she may sustain or incur in or about the execution of the duties of his or her office or otherwise in relation thereto, and no Director shall be liable for any loss, misfortune or damage which may happen to or be incurred by the Company in the execution of the duties of his or she office or in relation thereto.

The Company has arranged for appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities. The permitted indemnity provision is in force for the benefit of the Directors as required by Section 470 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong).

Management Contracts

No contracts, other than employment 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 ended 31 March 2017.

Directors' Interests in Competing Business

As at the date of this annual report, none of the Directors had any material interest in a business which causes or may cause a significant competition with the business of the Group and any other conflict of interests which any such person has or may have with the Group.

Directors' Interest in Transactions, Arrangements or Contracts

Save as disclosed in the subsection "Connected Transactions" and Note 39 to the consolidated financial statements of this annual report, no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company or its subsidiaries was a party and in which a Director or his or her connected entities had a material interest, whether directly or indirectly, subsisted at any time during or at the end of the year ended 31 March 2017.

Interests of Directors and Chief Executive

As at 31 March 2017, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were set out below:

Long position in the Shares

Name of Directors	Capacity	Total number of shares held	Total number of underlying shares held (Note 2)	Approximate percentage of shareholding in the Company
Mr. Wong Wai Sing (Note 1)	Beneficial owner and interest of a controlled corporation	383,882,000	—	16.13%
Mr. Chan Kin Lung	Beneficial owner	—	10,000,000	0.42%
Mr. Lee Chi Shing, Caesar	Beneficial owner	5,000,000	—	0.21%
Ms. Yick Mi Ching, Dawnibilly	Beneficial owner	—	10,000,000	0.42%
Mr. Wong Jeffrey	Beneficial owner	—	10,000,000	0.42%
Mr. Kwok Kam Tim	Beneficial owner	—	800,000	0.03%
Dr. Hui Chik Kwan	Beneficial owner	—	800,000	0.03%
Mr. Tso Ping Cheong, Brian	Beneficial owner	—	800,000	0.03%

Notes:

1. Mr. Wong Wai Sing holds 22,294,000 shares in personal capacity, he also beneficially owned the entire issued share capital of Twin Star Global Limited, which is interested in 361,588,000 shares of the Company.

2. All are options granted by the Company on 29 August 2016 under the share option scheme adopted by the Company on 26 February 2015.

Interests of Directors and Chief Executive *(Continued)*

Save as disclosed above, as at 31 March 2017, none of the Directors and chief executive of the Company had registered an interest or short position in the shares, underlying shares and debentures of the Company, or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Interests of Substantial Shareholders

As at 31 March 2017, the following persons (not being a Director or chief executives of the Company) have interests or short positions in the shares and underlying shares of the Company which have been disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long Position in the Shares

Name	Nature of interest	Total number of Shares held	Approximate percentage of interest in the Company
Twin Star Global Limited (Note)	Beneficial owner	361,588,000	15.20%

Note: Twin Star Global Limited is wholly-owned by Mr. Wong Wai Sing, the Chairman and CEO. Accordingly, Mr. Wong Wai Sing is deemed to be interested in the shares held by Twin Star Global Limited.

Save as disclosed herein, the Company has not been notified of any other person (other than the Directors or chief executives of the Company) who had an interest or a short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as at 31 March 2017.

Arrangement to Purchase Shares or Debenture

Save as disclosed above, at no time during the year and up to the date of this annual report were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or any of their respective spouse or minor children, or were any such rights exercised by them, or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

Connected Transactions

Details of the related party transactions of the Group during the year ended 31 March 2017 are set out in Note 39 to the consolidated financial statements. The Company has complied with the applicable requirements under the Listing Rules for those related party transactions which constituted non-exempt connected transactions/continuing connected transactions. Other related party transactions either did not constitute connected transactions/continuing connected transactions or constituted connected transactions/continuing connected transactions but were exempted from all disclosure and independent shareholders' approval requirements under the Listing Rules.

Payments of emoluments to the Directors pursuant to their respective service contracts with the Company were exempt connected transactions under Rule 14A.95 of the Listing Rules while payments of emoluments/consultancy fee to senior management do not constitute connected transactions under Chapter 14A of the Listing Rules.

Emolument Policy

The Group mainly determines staff remuneration in accordance with market terms and individual qualifications. The salaries and benefits of the Group's employees are maintained at a competitive level and employees are rewarded on a discretionary performance-related basis within the general framework of the Group's salary and bonus system, which is reviewed regularly. Year-ended bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include contributions to statutory mandatory provident fund scheme and medical scheme to its employees.

The emoluments of the Directors will be reviewed and recommended by the Remuneration Committee for the Board's approval having regard to the Company's performance and the time, effort and expertise to be exercised on the Group's affairs by the individual Director. Details of the Directors' and employees' emoluments are set out in Note 11 to the consolidated financial statements, respectively.

Retirement Benefit Plans

Other than operating a Hong Kong Mandatory Provident Fund Scheme, participating in the defined contribution pension scheme operated by the Macao government authority and the PRC state-managed retirement benefit scheme, the Group has not operated any other retirement benefit schemes for the Group's employees. Particulars of the retirement benefit plans are set out in Note 3 to the consolidated financial statements under the sub-heading "Retirement benefit plans".

Report of the Directors

Purchase, Sales or Redemption of Listed Securities

Save as disclosed under the subsection "Significant Events and Material Acquisition and Disposal" in the section "Management Discussion and Analysis", neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange during the year ended 31 March 2017.

Pre-Emptive Rights

There are no provisions of pre-emptive rights under the Articles or laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to its existing shareholders.

Tax Relief

The Directors are not aware of any tax relief available to the Shareholders by reason of their holding of the Company's securities.

Sufficiency of Public Float

Based on information that is publicly available to the Company and to the knowledge of the Directors, the Company has maintained a sufficient public float as at the date of this annual report.

Major Suppliers and Customers

In the year under review, the Group's largest supplier accounted for 9.2% (2016: 42.9%) of the Group's total purchases. The Group's five largest suppliers accounted for 38.5% (2016: 64.1%) of the Group's total purchases.

In the year under review, the Group's sales to its five largest customers accounted for 54.1% (2016: 58.4%) of the Group's total sales. The Group's largest customer accounted for 22.3% (2016: 32.0%) of the Group's total sales.

None of the Directors or any of their close associates (as defined under the Listing Rules) or any Shareholders (which, to the best knowledge of the Directors, owns more than 5% of the number of issued shares of the Company) has a beneficial interest in the Group's five largest customers or five largest suppliers.

Subsequent Events

Save as disclosed under the subsection "Significant Event after the Reporting Period" in the section "Management Discussion and Analysis", the Group does not have any other significant event after the reporting period.

Closure of Register of Members

In order to ascertain the entitlement to attend and vote at the AGM of the Company, which is proposed to be held on Tuesday, 15 August 2017, the register of members of the Company will be closed from Thursday, 10 August 2017 to Tuesday, 15 August 2017, both days inclusive, during which period no transfer of shares will be registered. In order to be entitled to attend and vote at the AGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 9 August 2017.

Review of Financial Statements by Audit Committee

The Audit Committee has reviewed the management accounting principles and practices adopted by the Group and discussed the auditing, internal controls and financial reporting matters, including review of the audited consolidated financial statements of the Group for the year ended 31 March 2017.

Corporate Governance

The Company has published its corporate governance report, which is set out on pages 20 to 32 of this annual report.

Auditors

On 12 December 2014, BDO Limited, the predecessor auditor resigned and Moore Stephens CPA Limited ("Moore Stephens") was appointed as auditor of the Company by the Board to fill the casual vacancy so arising on the same date.

The consolidated financial statements for the years ended 31 March 2015, 2016 and 2017 were audited by Moore Stephens who will retire and, being eligible, offer themselves for re-appointment upon conclusion of the AGM.

A resolution will be proposed at the AGM to re-appoint Moore Stephens as auditor of the Company.

On behalf of the Board
Wong Wai Sing
Chairman and Chief Executive Officer

Hong Kong, 23 June 2017

Independent Auditor's Report

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大華馬施雲
會計師事務所有限公司

Independent Auditor's Report to the Shareholders of
Newtree Group Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Newtree Group Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 58 to 153, which comprise the consolidated statement of financial position as at 31 March 2017, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment assessment of non-financial assets

The Group's impairment assessment of non-financial assets is disclosed in Note 19 to the consolidated financial statements and the accounting policies in Note 3 to the consolidated financial statements.

Key audit matter	How the matter was addressed in our audit
The management of the Company had performed an impairment review in accordance with HKAS 36 *"Impairment of Assets"* in relation to the Group's property, plant and equipment, goodwill and other intangible assets belonging to Household Consumables Business cash-generating unit ("CGU"), Jewelries and Watches Business CGU, Digital Technology Business CGU, Education Business CGU and Money Lending Business CGU. The Group had recognised an impairment loss on goodwill of approximately HK$53,155,000 under other gains and losses and approximately HK$43,072,000 under loss from discontinued operations for the year ended 31 March 2017 as a result of the impairment review. The recoverable amounts of the CGUs required exercise of significant judgements by management concerning the estimated future cash flows and other key inputs and involved high level of estimation uncertainty. Accordingly, we have identified management's impairment assessment of the CGUs as a key audit matter.	Our key procedures to address the matter included: • Discussed with, and where applicable sought corroborative supporting information from, the management of the Company and the independent valuers engaged by the Company (the "Valuers") regarding the reasonableness of the valuation methodologies being adopted and the key inputs used; • Discussed with the management of the Company and the Valuers about the assumptions used in the cash flow projections and challenged the relevance and reasonableness of key assumptions based on our knowledge of the business and industry; and • Assessed the competency and experience of the Valuers.

Key audit matters *(Continued)*

Impairment assessment of loan receivables, trade and other receivables and bond receivable

The Group's impairment assessment of loan receivables, trade and other receivables and bond receivable is disclosed in Notes 24 to 26 to the consolidated financial statements respectively and the accounting policies in Note 3 to the consolidated financial statements.

Key audit matter	How the matter addressed in our audit
As at 31 March 2017, the Group had loan receivables, trade and other receivables and bond receivable amounting to HK$27,260,000, HK$107,597,000 and HK$10,842,000 respectively. The Group had not recognised any impairment losses on loan receivables and bond receivable during the year, and recognised impairment loss on trade and other receivables of approximately HK$30,592,000 during the year ended 31 March 2017. The Group also recognised written back of impairment loss on trade receivables of approximately HK$2,323,000 during the year ended 31 March 2017. The estimated impairment losses are determined by the management of the Company based on the credit reviews performed, taking into account repayment history of the counterparties and the current market conditions. We have identified management's impairment assessments of the recoverability of loan receivables, trade and other receivables and bond receivable as a key audit matter because the amounts of the receivables are significant and the assessments required significant management judgement and involved high level of estimation uncertainty.	Our key procedures to address the matter included: • Obtained an ageing analysis of loan receivables, trade and other receivables and bond receivable from the management of the Company and discussed with the management of the Company whether the amounts are recoverable; • Challenged the management's assessment of the recoverability of long outstanding and overdue loan receivables, trade and other receivables and bond receivable; • Obtained credit information of certain debtors from the management of the Company as part of the assessment of the recoverability of loan receivables, trade and other receivables and bond receivable; and • Checked subsequent settlements of loan receivables, trade and other receivables and bond receivable on a sample basis.

Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report for the year ended 31 March 2017 of the Group other than the consolidated financial statements and our auditor's report thereon.

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

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

Responsibilities of directors for the consolidated financial statements

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

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

The audit committee of the Company assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Auditor's responsibilities for the audit of the consolidated financial statements *(Continued)*
As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:-

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

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

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

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements *(Continued)*

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

Moore Stephens CPA Limited
Certified Public Accountants

Hung, Wan Fong Joanne
Practising Certificate Number: P05419

Hong Kong, 23 June 2017

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2017

	Notes	2017 HK$'000	2016 HK$'000 (restated)
Continuing operations			
Revenue	5	**122,100**	229,818
Cost of sales		**(94,914)**	(186,021)
Gross profit		**27,186**	43,797
Other income	6	**1,846**	5,504
Other gains and losses	7	**(83,995)**	(219,361)
Selling and distribution expenses		**(3,128)**	(3,894)
Administrative expenses		**(78,374)**	(87,270)
Finance costs	8	**(8,932)**	(23,906)
Share of loss of an associate		**—**	(995)
Loss before income tax from continuing operations		**(145,397)**	(286,125)
Income tax (expense) credit	9	**(1,639)**	5,011
Loss for the year from continuing operations		**(147,036)**	(281,114)
Discontinued operations			
Loss for the year from discontinued operations	12	**(46,245)**	(11,611)
Loss for the year	10	**(193,281)**	(292,725)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
— Exchange differences arising on translation		**(3,769)**	(3,411)
— Fair value gain (loss) on available-for-sale financial assets		**2,200**	(16,300)
		(1,569)	(19,711)
Items that were reclassified to profit or loss:			
— Exchange differences reclassified to profit or loss upon disposal of subsidiaries		**—**	464
— Reclassification adjustment of available-for-sale investment reserve upon impairment of assets		**2,800**	2,200
		2,800	2,664
Other comprehensive income for the year, net of income tax		**1,231**	(17,047)
Total comprehensive income for the year, net of income tax		**(192,050)**	(309,772)
Loss for the year attributable to:			
Owners of the Company		**(190,400)**	(284,394)
Non-controlling interests		**(2,881)**	(8,331)
		(193,281)	(292,725)

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2017

	Notes	2017 HK$'000	2016 HK$'000 (restated)
Total comprehensive income for the year attributable to:			
Owners of the Company		**(189,169)**	(301,441)
Non-controlling interests		**(2,881)**	(8,331)
		(192,050)	(309,772)
Loss per share attributable to owners of the Company	14		
From continuing and discontinued operations			
Basic and diluted (HK cents)		**(9.88)**	(24.41)
From continuing operations			
Basic and diluted (HK cents)		**(7.48)**	(23.41)
From discontinued operations			
Basic and diluted (HK cents)		**(2.40)**	(1.00)

Consolidated Statement of Financial Position

At 31 March 2017

	Notes	2017 HK$'000	2016 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	**9,408**	12,176
Prepaid lease payments	16	**5,049**	5,503
Other intangible assets	17	**49,818**	60,056
Goodwill	18	**84,285**	158,717
Interest in an associate	20	**—**	14,400
Available-for-sale financial assets	21	**156,200**	154,000
Loan receivables	24	**8,000**	—
		312,760	404,852
CURRENT ASSETS			
Contingent consideration receivable	22	**—**	—
Inventories	23	**12,423**	20,159
Prepaid lease payments	16	**164**	173
Loan receivables	24	**19,260**	—
Trade and other receivables and prepayments	25	**124,274**	162,907
Bond receivable	26	**10,842**	—
Pledged bank deposit	27	**—**	7,809
Bank balances and cash	27	**25,636**	27,811
		192,599	218,859
Assets held for sale	28	**33,558**	—
		226,157	218,859
CURRENT LIABILITIES			
Trade and other payables and accruals	29	**155,995**	167,375
Trust receipt loan	30	**—**	752
Tax payable		**6,623**	11,634
Convertible bonds	31	**—**	122,340
		162,618	302,101
Liabilities directly associated with assets held for sale	28	**3,558**	—
		166,176	302,101
NET CURRENT ASSETS (LIABILITIES)		**59,981**	(83,242)
TOTAL ASSETS LESS CURRENT LIABILITIES		**372,741**	321,610
NON-CURRENT LIABILITIES			
Deferred tax liabilities	32	**8,319**	10,031
NET ASSETS		**364,422**	311,579

Consolidated Statement of Financial Position

At 31 March 2017

	Notes	2017 HK$'000	2016 HK$'000
CAPITAL AND RESERVES			
Share capital	33	**23,788**	9,370
Reserves		**347,510**	306,204
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**371,298**	315,574
Non-controlling interests		**(6,876)**	(3,995)
TOTAL EQUITY		**364,422**	311,579

The financial statements on pages 58 to 153 were approved and authorised for issue by the Board of Directors on 23 June 2017 and are signed on its behalf by:

Mr. Wong Wai Sing
DIRECTOR

Ms. Yick Mi Ching, Dawnibilly
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31 March 2017

	Attributable to owners of the Company				
	Share capital HK$'000	**Share premium** HK$'000	**Legal reserve** HK$'000 (Note (i))	**Convertible bonds equity reserve** HK$'000	**Share option reserve** HK$'000
At 1 April 2015	9,026	877,804	49	5,947	—
Loss for the year	—	—	—	—	—
Other comprehensive income, net of income tax:					
— Exchange differences arising on translation	—	—	—	—	—
— Changes in fair value of available-for-sale financial assets	—	—	—	—	—
— Exchange differences reclassified to profit or loss upon disposal of subsidiaries (Note 44)	—	—	—	—	—
— Reclassification adjustment of available-for-sale investment reserve upon impairment of assets	—	—	—	—	—
Total comprehensive income for the year	—	—	—	—	—
Issue of shares pursuant to settlement of earn-out consideration (Note 33(i))	344	12,715	—	—	—
Disposal of subsidiaries	—	—	—	—	—
Transactions with owners	344	12,715	—	—	—
At 31 March 2016	9,370	890,519	49	5,947	—
Loss for the year	—	—	—	—	—
Other comprehensive income, net of income tax:					
— Exchange differences arising on translation	—	—	—	—	—
— Changes in fair value of available-for-sale financial assets	—	—	—	—	—
— Reclassification adjustment of available-for-sale investment reserve upon impairment of assets	—	—	—	—	—
Total comprehensive income for the year	—	—	—	—	—
Issue of shares pursuant to open offer (Note 33(ii))	14,055	216,450	—	—	—
Transaction cost attributable to issue of open offer shares (Note 33(ii))	—	(11,079)	—	—	—
Acquisition of subsidiary (Note 43)	313	13,750	—	—	—
Recognition of equity-settled share-based payments (Note 36)	—	—	—	—	9,004
Issue of shares upon exercise of share options (Note 33(iii))	50	3,171	—	—	(821)
Lapse of share options (Note 36)	—	—	—	—	(56)
Transfer to accumulated losses upon redemption of convertible bonds (Note 31)	—	—	—	(5,947)	—
Transactions with owners	14,418	222,292	—	(5,947)	8,127
At 31 March 2017	23,788	1,112,811	49	—	8,127

Notes:

(i) In accordance with the provisions of Macao Commercial Code, Two-Two-Free Limited-Macao Commercial Offshore ("Two-Two-Free"), a subsidiary of the Company, is required to transfer a minimum of 25% of annual net profit to legal reserve until the legal reserve equals half of the quota capital. This reserve is not distributable to shareholders.

(ii) The special reserve represents the difference between the nominal value of the share capital issued by the Company and the share premium and the nominal value of the share capital of the subsidiaries comprising the Group prior to the group reorganisation in preparing for listing on The Stock Exchange of Hong Kong Limited.

(iii) The other reserves represent (a) the difference between the fair value of interest-free advance to Mr. Chum Tung Hang, a shareholder of a subsidiary comprising the Group prior to the group reorganisation, measured at amortised cost using the effective interest method and its principal amount at inception amounting to HK$6,000,000; and (b) the difference between the amount by which the non-controlling interest is adjusted and the fair value of shares issued as consideration for the acquisition of the remaining equity interest in a subsidiary from a non-controlling shareholder amounting to approximately HK$2,046,000.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2017

Attributable to owners of the Company							
Available-for-sale investment reserve HK$'000	**Special reserve** HK$'000 (Note (ii))	**Exchange reserve** HK$'000	**Other reserves** HK$'000 (Note (iii))	**Accumulated losses** HK$'000	**Total** HK$'000	**Non-controlling interests** HK$'000	**Total equity** HK$'000
9,100	678	15,206	(8,046)	(305,808)	603,956	4,336	608,292
—	—	—	—	(284,394)	(284,394)	(8,331)	(292,725)
—	—	(3,411)	—	—	(3,411)	—	(3,411)
(16,300)	—	—	—	—	(16,300)	—	(16,300)
—	—	464	—	—	464	—	464
2,200	—	—	—	—	2,200	—	2,200
(14,100)	—	(2,947)	—	(284,394)	(301,441)	(8,331)	(309,772)
—	—	—	—	—	13,059	—	13,059
—	—	—	2,046	(2,046)	—	—	—
—	—	—	2,046	(2,046)	13,059	—	13,059
(5,000)	678	12,259	(6,000)	(592,248)	315,574	(3,995)	311,579
—	—	—	—	(190,400)	(190,400)	(2,881)	(193,281)
—	—	(3,769)	—	—	(3,769)	—	(3,769)
2,200	—	—	—	—	2,200	—	2,200
2,800	—	—	—	—	2,800	—	2,800
5,000	—	(3,769)	—	(190,400)	(189,169)	(2,881)	(192,050)
—	—	—	—	—	230,505	—	230,505
—	—	—	—	—	(11,079)	—	(11,079)
—	—	—	—	—	14,063	—	14,063
—	—	—	—	—	9,004	—	9,004
—	—	—	—	—	2,400	—	2,400
—	—	—	—	56	—	—	—
—	—	—	—	5,947	—	—	—
—	—	—	—	6,003	244,893	—	244,893
—	678	8,490	(6,000)	(776,645)	371,298	(6,876)	364,422

Consolidated Statement of Cash Flows

For the year ended 31 March 2017

	Notes	2017 HK$'000	2016 HK$'000 (restated)
OPERATING ACTIVITIES			
Loss before income tax			
— from continuing operations		**(145,397)**	(286,125)
— from discontinued operations		**(46,358)**	(10,288)
		(191,755)	(296,413)
Adjustments for:			
Depreciation of property, plant and equipment		**2,616**	3,028
Amortisation of prepaid lease payments		**169**	210
Amortisation of other intangible assets		**1,507**	1,635
Impairment loss recognised on trade receivables and other receivables		**30,592**	91,517
Impairment loss on available-for-sale financial assets		**2,800**	2,200
Impairment loss on property, plant and equipment		**—**	2,903
Impairment loss on other intangible assets		**—**	50,132
Impairment loss on interest in an associate		**1,915**	3,971
Impairment loss on goodwill		**96,227**	40,113
Written back of impairment loss on trade and other receivables		**(2,323)**	(83)
Written off of trade receivables		**101**	25
Interest expenses on convertible bonds		**8,922**	23,861
Interest expenses on trust receipt loans and other loan		**10**	45
Gain on disposal of subsidiaries		**—**	(5,578)
Gain on disposal of available-for-sales financial assets		**(547)**	—
Dividend income from investment in available-for-sale financial assets		**—**	(4,871)
Bank interest income		**(21)**	(21)
Interest income from other receivables		**(921)**	—
Bond receivables interest		**(842)**	—
Share based payment expense		**9,004**	—
Fair value loss on contingent consideration receivables/ earn-out consideration payable		**—**	52,785
Share of losses of an associate		**111**	624
Loss on disposal of property, plant and equipment		**45**	5
Operating cash flows before changes in working capital		**(42,390)**	(33,912)
Decrease in inventories		**2,746**	7,461
Increase in loan receivables		**(3,560)**	—
Increase in trade and other receivables and prepayments		**(6,633)**	(68,926)
(Decrease)/Increase in trade and other payables and accruals		**(9,841)**	66,459
Advance from/(to) an associate		**3,299**	(2,744)
Cash used in operating activities		**(56,379)**	(31,662)
Income tax paid		**(5,103)**	(1,042)
NET CASH USED IN OPERATING ACTIVITIES		**(61,482)**	(32,704)

Consolidated Statement of Cash Flows

For the year ended 31 March 2017

	Notes	2017 HK$'000	2016 HK$'000 (restated)
INVESTING ACTIVITIES			
Net cash outflow on acquisition of a subsidiary	43	**(32,202)**	—
Net cash inflow on disposal of subsidiaries	44	**—**	18,965
Net cash inflow on disposal of available-for-sale financial assets		**2,497**	—
Refundable deposit received for potential acquisition of a subsidiary		**—**	27,500
Purchase of property, plant and equipment		**(575)**	(363)
Purchase of bond receivable		**(10,000)**	—
Decrease (increase) in pledged bank deposit		**7,809**	(1)
Proceeds from disposal of property, plant and equipment		**121**	37
Interest received		**942**	21
NET CASH (USED IN) GENERATED FROM INVESTING ACTIVITIES		**(31,408)**	46,159
FINANCING ACTIVITIES			
Proceed from issue of open offer shares		**230,505**	—
Issuance cost attributable to issue of open offer shares		**(11,079)**	—
Proceed from exercise of share options	36	**2,400**	—
Repayment of promissory note		**—**	(4,129)
Repayment of convertible bonds	31	**(100,000)**	—
Trust receipt loan repaid		**(752)**	(1,157)
Advance from (repayment to) related parties		**1,401**	(1,152)
Interest paid		**(31,272)**	(8,045)
NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES		**91,203**	(14,483)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(1,687)**	(1,028)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**27,811**	29,548
Effect of foreign exchange rate changes		**(484)**	(709)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash		**25,640**	27,811
Analysis of cash and cash equivalents			
Continuing operations: Bank balances and cash		**25,636**	27,799
Discontinued operations: Bank balances and cash		**4**	12
		25,640	27,811

1. General Information

The Company was incorporated as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law Chapter 22 (Laws of 1961, as consolidated and revised) of the Cayman Islands on 9 June 2010. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 13 January 2011. The registered office and principal place of business of the Company are disclosed in the Corporate Information section of the annual report.

The principal activities of the Group are (i) manufacture and trading of clinical and household hygienic disposables and trading of related raw materials ("Hygienic Disposables Business"); (ii) trading of coal products ("Coal Business"); (iii) wholesale and retail of household consumables ("Household Consumables Business"); (iv) design and development of three-dimensional animations, augmented reality technology application and e-learning web application ("Digital Technology Business"); (v) provision of educational technology solutions through online education programs and provision of English language proficiency tests ("Education Business"); and (vi) provision of money lending services ("Money Lending Business"). The Group was also engaged in (i) sales and distribution of jewelries and watches ("Jewelries and Watches Business") which was discontinued during the year and (ii) the business of trading of Methyl Tertiary Butyl Ether ("MTBE") products ("MTBE Business") which was discontinued during the year ended 31 March 2016, further details of which are set out in Note 12.

During the year, the Group entered into a conditional disposal agreement (the "Disposal Agreement") with an independent third party to dispose of the entire equity interest in Tiger Global Group Limited ("Tiger Global"), its subsidiary and associate (collectively referred to as the "Tiger Global Group"). The disposal is not completed as at 31 March 2017. Tiger Global Group is principally engaged in Jewelries and Watches Business of the Group, a separate major line of business which is presented as discontinued operation. Further details of which are set out in Note 12(b).

During the year, the Group acquired the entire equity interest in Chengxin Finance Limited ("Chengxin") from an independent third party. Chengxin is principally engaged in Money Lending Business. Further details of which are set out in Note 43.

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

Basis of preparation

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

1. General Information *(Continued)*

Basis of preparation *(Continued)*

The consolidated financial statements have been prepared on the historical cost basis except for available-for-sale financial assets and contingent consideration receivable which are measured at fair value as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

Certain figures in the consolidated financial statements for the year ended 31 March 2016 related to discontinued operations have been reclassified and restated to conform with the current year presentations and accounting treatment.

2. Adoption of New and Revised HKFRSs

In the current year, the Group has applied, for the first time, the following new and revised HKFRSs issued by the HKICPA, which are relevant to and effective for the Group's consolidated financial statements for the annual period beginning on 1 April 2016.

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

The adoption of the above new and revised HKFRSs in the current year has no material impact on the Group's consolidated financial statements.

2. Adoption of New and Revised HKFRSs *(Continued)*

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

Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[2]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[2]
HKFRS 9 (2014)	Financial Instruments[2]
Amendments to HKFRS 10 and HKAS 28 (2011)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
HKFRS 15	Revenue from Contracts with Customers[2]
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from Contracts with Customers[2]
HKFRS 16	Leases[3]
Amendments to HKAS 7	Disclosure Initiative[1]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[1]
Amendments to HKAS 40	Transfers of Investment Property[2]
HK(IFRIC) Interpretation 22	Foreign Currency Transactions and Advance Consideration[2]
Annual Improvements to HKFRSs 2014-2016 Cycle	Amendments to a number of HKFRSs[4]

1 Effective for annual periods beginning on or after 1 January 2017
2 Effective for annual periods beginning on or after 1 January 2018
3 Effective for annual periods beginning on or after 1 January 2019
4 Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate
* On 6 January 2016, the HKICPA issued "Effective Date of Amendments to HKFRS 10 and HKAS 28", following the International Accounting Standards Board's equivalent amendments. This update defers/removes the effective date of the amendments in "Sale or Contribution of Assets between an Investor or its Associate or Joint Venture" that the HKICPA issued on 7 October 2014. Early application of these amendments continues to be permitted.

Further information about these HKFRSs that are expected to be applicable to the Group is as follows:

HKFRS 9 (2014) *Financial Instruments*

HKFRS 9 (2014) introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income ("FVTOCI") if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss ("FVTPL").

2. Adoption of New and Revised HKFRSs *(Continued)*

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

HKFRS 9 (2014) includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 (2014) carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 (2014) retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

HKFRS 15 *Revenue from Contracts with Customers*

HKFRS 15 replaces all existing HKFRSs revenue requirements. This standard establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise through a 5-step approach:

(1) Identify the contract(s) with customer;

(2) Identify separate performance obligations in a contract;

(3) Determine the transaction price;

(4) Allocate transaction price to performance obligations; and

(5) Recognise revenue when a performance obligation is satisfied.

The core principle is that a company should recognise revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

HKFRS 16 *Leases*

For lessees, HKFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. For lessors, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or financial leases, and to account for those two types of leases differently. The standard is mandatorily effective for annual periods beginning on or after 1 January 2019. Earlier application is permitted for entities that apply HKFRS 15 at or before the date of initial application of HKFRS 16.

2. Adoption of New and Revised HKFRSs *(Continued)*

The Group is still in the process of assessing the impact of HKFRS 9 (2014), HKFRS 15 and HKFRS 16. The Directors believe that it is impractical to disclose the impact in these consolidated financial statements until the Group has completed the assessment.

3. Significant Accounting Policies

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 (its subsidiaries).

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income of a subsidiary 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.

Business combinations

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

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that the deferred tax assets or liabilities are recognised and measured in accordance with HKAS 12 *Income Taxes*.

3. Significant Accounting Policies *(Continued)*

Business combinations *(Continued)*

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

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

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

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

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

3. Significant Accounting Policies *(Continued)*

Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, interests in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Associates

An associate is an entity in which the Group has significant influence, which is the power to participate in the financial and operating policy decision of the investee, but is not control or joint control over those policies.

An interest in an associate is accounted for in the consolidated financial statements under the equity method, less any impairment losses, unless it is classified as held for sale. Adjustments are made to bring into line any dissimilar accounting policies that may exist. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post-acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment. Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the profit or loss, whereas the Group's share of the post-acquisition, post-tax items of the investees' other comprehensive income is recognised in the other comprehensive income.

When the Group's share of losses exceeds its investment in the associate, the Group's interest is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate.

Unrealised profits and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in the profit or loss. Goodwill arising from the acquisition of associate is included as part of the Group's interest in an associate.

3. Significant Accounting Policies *(Continued)*

Associates *(Continued)*

If an investment in an associate becomes an investment in a joint venture, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, when the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in the profit or loss. Any interest retained in that former investee at the date when significant influence is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

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

A CGU to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the CGU to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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

Revenue recognition

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

3. Significant Accounting Policies *(Continued)*

Revenue recognition *(Continued)*

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.

Other service income are recognised when services are provided.

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

Dividend income is recognised when the right to receive the dividend is established.

Property, plant and equipment

Property, plant and equipment including building held for use in the production or supply of goods or services, or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation 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, as follows:

Buildings	Over the term of the leases, or 20 years whichever is the shorter
Plant and machinery	10 years
Motor vehicles	5 years
Leasehold improvement	Over the term of the leases, or 10 years whichever is the shorter
Furniture, fixtures and equipment	5 years

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.

3. Significant Accounting Policies *(Continued)*

Property, plant and equipment *(Continued)*

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected 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 amount of the asset and is recognised in profit or loss.

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.

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. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

Foreign currencies

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

3. Significant Accounting Policies *(Continued)*

Foreign currencies *(Continued)*

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the group entities are translated into the presentation currency of the Group (i.e. HK$) using exchange rates prevailing at the end of each reporting period. Income and 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).

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that 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.

Short term employee benefits

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.

Retirement benefit plans

The Group operated a Mandatory Provident Fund Scheme ("MPF Scheme") for all qualifying employees in Hong Kong under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme were held separately from those of the Group in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and its employees were each required to make contributions to the scheme at rate specified in the rules. The only obligation of the Group with respect of MPF Scheme was to make the required contributions under the scheme. No forfeited contribution was available to reduce the contribution payable in the future years.

The employees employed in the PRC are members of the state-managed retirement benefit schemes operated by the PRC government. The PRC subsidiary is required to contribute a certain percentage of their payroll to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the schemes.

The Group operates a defined contribution retirement benefit plan for all qualifying employees in Macau operated by the Macau government.

Payments to state-managed retirement benefit schemes, MPF Scheme and defined contribution retirement scheme in Macau are recognised as an expense when employees have rendered service entitling them to the contributions.

3. Significant Accounting Policies *(Continued)*

Share-based payments

The Group operates a share option scheme for remuneration of its employees (including the Directors).

All services received in exchange for the grant of any share options are measured at their fair value. These are indirectly determined by reference to the fair value of share options granted. Their value is appraised at the grant date and excludes the impact of any service and non-market performance vesting conditions (for example, profitability and sales growth targets).

All services received is ultimately recognised as an expense in profit or loss over the vesting period if vesting conditions apply, or recognised as an expense in full at the grant date when the share options granted vest immediately unless the expense qualifies for recognition as asset, with a corresponding increase in “Share option reserve” within equity. If service or non-market performance conditions apply, the expense is recognised over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market performance and service conditions are included in assumptions about the number of share options that are expected to vest. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve.

Where a grant of share options is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the grant is recognised immediately. This includes any grant where non-vesting conditions within the control of either the Group or the employee are not met.

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

3. Significant Accounting Policies *(Continued)*

Taxation

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

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

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

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

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

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

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

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

3. Significant Accounting Policies *(Continued)*

Other intangible assets

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

Subsequent to initial recognition, other intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for other intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives, as follows:

Customer Network	10 years
Exclusive License	15 years

Other intangible assets with indefinite useful lives are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from being indefinite to finite is accounted for on a prospective basis (see the accounting policy in respect of impairment losses on non-financial assets below).

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statements 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 are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

3. Significant Accounting Policies *(Continued)*

Financial instruments *(Continued)*

Financial assets

The Group's financial assets are classified as loans and receivables, available-for-sale financial assets, financial assets at fair value through profit or loss and held-to-maturity investments.

Financial assets at fair value through profit or loss

Financial assets at FVTPL include contingent consideration receivables, financial assets held for trading and those designated as at FVTPL upon initial recognition.

A financial asset is classified as held for trading if it has been acquired principally for the purpose of selling in the near future; or it is a part of an identified portfolio of financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or it is a derivative that is not designated and effective as a hedging instrument.

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

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on fair value basis, in accordance with the group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

At the end of each reporting period, subsequent to initial recognition, financial assets at FVTPL are measured at fair value, with changes in fair value recognised directly in the profit or loss in the period in which they arise. The net gain or loss recognised in the profit or loss excludes any dividend or interest earned on the financial assets.

Available-for-sale financial assets

These assets are non-derivative financial assets that are designated as available-for-sale or are not included in other categories of financial assets. Subsequent to initial recognition, these assets are carried at fair value with changes in fair value recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary instruments, which are recognised in profit or loss.

3. Significant Accounting Policies *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Loans and receivables

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

Effective interest method

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

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

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of the 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 the financial asset, the estimated future cash flows of the financial assets have been affected.

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 or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

3. Significant Accounting Policies *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

For loans and receivables

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days to 90 days, 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.

The carrying amount of the financial assets is reduced by the impairment loss directly for all financial assets with the exception of loan receivables, trade 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 loan receivable, or trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

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

For available-for-sale financial assets

Where a decline in the fair value constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognised in profit or loss.

Any impairment losses on available-for-sale debt investments are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For available-for-sale equity investment, any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

3. Significant Accounting Policies *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments

Financial liabilities 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 the Group after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Convertible bonds

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

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

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

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

Financial liabilities

The Group's financial liabilities i.e. trade and other payables, trust receipt loan, promissory note and liability component of the convertible bonds are subsequently measured at amortised cost, using the effective interest method.

3. Significant Accounting Policies *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments *(Continued)*

Effective interest method

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

Interest expense is recognised on an effective interest basis.

Derecognition

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

On derecognition of a financial asset 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.

The Group derecognises financial liabilities 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.

Impairment losses on non-financial assets

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

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

3. Significant Accounting Policies *(Continued)*

Impairment losses on non-financial assets *(Continued)*

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

Related parties

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

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of key management personnel of the Group or the Company's parent.

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

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).

3. Significant Accounting Policies *(Continued)*

Related parties *(Continued)*

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

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

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

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

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

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

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

4. Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in Note 3, the management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates 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 items 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.

Useful lives of other intangible assets

As at 31 March 2017, the carrying amount of the Group's other intangible assets excluding goodwill is approximately HK$49,818,000 (2016: HK$60,056,000). The estimated useful lives of the assets reflect the Directors' estimate of the periods over which the other intangible assets are expected to generate net cash flows for the Group based on certain assumptions including attrition of customers base and possibility of renewal of sales contracts.

Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in estimated useful lives and therefore amortisation expenses and impairment losses in the future years. Details of the other intangible assets are set out in Note 17.

4. Key Sources of Estimation Uncertainty *(Continued)*

Estimated impairment of non-financial assets

Determining whether non-financial assets is impaired requires an estimation of the recoverable amounts of the CGUs to which non-financial assets have been allocated. The recoverable amount calculation requires the Group to estimate the future cash flows expected to arise from the CGUs and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. Further details are set out in Notes 15 to 20.

Estimated write-down for inventories

The management estimates the net realisable values of inventories based primarily on the latest market prices and current market conditions. The Group carries out an inventory review at the end of the reporting period and determine the amount of write-down on obsolete and slow-moving inventories to their net realisable values. Where the expectation on the net realisable value is lower than the carrying amount, further write-down may arise. The carrying amounts of inventories as at 31 March 2017 is approximately HK$12,423,000 (2016: HK$20,159,000).

Estimated impairment of loan receivables, trade and other receivables and bond receivable

The Group determines impairment losses for bad and doubtful debts resulting from the inability of the customers/debtors to make the required payments. A considerable amount of estimate and judgement is required in assessing the ultimate realisation of these receivables which is based on the ageing of the receivable balance, customer credit-worthiness, and historical write-off experience. If the financial conditions of customers/debtors deteriorate, additional allowance for bad and doubtful debts may be required. Further details are set out in Notes 24 to 26.

Provision for income taxes

The Group is subject to income and other forms of taxes in different jurisdictions and significant judgement is required in determining the tax liabilities to be recognised. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises provisions for taxes based on estimates of the taxes that are likely to become due. The Group believes that its provisions for taxes is adequate for the reporting periods based on its assessment of many factors including past experience and interpretations of tax law. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred tax provisions in the period in which such determination is made.

Fair value of financial assets

The best evidence of fair value is the published price quotations in an active market. In the absence of such information, the fair value is determined by an independent professional valuer. Such valuation is subject to limitations of the valuation models adopted and the uncertainty in estimates used by management in the assumptions. Should the estimates and the relevant parameters of the valuation models be changed, there would be material changes in the fair value of certain financial instruments without quoted prices.

5. Revenue and Segment Information

Information reported to the Directors, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. This is also the basis upon which the Group is organised.

The Group's operating and reportable segments under HKFRS 8 are as follows:

- Hygienic Disposables Business — Manufacture and trading of clinical and household hygienic disposables and trading of related raw materials
- Coal Business — Trading of coal products
- Household Consumables Business — Wholesale and retail of household consumables
- Digital Technology Business — Design and development of three-dimensional animations, augmented reality technology application and e-learning web application
- Education Business — Provision of educational technology solutions through online education programs and provision of English language proficiency tests
- Money Lending Business — Provision of money lending services
- Jewelries and Watches Business — Sales and distribution of jewelries and watches[1] (discontinued operation)
- MTBE Business — Trading of MTBE products[2] (discontinued operation)

1. On 28 March 2017, the Group entered into a disposal agreement with an independent third party, to dispose of the entire equity interest of Tiger Global Group, which carried out the whole Group's Jewelries and Watches Business. Accordingly, the Jewelries and Watches Business segment was classified as a discontinued operation. Details of which are set out in Note 12(b).

2. The Group completed the disposal of the MTBE Business on 11 December 2015. Accordingly, the MTBE Business segment was classified as a discontinued operation, details of which are set out in Note 12(a).

The segment information reported as below does not include any results for the discontinued operations.

5. Revenue and Segment Information *(Continued)*

Segment revenues and results

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

	Continuing operations						
For the year ended 31 March 2017	Hygienic Disposables Business HK$'000	Coal Business HK$'000	Household Consumables Business HK$'000	Digital Technology Business HK$'000	Education Business HK$'000	Money Lending Business HK$'000	Total HK$'000
Revenue from external customers	47,027	–	55,141	521	17,905	1,506	122,100
Segment (loss) profit	(5,295)	(28,817)	3,734	(6,321)	(3,457)	1,248	(38,908)
Bank interest income							21
Exchange differences							(172)
Interest income from bond receivable							842
Interest income from other receivables							921
Amortisation of other intangible assets							(821)
Loss on disposal of property, plant and equipment							(45)
Gain on disposal of available-for-sale financial assets							547
Impairment loss on available-for-sale financial assets							(2,800)
Impairment loss on goodwill							(53,155)
Central administration costs							(51,827)
Loss before income tax from continuing operations							(145,397)

5. Revenue and Segment Information *(Continued)*

Segment revenues and results *(Continued)*

	Continuing operations					
For the year ended 31 March 2016	Hygienic Disposables Business HK$'000	Coal Business HK$'000	Household Consumables Business HK$'000	Digital Technology Business HK$'000	Education Business HK$'000	Total HK$'000 (restated)
Revenue from external customers	53,414	79,058	63,908	11,105	22,333	229,818
Segment (loss) profit	(53,110)	(48,435)	4,301	6,534	6,957	(83,753)
Bank interest income						21
Exchange differences						53
Amortisation of other intangible assets						(947)
Dividend income from investment in available-for-sale financial assets						4,871
Fair value loss on contingent consideration receivables/earn-out consideration payable						(37,377)
Loss on disposal of property, plant and equipment						(5)
Gain on disposal of a subsidiary						4,775
Impairment loss on available-for-sale financial assets						(2,200)
Impairment loss on goodwill						(40,113)
Impairment loss on other intangible assets						(50,132)
Central administration costs						(81,318)
Loss before income tax from continuing operations						(286,125)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment (loss) profit from continuing operations represents the (loss from) profit earned by each segment without allocation of central administration costs, interest income from bond receivable, interest income from other receivables, amortisation of other intangible assets, impairment loss on other intangible assets, fair value loss on contingent consideration receivables/earn-out consideration payable, bank interest income, exchange differences, dividend income from investment in available-for-sale financial assets, impairment loss on goodwill, loss on disposal of property, plant and equipment, gain on disposal of a subsidiary, gain on disposal of available-for-sale financial assets, impairment loss on available-for-sale financial assets, and income tax (expense) credit. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

5. Revenue and Segment Information *(Continued)*

Segment assets and liabilities

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

Segment assets

	2017 HK$'000	2016 HK$'000
Continuing operations		
Hygienic Disposables Business	**47,206**	47,282
Coal Business	**78,833**	106,825
Household Consumables Business	**13,783**	17,634
Digital Technology Business	**2,337**	3,342
Education Business	**3,575**	4,761
Money Lending Business	**27,853**	—
Discontinued operation		
Jewelries and Watches Business	**33,558**	14,068
Total segment assets	**207,145**	193,912
Goodwill	**84,285**	158,717
Other intangible assets	**49,818**	60,056
Available-for-sale financial assets	**156,200**	154,000
Interest in an associate	**—**	14,400
Bond receivable	**10,842**	—
Amounts due from related companies	**364**	2,490
Pledged bank deposit	**—**	7,809
Bank balances and cash	**25,636**	27,811
Unallocated corporate assets	**4,627**	4,516
Consolidated total assets	**538,917**	623,711

5. Revenue and Segment Information *(Continued)*

Segment assets and liabilities *(Continued)*

Segment liabilities

	2017 HK$'000	2016 HK$'000
Continuing operations		
Hygienic Disposables Business	9,675	7,477
Coal Business	134,783	147,219
Household Consumables Business	3,407	5,967
Digital Technology Business	301	446
Education Business	4,386	3,319
Money Lending Business	43	—
Discontinued operation		
Jewelries and Watches Business	3,558	357
Total segment liabilities	156,153	164,785
Tax payable	6,623	11,634
Convertible bonds	—	122,340
Deferred tax liabilities	8,319	10,031
Unallocated corporate liabilities	3,400	3,342
Consolidated total liabilities	174,495	312,132

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

- All assets are allocated to operating segments other than goodwill, other intangible assets, available-for-sale financial assets, bond receivable, interest in an associate, amounts due from related companies, pledged bank deposit, bank balances and cash and unallocated corporate assets.

- All liabilities are allocated to operating segments other than tax payable, convertible bonds, deferred tax liabilities and unallocated corporate liabilities.

5. Revenue and Segment Information *(Continued)*

Other segment information

For the year ended 31 March 2017	Continuing operations: Hygienic Disposables Business HK$'000	Coal Business HK$'000	Household Consumables Business HK$'000	Digital Technology Business HK$'000	Education Business HK$'000	Money Lending Business HK$'000	Unallocated Corporate Office HK$'000	Total HK$'000
Capital additions	561	–	–	–	14	–	–	575
Depreciation of property, plant and equipment and amortisation of prepaid lease payments	1,231	–	186	–	26	–	1,342	2,785
Loss on disposal of property, plant and equipment	45	–	–	–	–	–	–	45
Impairment loss on trade and other receivables	721	26,406	221	945	2,299	–	–	30,592
Impairment loss on goodwill	–	–	–	53,155	–	–	–	53,155
Written off of trade receivables	–	–	101	–	–	–	–	101
Written back of impairment loss on trade receivables	(2,300)	–	–	–	(23)	–	–	(2,323)

For the year ended 31 March 2016	Continuing operations: Hygienic Disposables Business HK$'000	Coal Business HK$'000	Household Consumables Business HK$'000	Digital Technology Business HK$'000	Education Business HK$'000	Unallocated Corporate Office HK$'000	Total HK$'000 (restated)
Capital additions	8	–	86	–	100	169	363
Depreciation of property, plant and equipment and amortisation of prepaid lease payments	1,733	–	86	–	44	1,375	3,238
Loss on disposal of property, plant and equipment	2	–	1	–	–	2	5
Impairment loss on trade and other receivables	39,568	51,919	–	–	30	–	91,517
Impairment loss on goodwill	–	–	–	–	40,113	–	40,113
Impairment loss on other intangible assets	–	41,136	–	–	8,996	–	50,132
Impairment loss on property, plant and equipment	2,903	–	–	–	–	–	2,903
Written off of trade receivables	–	–	–	–	25	–	25
Written back of impairment loss on trade receivables	–	–	(3)	–	(80)	–	(83)

5. Revenue and Segment Information *(Continued)*

Revenue from major products and services

The following is an analysis of the Group's revenues from its major products and services:

	2017 HK$'000	2016 HK$'000 (restated)
Continuing operations		
Sales of goods from		
— Hygienic Disposables Business	**47,027**	53,414
— Household Consumables Business	**55,141**	63,908
Trading income from Coal Business	**—**	79,058
Services income from		
— Digital Technology Business	**521**	11,105
— Education Business	**17,905**	22,333
Interest income from Money Lending Business	**1,506**	—
	122,100	229,818

Information about geographical areas

In determining the Group's information about geographical areas, revenue is allocated to the segments based on the locations of the customers.

The following table provides an analysis of the Group's revenue by geographical market, irrespective of the origin of the goods.

	Revenue by geographical market	
	2017 HK$'000	2016 HK$'000 (restated)
Continuing operations		
The People's Republic of China (the "PRC")	**9,683**	91,276
United Kingdom	**92,165**	106,337
Norway	**8,868**	10,571
Macau	**282**	2,763
Hong Kong	**9,967**	18,458
United States of America	**462**	—
Singapore	**—**	413
Estonia	**673**	–
	122,100	229,818

5. Revenue and Segment Information *(Continued)*

Information about geographical areas *(Continued)*

As at 31 March 2017, approximately HK$12,917,000, HK$14,286,000, HK$120,972,000 and HK$385,000 of the non-financial assets classified as non-current under continuing operations are located in the PRC, United Kingdom, Hong Kong and Macau respectively.

As at 31 March 2016, approximately HK$14,319,000, HK$16,075,000, HK$153,866,000 (restated) and HK$360,000 of the non-financial assets classified as non-current under continuing operations are located in the PRC, United Kingdom, Hong Kong and Macau respectively.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group from continuing operations are as follows:

	2017 HK$'000	2016 HK$'000 (restated)
Customer A[1]	**27,182**	N/A
Customer B[2]	**17,975**	N/A
Customer C[3]	**N/A**	79,058

1 Revenue is from Hygienic Disposables Business.
2 Revenue is from Household Consumables Business.
3 Revenue is from Coal Business.

6. Other Income

	2017 HK$'000	2016 HK$'000 (restated)
Continuing operations		
Bank interest income	**21**	21
Dividend income from investment in available-for-sale financial assets	**—**	4,871
Interest income from bond receivable	**842**	—
Interest income from other receivables	**921**	—
Service income	**—**	534
Sundry	**62**	78
	1,846	5,504

During the year ended 31 March 2016, the promissory note was settled by netting off with dividend income receivable from investment in available-for-sale financial assets by approximately HK$4,871,000. No cash was received for the dividend income.

7. Other Gains and Losses

	2017 HK$'000	2016 HK$'000 (restated)
Continuing operations		
Exchange differences	(172)	53
Loss on disposal of property, plant and equipment	(45)	(5)
Fair value loss on contingent consideration receivables/earn-out consideration payable	—	(37,377)
Gain on disposal of a subsidiary	—	4,775
Gain on disposal of available-for-sale financial asset (Note 21)	547	—
Impairment loss on trade and other receivables (Note 25)	(30,592)	(91,517)
Impairment loss on available-for-sale financial assets (Note 21)	(2,800)	(2,200)
Impairment loss on property, plant and equipment (Note 15)	—	(2,903)
Impairment loss on other intangible assets (Note 17)	—	(50,132)
Impairment loss on goodwill	(53,155)	(40,113)
Written back of impairment loss on trade receivables	2,323	83
Written off of trade receivables	(101)	(25)
	(83,995)	(219,361)

8. Finance Costs

	2017 HK$'000	2016 HK$'000
Continuing operations		
Interests on bank and other borrowings:		
— Interest expenses on trust receipt loans	10	45
— Effective interest expenses on convertible bonds (Note 31)	8,922	23,861
	8,932	23,906

9. Income Tax Expense (Credit)

	2017 HK$'000	2016 HK$'000 (restated)
Continuing operations		
Current tax:		
— Hong Kong Profits Tax	**206**	999
— PRC Enterprise Income Tax ("PRC EIT")	**790**	1,168
— Other jurisdictions	**790**	1,166
	1,786	3,333
(Over) under-provision in respect of prior years:		
— Hong Kong Profits Tax	**(41)**	69
— PRC EIT	**—**	38
— Other jurisdictions	**37**	(13)
	(4)	94
Deferred taxation:		
— Current year	**(143)**	(8,438)
	(143)	(8,438)
	1,639	(5,011)

(i) Hong Kong

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

For the year ended 31 March 2017 and up to the date of approval for issuance of these financial statements, the Hong Kong Inland Revenue Department ("HKIRD") is in the process of auditing the tax affairs of certain subsidiaries of the Group and has issued additional and estimated assessments on these subsidiaries for the years of assessment 2004/05, 2005/06, 2006/07, 2007/08, 2008/09 and 2009/10. The additional and estimated assessments amounted to approximately HK$53,585,000 (2016: HK$53,585,000). The Group lodged the relevant objections with the HKIRD against these additional and estimated assessments. The HKIRD has granted holdover of the taxes being assessed in the additional and estimated assessments (conditionally and unconditionally) as a result of the objections. Up to the date of this report, the Group has purchased tax reserve certificates of HK$4,287,000 (2016: HK$4,287,000). For 2009/10, the Group has not purchased any tax reserve certificate pursuant to the conditional holdover notice granted by the HKIRD. The purchased tax reserve certificates have been accounted for as taxes recoverable included in trade and other receivables and prepayments of the Group as at 31 March 2017.

9. Income Tax Expense (Credit) *(Continued)*

(i) Hong Kong *(Continued)*

In the opinion of the Directors, after considering the latest communications between the Group and the HKIRD, no provision for Hong Kong Profits Tax in respect of these assessments is considered necessary as the possibility of payment for these assessments is not probable. In addition, upon the listing of the Group on the Stock Exchange, Mr. Chum Tung Hang, the then-shareholder, has given indemnities, in connection with any income tax liabilities which might be incurred by any member of the Group on or before 13 January 2011, to the Group.

(ii) PRC EIT

PRC EIT is calculated at 25% (2016: 25%) of the estimated assessable profits of subsidiaries operating in the PRC for both years except for a subsidiary of the Company. On 24 November 2015, one of the subsidiaries was recognised as a high and new technology enterprise ("HNTE") with a validity period of three years. In accordance with relevant laws and regulations in the PRC, the subsidiary is entitled to the preferential tax rate for HNTE from 1 January 2015 to 31 December 2017. The subsidiary is subject to 15% corporate income tax rate for the current period.

(iii) Macau

As stated in the Decree Law No. 58/59/M, Chapter 2, Article 12, dated 18 October 1999 of Macau, Two-Two-Free is exempted from Macao Complementary Tax.

(iv) Other jurisdictions

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

9. Income Tax Expense (Credit) *(Continued)*

The income tax expense (credit) for the year from continuing operations can be reconciled to the loss before income tax from continuing operations per the consolidated statement of comprehensive income as follows:

	2017 HK$'000	2016 HK$'000 (restated)
Loss before income tax from continuing operations	**(145,397)**	(286,125)
Tax at statutory tax rates	**(23,799)**	(56,643)
Tax effect of share of result of an associate	**—**	(12)
Tax effect of expenses not deductible for tax purpose	**15,826**	18,406
Tax effect of income not taxable for tax purpose	**(2)**	(1,459)
Tax effect on temporary differences not recognised	**(334)**	234
Tax effect of tax losses not recognised	**9,952**	34,436
(Over) under-provision in respect of prior years	**(4)**	94
Utilisation of tax losses previously not recognised	**—**	(67)
Income tax expense (credit) for the year from continuing operations	**1,639**	(5,011)

10% withholding income tax is imposed on dividends declared in respect of profits earned from 1 January 2008 onwards to non-PRC tax resident investors for the companies established in the PRC. For qualified investors incorporated in Hong Kong, a treaty rate of 5% will be applicable. The PRC subsidiaries of the Group had no undistributed earnings at the end of the reporting periods.

Save as the Group's unrecognised tax losses as set out in Note 32, there was no other significant unprovided deferred taxation for both years at the end of respective reporting periods.

10. Loss for the Year

	2017 HK$'000	2016 HK$'000 (restated)
Continuing operations		
The Group's loss for the year has been arrived at after charging:		
Directors' remuneration (Note 11)	**16,119**	32,265
Other staff costs	**25,857**	27,491
Retirement benefit scheme contributions[1]	**2,048**	1,879
Equity-settled share-based payment expenses		
— Other staff	**2,867**	—
Total staff costs	**46,891**	61,635
Auditor's remuneration	**1,449**	1,296
Cost of inventories sold	**85,952**	176,036
Depreciation of property, plant and equipment	**2,616**	3,028
Amortisation of other intangible assets (included in cost of sales)	**821**	947
Amortisation of prepaid lease payments (included in administrative expenses)	**169**	210

[1] No forfeited contributions available for offset against existing contributions during the year (2016: Nil).

11. Directors' and Employees' Emoluments

Directors

Details of the emoluments paid to the Directors for the years are as follows:

Year ended 31 March 2017

	Fees HK$'000	Salaries and other allowances HK$'000	Retirement benefit scheme contributions HK$'000	Equity-settled share-based payment expenses HK$'000	Total HK$'000
Executive directors:					
Mr. Wong Wai Sing (Note (i))	4,105	–	18	–	4,123
Mr. Chum Hon Sing (Note (vii))	–	1,200	–	–	1,200
Mr. Lee Chi Shing, Caesar	240	–	9	821	1,070
Ms. Yick Mi Ching, Dawnibilly	205	1,589	18	1,641	3,453
Mr. Chan Kin Lung	120	840	18	1,641	2,619
Mr. Wong Jeffrey (Note (iv))	130	878	18	1,641	2,667
Independent non-executive directors:					
Mr. Kwok Kam Tim	216	–	–	131	347
Dr. Hui Chik Kwan	180	–	–	131	311
Mr. Tso Ping Cheong, Brian	198	–	–	131	329
	5,394	4,507	81	6,137	16,119

11. Directors' and Employees' Emoluments *(Continued)*

Directors *(Continued)*

Year ended 31 March 2016

	Fees HK$'000	Salaries and other allowances HK$'000	Discretionary bonus (Note (ix)) HK$'000	Retirement benefit scheme contributions HK$'000	Total HK$'000
Executive directors:					
Mr. Wong Wai Sing (Note (i))	3,172	–	10,500	18	13,690
Mr. Chum Hon Sing (Note (vii))	–	1,200	10,500	–	11,700
Ms. Sung Ting Yee (Note (ii))	66	736	–	8	810
Mr. Lee Chi Shing, Caesar	120	–	–	6	126
Ms. Yick Mi Ching, Dawnibilly	205	1,459	–	18	1,682
Mr. Chan Kin Lung	120	840	–	18	978
Ms. Yu Tak Wai, Winnie (Note (iii))	120	1,674	–	17	1,811
Mr. Wong Jeffrey (Note (iv))	80	461	–	11	552
Non-executive director:					
Mr. Mok Tsan San (Note (v))	417	–	–	–	417
Independent non-executive directors:					
Mr. Kwok Kam Tim	144	–	–	–	144
Dr. Hui Chik Kwan	135	–	–	–	135
Mr. Tam Chak Chi (Note (vi))	80	–	–	–	80
Mr. Tso Ping Cheong, Brian	140	–	–	–	140
	4,799	6,370	21,000	96	32,265

Notes:

(i) Mr. Wong Wai Sing, is an executive director of the Company. He was the chief executive of the Company since May 2012. He resigned on 11 July 2014 and was appointed on 31 March 2016 as chief executive of the Company.

(ii) Ms. Sung Ting Yee retired as an executive director and a joint Vice-chairman of the Company with effect from 7 August 2015. She resigned as the chief executive of the Company with effect from 31 March 2016.

(iii) Ms. Yu Tak Wai, Winnie resigned as an executive director with effect from 29 February 2016.

11. Directors' and Employees' Emoluments *(Continued)*

Directors *(Continued)*

Notes:

(iv) Mr. Wong Jeffrey was appointed as an executive director with effect from 1 September 2015.

(v) Mr. Mok Tsan San was resigned as a non-executive director with effect from 29 February 2016.

(vi) Mr. Tam Chak Chi was resigned as an independent non-executive director with effect from 30 November 2015.

(vii) Mr. Chum Hon Sing was resigned as an executive director with effect from 18 April 2017.

(viii) Ms. Lin Fang was appointed as a non-executive director with effect from 18 April 2017. There is no emoluments paid or payable to Ms. Lin Fang during the years ended 31 March 2016 and 2017.

(ix) The discretionary bonuses were determined by the contributions of the individual of the Directors in the business development of the Group and approved by the Remuneration Committee.

Fees, salaries, allowances and benefits in kind paid to or for the executive directors are generally emoluments paid or receivable in respect of those persons' other services in connection with the management of the affairs of the Company and its subsidiaries.

Employees

Of the five individuals with the highest emoluments in the Group, four (2016: four) were Directors. The emolument of the remaining one (2016: one) non-director individual, in the salary band of HK$3,000,001 to HK$3,500,000 (2016: HK$2,000,001 to HK$2,500,000), was as follows:

	2017 HK$'000	2016 HK$'000
Salaries and other allowances	1,590	2,250
Retirement benefit scheme contributions	18	—
Equity-settled share-based payment expenses	1,398	—
	3,006	2,250

During both years no emolument was paid by the Group to any of the Directors or the five highest paid individuals (including Directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. During the year ended 31 March 2017, no arrangement under which Directors waived or agreed to waive any emoluments (2016: one of the Directors waived emoluments of HK$500,000).

Senior Management

The emoluments paid or payable to members of senior management were within the following bands:

	2017 Number of individuals	2016 Number of individuals
HK$Nil to HK$1,000,000	1	2
HK$3,000,001 to HK$3,500,000	1	—

12. Discontinued Operations

(a) MTBE Business

On 24 June 2015, the Group had, through its wholly-owned subsidiary, Star Fantasy International Limited ("Star Fantasy") entered into a sale and purchase agreement with an independent third party to dispose of its entire equity interest and shareholder's loan in Sino-Singapore (Offshore) Chemical Resources Trading Company Limited ("Sino-Singapore", together with its subsidiary are referred to as the "Sino-Singapore Group") at a cash consideration of HK$16,000,000. Sino-Singapore Group carried out all of the Group's MTBE Business operation, a separate major line of business, which was classified as a discontinued operation accordingly. The disposal was completed on 11 December 2015.

The disposal of MTBE Business enabled the Group to free up the resources and redirect it to other existing businesses which may have higher growth potential to maximise the benefit of the shareholders of the Company. Details of the disposal are set out in the Company circular dated 24 July 2015 and announcements dated 24 June 2015, 11 August 2015, 17 August 2015, 15 September 2015, 30 September 2015, 30 October 2015, 30 November 2015, 4 December 2015 and 11 December 2015.

Details of asset and liabilities disposed of, and the calculation of the profit or loss on disposal, are disclosed in Note 44.

(b) Jewelries and Watches Business

On 28 March 2017, the Group had through its wholly-owned subsidiary, Star Guardian Holdings Limited ("Star Guardian"), entered into the Disposal Agreement with an independent third party in relation to the disposal of entire equity interest in the Tiger Global Group at a total consideration of HK$30,000,000 (the "Disposal"). Tiger Global Group represents the whole Jewelries and Watches Business segment of the Group in the business of sales and distribution of jewelries and watches, a separate major line of business which was classified as discontinued operation.

In view of the unsatisfactory performance of Tiger Global Group over the past years which had been affected by intensified competition in the market, Directors had considered that the Disposal is expected to allow the Group to realise its investment in Tiger Global Group, eliminate from the Group the uncertainty of future performance of the sales and distribution of jewelries and watches, reallocate its resources to other business segments and strengthen the capital base of the Group.

At the end of the reporting period, the Disposal was still in progress. All assets and liabilities under the Tiger Global Group were classified as assets held for sale and liabilities directly associated with assets held for sale (See Note 28).

The comparative financial performance and cash flows from this discontinued operation have been re-presented as part of discontinued operations for the year ended 31 March 2016.

12. Discontinued Operations *(Continued)*

The results of MTBE Business for the period from 1 April 2015 up to the disposal date and Jewelries and Watches Business for the years ended 31 March 2016 and 2017 have been presented separately as a single line item in the consolidated statement of comprehensive income, details of which are as follow:

	2017	2016		
	Jewelries and Watches Business HK$'000	Jewelries and Watches Business HK$'000	MTBE Business HK$'000	Total HK$'000 (restated)
Revenue	365	16,945	2,866	19,811
Cost of sales	(937)	(7,134)	(2,808)	(9,942)
Gross (loss) profit	(572)	9,811	58	9,869
Other income	532	152	27	179
Other gains and losses	(3)	(19,383)	—	(19,383)
Selling and distribution expenses	(9)	(41)	(22)	(63)
Administrative expenses	(1,208)	(2,046)	(18)	(2,064)
Share of (loss) profit of an associate	(111)	371	—	371
(Loss) profit before income tax from discontinued operations	(1,371)	(11,136)	45	(11,091)
Income tax credit (expense)	113	(1,334)	11	(1,323)
(Loss) profit after income tax from discontinued operations	(1,258)	(12,470)	56	(12,414)
Loss recognised on the measurement to fair value less costs of disposal of the disposal group	(44,987)	—	—	—
Gain on disposal of subsidiary (including reclassification of exchange reserve from equity to profit or loss on disposal of subsidiary)	—	—	803	803
(Loss) profit for the year from discontinued operations	(46,245)	(12,470)	859	(11,611)
(Loss) profit from discontinued operations attributable to:				
— Owners of the Company	(46,245)	(12,470)	859	(11,611)
Cash flows from discontinued operations				
Net cash used in operating activities	(15)	(47)	(1,576)	(1,623)
Net cash generated from financing activities	7	5	1,408	1,413
Net decrease in bank balances and cash	(8)	(42)	(168)	(210)

13. Dividends

No dividend has been paid or declared by the Company during the year (2016: Nil). The Directors do not recommend the payment of a final dividend for the year (2016: Nil).

14. Loss per Share

The calculations of basic loss per share from (i) continuing and discontinued operations; (ii) continuing operations; and (iii) discontinued operations are based on the loss for the year attributable to the owners of the Company and the weighted average number of respective ordinary shares in issue during the year. The basic loss per share for the year ended 31 March 2016 has been adjusted to reflect the bonus element of the Open Offer (as defined in Note 33) during the year ended 31 March 2017.

The calculations of diluted loss per share from (i) continuing and discontinued operations; (ii) continuing operations; and (iii) discontinued operations are based on the respective loss for the years attributable to the owners of the Company and the adjusted weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As at 31 March 2017, the Company has outstanding share options. The number of shares that would have been issued assuming the exercise of the share options less the number of shares that could have been issued at fair value (determined as the average market price per share for the year) for the same total proceeds is the number of shares issued for no consideration. The resulting number of shares issued for no consideration is included in the weighted average number of ordinary shares as the denominator for calculating diluted earnings per share. As at 31 March 2016, the Company has outstanding convertible bonds. The convertible bonds were assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expense less the tax effect. The diluted loss per share for the year ended 31 March 2016 has been adjusted to reflect the bonus element of the Open Offer during the year ended 31 March 2017.

As the Company's outstanding share options (2016: convertible bonds) had an anti-dilutive effect to the basic loss per share calculation for the year ended 31 March 2017, the exercise or conversion of the above potential ordinary shares is not assumed in the computation of diluted loss per share.

(i) From continuing and discontinued operations

The calculations of basic and diluted loss per share attributable to owners of the Company for the years are based on the following data:

	2017 HK$'000	2016 HK$'000
Loss for the year attributable to owners of the Company	**(190,400)**	(284,394)
		(restated)
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**1,927,781,130**	1,165,306,513

14. Loss per Share *(Continued)*

(ii) Continuing operations

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

	2017 **HK$'000**	2016 HK$'000 (restated)
Loss for the year from continuing operations attributable to owners of the Company	**(144,155)**	(272,783)
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**1,927,781,130**	1,165,306,513

(iii) Discontinued operations

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

	2017 **HK$'000**	2016 HK$'000 (restated)
Loss for the year from discontinued operations attributable to owners of the Company	**(46,245)**	(11,611)
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**1,927,781,130**	1,165,306,513

15. Property, Plant and Equipment

	Buildings	Plant and machinery	Motor vehicles	Leasehold improvement	Furniture, fixtures, and equipment	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
COST						
At 1 April 2015	36,196	44,233	1,636	8,541	3,670	94,276
Additions	–	86	–	–	277	363
Disposals	–	–	(29)	–	(60)	(89)
Exchange realignment	(2,088)	(2,568)	(66)	(318)	(102)	(5,142)
At 31 March 2016	34,108	41,751	1,541	8,223	3,785	89,408
Additions	–	–	116	445	14	575
Disposals	–	–	(517)	(2,699)	(359)	(3,575)
Exchange realignment	(1,772)	(2,232)	(72)	(350)	(100)	(4,526)
At 31 March 2017	32,336	39,519	1,068	5,619	3,340	81,882
ACCUMULATED DEPRECIATION AND IMPAIRMENT						
At 1 April 2015	25,546	40,966	1,382	5,543	2,256	75,693
Charge for the year	1,009	265	100	1,214	440	3,028
Impairment	–	2,685	99	36	83	2,903
Elimination on disposals	–	–	(23)	–	(24)	(47)
Exchange realignment	(1,513)	(2,391)	(58)	(288)	(95)	(4,345)
At 31 March 2016	25,042	41,525	1,500	6,505	2,660	77,232
Charge for the year	954	42	17	1,216	387	2,616
Elimination on disposals	–	–	(517)	(2,699)	(192)	(3,408)
Exchange realignment	(1,336)	(2,208)	(63)	(266)	(93)	(3,966)
At 31 March 2017	24,660	39,359	937	4,756	2,762	72,474
NET CARRYING VALUES						
At 31 March 2017	7,676	160	131	863	578	9,408
At 31 March 2016	9,066	226	41	1,718	1,125	12,176

The Group has pledged certain buildings to secure general banking facilities granted to the Group. Further details are set out in Note 37.

15. Property, Plant and Equipment *(Continued)*

The Group recorded a continuous loss in the segment of Hygienic Disposables Business and with a loss of major customers, which resulted in a drop in its revenue significantly and increase in loss during the year ended 31 March 2016. As a result, the property, plant and equipment which related to this segment, were then assessed for impairment as at 31 March 2016. The recoverable amount of property, plant and equipment had been determined based on a value-in-use calculation, using cash flow projection based on estimates and financial budgets approved by the management. These projections covered a five-year period and extrapolated cash flows beyond such projection period using an estimated growth rate of 3%, and had been discounted using a pre-tax discount rate of 25.44%. All of the assumptions and estimations involved in the preparation of the cash flow projection including budgeted gross margin, discount rate and growth rate were determined by the management of the Group based on past performance, experience and their expectation for market development. In view of the net carrying amount of this CGU being higher than its recoverable amount which amounted to approximately HK$9,248,000 as at 31 March 2016, an impairment had been allocated to write down the assets of this CGU on pro-rata basis unless the individual asset had a higher fair value less cost of disposal. Accordingly, an impairment of approximately HK$2,903,000 was recognised in the profit or loss under other gains and losses during the year ended 31 March 2016. Impairment assessment is also performed for the year ended 31 March 2017 and no impairment is required.

16. Prepaid Lease Payments

	2017 **HK$'000**	2016 HK$'000
Analysed for reporting purposes as:		
Non-current assets	**5,049**	5,503
Current assets	**164**	173
	5,213	5,676

Prepaid lease payments are amortised over the term of the rights on a straight-line basis of 25 to 50 years for both years.

The Group has pledged certain prepaid lease payments on land use rights to secure general banking facilities granted to the Group. Further details are set out in Note 37.

17. Other Intangible Assets

	Coal Sales Contract HK$'000	MTBE Sales Contract HK$'000	Customer Network HK$'000	Exclusive License HK$'000	License Agreements HK$'000	Total HK$'000
COST						
At 1 April 2015	57,346	33,292	9,339	9,800	55,006	164,783
Disposal of subsidiaries (Note 44)	–	(33,292)	–	–	–	(33,292)
Exchange realignment	–	–	(278)	–	–	(278)
At 31 March 2016	57,346	–	9,061	9,800	55,006	131,213
Reclassification to assets held for sale (Note 28)	–	–	–	(9,800)	–	(9,800)
Exchange realignment	–	–	(1,183)	–	–	(1,183)
At 31 March 2017	57,346	–	7,878	–	55,006	120,230
ACCUMULATED AMORTISATION AND IMPAIRMENT						
At 1 April 2015	16,210	25,990	2,957	352	–	45,509
Charge for the year	–	–	947	688	–	1,635
Disposal of subsidiaries (Note 44)	–	(25,990)	–	–	–	(25,990)
Impairment (Note 19)	41,136	–	–	–	8,996	50,132
Exchange realignment	–	–	(129)	–	–	(129)
At 31 March 2016	57,346	–	3,775	1,040	8,996	71,157
Charge for the year	–	–	821	686	–	1,507
Reclassification to assets held for sale (Note 28)	–	–	–	(1,726)	–	(1,726)
Exchange realignment	–	–	(526)	–	–	(526)
At 31 March 2017	57,346	–	4,070	–	8,996	70,412
NET CARRYING VALUES						
At 31 March 2017	–	–	3,808	–	46,010	49,818
At 31 March 2016	–	–	5,286	8,760	46,010	60,056

The Coal Sales Contract represented a legally binding sales contract of coal products entered into between the Group and a customer, which was acquired as part of the Group's acquisition of China Indonesia Alliances Coal Investment Company Limited ("China Coal") and its 90%-owned subsidiary (collectively the "China Coal Group") in prior year, and has been allocated to the Coal Business CGU. The Coal Sales Contract was fully impaired during the year ended 31 March 2016.

The MTBE Sales Contract represented a legally binding sales contract of MTBE products entered into between the Group and a customer, which was acquired as part of the Group's acquisition of Sino-Singapore Group in prior years and has been allocated to the MTBE Business CGU. During the year ended 31 March 2016, Sino-Singapore Group has been disposed of together with the MTBE Sales Contract, further details are set out in Note 44.

17. Other Intangible Assets *(Continued)*

The Customer Network represents a long and close business relationship with customers of S&J Distribution Limited ("S&J"), which was acquired as part of the Group's acquisition of S&J in prior years and has been allocated to the Household Consumables Business CGU.

The Exclusive License represents the right to design, distribute and sell "Cosi Moda" branded products in the Asia Pacific region (other than the PRC) granted to the Group from an associate, which was acquired as part of the Group's acquisition of Tiger Global Group in prior year and has been allocated to the Jewelries and Watches Business CGU. A disposal agreement for the disposal of the entire equity interest in Tiger Global was entered on 28 March 2017 and the Exclusive License was reclassified to assets held for sale as at 31 March 2017. Further details are set out in Note 28.

The Customer Network and Exclusive License are amortised on straight-line basis over 10 years and 15 years respectively.

License Agreements represent the authorisation to be an official representative of (i) TOEIC (the Test of English for International Communication) in Hong Kong and Macau; (ii) TOEFL Junior tests (a general assessment of middle school-level English-language proficiency of the Test of English as a Foreign Language) in Hong Kong and Macau; (iii) TOEFL ITP (the Institutional Testing Program of the Test of English as a Foreign Language) in Hong Kong, Macau and the Southern China; and (iv) TOEIC (the Test of English for International Communication) (the tests of listening and reading only) in 8 provinces of the PRC. The License Agreements were acquired as part of the Group's acquisition of DigiSmart (Group) Limited ("DigiSmart") and its subsidiaries (collectively the "DigiSmart Group") in prior year and has been allocated to the Education Business CGU.

The Group also assessed the useful lives of the License Agreements as indefinite because the Group considered the License Agreements are renewable at no additional cost and that the business relationship with the license owner becomes probable to continue indefinitely in the foreseeable future. Based on historical records, the Group is able to renew the License Agreements with the license owner without any additional cost.

Particulars regarding impairment testing on other intangible assets are set out in Note 19.

18. Goodwill

	Household Consumables Business CGU HK$'000	Jewelries and Watches Business CGU HK$'000	Digital Technology Business CGU HK$'000	Education Business CGU HK$'000	Money Lending Business CGU HK$'000	Total HK$'000
COST						
At 1 April 2015 and 31 March 2016	9,774	43,072	113,633	61,319	–	227,798
Acquisition of a subsidiary (Note 43)	–	–	–	–	21,795	21,795
Reclassification to assets held for sale (Note 28)	–	(43,072)	–	–	–	(43,072)
At 31 March 2017	9,774	–	113,633	61,319	21,795	206,521
ACCUMULATED IMPAIRMENT LOSSES						
At 1 April 2015	–	–	7,762	21,206	–	28,968
Impairment (Note 19)	–	–	–	40,113	–	40,113
At 31 March 2016	–	–	7,762	61,319	–	69,081
Impairment (Note 19)	–	43,072	53,155	–	–	96,227
Reclassification to assets held for sale (Note 28)	–	(43,072)	–	–	–	(43,072)
At 31 March 2017	–	–	60,917	61,319	–	122,236
NET CARRYING VALUES						
At 31 March 2017	9,774	–	52,716	–	21,795	84,285
At 31 March 2016	9,774	43,072	105,871	–	–	158,717

Goodwill arising in prior years related to (i) the acquisition of S&J and has been allocated to the Household Consumables Business CGU; (ii) the acquisition of Tiger Global Group and has been allocated to the Jewelries and Watches Business CGU; and (iii) the acquisition of DigiSmart Group and has been allocated to the Digital Technology Business CGU and Education Business CGU in proportion to the estimated fair value of the respective CGUs as at the date of completion of the acquisition.

A disposal agreement for the disposal of the entire equity interest in Tiger Global was entered on 28 March 2017 and goodwill allocated to the Jewelries and Watches Business was reclassified to assets held for sale as at 31 March 2017. Further details are set out in Note 28.

Goodwill arising in current year related to the acquisition of Chengxin during the year and has been allocated to Money Lending Business CGU. Goodwill was arisen from a number of factors including the expected fast growing money lending business in Hong Kong. The benefit was not recognised separately from goodwill because it did not meet the recognition criteria for identifiable intangible assets.

18. Goodwill *(Continued)*

None of the goodwill of the CGUs recognised is expected to be deductible for income tax purposes.

Particulars regarding impairment testing on goodwill are set out in Note 19.

19. Impairment Testing on Other Intangible Assets and Goodwill

For the purpose of impairment testing, other intangible assets and goodwill set out in Notes 17 and 18 respectively have been allocated to five individual CGUs, comprising a subsidiary in Household Consumables Business, subsidiary in Jewelries and Watches Business, subsidiaries in Digital Technology Business, subsidiaries in Education Business and a subsidiary in Money Lending Business. Other intangible assets and goodwill had been allocated to five individual CGUs for the purpose of impairment testing as at 31 March 2016, comprising the above four CGUs (excluding Money Lending Business CGU which was acquired during the year ended 31 March 2017), and a subsidiary in Coal Business. However, all other intangible assets allocated to Coal Business were fully impaired as at 31 March 2016 and all other intangible assets allocated to MTBE Business had been disposed of during the year ended 31 March 2016. Goodwill and other intangible assets allocated to Jewelries and Watches Business have been reclassified under the assets held for sale as at 31 March 2017 after the impairment testing. The carrying amounts of other intangible assets and goodwill as at 31 March 2017 allocated to these units are as follows:

	Customer network with finite useful life		Sales contracts with indefinite useful lives		Exclusive license with finite useful life		License agreements with indefinite useful lives		Goodwill	
	2017 HK$'000	2016 HK$'000	**2017 HK$'000**	2016 HK$'000	**2017 HK$'000**	2016 HK$'000	**2017 HK$'000**	2016 HK$'000	**2017 HK$'000**	2016 HK$'000
Household Consumables Business CGU (Unit A)	**3,808**	5,286	**–**	–	**–**	–	**–**	–	**9,774**	9,774
Coal Business CGU (Unit B)	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Jewelries and Watches Business CGU (Unit C)	**–**	–	**–**	–	**–**	8,760	**–**	–	**–**	43,072
Digital Technology Business CGU (Unit D)	**–**	–	**–**	–	**–**	–	**–**	–	**52,716**	105,871
Education Business CGU (Unit E)	**–**	–	**–**	–	**–**	–	**46,010**	46,010	**–**	–
Money Lending Business CGU (Unit F)	**–**	–	**–**	–	**–**	–	**–**	–	**21,795**	–
	3,808	5,286	**–**	–	**–**	8,760	**46,010**	46,010	**84,285**	158,717

19. Impairment Testing on Other Intangible Assets and Goodwill *(Continued)*

During the year ended 31 March 2017, the Group determines that there is no impairment of other intangible assets in respect of the Household Consumables Business CGU and Education Business CGU. There is no impairment of goodwill in respect of the Household Consumable Business CGU and Money Lending Business CGU as at 31 March 2017. The Group has reclassified the other intangible asset of Jewelries and Watches Business CGU to assets held for sale during the year.

The basis of the recoverable amounts of the above CGUs and their major underlying assumptions are summarised below:

Unit A

The recoverable amount of this unit has been determined based on a fair-value-less-cost-of-disposal calculation with reference to a professional valuation performed by Greater China Appraisal Limited ("GCA"), an independent firm of professionally qualified valuers for both years. That calculation covered an indefinite period as estimated by the Group as there is no foreseeable limitation on the period of time over which the CGU is expected to generate economic benefits to the Group. The calculation uses cash flow projections based on financial budgets approved by management covering a five-year period (2016: a five-year period). Cash flows beyond the projection period are extrapolated using an estimated growth rate of 3% (2016: 3%). The post-tax rate used to discount the forecast cash flows is 15.07% (2016: 16.10%).

Unit B

During the year ended 31 March 2016, the financial performance of the Coal Business was below the expectation of the Group. In light of the unfavorable market circumstance, depression in the coal industry and the further delay settlement of trade receivables from the sole customer, the Directors considered that there was uncertainty in the recovery of the trade receivables and the future trading transaction with the sole customer. A full impairment of approximately HK$41,136,000 was made against the net carrying amount of the Coal Sales Contract and the related deferred tax liabilities amounting to approximately HK$6,787,000 were credited to the profit or loss under income tax expenses during the year ended 31 March 2016.

The Coal Sales Contract under the Coal Business CGU was fully impaired as at 31 March 2016.

19. Impairment Testing on Other Intangible Assets and Goodwill *(Continued)*

Unit C

The recoverable amount of this unit as at 31 March 2017 has been determined based on its fair value less cost of disposal of approximately HK$30,000,000 which is the consideration for the Disposal. As a result, the goodwill allocated to Jewelries and Watches Business CGU is fully impaired by approximately HK$43,072,000 which is charged to profit or loss and presented as discontinued operations in the current year.

Save as disclosed in these consolidated financial statements, the Jewelries and Watches Business was classified as discontinued operations for the year ended 31 March 2017 and the respective goodwill and other intangible assets, the Exclusive License under the Jewelries and Watches Business CGU was reclassified to the assets held for sale as at 31 March 2017.

As at 31 March 2016, the recoverable amount of this unit had been determined based on a value-in-use calculation with reference to a professional valuation performed by Roma Appraisals Limited ("Roma"), an independent firm of professionally qualified valuer. That calculation covered a period of 13 years. The calculation used cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the projection period were extrapolated using an estimated growth rate of 3%. The pre-tax rate used to discount the forecast cash flows was 17.43%.

Unit D

The recoverable amount of this unit as at 31 March 2017 has been determined to be approximately HK$53,000,000 based on a value-in-use calculation (2016: value-in-use calculation) with reference to a professional valuation performed by Asset Appraisal Limited ("AAL"), an independent firm of professionally qualified valuers (2016: Roma). That calculation covered an indefinite period as estimated by the Group as there is no foreseeable limitation on the period of time over which the CGU is expected to generate economic benefits to the Group. The calculation uses cash flow projections based on financial budgets approved by management covering a five-year period (2016: five-year period). Cash flows beyond the projection period are extrapolated using an estimated growth rate of 3% (2016: 3%). The pre-tax rate used to discount the forecast cash flows is 14.82% (2016: 12.44%).

Based on the impairment assessment of the Digital Technology Business CGU, the goodwill allocated to Digital Technology Business CGU is partially impaired by approximately HK$53,155,000 (2016: Nil) which was charged to profit or loss under other gains and losses in current year. The above impairment loss was mainly attributable to the unfavorable changes in estimated discount rate and a fall in annual growth rate over the five-year forecast period due to the increase in competition among other market participants, loss of digital competitiveness and the change in customers' needs.

19. Impairment Testing on Other Intangible Assets and Goodwill *(Continued)*

Unit E

The recoverable amount of this unit as at 31 March 2017 has been determined based on a value-in-use calculation (2016: value-in-use calculation) with reference to a professional valuation performed by AAL (2016: Roma). That calculation covered an indefinite period as estimated by the Group as there is no foreseeable limitation on the period of time over which the CGU is expected to generate economic benefits to the Group. The calculation uses cash flow projections based on financial budgets approved by management covering a five-year period (2016: five-year period). Cash flows beyond the projection period are extrapolated using an estimated growth rate of 3% (2016: 3%). The pre-tax rate used to discount the forecast cash flows is 15.46% (2016: 22.41%).

For the year ended 31 March 2016, the Group was of the opinion, based on the impairment assessment of the Education Business CGU, the recoverable amount of this unit has been determined to be approximately HK$56,019,000 and the goodwill allocated to Education Business CGU was fully impaired by approximately HK$40,113,000 which was charged to profit or loss under other gains and losses. The License Agreements included in other intangible assets was partially impaired by approximately HK$8,996,000 and the corresponding decrease in related deferred tax liabilities amounting to approximately HK$1,485,000. These amounts were charged to the profit or loss under other gains and losses and credited to income tax expenses respectively during year ended 31 March 2016.

The impairment losses during year ended 31 March 2016 were mainly attributable to the unfavorable changes in estimated discount rate and a fall in annual growth rate over the five-year forecast period due to the increase in competition among other education operators and the slowdown of the economy in Hong Kong and the PRC.

Unit F

The recoverable amount of this unit as at 31 March 2017 has been determined based on a value-in-use calculation with reference to a professional valuation performed by AAL. That calculation covered an indefinite period as estimated by the Group as there is no foreseeable limitation on the period of time over which the CGU is expected to generate economic benefits to the Group. The calculation uses cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the projection period are extrapolated using zero growth rate. The pre-tax rate used to discount the forecast cash flows is 14.38%.

The basis used to determine the value assigned to the growth in revenue and the budgeted gross margins is the management's expectation of market development and future performance of the respective CGUs. The discount rate used reflects specific risks relating to industries in relation to the respective CGUs.

The recoverable amounts of Unit A were based on the fair-value-less-costs-of-disposal calculation determined by income approach using discounted cash flow projections for both years ended 31 March 2017 and 2016. The recoverable amount of Unit C as at 31 March 2017 was based on the fair-value-less-cost-of-disposal calculation determined by the consideration for the Disposal for the year ended 31 March 2017. The fair value of the recoverable amounts of Unit A and Unit C are classified as a level 3 fair value measurement.

20. Interest in an Associate

	2017 HK$'000	2016 HK$'000
Share of net assets	**7,742**	7,742
Goodwill	**17,755**	17,755
Share of post-tax gain of an associate	**163**	274
Impairment loss on interest in an associate (note)	**(13,286)**	(11,371)
Reclassification to assets held for sale (Note 28)	**(12,374)**	—
	—	14,400

Note: As at 31 March 2016, the recoverable amount of 40% equity interests in Kwan Lun (as defined below) has been determined to be approximately HK$14,400,000 based on a value-in-use calculation with reference to a professional valuation performed by Roma. That calculation covered an indefinite period estimated by the Group as there is no foreseeable limitation on the period of time over which the associate is expected to generate economic benefits to the Group. The calculation uses cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the projection period are extrapolated using an estimated growth rate of 3%. The pre-tax rate used to discount the forecast cash flows is 17.25%.

As at 31 March 2017, the recoverable amount of 40% equity interests in Kwan Lun has been determined to be approximately HK$12,374,000 based on a fair value less cost of disposal from the consideration for the Disposal of HK$30,000,000 less the carrying amount of other assets and liabilities of the Jewelries and Watches Business. The fair value less costs of disposal is classified as a level 3 fair value measurement.

Particulars of the associate as at 31 March 2017 are set out below, of which is an unlisted corporate entity whose quoted market price is not available.

Name of associate	Place and date of incorporation	Issued and fully paid share capital	Attributable equity interest held by the Group as at 31 March		Principal activities and place of operation
			2017 **%**	2016 %	
Kwan Lun Precision Jewelry Limited ("Kwan Lun") (note)	Hong Kong 10 December 2003	HK$1,000,000	**40**	40	Trading of jewelries and watches in the PRC

Note: On 25 September 2014, Kwan Lun was acquired through business combination of Tiger Global Group. On 28 March 2017, a disposal agreement is entered by the Group in relation to the disposal of the entire equity interest in Tiger Global. Accordingly, the interest in an associate under Tiger Global Group is classified under the assets held for sale as at 31 March 2017.

20. Interest in an Associate *(Continued)*

Summarised financial information of Kwan Lun

	2017 HK$'000	2016 HK$'000
As at 31 March		
Non-current assets	**16,067**	16,418
Current assets	**21,010**	25,907
Current liabilities	**14,705**	19,630
Non-current liabilities	**2,610**	2,655
For the year ended 31 March		
Revenue	**14,959**	18,016
(Loss) profit from operation	**(278)**	927
Other comprehensive income	**—**	—
Total comprehensive income	**(278)**	927

Reconciliation of the summarised financial information presented to the carrying amount of its interest in an associate:

	2017 HK$'000	2016 HK$'000
Net assets of Kwan Lun	**19,762**	20,040
Group's effective interest	**40%**	40%
Group's share of net assets of Kwan Lun	**7,905**	8,016
Goodwill	**17,755**	17,755
Less: provision for impairment	**(13,286)**	(11,371)
Less: reclassification to assets held for sale (Note 28)	**(12,374)**	—
Carrying amount	**—**	14,400

21. Available-for-sale Financial Assets

As at 31 March 2017, available-for-sale financial asset represented investments in unlisted equity securities issued by Goldbell Holdings Limited ("Goldbell"), a company incorporated in the British Virgin Islands (the "BVI") with limited liabilities, and the investments represent approximately 10% of the entire issued share capital of Goldbell ("10% of Goldbell").

As at 31 March 2016, other than 10% of Goldbell, available-for-sale financial assets also represented investments in unlisted equity securities issued by China Energy Trading Company Limited ("China Energy"), a company incorporated in Hong Kong with limited liabilities, and the investments represented 10% of the entire issued share capital of China Energy ("10% of China Energy"), which was fully impaired as at 31 March 2016. The 10% of China Energy, together with the shareholder's loan of HK$1,950,000 was disposed at a cash consideration of HK$2,500,000 on 27 January 2017. After deducting the transaction cost attributable to the disposal, gain on disposal of available-for-sale financial asset of approximately HK$547,000 was recognised in other gains and losses during the year (Note 7).

Available-for-sale financial assets are measured at fair value as at 31 March 2017 and 2016.

	2017 **HK$'000**	2016 HK$'000
Unlisted equity securities	**156,200**	154,000

	10% of China Energy HK$'000	**10% of Goldbell** HK$'000	**Total** HK$'000
Net carrying value at 1 April 2015	2,300	168,000	170,300
Change in fair value	(2,300)	(14,000)	(16,300)
Net carrying value at 31 March 2016	—	154,000	154,000
Change in fair value	—	2,200	2,200
Net carrying value at 31 March 2017	—	156,200	156,200

21. Available-for-sale Financial Assets *(Continued)*

(a) 10% of China Energy

As at 31 March 2016, 10% of China Energy as determined to be impaired on the basis of a significant decline in its fair value below cost which indicated that the investment cost may not be recovered. During the year ended 31 March 2016, a fair value loss of approximately HK$2,300,000 on the 10% of China Energy was recognised in available-for-sale investment reserve and an impairment loss of approximately HK$2,200,000 was then recognised in profit or loss under other gains and losses (Note 7).

(b) 10% of Goldbell

On 10 July 2014, the Group entered into a conditional acquisition agreement (the "Acquisition Agreement") with two independent vendors (the "Vendors") relating to the acquisition of 1,066 shares of Goldbell (the "Sales Shares"), representing approximately 10% equity interest in Goldbell at the consideration of HK$159,000,000 (the "Consideration"). Goldbell, through its subsidiaries, is principally engaged in the exploration and exploitation of gold mines, and processing, smelting, refining and sales of gold in the PRC. The acquisition was completed on 16 July 2014.

Pursuant to the Acquisition Agreement, the Group shall be entitled to serve a notice on the Vendors to require the Vendors to purchase the Sales Shares from the Group at the Consideration or adjusted consideration commencing from 42 months after the completion date.

The Directors are in the opinion that the value of the option to require the Vendors to purchase the Sales Shares from the Group was insignificant as at 31 March 2017 and 2016.

As at 31 March 2017, 10% of Goldbell was individually determined to be impaired on the basis of the prolonged decline in its fair value below cost for several years which indicated that the investment cost may not be fully recovered. During the year ended 31 March 2017, a fair value gain of approximately HK$2,200,000 on the investment was recognised in available-for-sale investment reserve whereas an impairment loss of approximately HK$2,800,000 was then recognised in profit or loss under other gains and losses (Note 7).

For details of the fair value measurement are set out in Note 42.

22. Contingent Consideration Receivable

As at 31 March 2016, the contingent consideration receivables in relation to the acquisition of Tiger Global Group and DigiSmart Group were fully settled. Contingent consideration receivable was classified as financial assets at fair value through profit or loss and measured at fair value.

	HK$'000
At 1 April 2015	39,726
Fair value loss recognised in profit or loss	(52,785)
Settlement of earn-out consideration through issuance of ordinary shares (Note 33(i))	13,059
At 31 March 2016 and 2017	—

23. Inventories

	2017 **HK$'000**	2016 HK$'000
At cost:		
Raw materials	**4,864**	6,930
Work-in-progress	**635**	576
Finished goods	**6,924**	12,653
	12,423	20,159

24. Loan Receivables

	2017 **HK$'000**	2016 HK$'000
Loan receivables		
— Collateralised	**3,000**	—
— Non-collateralised	**24,200**	—
	27,200	—
Accrued interest receivables	**60**	—
	27,260	—
Analysed for reporting purposes as:		
Non-current assets	**8,000**	—
Current assets	**19,260**	—
	27,260	—

The loan receivables in the Group's Money Lending Business are all denominated in HK$. The loan periods granted to customers are mainly ranging from one year to two years.

24. Loan Receivables *(Continued)*

The loans provided to customers bore fixed monthly interest rate ranging from 12% to 36% per annum for the period from the acquisition date of Chengxin to 31 March 2017. The effective interest rates of the above loan receivables ranging from 13% to 36% per annum.

As at 31 March 2017, no impairment provisions were recognised for financial reporting purpose based on individual and collective assessment of credit risks of the loans.

Ageing analysis of loan receivables prepared based on loan commencement date as set out in the relevant contracts is as follows:

	2017 **HK$'000**	2016 HK$'000
0–90 days	**3,500**	—
91–180 days	**15,000**	—
181–365 days	**8,000**	—
Over 365 days	**700**	—
	27,200	—

Aging analysis and credit quality analysis of loan receivables prepared based on contractual due date is as follows:

	2017 **HK$'000**	2016 HK$'000
Not yet past due	**26,500**	—
0–90 days	**—**	—
91–180 days	**—**	—
181–365 days	**—**	—
Over 365 days	**700**	—
	27,200	—

Loan receivables that were neither past due nor impaired related to a wide range of customers for whom there is no recent history of default.

Loan receivables that were past due but not impaired related to customers that have good track record with the Group. Based on past experience, the management is of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality of the customers and the balances are still considered fully recoverable.

25. Trade and Other Receivables and Prepayments

	2017 HK$'000	2016 HK$'000
Trade receivables	**264,172**	269,877
Less: impairment loss recognised	**(159,284)**	(131,129)
	104,888	138,748
Bills receivables	**2,227**	355
Prepayments and deposits	**7,344**	8,518
Other receivables	**2,709**	3,143
Taxes recoverable	**4,760**	4,356
Amount due from a non-controlling owner of a subsidiary (Note (i))	**88**	88
Amounts due from related companies (Note (ii))	**2,128**	2,490
Amounts due from related parties (Note (iii))	**130**	1,506
Amount due from an associate (Note (iv))	**—**	3,703
Trade and other receivables and prepayments	**124,274**	162,907

Notes:

(i) The amount due from a non-controlling owner of a subsidiary is unsecured, interest-free and repayable on demand.

(ii) As at 31 March 2017, the amounts are due from companies which directors of certain subsidiaries have direct equity interest (2016: China Energy, one of the available-for-sale financial assets and a company which a director of a subsidiary has direct equity interest). The amounts are unsecured, interest-free and repayable on demand.

(iii) The balance represents amounts due from the directors of the subsidiaries, which are unsecured, interest-free and repayable on demand.

(iv) The amount due from an associate is unsecured, interest-free and repayable on demand. A disposal agreement for the disposal of the entire equity interest in Tiger Global was entered on 28 March 2017 and the amount due from an associate was reclassified to assets held for sale as at 31 March 2017.

The Group generally allows an average credit period of 30 to 90 days to its trade customers. The ageing analysis of the Group's trade receivables (net of allowance for doubtful debts) and bills receivables based on the invoice date at the end of the reporting period is as follows:

	2017 HK$'000	2016 HK$'000
Trade and bills receivables:		
0–30 days	**9,229**	10,493
31–60 days	**2,266**	3,584
61–90 days	**426**	4,526
Over 90 days	**95,194**	120,500
	107,115	139,103

All bills receivables of the Group were aged within 90 days at the end of the reporting period.

25. Trade and Other Receivables and Prepayments *(Continued)*

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines its credit limits based on historical credit records of these customers.

Included in the Group's trade receivables are debtors with aggregate carrying amount of approximately HK$97,887,000 (2016: HK$123,800,000) which are past due as at the reporting date for which the Group has not provided for impairment loss because the Group believes that the amounts are still recoverable as there has not been a significant deterioration in credit quality of these customers and there are continuing subsequent settlements. The Group does not hold any material collateral over these balances.

Including those trade debtors which their trade receivable balances were partially impaired with carrying amount of HK$78,251,000 (2016: HK$106,167,000), ageing analysis of trade receivables which are past due but not impaired, is as follows:

	2017 **HK$'000**	2016 HK$'000
0–30 days	**2,578**	5,684
31–60 days	**498**	21,764
61–90 days	**1,056**	10,895
Over 90 days	**93,755**	85,457
	97,887	123,800

The movement of allowance for doubtful debts in respect of trade receivables were as follows:

	2017 **HK$'000**	2016 HK$'000
At 1 April	**131,129**	155,972
Impairment loss during the year (Note 7)	**30,592**	58,045
Amount written back	**(2,323)**	(83)
Bad debts written off	**(80)**	(105)
Disposal of subsidiaries	**—**	(82,700)
Exchange realignment	**(34)**	—
At 31 March	**159,284**	131,129

Trade receivables that were neither past due nor impaired related to customers for whom were no recently history of default.

25. Trade and Other Receivables and Prepayments *(Continued)*

Included in the impairment loss of trade receivables as at 31 March 2017 were individually fully/partially impaired trade receivables mainly due from customers with an aggregate carrying amount before allowance of approximately HK$237,535,000 (2016: HK$237,296,000). The balances were long outstanding and the management of the Group considered the recoverability of the balance is remote as the related customers were in financial difficulties or have prolonged delay in repayment, and therefore only a portion of the receivables is expected to be recovered. The Group did not hold any material collateral over those balances.

Impaired receivables mainly related to balances due from the sole customer of the Group in its Coal Business amounting to gross amount of approximately HK$156,878,000 (2016: HK$158,309,000) as at 31 March 2017 and net carrying amount of approximately HK$77,992,000 (2016: HK$105,848,000) as at 31 March 2017. In 2013, the Group had entered into a master agreement with the sole customer, a State-Owned Enterprise in the PRC. Due to prolonged delay in repayment of receivables from this customer casts doubts on the recoverability, the Group temporarily suspended the trading transactions with this customer. No sales recorded during 31 March 2017. Based on impairment assessment of the trade receivables due by the sole customer, taking into account the latest negotiations with the customer for repayment schedule of the outstanding amounts, impairment loss of approximately HK$26,405,000 (2016: HK$51,919,000) was recognised for this customer in profit or loss under other gains and losses during the year ended 31 March 2017.

Moreover, during the year ended 31 March 2016, prepayments and deposits consisted prepayments to independent suppliers for the acquisition of major raw materials used by the Group for the production of the existing Hygienic Disposables Business were long outstanding and the management of the Group considered the utilisation or refund of the prepayment is remote as the related suppliers were in financial difficulties or have prolonged delay in refunding. Therefore, an impairment of other receivables of approximately HK$33,472,000 was recognised to other gains and losses for the year ended 31 March 2016.

The above trade and other receivables are denominated in the functional currencies of the relevant group entities.

26. Bond Receivable

	2017 HK$'000	2016 HK$'000
Unlisted debt instruments, at amortised cost, issued by a listed company	10,000	–
Accrued interest receivables	842	–
	10,842	–

On 24 November 2016, the Company subscribed a bond with an aggregate principal amount of HK$10,000,000 (the "Bond"). The Bond bears interest at 2% monthly and matures one year from the date of subscription. It can be redeemed by the Bond issuer at any time before maturity at 100% of the outstanding principal amount.

27. Pledged Bank Deposit and Bank Balances and Cash

As at 31 March 2016, the Group's pledged bank deposit is used to secure the credit facility granted from a financial institution. Further details are set out in Note 37. Bank balances and cash comprise cash held by the Group with the original maturity of three months or less.

The Group's pledged bank deposit and bank balances carry interests at market rate ranging as follows per annum:

	2017	2016
Pledged bank deposit	N/A	0.010%
Bank balances	0.000% to 0.300%	0.000% to 0.350%

The Group's bank balances and cash that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

	Renminbi ("RMB") HK$'000	USD HK$'000	Macau Pataca ("MOP") HK$'000
As at 31 March 2017			
Bank balances and cash	744	24	79
As at 31 March 2016			
Bank balances and cash	–	9	70

28. Assets Held for Sale and Liabilities Directly Associated with Assets Held for Sale

	Notes	2017 HK$'000	2016 HK$'000
Assets			
Other intangible asset	17	8,074	—
Goodwill	18	—	—
Interest in an associate	20	12,374	—
Inventories		3,576	—
Trade and other receivables and prepayments		9,530	—
Bank balances and cash		4	—
Total assets held for sale		33,558	—
Liabilities			
Trade and other payables and accruals		71	—
Tax payable		2,155	—
Deferred tax liabilities	32	1,332	—
Total liabilities directly associated with assets held for sale		3,558	—
Total net assets classified as assets held for sale		30,000	—

On 28 March 2017, the Group had through its wholly-owned subsidiary, Star Guardian entered into a Disposal Agreement with an independent third party to dispose of its entire equity interest in Tiger Global, at a cash consideration of HK$30,000,000.

The Directors expect that a loss on disposal would be recognised at the effective date of the disposal. Impairment loss was recognised on reclassification of the assets and liabilities as held for sale together as at 31 March 2017.

Details of the discontinued operation are set out in Note 12.

29. Trade and Other Payables and Accruals

	2017 HK$'000	2016 HK$'000
Trade payables	141,711	154,005
Customer deposits	1,081	1,259
Other payables and accruals	8,908	7,816
Amount due to a related party (note)	4,295	4,295
	155,995	167,375

Note: The related party is a close family member of a Director.

29. Trade and Other Payables and Accruals *(Continued)*

The amount due to a related party is unsecured, interest-free and repayable on demand.

The ageing analysis of the Group's trade payables based on the invoice date at the end of the reporting period is as follows:

	2017 HK$'000	2016 HK$'000
0–30 days	3,919	7,247
31–60 days	2,271	195
61–90 days	325	105
Over 90 days	135,196	146,458
	141,711	154,005

The above trade and other payables of the Group are denominated in the functional currencies of the relevant group entities.

30. Trust Receipt Loan

As at 31 March 2016, the trust receipt loan was denominated in USD, and secured by a pledged bank deposit, corporate guarantee in the amount of USD3,500,000 executed by the Company, and legally notarised livranca (i.e. promissory note) in the amount of USD3,500,000 executed by a subsidiary of the Company. It was repayable within 3 months and interest-bearing at London Interbank Money Market Offered Rate plus 1.9% per annum. Such banking facility was expired during the year ended 31 March 2017 and there was no trust receipt loan outstanding as at 31 March 2017.

31. Convertible Bonds

On 19 June 2014, the Company issued HK$100,000,000 8% guaranteed convertible bonds with an aggregate principal amount of HK$100,000,000 (the "Convertible Bonds").

The Convertible Bonds mature two years from the date of issue at 124% of its principal amount; or can be early redeemed by the Company or the holder at amount equal to all outstanding Convertible Bonds at 100% of the principal amount plus a premium of 12% per annum after the first anniversary of the date of issue; or can be converted into shares of the Company on and after 19 June 2014 to 18 June 2016 at the holder's option at the conversion price of HK$3.20 per share. Interest of 8% per annum are payable semi-annually up until the bonds are converted or redeemed.

On 17 May 2016, the Company and the bondholders entered into the Deed of Amendments which both parties agreed to amend certain terms and conditions of the Convertible Bonds, among others (i) to extend the maturity date of the Convertible Bonds to 31 August 2016; and (ii) unless previously redeemed, converted or purchased and cancelled under the terms of the Convertible Bonds, the Company will redeem all the outstanding Convertible Bonds at 100% of the outstanding principal amount of the Convertible Bonds plus a premium of 12% per annum on 31 August 2016. The amendments became effective on the same date.

31. Convertible Bonds *(Continued)*

On 16 August 2016, the Open Offer was completed and pursuant to the terms of the Convertible Bonds, the conversion price of the Convertible Bonds was adjusted from HK$3.20 per share to HK$2.52 per share and accordingly, the number of conversion shares to be issued upon exercise of the conversion rights attached to the outstanding Convertible Bonds should be increased from 31,250,000 shares to 39,682,539 shares.

On 16 August 2016, approximately HK$131,262,000 was paid to bondholders for the redemption of the Convertible Bonds. Upon the settlement of all convertible bonds, the remaining value of the convertible bonds equity reserve of approximately HK$5,947,000 was released to accumulated losses.

Details of the Convertible Bonds are set out in the announcements of the Company dated 11 June 2014, 19 June 2014, 17 May 2016 and 15 August 2016 and the circular of the Company dated 24 June 2016 respectively.

The fair value of the liability component and the equity conversion component were determined at date of issuance of the Convertible Bonds with reference to a professional valuation performed by GCA.

The fair value of the liability component, included in current liabilities, as the holder has an early redemption option effective on 19 June 2015, was calculated using a market interest rate for an equivalent non-convertible bond and subsequently measured at amortised cost. The residual amount, representing the value of the equity conversion component, was included in convertible bonds equity reserve.

The Convertible Bonds recognised were calculated as follows:

	2017 **HK$'000**	2016 HK$'000
Equity component		
Proceeds at the date of issuance	**100,000**	100,000
Liability component, at the date of issuance	**(94,053)**	(94,053)
Equity component, at the date of issuance	**5,947**	5,947
Transfer to accumulated losses upon redemption	**(5,947)**	—
At the end of the year	**—**	5,947
Liability component		
At the beginning of the year	**122,340**	106,479
Effective interest expenses (Note 8)	**8,922**	23,861
Interest paid	**(31,262)**	(8,000)
Redemption	**(100,000)**	—
At the end of the year	**—**	122,340

31. Convertible Bonds *(Continued)*

The effective interest rate of the liability component on initial recognition and the subsequent measure of interest expense on the Convertible Bonds is calculated using effective interest rate of 23.24% (2016: 23.24%) per annum.

The Convertible Bonds were guaranteed by Mr. Wong Wai Sing, an executive Director of the Company, (the "Guarantor") who unconditionally and irrevocably guaranteed that if the Company does not pay any sum payable by it under the subscription agreement or Convertible Bonds by the time and on the date specified for such payment, the Guarantor would pay that sum to or to the order of the Convertible Bonds holder. Upon the settlement of all convertible bonds, the guarantee was released.

32. Deferred Tax Liabilities

The following is the deferred tax liabilities recognised and movements thereon during the current year:

	Depreciation allowance on property, plant and equipment	**Fair value adjustments on other intangible assets**	**Total**
	HK$'000	HK$'000	HK$'000
At 1 April 2015	74	19,741	19,815
Disposal of subsidiaries (Note 44)	—	(1,205)	(1,205)
Credited to profit or loss	—	(8,552)	(8,552)
Exchange realignment	(2)	(25)	(27)
At 31 March 2016	72	9,959	10,031
Credited to profit or loss	—	(256)	(256)
Reclassification to liabilities directly associated with assets held for sale (Note 28)	—	(1,332)	(1,332)
Exchange realignment	(9)	(115)	(124)
At 31 March 2017	63	8,256	8,319

As at 31 March 2017, the Group had unused tax losses from continuing operations of approximately HK$304,229,000 (2016: approximately HK$259,690,000) which are available to set off against future profits. No deferred tax asset has been recognised in respect of these unused tax losses due to the unpredictability of future profit streams.

33. Share Capital

	Number of shares	Nominal value HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 April 2015, 31 March 2016 and 2017	10,000,000,000	100,000
Issued and fully paid:		
At 1 April 2015	902,649,020	9,026
Shares issued in settlement of earn-out consideration (Note (i))	34,364,261	344
At 31 March 2016	937,013,281	9,370
Issue of shares pursuant to the Open Offer (as defined below) (Note (ii))	1,405,519,920	14,055
Issue of shares upon exercise of share options (Note (iii))	5,000,000	50
Shares issued in consideration for the acquisition of a subsidiary (Note (iv))	31,250,000	313
At 31 March 2017	2,378,783,201	23,788

Notes:

(i) Pursuant to the acquisition agreement dated 16 October 2014 in relation to the acquisition of DigiSmart Group, the Company had issued 34,364,261 new shares at a market price of HK$0.38 at the date of issuance for settlement of earn-out consideration payable on 31 March 2016 following the fulfillment of the profit guarantee. The fair value of issued shares of HK$13,059,000 over the nominal value of HK$344,000 was credited to the share premium account. Further details are set out in the announcement of the Company dated 29 March 2016.

(ii) Pursuant to the Underwriting Agreement entered between the Company and Cheong Lee Securities Limited on 17 May 2016, the Company had issued 1,405,519,920 new ordinary shares at a subscription price of HK$0.164 per offer share to the shareholders of the Company on the basis of three offer shares for every two shares held on the record date (the "Open Offer") on 22 July 2016. The net proceeds from the Open Offer, after deducting the related Open Offer commission, professional fees and all related expenses, was approximately HK$219,426,000, out of which approximately HK$14,055,000 and HK$205,371,000 were recorded in share capital and share premium account respectively. Further details are set out in the circular of the Company dated 24 June 2016, prospectus of the Company dated 25 July 2016 and announcements of the Company dated 17 May 2016, 24 June 2016, 15 July 2016 and 15 August 2016 respectively.

(iii) During the year ended 31 March 2017, 5,000,000 share options were exercised at the exercise price of HK$0.48 per share. The total cash consideration received from the issuance 5,000,000 shares was approximately HK$2,400,000, of which HK$50,000 was credited to issued share capital and the remaining balance of HK$2,350,000 was credited to the share premium account. In addition and amount attributable to the related share option of approximately HK$821,000 has been transferred from share option reserve to the share premium account.

(iv) Pursuant to the sales and purchase agreement dated 15 December 2016 in relation to the acquisition of the entire equity interest in Chengxin, the Company had issued 31,250,000 new shares at a market price of HK$0.45 at the date of issuance for settlement of the partial of the consideration. The fair value of issued shares of HK$14,063,000 over the nominal value of HK$313,000 was credited to the share premium account. Further details are set out in the announcements of the Company dated 15 December 2016 and 29 December 2016.

All the shares issued during the year ended 31 March 2017 rank pari passu with the then existing shares in all respects.

34. Financial Guarantee Contract

As at 31 March 2017 and 2016, the Group issued corporate financial guarantees of an aggregate amount of HK$9,100,000 to a bank in respect of banking facilities granted to an associate of the Group. The Group has not recognised any fair value in respect of the guarantees at initial recognition as the Directors considered that it was not probable that the repayments of the borrowings from the associate would be in default. The corporate financial guarantee will be disposed of upon the completion of the disposal of Tiger Global Group.

35. Interests in Subsidiaries and Amounts with Subsidiaries

As at 31 March 2017, the Company has direct/indirect interests in the following subsidiaries, all of which are private companies. Particulars of the subsidiaries as at 31 March 2017 and 2016 are set out below:

Name of subsidiary	Place and date of incorporation/ establishment	Issued and fully paid share capital/ paid up capital	Attributable equity interest held by the Group as at 31 March		Principal activities and place of operation
			2017 %	2016 %	
Greenstar Enviro-Tech Investments Company Limited*	BVI 12 January 2010	USD40,000	**100**	100	Investment holding
Two-Two-Free	Macau 5 February 2004	MOP$100,000	**100**	100	Trading of hygienic disposable products in Macau
Ramber Industrial Limited	Hong Kong 16 June 1989	HK$2	**100**	100	Investment holding
Tary Limited	Hong Kong 14 March 1986	HK$1,000,000	**100**	100	Investment holding
Nupoly Medical Supply Development Co. Limited	Hong Kong 25 March 2010	HK$1	**100**	100	Investment holding
TOP BRIGHT (HK) LIMITED	Hong Kong 1 November 2016	HK$10,000	**100**	–	Inactive
惠州市駿洋塑膠有限公司# Huizhou Junyang**# (Note)	The PRC 24 October 2000	USD5,000,000	**100**	100	Manufacturing of hygienic disposables products in the PRC

35. Interests in Subsidiaries and Amounts with Subsidiaries *(Continued)*

Name of subsidiary	Place and date of incorporation/ establishment	Issued and fully paid share capital/ paid up capital	Attributable equity interest held by the Group as at 31 March		Principal activities and place of operation
			2017	2016	
			%	%	
北京覃寶康醫療科技發展有限公司# Beijing Chum Baokang Medical Technological Development Company Limited**#	The PRC 16 September 2010	HK$17,200,000	**100**	100	Inactive
S&J	United Kingdom 19 January 2006	GBP100	**100**	100	Wholesale and retail of household consumables in United Kingdom
S&J Polythene and Paper Limited	United Kingdom 30 January 2017	GBP1	**100**	–	Inactive
Bright Rising Holdings Limited*	BVI 3 May 2012	USD1	**100**	100	Investment holding
Bright Rising Enterprise Limited	Hong Kong 15 May 2012	HK$10,000	**100**	100	Provision of management services in Hong Kong
Star Fantasy*	BVI 2 January 2013	USD1	**100**	100	Investment holding
Golden Star Group Holdings Limited*	BVI 26 April 2013	USD1	**100**	100	Investment holding
China Coal	BVI 14 December 2012	USD1	**100**	100	Investment holding
China Coal Alliances Trading Company Limited	Hong Kong 24 December 2012	HK$1,000,000	**90**	90	Trading of coal products in Hong Kong
Star World International Holdings Limited*	BVI 19 December 2014	USD1	**100**	100	Investment holding

35. Interests in Subsidiaries and Amounts with Subsidiaries *(Continued)*

Name of subsidiary	Place and date of incorporation/ establishment	Issued and fully paid share capital/ paid up capital	Attributable equity interest held by the Group as at 31 March		Principal activities and place of operation
			2017	2016	
			%	%	
Star Guardian*	BVI 29 August 2014	USD1	**100**	100	Investment holding
Tiger Global	BVI 15 July 2014	USD150	**100**	100	Investment holding
Cosi Moda International Limited	Hong Kong 29 June 2011	HK$100,000	**100**	100	Retail of jewelries and watches in Hong Kong
Virtual Garden Investments Limited*	BVI 28 July 2014	USD1	**100**	100	Investment holding
DigiSmart (Group) Limited	BVI 10 December 2012	USD11,000	**100**	100	Investment holding
Sino Digital Media (Overseas) Limited	BVI 28 November 2008	USD200	**100**	100	Provision of digital technology services in Macau
i-Craftsmen Limited	Hong Kong 30 September 2008	HK$1,000,000	**100**	100	Provision of digital technology services Investment holding in Hong Kong
博穎創意(北京)科技有限公司# DigiSmart Creation (Beijing) Technology Limited**#	The PRC 2 May 2013	HK$1,001,000	**100**	100	Provision of digital technology services Investment holding in the PRC
Start Bright Limited	BVI 30 August 2007	USD200	**100**	100	Investment holding
Palm Learning Co. Limited	Hong Kong 23 July 2007	HK$1	**100**	100	Inactive
Huge Step Management Limited	BVI 16 July 2007	USD100	**100**	100	Investment holding

35. Interests in Subsidiaries and Amounts with Subsidiaries *(Continued)*

Name of subsidiary	Place and date of incorporation/ establishment	Issued and fully paid share capital/ paid up capital	Attributable equity interest held by the Group as at 31 March 2017 %	Attributable equity interest held by the Group as at 31 March 2016 %	Principal activities and place of operation
Smart Education Company Limited	Hong Kong 9 October 2007	HK$100	**100**	100	Provision of education services in Hong Kong
聰穎教育諮詢服務（深圳）有限公司# Smart Education Consulting Services (Shenzhen) Company Limited**#	The PRC 5 June 2014	USD50,000	**100**	100	Provision of education services in the PRC
Starry Zone Global Limited*	BVI 21 October 2014	USD1	**100**	100	Inactive
STAR GRACE INC LIMITED	Hong Kong 19 October 2016	HK$1	**100**	–	Investment holding
Bright World Group Holdings Limited*	BVI 9 January 2015	USD1	**100**	100	Investment holding
Bright World Investment Limited	BVI 12 January 2015	USD1	**100**	100	Inactive
Chengxin	Hong Kong 19 September 2007	HK$17,858,240	**100**	–	Provision of money lending services in Hong Kong
Bright Tree Holdings Limited*	BVI 9 January 2015	USD1	**100**	100	Investment holding
Bright Tree Investment Limited	BVI 12 January 2015	USD1	**100**	100	Inactive
Brighten Tree Limited (Note)	Hong Kong 3 February 2015	HK$10,000	**100**	100	Inactive

* The subsidiary is directly owned by the Company.
** English translated name is for identification purpose only.
# The subsidiaries are wholly-owned foreign enterprise.

Note: After the reporting period, the Group disposed entire equity interest in these subsidiaries. Further details of which are set out in Note 45.

None of the subsidiaries had any debt security outstanding at the end of the reporting period or at any time during the year.

36. Share-Based Payment Transactions

The Company operates an equity-settled, share-based compensation plan for the purpose of providing incentives and rewards to eligible participants for their contribution to the success of the Group's operations.

Pursuant to this objective, an ordinary resolution was passed at the annual general meeting of the Company held on 26 February 2015 for approval of adoption of a share option scheme (the "Share Option Scheme"). The life of the Share Option Scheme is 10 years from the date of adoption, after which no further options will be granted but the provisions of the Share Option Scheme shall remain in force with respect to options granted. The exercise price, vesting period, the exercisable period and the number of shares subject to each option will be determined by the Board at the time of grant.

The maximum number of unexercised share options currently permitted to be granted under the Share Option Scheme is an amount equivalent, upon their exercise, to 30% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Share Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors of the Company. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within the date specified in the offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors of the Company, and commences after a certain vesting period and ends on a date which is not later than 10 years from the date of the grant of the share options or the expiry date of the Share Option Scheme, if earlier.

Under the Scheme, on 29 August 2016, a total of 57,900,000 shares options were granted, of which 37,400,000 shares options and 20,500,000 shares options were granted to the directors and certain employees of the Group respectively, at a cash consideration of HK$1 per grantee which entitle the grantees to subscribe for new ordinary shares of the Company at an exercise price of HK$0.48 per share. The vesting period for the option is immediate from the date of grant.

36. Share-Based Payment Transactions *(Continued)*

(a) The terms and conditions of the share options that existed as at 31 March 2017 are as follows:

Date of grant	Vesting period	Exercise period	Contractual exercise price	Contractual life of option	Number of outstanding options At 31 March 2017	At 31 March 2016
Option granted to Directors						
29 August 2016	Immediately from the date of grant	29 August 2016 to 28 August 2019	HK$0.48	3 years	32,400,000	–
Option granted to employees						
29 August 2016	Immediately from the date of grant	29 August 2016 to 28 August 2019	HK$0.48	3 years	20,100,000	–

As at 31 March 2017, the Company had 52,500,000 (2016: Nil) share options outstanding under the Scheme, which represented approximately 2.21% (2016: Nil) of the Company's shares in issue as at that date.

The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 52,500,000 (2016: Nil) additional ordinary shares of the Company and additional share capital of HK$525,000 (2016: Nil) and share premium of HK$24,675,000 (2016: Nil) (before deducting any issue expenses).

(b) The number and weighted average exercise price of share options are as follows:

	31 March 2017 Weighted average exercise price per share option HK$	31 March 2017 Outstanding options	31 March 2016 Weighted average exercise price per share option HK$	31 March 2016 Outstanding options
At the beginning of the year	N/A	–	N/A	–
Granted (Note (i))	0.48	57,900,000	N/A	–
Lapsed (Note (ii))	0.48	(400,000)	N/A	–
Exercised	0.48	(5,000,000)	N/A	–
At the end of the year	0.48	52,500,000	N/A	–

36. Share-Based Payment Transactions *(Continued)*

(b) (Continued)

Notes:

(i) The closing price of the Shares as stated in Stock Exchange's daily quotations sheets immediate before 29 August 2016 is HK$0.48 per Share.

(ii) Share options lapsed during the year was due to resignation of the grantee.

(iii) The fair value of the share options of approximately HK$9,004,000 was calculated using the Binomial Model by Roma. The following assumptions were used to calculate the fair value of share options granted at grant date:

Grant date	29 August 2016
Valuation date	29 August 2016
Share price (HK$)	0.48
Exercise price (HK$)	0.48
Exercise volatility	62.537%
Risk-free rate	0.52%
Early exercise multiple	220% - 280%
Post vesting exit rate	19.617% - 37.710%
Dividend yield	0%
Vesting period	Immediate

The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the last three years.

Yield to maturity in continuous compounding Hong Kong sovereign note with the time to maturity similar to those of the share options is adopted as the risk-free rate.

The options were expected to be exercised when the share price of the underlying security of the options rises to the range of 220% to 280% of the exercise price.

For the past 5 years to the valuation date, no dividend has been declared and paid for the shareholders of the Company. Dividend yield is assumed to be zero in the Binomial Model.

The Group recognised the total expenses of approximately HK$9,004,000 for the year ended 31 March 2017 (2016: Nil), in relation to the options granted by the Company to Directors and certain employees of the Group in the profit or loss.

(iv) The exercise price of the share options is determinable by the Directors, but may not be less than the highest of: (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a trading day; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of the offer of the grant; and (iii) the nominal value of the Company's shares. The options outstanding at 31 March 2017 have a weighted average remaining contractual life of approximately 2.4 years (2016: N/A).

37. Pledge of Assets

Save for those disclosed elsewhere in these financial statements, details of pledge of assets of the Group are disclosed below. At the end of the reporting period, the Group's credit facilities from financial institutions were secured by the following:

	2017 HK$'000	2016 HK$'000
Property, plant and equipment	6,954	7,339
Prepaid lease payments	3,247	3,531
Pledged bank deposit	—	7,809
	10,201	18,679

As at 31 March 2016, the Group's credit facilities from financial institutions were also secured by corporate guarantee executed by the Company in the amount of approximately HK$27,150,000.

38. Operating Lease Commitments

The Group as lessee:

The Group made minimum lease payments of approximately HK$8,267,000 (2016: HK$7,363,000) under operating leases in respect of office premises, director's quarter, car-parking space, shops and warehouse during the year. No contingent rents recognised in profit or loss during the year ended 31 March 2017 (2016: HK$85,000).

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

	2017 HK$'000	2016 HK$'000
Within one year	4,391	7,340
In the second to fifth years inclusive	4,076	4,462
	8,467	11,802

The Group leases properties under non-cancellable operating lease agreement. The lease terms are between 19 months to 5 years (2016: 1 year to 5 years). The agreements do not include an extension option.

39. Related Party Disclosures

Save for those disclosed elsewhere in these consolidated financial statements, details of transactions between the Group and other related parties are disclosed below.

(I) Related party transactions

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

Name of related parties	Nature of transactions	2017 HK$'000	2016 HK$'000
廣州帝琴錶帶有限公司 (Note (a))	Purchase of goods	**512**	1,073
	Purchase return	**6,017**	—
Kwan Lun (Note (b))	License fee	**76**	497
	Purchase of goods	**6,612**	5,408
	Financial guarantee income	**455**	152
北京啟元榮華廣告有限公司 (Note (c))	Services income	**1,736**	—

Notes: (a) The goods are purchased from and purchase returned to a company held by a family member of the director and shareholder of the Group's associate.

(b) The license fee is paid to, financial guarantee income is received from and goods are purchased from the Group's associate.

(c) Services income received from a company which director of a subsidiary has direct equity interest.

The Directors are of the opinion that the above related parties transactions were conducted on normal commercial terms and in the ordinary course of business.

(II) Compensation of key management personnel

The remuneration of Directors and other members of key management during the year ended 31 March 2017 was as follows:

	2017 HK$'000	2016 HK$'000
Fees, salaries and other allowances	**11,491**	33,910
Retirement benefit scheme contributions	**99**	105
Equity-settled share-based payment expenses	**7,535**	—
	19,125	34,015

(III) Guarantees provided to a related party

At 31 March 2017, the Group issued corporate financial guarantees of an aggregate amount of HK$9,100,000 (2016: HK$9,100,000) to a bank in respect of banking facilities granted to an associate of the Group, Kwan Lun.

40. Capital Risk Management

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

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

The management of the Group reviews the capital structure regularly. As part of this review, the management considers the cost and the risks associated with each class of the capital. Based on recommendations of the management, the Group will balance the overall capital structure through the payment of dividends and raising of new capital as well as the issue of debt.

41. Financial Instruments

(a) Categories of financial instruments

	2017 HK$'000	2016 HK$'000
Financial assets		
Loans and receivables (including bank balances and cash), measured at amortised cost	**175,908**	190,749
Available-for-sale financial assets, measured at fair value	**156,200**	154,000
	332,108	344,749
Financial liabilities		
Financial liabilities, measured at amortised cost	**146,341**	282,684

(b) Financial risk management objectives and policies

The Group's major financial instruments include loan receivables, trade and other receivables, bond receivable, pledged bank deposit, bank balances and cash, available-for-sale financial assets, and trade and other payables. Details of these financial instruments are disclosed in respective notes. The risks associated with certain of these financial instruments include market risk, credit risk and liquidity risk and the policies on how to mitigate these risks are set out below.

The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

41. Financial Instruments *(Continued)*

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

Market risk

There has been no change to the Group's exposure to market risk or the manner in which it manages and measures the risk.

(i) Currency risk

Certain sales transactions of the Group are denominated in foreign currencies, which exposes the Group to foreign currency risk. The Group does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Certain of pledged bank deposit and bank balances and cash are denominated in foreign currencies at the end of the reporting period. The exposure in exchange rate risks mainly arises from fluctuations of USD, RMB and MOP.

Sensitivity analysis

Since HK$ is pegged with USD, the relevant foreign currency risk is minimal. Accordingly, their fluctuation is excluded from the sensitivity analysis. The following table details the Group's sensitivity to HK$ against the relevant foreign currencies. 5% (2016: 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 monetary items. The sensitivity analysis adjusts its translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number below indicates an increase in loss for the year where HK$ strengthens 5% (2016: 5%) against the relevant currencies.

	2017 **HK$'000**	2016 HK$'000
HK$ against MOP	**4**	3
HK$ against RMB	**37**	—

For a 5% (2016: 5%) weakening of HK$ against the relevant currency, there would be an equal but opposite impact on the profit or loss. In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the closing exposure does not reflect the exposure during the year.

41. Financial Instruments *(Continued)*

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

Market risk *(Continued)*

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances and trust receipt loan due to the fluctuation of the prevailing market interest rate. The Directors consider the Group's exposure of the bank balances to cash flow interest rate risk is not significant as the interest rate fluctuation on bank balances is minimal. The Group incurs interest expenses principally from its trust receipt loan with floating interest rate. The Group currently does not have any interest rate hedging policy in relation to interest rate risks. The Directors monitor the Group's exposure on an ongoing basis and will consider hedging interest rate risk should the need arise.

As the Group does not have significant exposure to interest rate risk, the Group's income and operating cash flows are substantially independent of changes in interest rates.

Credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to perform an obligation by the counterparties is arising from the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, 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.

Bank balances are placed in various authorised financial institutions and the Directors consider the credit risk of such authorised financial institutions is low.

The Group has concentration of credit risk on top five trade receivables which accounted for 96% (2016: 94%) of the Group's total trade receivables as at 31 March 2017. These top five trade receivables include a state-owned enterprise in the PRC and reputable household and clinical plastic products companies with good past credit records with the Group. In order to minimise the credit risk, the management has delegated staff responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure follow-up action is taken to recover overdue debts. The management also performs periodic evaluations and customer visits to ensure the Group's exposure to bad debts is not significant and adequate impairment losses are made for irrecoverable amount. In addition, the management aims at broadening the customer base by developing the PRC markets for degradable hygienic disposables and medical products. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

41. Financial Instruments *(Continued)*

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

Credit risk

In addition, the Group is exposed to concentration of credit risk on prepayments to suppliers for the acquisition of major raw materials of approximately HK$1,002,000 (2016: HK$3,400,000). Since the major raw materials are to be used for the production in the existing Hygienic Disposables Business, the Directors believe that the Group's exposure is significantly reduced.

Liquidity risk

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

The following table details the Group's remaining contractual maturity for its financial liabilities based on the aged repayment terms. 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. Specifically, for convertible bonds which contain an early redemption option which can be exercised at the bond holder's sole discretion after the first anniversary of the date of issue (i.e. 19 June 2014), the analysis shows the cash outflow based on the earliest period in which the Group can be required to pay, that is if the bond holder was to exercise the early redemption option.

Liquidity and interest risk table

	Weighted average of contractual interest rate %	Less than 90 days or on demand HK$'000	Total undiscounted cash flows HK$'000	Carrying amount HK$'000
As at 31 March 2017				
Trade and other payables	–	146,341	146,341	146,341
Financial guarantee issued				
— Maximum amount guaranteed (Note 46)	–	8,855	8,855	8,855

41. Financial Instruments *(Continued)*

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

***Liquidity risk** (Continued)*

Liquidity and interest risk table (Continued)

	Weighted average of contractual interest rate %	Less than 90 days or on demand HK$'000	Total undiscounted cash flows HK$'000	Carrying amount HK$'000
As at 31 March 2016				
Trade and other payables	–	159,592	159,592	159,592
Trust receipt loan	2.16	755	755	752
Convertible bonds	8	128,000	128,000	122,340
Financial guarantee issued				
— Maximum amount guaranteed (Note 46)	–	6,974	6,974	6,974

The table below summarises the maturity analysis as at 31 March 2016 of the convertible bonds with early redemption option based on the agreed scheduled repayments set out in the convertible bonds agreement. The amounts included interest payments computed using contractual rates. Also, the below analysis shows the undiscounted cash flows with an assumption that the bond holder does not exercise the early redemption option and the conversion option. The convertible bonds were fully redeemed during the year ended 31 March 2017.

	Less than 90 days HK$'000	Total undiscounted cash flows HK$'000	Carrying amount HK$'000
As at 31 March 2016			
Convertible bonds	128,000	128,000	122,340

(c) Fair value

The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

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

42. Fair Value Measurement of Financial Instruments

Fair value estimation

The table below analyses financial instrument carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
At 31 March 2017				
Assets				
Available-for-sale financial assets				
— Unlisted equity securities	—	—	156,200	156,200
At 31 March 2016				
Assets				
Available-for-sale financial assets				
— Unlisted equity securities	—	—	154,000	154,000

Available-for-sale financial assets — 10% equity interest in Goldbell

The fair value of the available-for-sale financial assets — 10% equity interest in Goldbell, unlisted equity securities, is determined based on income approach using a cash flow projection according to the financial budgets approved by the management for next 5 years (2016: 6 years), and adjusted for the lack of control and lack of marketability. The post-tax discount rate applied to discount the forecast cash flow is 12.86% (2016: 13.23%). The discounts for lack of control and lack of marketability are 22.00% (2016: 18.77%) and zero (2016: 14.70%) respectively. Should the discount rate increase or decrease by 1% (2016: 1%), the fair value of 10% equity interest in Goldbell would be decreased or increased by approximately HK$4,600,000 to HK$4,900,000 (2016: approximately HK$4,000,000 to HK$5,000,000). Should the discounts for lack of control and lack of marketability increase or decrease by 10% (2016: 10%) respectively, the fair value of 10% equity interest in Goldbell would be decreased or increased by approximately HK$20,000,000 to HK$20,100,000 (2016: approximately HK$35,000,000 to HK$40,000,000).

Financial assets at fair value through profit or loss-contingent consideration receivables

The movement of contingent consideration receivables during the year ended 31 March 2016 represents the contingent consideration receivables in relation to the acquisition of Tiger Global Group and DigiSmart Group, which were fully settled during the year ended 31 March 2016.

42. Fair Value Measurement of Financial Instruments *(Continued)*

Fair value estimation *(Continued)*

The movements during the year in the balance of Level 3 fair value measurement is as follows:

	Available-for-sale financial assets HK$'000	Contingent consideration receivables HK$'000	Total HK$'000
At 1 April 2015	170,300	39,726	210,026
Impairment	(2,200)	—	(2,200)
Total losses			
— included in other comprehensive income	(14,100)	—	(14,100)
— included in profit or loss			
(included in other gains and losses)	—	(39,726)	(39,726)
At 31 March 2016	154,000	—	154,000
Total gains			
— included in other comprehensive income	2,200	—	2,200
At 31 March 2017	156,200	—	156,200

During the year ended 31 March 2017, there was no transfer between Level 1 and Level 2, or transfer into or out of Level 3 (2016: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

43. Acquisition of a Subsidiary

On 29 December 2016, the Group acquired the entire equity interest of Chengxin, with a consideration of HK$50,000,000 of which HK$35,000,000 was settled in cash and HK$15,000,000 was settled by the Company's issue of 31,250,000 new shares of the Company credited as fully paid (the "Consideration Shares"). The acquisition provides an excellent platform for the Group to expand, to explore and to capitalise in the new market of the money lending business services.

In addition, as part of the acquisition, if the actual audited net profit before taxation of Chengxin for the period from 1 January 2017 to 31 December 2017 and for the period from 1 January 2018 to 31 December 2018 (the "Actual Profit"), is less than HK$5,000,000 for each of the two years ending 31 December 2017 and 2018 (the "Profit Guarantee"), the vendor will compensate the Group for the shortfall on a dollar for dollar basis for an amount equivalent to the difference between the Profit Guarantee and the Actual Profit multiplied by 10 times. The possible range of face value of this contingent consideration receivable is between nil to HK$50,000,000. The Directors are in the opinion that the value of the Profit Guarantee was insignificant at the acquisition date and 31 March 2017.

Further details are set out in the Company's announcements dated 15 December 2016 and 29 December 2016.

The following table summarises the consideration paid for the acquisition of Chengxin, and the fair value of assets and liabilities recognised at the acquisition date:

	HK$'000
Consideration	
Cash paid	35,000
Fair value of Consideration Shares	14,063
Total	49,063

43. Acquisition of a Subsidiary *(Continued)*

	HK$'000
Recognised amounts of identifiable assets acquired and liabilities assumed:	
Loan receivables	23,700
Other receivables and prepayments	799
Bank balances and cash	2,798
Other payables and accruals	(29)
	27,268
Goodwill (Note 18)	21,795
	49,063
Acquisition-related costs (included in administrative expenses)	152
Cash consideration	35,000
Bank balances and cash in subsidiary acquired	(2,798)
Net cash outflow on acquisition	32,202

The acquired business contributed revenue of HK$1,506,000 and net profit of HK$1,042,000 for the period from 29 December 2016 to 31 March 2017. If the acquisition had occurred on 1 April 2016, consolidated revenue and consolidated loss for the year from continuing operations for the year ended 31 March 2017 would have been HK$126,480,000 and HK$143,184,000 respectively.

44. Disposal of subsidiaries

On 11 December 2015, the Group disposed of (i) Sino-Singapore Group and (ii) its aggregate advance owned by the Sino-Singapore Group (the "Sino-Singapore Group Shareholder's Loan") to the Group which carried out its entire MTBE Business operation.

On 19 January 2016, the Group disposed of entire equity interest of Sing Sing Investment Holdings Limited (together with its subsidiary and associate "Sing Sing Group") at a cash consideration of HK$3,800,000. The disposal could enable the Group to free up the resources and redirect it to other existing businesses which may have higher growth potential to maximise the benefit of the shareholders of the Company.

The net assets of the Sino-Singapore Group and Sing Sing Group as at the date of disposal were set out as follows:

	Sino-Singapore Group HK$'000	Sing Sing Group HK$'000	Total HK$'000
Other intangible assets	7,302	—	7,302
Interest in associate	—	14,575	14,575
Trade and other receivables and prepayments	277,103	—	277,103
Refundable deposit	21,313	—	21,313
Bank balances and cash	18	—	18
Trade and other payables and accruals	(290,339)	—	(290,339)
Amount due to an associate	—	(15,600)	(15,600)
Tax payable	(226)	—	(226)
Deferred tax liabilities	(1,205)	—	(1,205)
Sino-Singapore Group Shareholder's Loan	(84,194)	—	(84,194)
Net liabilities disposed of	(70,228)	(1,025)	(71,253)
Assignment of the Sino-Singapore Group Shareholder's Loan	84,194	—	84,194
Reclassification adjustment of exchange reserve on disposal of the Sino-Singapore Group	464	—	464
Direct cost incurred for the disposals	767	50	817
Gain on disposal of subsidiaries	803	4,775	5,578
Total cash consideration received	16,000	3,800	19,800
Net cash inflow arising on disposals:			
Cash consideration	16,000	3,800	19,800
Cost directly attributable to the disposals	(767)	(50)	(817)
Bank balances and cash disposed of	(18)	—	(18)
	15,215	3,750	18,965

The gain on disposal of Sino-Singapore Group is included in the loss for the year from discontinued operations (Note 12).

45. Significant Events After the Reporting Period

On 5 May 2017, Tary Limited and Ramber Industrial Limited, both are wholly-owned subsidiaries of the Company, entered into a disposal agreement with an independent third party to dispose of the entire equity interest in Brighten Tree Limited and the sale loans, at a cash consideration of HK$85,000,000. Brighten Tree Limited together with its subsidiary carried out the Group's Hygienic Disposables Business operation.

The Hygienic Disposables Business has been making losses for the past three years and the Board considered that it is appropriate and in the interests of the Group to terminate this loss-making business and to reallocate more resources on other business segments of the Group.

The disposal of Brighten Tree Limited was completed on 25 May 2017. Details of the disposal is set out in the announcements of the Company dated 5 May 2017 and 25 May 2017.

46. Contingent liabilities

Financial guarantee issued

As at the end of the reporting period, the Group has issued the guarantee to a bank in respect of borrowings made by Kwan Lun, an associate of the Group. Under the guarantee, the Group is liable for a maximum of HK$9,100,000 borrowings of Kwan Lun from the bank. As at 31 March 2017, the Directors do not consider it is probable that a claim will be made against the Group under any of the guarantees. The maximum liability of the Group at 31 March 2017 under the guarantee issued represents the amount drawn down by the associate of approximately HK$8,855,000 (2016: HK$6,974,000).

47. Statement of Financial Position of the Company

Information about the statement of financial position of the Company at the end of the reporting period is as follow:

	2017 HK$'000	2016 HK$'000
NON-CURRENT ASSETS		
Property, plant and equipment	**401**	1,910
Interests in subsidiaries	**418,722**	487,314
	419,123	489,224
CURRENT ASSETS		
Prepayments	**2,869**	2,497
Bank balances and cash	**9,248**	196
	12,117	2,693
CURRENT LIABILITIES		
Other payables and accruals	**2,074**	3,226
Amounts due to subsidiaries	**77,748**	71,548
Convertible bonds	**—**	122,340
	79,822	197,114
NET CURRENT LIABILITIES	**(67,705)**	(194,421)
NET ASSETS	**351,418**	294,803
CAPITAL AND RESERVES		
Share capital	**23,788**	9,370
Reserves	**327,630**	285,433
TOTAL EQUITY	**351,418**	294,803

The financial statements of the Company were approved and authorised for issue by the Board of Directors on 23 June 2017 and are signed on its behalf by:

Mr. Wong Wai Sing DIRECTOR	**Ms. Yick Mi Ching, Dawnibilly** DIRECTOR

47. Statement of Financial Position of the Company *(Continued)*

Details of the changes in Company's individual components of reserves between the beginning and the end of the year and set as below:

	Share premium HK$'000	Contributed surplus HK$'000	Convertible bonds equity reserve HK$'000	Share option reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2015	877,804	654	5,947	–	(435,354)	449,051
Loss and total comprehensive income for the year	–	–	–	–	(176,333)	(176,333)
Issue of shares pursuant to settlement of earn-out consideration (Note 33(i))	12,715	–	–	–	–	12,715
Transaction with owners	12,715	–	–	–	–	12,715
At 31 March 2016	890,519	654	5,947	–	(611,687)	285,433
Loss and total comprehensive income for the year	–	–	–	–	(188,278)	(188,278)
Issue of shares pursuant to open offer (Note 33(ii))	216,450	–	–	–	–	216,450
Transaction cost attributable to issue of open offer shares (Note 33(ii))	(11,079)	–	–	–	–	(11,079)
Acquisition of a subsidiary (Note 33(iv))	13,750	–	–	–	–	13,750
Recognition to equity-settled share-based payments (Note 36)	–	–	–	9,004	–	9,004
Issue of shares upon exercise of share options (Note 33(iii))	3,171	–	–	(821)	–	2,350
Lapse of share options (Note 36)	–	–	–	(56)	56	–
Transfer to accumulated losses upon redemption of convertible bonds (Note 31)	–	–	(5,947)	–	5,947	–
Transactions with owners	222,292	–	(5,947)	8,127	6,003	230,475
At 31 March 2017	1,112,811	654	–	8,127	(793,962)	327,630

Financial Summary

Results

	Year ended 31 March				
	2017	2016	2015	2014	2013
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Continuing and discontinued operations					
Revenue	**122,465**	249,629	550,237	581,271	565,152
(Loss) profit for the year	**(193,281)**	(292,725)	(259,125)	(137,428)	6,802
Total comprehensive income for the year attributable to owners of the Company	**(189,169)**	(300,941)	(252,409)	(134,399)	5,793

Assets and Liabilities

	As at 31 March				
	2017	2016	2015	2014	2013
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Total assets	**538,917**	623,711	1,161,296	627,135	518,072
Total liabilities	**(174,495)**	(312,132)	(553,004)	(237,189)	(122,038)
Net assets	**364,422**	311,579	608,292	389,946	396,034